

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser immediately.

If you have sold or transferred all your securities in Da Yu Financial Holdings Limited, you should at once hand this circular, together with the accompanying form of proxy and the 2023 Annual Report, to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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DA YU FINANCIAL HOLDINGS LIMITED
大禹金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1073)

PROPOSALS FOR
(1) RE-ELECTION OF RETIRING DIRECTORS
(2) GENERAL MANDATES TO ISSUE SECURITIES AND
TO BUY BACK SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of Da Yu Financial Holdings Limited (the "Company") to be held at Plaza 3, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 24 May 2024 at 11:00 a.m. is set out on pages 18 to 22 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar of the Company, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting (i.e. not later than 11:00 a.m. on Wednesday, 22 May 2024) or any adjournment thereof. Completion and return of the form of proxy shall not preclude the shareholders of the Company from attending and voting in person at the meeting or any adjourned meeting if they so wish.

References to time and dates in this circular are to Hong Kong time and dates.

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“AGM” or “Meeting”	the annual general meeting of the Company to be held at Plaza 3, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 24 May 2024 at 11:00 a.m. or any adjournment thereof;
“AGM Notice”	the notice convening the AGM as set out in Appendix III to this circular;
“Board”	the board of Directors;
“Buy-Back Mandate”	as defined in paragraph 3(b) of the Letter from the Board in this circular;
“Company”	Da Yu Financial Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 1073);
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	as defined in paragraph 3(a) of the Letter from the Board in this circular;
“Latest Practicable Date”	17 April 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information included herein;

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Memorandum and Articles”	the second amended and restated memorandum and articles of association of the Company, as amended from time to time;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Share Buy-backs Code”	the Code on Share Buy-backs;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Code on Takeovers and Mergers;
“2023 Annual Report”	annual report of the Company for the year ended 31 December 2023; and
“%”	per cent.

LETTER FROM THE BOARD



DA YU FINANCIAL HOLDINGS LIMITED
大禹金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1073)

Non-Executive Directors:

Mr. Kuo Jen-Hao (*Chairman*)

Mr. Xu Haohao

Executive Directors:

Mr. Lee Wa Lun, Warren (*Managing Director*)

Mr. Lam Chi Shing

Ms. Li Ming

Independent Non-Executive Directors:

Mr. Chan Sze Chung

Mr. Suen Chi Wai

Mr. Sum Wai Kei, Wilfred

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Head office and

principal place of business:

Room 1801, 18th Floor

Allied Kajima Building

138 Gloucester Road

Wanchai, Hong Kong

23 April 2024

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
(1) RE-ELECTION OF RETIRING DIRECTORS
(2) GENERAL MANDATES TO ISSUE SECURITIES AND
TO BUY BACK SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with the information regarding resolutions to be proposed at the AGM relating to, among other things, (i) the re-election of retiring Directors, namely Mr. Lee Wa Lun, Warren, Ms. Li Ming, Mr. Chan Sze Chung and Mr. Xu Haohao; and (ii) the granting to the Directors of the Issuance Mandate and Buy-Back Mandate.

LETTER FROM THE BOARD

2. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 108 of the Memorandum and Articles, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

Pursuant to Article 112 of the Memorandum and Articles, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director so appointed shall hold office until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election. Any Director appointed under this Article shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

Pursuant to Article 108 of the Memorandum and Articles, Mr. Lee Wa Lun, Warren, Ms. Li Ming and Mr. Chan Sze Chung, who are the longer in office, shall retire from office by rotation and, being eligible, offer themselves for re-election at the AGM.

Pursuant to Article 112 of the Memorandum and Articles, Mr. Xu Haohao, who was appointed by the Board as non-executive Director with effect from 31 May 2023, shall hold office until the AGM and, being eligible, offers himself for re-election at the AGM.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any directors proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. A brief biographical details of the retiring Directors proposed to be re-elected at the AGM are set out in Appendix I to this circular.

LETTER FROM THE BOARD

3. GENERAL MANDATES TO ISSUE SECURITIES AND TO BUY BACK SHARES

The Directors consider that the proposals for Issuance Mandate and the Buy-Back Mandate will increase the flexibility in dealing with the Company's affairs and are in the interests of both the Company and the Shareholders as a whole, and that the same shall be adopted by the Company.

It will therefore be proposed at the forthcoming AGM to approve the granting of general mandates to the Directors to exercise the powers of the Company:

- (a) to allot, issue or otherwise deal with additional securities of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares and other rights of subscription for or conversion into Shares, up to 20% of the total number of Shares in issue as at the date of passing of such resolution (the "Issuance Mandate"); and
- (b) to buy back Shares on the Stock Exchange up to 10% of the total number of Shares in issue as at the date of passing of such resolution (the "Buy-Back Mandate").

Subject to the passing of the proposed resolution in respect of the granting of the Issuance Mandate and on the basis that no further Shares are issued or bought back prior to the AGM, a maximum of 455,732,076 new Shares, representing 20% of the total number of Shares in issue as at the Latest Practicable Date, shall be allotted, issued or otherwise dealt with under the Issuance Mandate.

The Issuance Mandate and Buy-Back Mandate will continue to be in force until the conclusion of the next annual general meeting of the Company held after the AGM or any earlier date as referred to in ordinary resolutions Nos. 4 and 5 set out in the AGM Notice. A resolution authorising the extension of the Issuance Mandate to include the total number of such Shares bought back (if any) under the Buy-Back Mandate will be proposed as ordinary resolution No. 6 set out in the AGM Notice. With reference to the Issuance Mandate and the Buy-Back Mandate, the Directors wish to state that they have no immediate plan to issue any securities of the Company or to buy back any Shares pursuant thereto.

An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to be proposed at the AGM in relation to the Buy-Back Mandate is set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. ANNUAL GENERAL MEETING

The AGM Notice is set out in Appendix III to this circular. A copy of the 2023 Annual Report is despatched to the Shareholders together with this circular. At the AGM, ordinary resolutions will be proposed to approve, *inter alia*, the re-election of retiring Directors; and the granting of the Issuance Mandate and the Buy-Back Mandate.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all resolutions to be proposed at the AGM as set out in the AGM Notice shall be voted by poll. An announcement on the results of the vote by poll will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for the AGM is enclosed with this circular or can be downloaded from the designated website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.irasia.com/listco/hk/dayufinancial/). Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar of the Company, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM (i.e. not later than 11:00 a.m. on Wednesday, 22 May 2024) or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person (or in the case of a Shareholder being a corporation, its duly authorised representative) at the AGM or any adjournment thereof if they so wish and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

5. TYPHOON AND RAINSTORM ARRANGEMENTS

If a typhoon signal no. 8 or above is hoisted, "extreme conditions" caused by a super typhoon or a black rainstorm warning signal is/are in force in Hong Kong at or at any time after 8:00 a.m. on the date of the Meeting, the Meeting will be adjourned. The Company will post an announcement on the designated website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.irasia.com/listco/hk/dayufinancial/) to notify Shareholders of the date, time and place of the adjourned Meeting.

The Meeting will be held as scheduled while an amber or red rainstorm warning signal is in force. Shareholders should decide on their own whether they would attend the Meeting under bad weather condition bearing in mind their own situations.

LETTER FROM THE BOARD

6. RECOMMENDATION

The Directors consider that the proposed ordinary resolutions for approval of the re-election of the retiring Directors, which include Mr. Lee Wa Lun, Warren, Ms. Li Ming, Mr. Chan Sze Chung and Mr. Xu Haohao, and the grant of the Issuance Mandate and the Buy-Back Mandate and the extension of the Issuance Mandate to include the total number of such Shares bought back (if any) under the Buy-Back Mandate are each in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend all Shareholders to vote in favour of the resolutions to be proposed at the AGM.

7. GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,
By Order of the Board
Da Yu Financial Holdings Limited
Lee Wa Lun, Warren
Managing Director

The biographical details of the retiring Directors proposed to be re-elected at the AGM are set out below:

Mr. Lee Wa Lun, Warren (“Mr. Lee”) – Executive Director

Mr. Lee, aged 60, was appointed as an executive Director on 25 July 2019 and is the Managing Director and the chairman of the executive committee of the Company. He was one of the founding directors of Yu Ming Investment Management Limited (“Yu Ming”), the wholly-owned subsidiary of the Company, in August 1996 and has worked in Yu Ming ever since. Mr. Lee is mainly responsible for overseeing business development of Yu Ming, maintaining client relationship, monitoring industry developments and supervising corporate finance advisory and asset management teams on the provision of services to clients. Mr. Lee is also a director of certain subsidiaries of the Company.

Mr. Lee is currently a director of SHK Hong Kong Industries Limited (“SHK”), a company formerly listed on the Main Board of the Stock Exchange (former stock code: 666, which was privatised in April 2021). He was appointed as SHK’s director in September 2004.

Mr. Lee is also an independent non-executive director of Wise Ally International Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 9918), since December 2019.

From December 2008 to November 2013, Mr. Lee was a director of First Natural Foods Holdings Limited (now known as Imperial Pacific International Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 1076). From June 2010 to June 2013, Mr. Lee was an executive director of Viva China Holdings Limited (now known as Viva Goods Company Limited), a company formerly listed on GEM of the Stock Exchange (former stock code: 8032) and now transferred to the Main Board of the Stock Exchange (stock code: 933).

From December 2006 to May 2007, Mr. Lee was the chief executive officer of Nam Tai Electronics, Inc. (now known as Nam Tai Property Inc.), an electronics manufacturing services provider listed on the New York Stock Exchange (NYSE: NTP). Between March 2004 and February 2006, he was an independent non-executive director of Nam Tai Electronic & Electrical Products Limited (“NTEEP”), a company formerly listed on the Main Board of the Stock Exchange (former stock code: 2633, which was privatised on 13 November 2009). Between February 2006 and April 2007, he was re-designated as a non-executive director of NTEEP. Between January 2007 and April 2007, he was also a non-executive director of J.I.C. Technology Company Limited (now known as China Renewable Energy Investment Limited), a company listed on the Main Board of the Stock Exchange (stock code: 987).

Mr. Lee graduated with a Bachelor of Science degree from the University of East Anglia in the United Kingdom in 1986 and obtained a distinction in Master of Science degree from The City University Business School in London in 1988.

Mr. Lee is licensed by the Securities and Futures Commission (the “SFC”) to act as a Responsible Officer to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

Mr. Lee is the spouse of Ms. Cheung Kit Shan Susanna, a substantial Shareholder under the meaning of Part XV of the SFO.

Save as disclosed above, at the Latest Practicable Date, Mr. Lee did not hold any other directorship in listed public companies whether in Hong Kong or overseas during the past three years, nor has any other relationship with any other Director, senior management of the Company or substantial or controlling Shareholder. As at the Latest Practicable Date, he had personal interest in 227,250,000 Shares within the meaning of Part XV of the SFO.

Mr. Lee had entered into a service agreement with the Company on 25 July 2019 for an initial term of five years commencing on 25 July 2019 and shall continue thereafter until terminated by not less than three (3) months’ notice in writing served by either party on the other. Mr. Lee is entitled to a Director’s fee of HK\$66,000 per annum under the authority given by the Shareholders at the annual general meeting of the Company, together with the discretionary bonus (if any) payable by the Group. For the year ended 31 December 2023, his total emoluments amounting to approximately HK\$3,034,000 comprised a Director’s fee of HK\$66,000 together with the discretionary bonus.

Ms. Li Ming (“Ms. Li”) – Executive Director

Ms. Li, aged 46, was appointed as an executive Director on 25 July 2019 and is a member of the executive committee of the Company. Ms. Li has over 20 years of experience in corporate finance. She joined Yu Ming in October 2007. She is a director of Yu Ming and is mainly responsible for supervising and leading execution of corporate finance projects of Yu Ming. She is also involved in the provision of asset management services by Yu Ming. Ms. Li is also a director of certain subsidiaries of the Company. Prior to joining Yu Ming, Ms. Li worked with Asian Capital (Corporate Finance) Limited from April 2001 to October 2007.

Ms. Li is also an independent non-executive director of Fufeng Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 546), since April 2022.

Ms. Li is licensed by the SFC to act as a Responsible Officer to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as well as a Licensed Representative to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. Ms. Li obtained Master of Finance (Investment Management) degree from The Hong Kong Polytechnic University in 2010 and Bachelor of Arts degree in Business Administration awarded by the University of Hertfordshire of the United Kingdom in 2000.

Save as disclosed above, at the Latest Practicable Date, Ms. Li did not hold any other directorship in listed public companies whether in Hong Kong or overseas during the past three years, nor has any other relationship with any other Director, senior management of the Company or substantial or controlling Shareholder. As at the Latest Practicable Date, she had personal interest in 17,800,000 Shares within the meanings of Part XV of the SFO.

Ms. Li had entered into a service agreement with the Company which still continues until terminated by not less than three (3) months' notice in writing served by either party on the other. Ms. Li is entitled to a monthly salary of HK\$124,400 and a Director's fee of HK\$66,000 per annum under the authority given by the Shareholders at the annual general meeting of the Company, together with discretionary bonus (if any) payable by the Group. For the year ended 31 December 2023, her total emoluments amounting to approximately HK\$2,108,000 comprised a Director's fee of HK\$66,000 together with the salaries, discretionary bonus and other benefits.

Mr. Chan Sze Chung ("Mr. Chan") – Independent Non-Executive Director

Mr. Chan, aged 54, was appointed as an independent non-executive Director on 26 July 2019. He is also the chairman of the audit committee and a member of each of remuneration committee and nomination committee of the Company. He has over 20 years of experience in finance and accounting. Mr. Chan is currently an independent non-executive director of Kontafarma China Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1312).

From December 2009 to August 2010, Mr. Chan was the chief financial officer of Coolpoint Energy Limited (now known as Viva Goods Company Limited), a company formerly listed on GEM of the Stock Exchange (former stock code: 8032) and now transferred to the Main Board of the Stock Exchange (stock code: 933).

Mr. Chan became financial controller of Nam Tai Group Management Limited in April 2001, and was promoted in September 2008 as chief financial officer of NTEEP, a company formerly listed on the Main Board of the Stock Exchange (former stock code: 2633, which was privatised on 13 November 2009) and also as acting chief financial officer of Nam Tai Electronics, Inc. (now known as Nam Tai Property, Inc.), a company listed on the New York Stock Exchange (NYSE: NTP).

Before joining Nam Tai Group Management Limited, Mr. Chan was employed as the financial controller of J.I.C. Enterprises (Hong Kong) Limited, a company engaged in manufacturing and trading of liquid crystal display panels, and was employed by Deloitte Touche Tohmatsu during the period from January 1993 to August 1997 and served as a senior accountant at the time of his resignation.

Mr. Chan graduated from the University of Wales with a Bachelor of Arts degree in Accounting and Finance in 1991 and obtained a Master of Arts degree in Accounting and Finance at the University of Lancaster in December 1992. Mr. Chan is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants, and that he is also recognised as a chartered financial analyst by the CFA Institute of the United States of America.

Save as disclosed above, at the Latest Practicable Date, Mr. Chan did not hold any other directorship in listed public companies whether in Hong Kong or overseas during the past three years, nor has any other relationship with any other Director, senior management of the Company or substantial or controlling Shareholder. As at the Latest Practicable Date, he did not have any interest in Shares within the meaning of Part XV of the SFO.

In considering Mr. Chan's re-election, the Board, with the assistance and recommendation from the nomination committee of the Company, has reviewed the structure, size, composition and diversity of the Board from a number of aspects, including but not limited to age, gender, nationality, length of service, and the professional experience, skills and expertise that Mr. Chan can provide. The Board is of the view that during his tenure as an independent non-executive Director, Mr. Chan has made positive contributions to the Company's strategy, policies and performance with his independent advice, comments and judgment from the perspective of corporate finance background coupled with his general understanding of the business of the Group. He also contributes to the diversity of the Board particularly because of his knowledge in accounting and finance field. Holding directorships of not more than seven listed company, he is able to devote sufficient time and attention to perform the duties as an independent non-executive Director. In view of the above, Mr. Chan's re-election is considered to be of benefit to the Company.

Mr. Chan had entered into a letter of appointment with the Company with no specific term unless terminated by not less than one (1) month's notice in writing served by either party on the other. The Director's fee payable by the Company to Mr. Chan is HK\$66,000 per annum under the authority given by the Shareholders at the annual general meeting of the Company, together with discretionary bonus (if any). For the year ended 31 December 2023, his emoluments comprised a Director's fee of HK\$66,000 only.

Mr. Xu Haohao (“Mr. Xu”) – Non-Executive Director

Mr. Xu, aged 40, was appointed as a non-executive Director on 31 May 2023 and is a member of each of audit committee and nomination committee of the Company. He is also a director of a subsidiary of the Company.

Mr. Xu is currently a major shareholder and executive director of Yuen Wo International Limited, a company registered in Hong Kong.

Mr. Xu holds a Bachelor’s degree in Financial Administration from University of Winnipeg, Canada and an EMBA degree from the City University of Hong Kong.

Mr. Xu has extensive experience in financial and corporate management. From September 2019 to August 2022, Mr. Xu served as executive director and the chief executive officer of Man Sang International Limited, a company listed on the Main Board of the Stock Exchange (stock code: 938). Previously, Mr. Xu served as an executive director of CWT International Limited, a company listed on the Main Board of the Stock Exchange (stock code: 521) from December 2014 to June 2019 and held various senior management positions including co-chairman and chief executive officer during his term of service. From November 2016 to September 2019, Mr. Xu was also a non-executive director of AID Life Science Holdings Limited (now known as 8088 Investment Holdings Limited), a company formerly listed on GEM of the Stock Exchange (former stock code: 8088, which was privatised in August 2022), and from May 2018 to April 2019, a director of HY Energy Group Co., Ltd., an A-Shares listed company on the Shanghai Stock Exchange (stock code: 600387). From September 2012 to March 2014, Mr. Xu worked in finance department of Hong Kong Airlines Limited.

Mr. Xu is a director and shareholder of Beyond Global Enterprises Limited, a substantial Shareholder. He is also a director of Victory Gain Ventures Limited, a substantial Shareholder and a subsidiary of Beyond Global Enterprises Limited.

Save as disclosed above, at the Latest Practicable Date, Mr. Xu did not hold any other directorship in listed public companies whether in Hong Kong or overseas during the past three years, nor has any other relationship with any other Director, senior management of the Company or substantial or controlling Shareholder. As at the Latest Practicable Date, he had corporate interest in 677,646,534 Shares and personal interest in 2,460,000 Shares within the meanings of Part XV of the SFO.

Mr. Xu had entered into a letter of appointment with the Company with no specific term unless terminated by not less than one (1) month’s notice in writing served by either party on the other. The Director’s fee payable by the Company to Mr. Xu is HK\$66,000 per annum under the authority given by the Shareholders at the annual general meeting of the Company, together with discretionary bonus (if any). For the period from 31 May 2023 (date of appointment) to 31 December 2023, his emoluments comprised a Director’s fee of HK\$39,000 only.

General

The Director's fee excludes payment pursuant to any existing employment contract, discretionary benefits or bonus or other fringe benefits. Each of the above retiring Directors is entitled to reimbursement of all necessary and reasonable out-of-pocket expenses properly incurred in relation to all business and affairs carried out by the Group from time to time or in discharge of his/her duties to the Group under his/her service agreement or letter of appointment.

Each of the above remunerations is determined by the Board subject to review by the remuneration committee of the Company with reference to duties and level of responsibilities of each retiring Director, the remuneration policy of the Company and the prevailing market conditions. The appointments of the above retiring Directors, are subject to the provisions of retirement and re-election of directors under the Memorandum and Articles.

Save as disclosed above, there are no other matters in respect of each of the above retiring Directors that are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other material matters relating to the above retiring Directors that need to be brought to the attention of the Shareholders.

This appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to be proposed at the AGM in relation to the Buy-Back Mandate.

LISTING RULES FOR BUY-BACK OF SECURITIES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to buy back their securities (which shall include, where the context permits, shares of all classes and securities which carry a right to subscribe or purchase shares) on the Stock Exchange subject to certain restrictions amongst which the Listing Rules provided that the shares proposed to be bought back by a company must be fully-paid up and all buy-backs of shares by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders either by way of general mandate to the Directors to make such buy-backs or by specific approval of a particular transaction.

SHARE CAPITAL

As at the Latest Practicable Date, the total number of Shares in issue is 2,278,660,380 Shares. Subject to the passing of the proposed resolution in respect of the granting of the Buy-Back Mandate and on the basis that no further Shares are issued or bought back prior to the AGM, the Company would be permitted under the Buy-Back Mandate to buy back a maximum of 227,866,038 Shares, representing 10% of the total number of Shares in issue as at the date of granting of the Buy-Back Mandate, during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS FOR BUY-BACKS

The Directors believe that an authority to buy back Shares is in the best interests of the Company and the Shareholders as a whole.

Buy-backs may, depending on the market conditions and funding arrangement of the Company at the time, result in an increase in earnings per Share. The Directors are seeking the Buy-Back Mandate so as to give the Company additional flexibility to do so if and when appropriate. The number of Shares to be bought back on occasion and the price and other terms upon which the same are bought back will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

While it is not possible to anticipate any specific circumstances in which the Directors might think it appropriate to buy back Shares, Shareholders can be assured that the Directors would only make buy-backs in circumstances where they consider it to be in the best interests of the Company and the Shareholders as a whole.

FUNDING OF BUY-BACKS

Buy-backs of Shares must be funded out of funds legally available for such purpose in accordance with the Memorandum and Articles, the Listing Rules and all applicable laws and regulations of the Cayman Islands, including profits of the Company or out of the proceeds of a fresh issue of the Shares made for the purpose of the buy-back.

In the event that the Buy-Back Mandate was to be carried out in full at any time during the proposed buy-back period, there might be a material adverse impact on the working capital and/or gearing position of the Company as compared with the position of the Company as disclosed in the audited financial statements contained in the 2023 Annual Report. However, the Directors do not propose to exercise the Buy-Back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

DIRECTORS' STATEMENT

The Directors will exercise the Buy-Back Mandate to make buy-backs in accordance with the Listing Rules and all applicable laws of the Cayman Islands and in accordance with the Memorandum and Articles.

The Directors confirmed that neither this explanatory statement nor the Buy-Back Mandate has any unusual features.

DIRECTORS AND CONNECTED PERSONS

None of the Directors nor (to the best of the knowledge and belief of the Directors and having made all reasonable enquiries) any close associates (as defined in the Listing Rules) of the Directors have any present intention, in the event that the grant to the Directors of the Buy-Back Mandate is approved by the Shareholders, of selling any Shares to the Company.

No core connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell any Shares to the Company, nor have they undertaken not to sell any Shares held by them to the Company in the event that the Company is authorised to make buy-backs of Shares.

EFFECT OF THE TAKEOVERS CODE AND SHARE BUY-BACKS CODE

If, on the exercise of the power to buy back the Shares pursuant to the Buy-Back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code and Rule 6 of the Share Buy-backs Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for the securities of the Company under Rules 26 and 32 of the Takeovers Code.

Name of Shareholders	Number of Shares interested	Approximate % of the issued share capital of the Company	Approximate % of the issued share capital of the Company should the Buy-Back Mandate be exercised in full
Xu Haohao	680,106,534	29.85%	33.16%
First Steamship Company Limited	663,320,000	29.11%	32.34%

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336(1) of the SFO and to the best of the knowledge and belief of the Directors: First Steamship Company Limited, a substantial Shareholder together with parties in concert with it (the chairman of which, Mr. Kuo Jen-Hao, is the Chairman and non-executive Director of the Company) and Mr. Xu Haohao, a non-executive Director, together with parties in concert with him hold 663,320,000 Shares and 680,106,534 Shares respectively, representing respectively approximately 29.11% and 29.85% of the issued share capital of the Company.

On the basis of 2,278,660,380 Shares in issue as at the Latest Practicable Date and assuming no further issue or buy-back of Shares prior to the AGM, if the Buy-Back Mandate were exercised in full, the shareholding percentage (if the present shareholdings remain the same) of First Steamship Company Limited, together with all its concerted parties and Mr. Xu Haohao together with all his concerted parties would increase to approximately 32.34% and 33.16% respectively. To the best of the knowledge and belief of the Directors, such increase in the interests of First Steamship Company Limited together with parties acting in concert with it or Mr. Xu Haohao together with parties acting in concert with him will give rise to an obligation to make a mandatory general offer under Rules 26 and 32 of the Takeovers Code.

Save as aforesaid, the Directors are not aware of any consequences which will arise under the Takeovers Code as a result of the exercise of the power in full under the Buy-Back Mandate.

The Directors have no present intention to exercise the Buy-Back Mandate to an extent that it will trigger the obligations under the Takeovers Code to make a mandatory general offer or will result in the total number of Shares held by the public being reduced to less than 25% of the total number of Shares in issue.

SHARE PRICES

During each of the twelve months preceding the Latest Practicable Date, the highest and lowest traded prices for the Shares on the Stock Exchange were as follows:

	Price per Share	
	Highest HK\$	Lowest HK\$
2023		
April	0.205	0.170
May	0.200	0.175
June	0.181	0.175
July	0.200	0.175
August	0.179	0.149
September	0.171	0.156
October	0.171	0.159
November	0.190	0.133
December	0.235	0.162
2024		
January	0.200	0.140
February	0.158	0.110
March	0.115	0.095
April (up to the Latest Practicable Date)	0.096	0.090

SHARE BUY-BACK MADE BY THE COMPANY

During the six months immediately preceding the Latest Practicable Date, no Shares were bought back by the Company.



DA YU FINANCIAL HOLDINGS LIMITED
大禹金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1073)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “Meeting”) of Da Yu Financial Holdings Limited (the “Company”) will be held at Plaza 3, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 24 May 2024 at 11:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “Director(s)”) and the auditor of the Company for the year ended 31 December 2023.
2. (a) To re-elect the following persons:
 - i. Mr. Lee Wa Lun, Warren as a Director.
 - ii. Ms. Li Ming as a Director.
 - iii. Mr. Chan Sze Chung as a Director.
 - iv. Mr. Xu Haohao as a Director.
- (b) To authorise the board of Directors (the “Board”) to fix the Directors’ remuneration.
3. To re-appoint BDO Limited as the auditor of the Company and to authorise the Board to fix its remuneration.

ORDINARY RESOLUTIONS

The following resolutions Nos. 4 to 6 will be proposed to be considered as special business and, if thought fit, passed with or without amendments, as ordinary resolutions of the Company:

4. **“THAT:**
 - (a) subject to the provisions of paragraphs (b) and (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company (“Shares”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which might require the exercise of such powers, be and is hereby generally and unconditionally approved;

- (b) the approval given in provisions of paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted, issued (whether pursuant to an option or otherwise) and dealt with by the Directors pursuant to the approval given in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of rights of subscription or conversion under the terms of warrants of the Company or any securities which are convertible into Shares; (iii) any scrip dividends or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company from time to time; (iv) the exercise of any options granted under any share option scheme or similar arrangement of the Company and/or any of its subsidiaries; or (v) a specific mandate granted by the shareholders of the Company in general meeting, shall not exceed 20% of the total number of Shares in issue at the date of passing of this resolution, provided that if any subsequent consolidation or subdivision of Shares is effected, the maximum number of Shares that may be issued pursuant to the approval in paragraph (a) above as a percentage of the total number of issued Shares immediately before and after such consolidation or subdivision shall be the same and such maximum number of Shares shall be adjusted accordingly; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Act of the Cayman Islands (as amended from time to time) or any applicable law to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution in general meeting.

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of issued Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restriction or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

5. **“THAT:**

- (a) subject to the provisions of paragraphs (b) and (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back the Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Code on Share Buy-backs, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Stock Exchange or listing rules of any other stock exchange as amended from time to time and the articles of association of the Company, be and is hereby generally and unconditionally approved;
- (b) the total number of Shares hereby authorised to be bought back by the Company pursuant to the approval given in paragraph (a) above shall not exceed 10% of the total number of Shares in issue as at the date of the passing of this resolution, provided that if any subsequent consolidation or subdivision of Shares is effected, the maximum number of Shares that may be bought back pursuant to the approval in paragraph (a) above as a percentage of the total number of issued Shares immediately before and after such consolidation or subdivision shall be the same and such maximum number of Shares shall be adjusted accordingly; and

(c) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Act of the Cayman Islands (as amended from time to time) or any applicable law to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution in general meeting.”

6. “**THAT** conditional on the passing of resolutions Nos. 4 and 5 in the notice convening this meeting, the general mandate granted to the Directors and for the time being in force to exercise all the powers of the Company pursuant to paragraph (a) of resolution No. 4 above be and is hereby extended by the addition thereto a number representing the total number of Shares bought back by the Company under the authority granted pursuant to paragraph (a) of resolution No. 5 above, provided that such extended amount shall not exceed 10% of the total number of Shares in issue as at the date of the passing of this resolution (subject to adjustment in the case of consolidation or subdivision of Shares).”

By Order of the Board
Da Yu Financial Holdings Limited
Lee Wa Lun, Warren
Managing Director

Hong Kong, 23 April 2024

Notes:

1. Any member entitled to attend, speak and vote at the Meeting will be entitled to appoint a proxy or, if such member is a holder of two or more shares, proxies to attend, speak and vote in such member’s stead. A proxy need not be a member of the Company but must attend the Meeting in person to represent the appointing member.
2. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the Hong Kong branch share registrar of the Company, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting (i.e. not later than 11:00 a.m. on Wednesday, 22 May 2024) or any adjournment thereof.

3. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the Meeting convened or any adjournment thereof (as the case may be) and in such event the instrument appointing the proxy shall be deemed to be revoked.
4. Where there are joint holders of any share, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, whether in person or by proxy, the one of the said joint holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
5. To ascertain shareholders' eligibility to attend, speak and vote at the Meeting, the register of members of the Company will be closed from Tuesday, 21 May 2024 to Friday, 24 May 2024, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify to attend, speak and vote at the Meeting, all transfers of share ownership, accompanied by the relevant share certificates, must be lodged with the Hong Kong branch share registrar of the Company, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 20 May 2024.
6. If a typhoon signal no. 8 or above is hoisted, or "extreme conditions" caused by a super typhoon or a black rainstorm warning signal is/are in force in Hong Kong at or at any time after 8:00 a.m. on the date of the Meeting, the Meeting will be adjourned. The Company will post an announcement on the designated website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.irasia.com/listco/hk/dayufinancial/) to notify shareholders of the Company of the date, time and place of the adjourned Meeting.

The Meeting will be held as scheduled while an amber or a red rainstorm warning signal is in force. Shareholders of the Company should decide on their own whether they would attend the Meeting under bad weather condition bearing in mind their own situations.
7. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the Directors of the Company are:

Non-Executive Directors:

Mr. Kuo Jen-Hao (*Chairman*)

Mr. Xu Haohao

Executive Directors:

Mr. Lee Wa Lun, Warren (*Managing Director*)

Mr. Lam Chi Shing

Ms. Li Ming

Independent Non-Executive Directors:

Mr. Chan Sze Chung

Mr. Suen Chi Wai

Mr. Sum Wai Kei, Wilfred