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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)

PROPOSED ONE FOR TWO RIGHTS ISSUE ON A NON-UNDERWRITTEN BASIS

PROPOSED RIGHTS ISSUE

The Company proposes to raise up to approximately HK$136.7 million before expenses by way of the issue to the Qualifying Shareholders of a maximum of 1,139,330,190 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) at the Subscription Price of HK$0.12 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date. The Rights Issue is available only to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders.

The maximum net proceeds from the Rights Issue after deducting the relevant expenses are estimated to be approximately HK$136.1 million (assuming no change in the number of Shares in issue on or before the Record Date). The Company intends to apply the net proceeds from the Rights Issue as to approximately HK$116.1 million for the margin financing business of the Group and HK$20 million for general working capital of the Group.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. There is no minimum subscription level or minimum amount to be raised under the Rights Issue.

As at the date of this announcement, the Board has not received any information or other undertakings from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue.

LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement, and the Rights Issue will not on its own increase either the total number of issued Shares or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders under the Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

GENERAL

The Prospectus containing, among other things, further information in relation to the Rights Issue, together with the PAL and EAF is expected to be despatched to Qualifying Shareholders on or before Monday, 18 August 2025. To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus to Non-Qualifying Shareholders for their information only but will not send the PAL and EAF to them.

RISKS OF DEALING IN SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any Shareholder or other person dealing in Shares and/or the nil-paid Rights Shares up to the date on which all the conditions of the Rights Issue are fulfilled will accordingly bear the risk that the Rights Issue may not proceed.

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

PROPOSED RIGHTS ISSUE

The Company proposes the Rights Issue, details of which are summarised below:

Basis of Rights Issue:	One (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price:	HK$0.12 per Rights Share
Net price per Rights Share (the aggregate Subscription Price of the maximum number of Rights Shares to be issued less costs and expenses estimated to be incurred in the Rights Issue divided by the maximum number of Rights Shares to be issued):	Approximately HK$0.119 per Rights Share
Number of Shares in issue as at the date of this announcement:	2,278,660,380 Shares
Maximum number of Rights Shares to be issued pursuant to the Rights Issue:	Up to 1,139,330,190 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Aggregate nominal value of the Rights Shares:	Up to HK$113,933,019 (assuming no change in the number of Shares in issue on or before the Record Date)
Total number of Shares in issue immediately upon completion of the Rights Issue:	Up to 3,417,990,570 Shares (assuming no change in the number of Shares in issue or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Maximum proceeds from the Rights Issue before expenses:	Up to approximately HK$136.7 million (assuming no change in the number of Share in issue on or before the Record Date)
Maximum net proceeds from the Rights Issue:	Up to approximately HK$136.1 million (assuming no change in the number of Share in issue on or before the Record Date)
Rights of excess application:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotments

As at the date of this announcement, there are no options, warrants, derivatives or other convertible securities granted by the Company which confer rights to subscribe for, convert or exchange into Shares.

Assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the maximum of 1,139,330,190 Rights Shares proposed to be issued pursuant to the terms of the Rights Issue represent (i) 50% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

As at the date of this announcement, the Board has not received any information or other undertakings from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that the provisional allotments for the Rights Issue are not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders together with the Rights Shares not provisionally allotted to the Non-Qualifying Shareholders will be made available for excess application under the EAFs. There is no minimum subscription level or minimum amount to be raised under the Rights Issue.

As the Rights Issue is not underwritten and has not set a minimum subscription amount, a Shareholder who applies to take up all or part of his/her/its entitlement under the PAL and/or Excess Rights Shares under the EAF may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue or Excess Rights Shares under the EAF will be scaled down to a level which (a) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules; and (b) does not cause the Company's public float to decrease to below 25%. Any subscription monies not utilized due to the scaled-down application of entitled Rights Shares or Excess Rights Shares will be refunded to the affected applicants.

Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Subscription Price

The Subscription Price of HK$0.12 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

(i) a discount of approximately 16.67% to the closing price of HK$0.144 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a discount of approximately 18.92% to the average closing price of HK$0.148 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;

(iii) a discount of approximately 18.37% to the average closing price of HK$0.147 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 6.98% to the average closing price of HK$0.129 per Share as quoted on the Stock Exchange for the thirty consecutive trading days up to and including the Last Trading Day;

(v) a discount of approximately 11.76% to the theoretical ex-rights price of approximately HK$0.136 per Share based on the closing price of HK$0.144 per Share as quoted on the Stock Exchange on the Last Trading Day;

(vi) a discount of approximately 45.45% to the audited net asset value per Share as at 31 December 2024 of approximately HK$0.22; and

(vii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 6.67%, represented by the theoretical diluted price of approximately HK$0.14 per Share to the benchmarked price (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK$0.144 per Share and the average closing price of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the Last Trading Day of approximately HK$0.15 per Share) of approximately HK$0.15 per Share.

The Subscription Price was determined with reference to, among others, (i) the prevailing market conditions of the Hong Kong stock market; (ii) recent market price of the Shares as quoted on the Stock Exchange; and (iii) the reasons for and benefits of proposed Rights Issue as discussed in the section head "Reasons for and benefits of the Rights Issue and Use of Proceeds".

The Board considers that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders are provided with an equal opportunity to subscribe for their assured entitlements under the Rights Issue for the purpose of maintaining their respective existing shareholding interests in the Company; (ii) the Subscription Price represents a discount of approximately 18.37% and 6.98% to the average of the closing prices of the Shares for the last 10 consecutive trading days and 30 consecutive trading days up to and including the Last Trading Day respectively, such discount would encourage the Qualifying Shareholders to subscribe for their assured entitlements under the Rights Issue.

Conditions of the Rights Issue

The Rights Issue is conditional upon each of the following conditions being fulfilled:

(i) the electronic delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors no later than the Prospectus Posting Date of the Prospectus Documents and other documents in compliance with the Companies (WUMP) Ordinance and otherwise complying with the requirements of the Listing Rules and the Companies (WUMP) Ordinance;

(ii) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders and the publication of the Prospectus on the website of the Stock Exchange on or before the Prospectus Posting Date;

(iii) the grant of listing of the Rights Shares (in both nil-paid and fully paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked);

(iv) no applications of Rights Shares or excess Rights Shares by any Shareholders which would result in (a) a general offer obligation as required under the Takeovers Code being triggered, or (b) public float of the Company to decrease to below 25% of the total issued Shares, be allowed, in which circumstance, relevant applications of Rights Shares and Excess Rights Shares will be scaled down and subscription monies not utilized due to scaled down application will be refunded to the affected applicants; and

(v) all other necessary waivers, consent and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transaction contemplated thereunder having been obtained and fulfilled.

None of the above conditions precedent can be waived. If any of the above conditions are not satisfied at or before 5:00 p.m. on 30 September 2025 (or such later date as the Company may determine), the Rights Issue will not proceed.

The Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholder as at the close of business on the Record Date.

The PAL relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be a Non-Qualifying Shareholder on the Record Date.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Shareholders with their Shares held by a nominee (or held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as a member of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (with the relevant share certificates) with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Wednesday, 6 August 2025. The last day of dealings in the Shares on a cum-rights basis is Monday, 4 August 2025. The Shares will be dealt with on an ex-rights basis from Tuesday, 5 August 2025.

Qualifying Shareholders who take up their pro rata assured entitlement in full will not suffer any dilution to their interests in the Company. **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

Non-Qualifying Shareholders

The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. Accordingly, no provisional allotment of Rights Shares will be made to the Non-Qualifying Shareholders and Non-Qualifying Shareholders will not be entitled to apply for Rights Shares.

Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders will be made available for excess application by the Qualifying Shareholders under the EAFs.

The Company will send the Prospectus Documents, together with the PAL and EAF, to the Qualifying Shareholders only and to the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus to Non-Qualifying Shareholders for their information only but will not send the PAL and EAF to them.

The Overseas Shareholders

As at 30 June 2025, there was one Shareholder with registered address situated in the PRC.

If, at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue. The Prospectus Documents will not be filed or registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

The Company notes the requirements specified in the notes to Rule 13.36(2)(a) of the Listing Rules, and is in the process of making reasonable enquiries regarding the feasibility of extending the Rights Issue to Overseas Shareholders present on the Record Date. If, after such enquiries, the Company is of the opinion that it would be necessary or expedient, on account of the legal restrictions or prohibitions under the laws of the relevant jurisdictions or any requirements of the relevant regulatory body or stock exchange in such jurisdictions, not to offer the Rights Shares to the relevant Overseas Shareholders, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. Such Overseas Shareholders will be regarded as Non-Qualifying Shareholders and will not qualify for the Rights Issue. The basis of exclusion of Non-Qualifying Shareholders, if any, will be disclosed in the Prospectus.

Overseas Shareholders and beneficial owners of Shares residing outside Hong Kong should note that they may or may not be able to participate in the Rights Issue, subject to the results of enquiries made by the Company pursuant to the notes to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities laws or other laws or regulations of any territory or jurisdiction. The Rights Issue does not constitute any offer or invitation to sell, issue or solicit for Shares in any jurisdiction in which such actions are unlawful or otherwise restricted. Accordingly, Overseas Shareholders and beneficial owners of Shares residing outside Hong Kong should inform themselves of and observe any such restrictions, if applicable, and exercise caution when dealing in the Shares.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue at the time. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company after the date of allotment and issue of the Rights Shares.

No fractional entitlement to the Rights Shares

The Company will not provisionally allot fractions of Rights Shares in nil-paid form. All fractions of Rights Shares will be aggregated (and rounded down to the nearest whole number of a Share) and made available for excess application by Qualifying Shareholders under the EAFs.

Application for Excess Rights Shares

All Qualifying Shareholders are entitled to apply by way of excess application under the EAFs for additional Rights Shares in excess of their assured entitlements.

The Excess Rights Shares will comprise:

(i) any Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise not subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance; and

(ii) any Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders.

Application for Excess Rights Shares can be made only by Qualifying Shareholders duly completing the EAFs (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the Excess Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance, which is expected to be 4:00 p.m. on Monday, 1 September 2025.

Qualifying Shareholders who wish to apply for Excess Rights Shares in addition to their provisional allotments must complete both the PAL and the EAF.

A Shareholder who applies to take up all or part of his/her/its entitlement under the PAL and/or Excess Rights Shares under the EAF may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue or Excess Rights Shares under the EAF will be scaled down to a level which (a) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules; and (b) does not cause the Company's public float to decrease to below 25%. Any subscription monies not utilized due to the scaled-down application of entitled Rights Shares or Excess Rights Shares will be refunded to the affected applicants.

Basis of allocation of Excess Rights Shares

Subject to any scaling down of subscriptions, the Company will allocate the Excess Rights Shares at its discretion on a fair and equitable basis as far as practicable on the following principles:

(i) if there are insufficient Excess Rights Shares to satisfy all EAFs, Excess Rights Shares will be allocated on a pro rata basis by reference to the number of Excess Rights Shares applied for in the relevant EAFs by the relevant Qualifying Shareholders;

(ii) otherwise (i.e. if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under the PALs is greater than the aggregate number of Excess Rights Shares applied for through the EAFs), Excess Rights Shares will be allocated in full in accordance with the EAFs to each Qualifying Shareholder who applies for Excess Rights Shares.

For the avoidance of doubt, in applying the principles above, reference will only be made to the number of Excess Rights Shares being applied for in the relevant EAFs, and no reference will be made to the Rights Shares comprised in applications through PAL or the existing number of Shares held by the relevant Qualifying Shareholders; and no preference will be given to applications for topping up odd lots.

Shareholders whose Shares are held by a nominee (or held through CCASS) should note that the Board will regard such nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the aforesaid arrangement for allocation of Excess Rights Shares by the Company may not be extended to the beneficial owners individually. Beneficial owners whose Shares are held by a nominee (or held through CCASS) are advised to consider whether they would like to arrange for the registration of their Shares in their own names on or prior to the Last Day for Transfer.

Share certificates and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for all fully paid and successful Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered addresses, at their own risks, on or before Tuesday, 9 September 2025. Refund cheques in respect of wholly or partially unsuccessful applications for Rights Shares and Excess Rights Shares, or for refunds if the Rights Issue does not proceed, are expected to be despatched on or before Tuesday, 9 September 2025 to the applicants without interest to their registered addresses by ordinary post at their own risks.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Admission of Rights Shares into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty, taxation and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in (i) the provision of corporate finance advisory services, investment and others; (ii) provision of asset management services; (iii) securities broking and placing of securities; and (iv) money lending business in Hong Kong.

The Company has seen revival of the capital market of Hong Kong in the first half of 2025. In particular, according the information published by the Stock Exchange:

(i) market capitalisation of companies listed on the Stock Exchange was HK$42.7 trillion at the end of June 2025, an increase of 33% from HK$32.1 trillion for the same period last year;

(ii) the average daily turnover in June 2025 was HK$230.2 billion, an increase of 107% from HK$111.2 billion for the same period last year;

(iii) the average daily turnover for the first six months of 2025 was HK$240.2 billion, an increase of 118% when compared with HK$110.4 billion for the same period last year;

(iv) the average daily turnover of derivative warrants for the first six months of 2025 was HK$7.8 billion, an increase of 70% when compared with HK$4.6 billion for the same period last year;

(v) there were 44 newly listed companies for the first six months of 2025, an increase of 47% when compared with 30 for the same period last year;

(vi) funds raised through initial public offerings for the first six months of 2025 was HK$107.1 billion, an increase of 699% when compared with HK$13.4 billion for the same period last year; and

(vii) total funds raised for the first six months of 2025 was HK$280.8 billion, an increase of 322% when compared with HK$66.5 billion for the same period last year.

In view of the above and with the support of the central government of the PRC and the government of Hong Kong, the Company is confident in the long-term growth and development of the capital market of Hong Kong, and plans to expand the margin financing business of the Group.

The margin financing business of the Group is provided by Morton Securities in conjunction with brokerage services. Morton Securities offers margin financing to clients by providing them with margin loans which are repayable on demand with the securities held under margin accounts maintained with it as collaterals. Morton Securities accepts listed securities on the Stock Exchange as collaterals for margin financing business. Margin financing offers funding flexibility to clients by enabling them to leverage their investments. The agreements of margin financing with clients typically include terms such as collateral requirements, margin call policy, interest rate and risk disclosure. The credit limit (i.e. lending limit) Morton Securities grants to clients varies for each client. Morton Securities does not grant its clients a credit limit automatically immediately after they open a margin account. Morton Securities grants credit limit upon clients' request based on a number of factors, such as client's income, cash, deposit, securities and property owned. Morton Securities monitors the credit limits of its clients from time to time and may adjust the credit limit based on factors such as high market volatility and deterioration of the client's financial status.

The maximum net proceeds from the Rights Issue after deducting the relevant expenses are estimated to be approximately HK$136.1 million (assuming no change in the number of Shares in issue on or before the Record Date). The Company intends to apply the net proceeds from the Rights Issue as to approximately HK$116.1 million for expanding the scale of the margin financing business of the Group and HK$20 million for general working capital of the Group. It is believed that the increase in the scale of margin financing business will generate additional revenue stream to the Group. It will also boost the trading activities of the clients of Morton Securities, and the brokerage income of the Group will increase as a result.

The Company has considered alternative fund raising methods which include debt financing and placing of new Shares or open offer and believe that the Rights Issue is the most efficient way in terms of time and costs for the Company. The Board considers it is prudent to finance the Group's long-term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs and liquidity risk. For placing of new Shares, it would dilute the shareholding of the existing Shareholders while the Rights Issue will allow the Qualifying Shareholders to maintain their respective shareholdings in the Company on a pro rata basis. As for open offer, while it is similar to a right issue, it does not allow free trading of rights entitlements in the open market. In view of the above, the Company considers that the Rights Issue is an appropriate means to raise fund.

In view of the above and the reasons described in the sub-section headed "Subscription Price" under the section headed "Proposed Rights Issue" above, the Board considers that the Rights Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

SHAREHOLDING STRUCTURES

Set out below are the shareholding structures of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Rights Issue (assuming no acceptance of the Rights Shares by any Qualifying Shareholders); and (iii) immediately after completion of the Rights Issue (assuming full acceptance of the Rights Shares by all Qualifying Shareholders):

	As at the date of this announcement		**Immediately after completion of the Rights Issue (assuming no acceptance of the Rights Shares by any Qualifying Shareholders)**		**Immediately after completion of the Rights Issue (assuming full acceptance of the Rights Shares by all Qualifying Shareholders)**	
	No. of Shares	*%*	*No. of Shares*	*%*	*No. of Shares*	*%*
First Steamship Company Limited[1]	663,320,000	29.11	663,320,000	29.11	994,980,000	29.11
Xu Haohao[2]	680,106,534	29.85	680,106,534	29.85	1,020,159,801	29.85
Lee Wa Lun, Warren[2]	227,250,000	9.97	227,250,000	9.97	340,875,000	9.97
Lam Chi Shing[2]	17,800,000	0.78	17,800,000	0.78	26,700,000	0.78
Li Ming[2]	17,800,000	0.78	17,800,000	0.78	26,700,000	0.78
Public Shareholders	672,383,846	29.51	672,383,846	29.51	1,008,575,769	29.51
Total	**2,278,660,380**	**100**	**2,278,660,380**	**100**	**3,417,990,570**	**100**

Notes:

1. First Steamship Company Limited is a company listed on the Taiwan Stock Exchange Corporation (TWSE stock code: 2601). As at the date of this announcement, Henghua Investment Co., Ltd., is the single largest shareholder of First Steamship Company Limited, holding approximately 6.92% of the issued shares of First Steamship Company Limited.

2. Mr. Lee Wa Lun, Warren, Mr. Xu Haohao, Mr. Lam Chi Shing and Ms. Li Ming are executive Directors.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 7 August 2025 to Wednesday, 13 August 2025 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue.

No transfer of Shares will be registered during the above book closure period.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is for indicative purposes only and it has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled.

Event	**Date (Hong Kong time)**
Last day of dealings in the Shares on a cum-entitlement basis relating to the Rights Issue	Monday, 4 August 2025
First day of dealings in Shares on an ex-entitlement basis relating to the Rights Issue	Tuesday, 5 August 2025
Latest time for the Shareholders to lodge transfer documents of Shares in order to be qualified for the Rights Issue	4:30 p.m. on Wednesday, 6 August 2025
Closure of register of members to determine the eligibility of the Rights Issue (both dates inclusive)	Thursday, 7 August 2025 to Wednesday, 13 August 2025
Record Date for the Rights Issue	Wednesday, 13 August 2025
Register of members re-opens	Thursday, 14 August 2025
Despatch of the Prospectus Documents (including the PAL, EAF and the Prospectus) (in case of the Non-Qualifying Shareholders, the Prospectus only)	Monday, 18 August 2025
First day of dealings in nil-paid Rights Share	Wednesday, 20 August 2025
Latest time for splitting the PAL	4:30 p.m. on Friday, 22 August 2025
Last day of dealing in nil-paid Rights Shares	Wednesday, 27 August 2025
Latest time for acceptance of and payment for the Rights Shares and application and payment for Excess Rights Shares	4:00 p.m. on Monday, 1 September 2025
Announcement of results of the Rights Issue	Monday, 8 September 2025

Event	Date (Hong Kong time)
Despatch of share certificates for fully-paid Rights Shares or refund cheques for payment for Rights Shares if the Rights Issue does not proceed	Tuesday, 9 September 2025
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Wednesday, 10 September 2025

All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company in accordance with the Listing Rules. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

Effect of bad weather or extreme conditions on the latest time for acceptance of and payment for the Rights Shares and payment for Excess Rights Shares

The latest time for acceptance of and payment for Rights Shares and application and payment for Excess Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, a "black" rainstorm warning signal and/or extreme conditions is:

(i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 1 September 2025. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or

(ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 1 September 2025. Instead, the latest time for acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares does not take place on Monday, 1 September 2025, the dates mentioned in the timetable section above may be affected. The Company will notify the Shareholders by way of announcement of any change to the timetable as soon as practicable.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any fundraising activity involving issue of equity securities in the past twelve months immediately preceding the date of this announcement.

LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement, and the Rights Issue will not on its own increase either the total number of issued Shares or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders under the Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

GENERAL

The Prospectus containing, among other things, further information in relation to the Rights Issue, together with the PAL and EAF is expected to be despatched to Qualifying Shareholders on or before Monday, 18 August 2025. To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus to Non-Qualifying Shareholders for their information only but will not send the PAL and EAF to them.

RISKS OF DEALING IN SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any Shareholder or other person dealing in Shares and/or the nil-paid Rights Shares up to the date on which all the conditions of the Rights Issue are fulfilled will accordingly bear the risk that the Rights Issue may not proceed.

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

DEFINITIONS

In this announcement, the following expressions have the meaning set out below unless the context requires otherwise:

"associate(s)"	has the same meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Business Day(s)"	a day on which banks in Hong Kong are generally open for business (other than a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which "extreme conditions" caused by a super typhoon or a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
"CCASS"	the Central Clearing and Settlement System operated by HKSCC
"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)
"controlling shareholders"	has the same meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"EAF(s)"	the excess application form(s) to be issued to the Qualifying Shareholders to apply for Excess Rights Shares
"Excess Rights Shares"	any Rights Shares provisionally allotted but not subscribed for prior to the Latest Time for Acceptance, any entitlements not provisionally allotted to any Non-Qualifying Shareholders
"Group"	collectively, the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	Hong Kong Special Administrative Region of the PRC

"Last Day for Transfer"	Wednesday, 6 August 2025, or such other date as the Company may determine, being the last date for lodging transfer of Shares prior to the closure of the register of members of the Company in order to qualify for the Rights Issue
"Last Trading Day"	Wednesday, 30 July 2025, being the date of this announcement and the last full trading day of the Shares on the Stock Exchange immediately preceding the publication of this announcement
"Latest Time for Acceptance"	4:00 p.m. on Monday, 1 September 2025, or such other time and date as the Company may determine, being the latest time and date for acceptance of and payment for the Rights Shares and application for and payment for Excess Rights Shares
"Listing Committee"	the listing committee of the Stock Exchange for considering application for listing and the granting of listing
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Morton Securities"	Morton Securities Limited, a company incorporated in Hong Kong with limited liability and a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and a direct wholly-owned subsidiary of the Company
"Non-Qualifying Shareholder(s)"	the Overseas Shareholder(s) in respect of whom the Board, after making reasonable enquiries with the legal advisers in the relevant jurisdictions, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions or prohibitions under the laws of the relevant jurisdictions or the requirements of the relevant regulatory body or stock exchange in such jurisdictions
"Overseas Shareholder(s)"	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
"PAL(s)"	the provisional allotment letter(s) for the Rights Shares to be issued to the Qualifying Shareholders in respect of their entitlements under the Rights Issue
"PRC"	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan

"Prospectus"	the prospectus to be issued by the Company in connection with the Rights Issue
"Prospectus Documents"	the Prospectus, the PAL and the EAF to be issued by the Company
"Prospectus Posting Date"	Monday, 18 August 2025, or such other date as the Company may determine, for the despatch of the Prospectus Documents
"Qualifying Shareholder(s)"	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
"Record Date"	Wednesday, 13 August 2025, or such other date as the Company may determine, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
"Registrar"	Computershare Hong Kong Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
"Rights Issue"	the proposed issue by way of rights of the Rights Shares to the Qualifying Shareholders on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price
"Rights Share(s)"	up to 1,139,330,190 new Shares proposed to be offered to the Qualifying Shareholders for subscription by way of the Rights Issue
"SFC"	the Securities and Futures Commission of Hong Kong
"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the issued Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Subscription Price"	the subscription price of HK$0.12 per Rights Share under the Rights Issue
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers issued by the SFC (as may be amended from time to time)
"%"	per cent.

By Order of the Board
DA YU FINANCIAL HOLDINGS LIMITED
Kuo Jen-Hao
Chairman

Hong Kong, 30 July 2025

As at the date of this announcement, the Non-Executive Director is Mr. Kuo Jen-Hao (Chairman), the Executive Directors are Mr. Lee Wa Lun, Warren (Managing Director), Mr. Xu Haohao, Mr. Lam Chi Shing and Ms. Li Ming, and the Independent Non-Executive Directors are Mr. Chan Sze Chung, Mr. Suen Chi Wai and Mr. Sum Wai Kei, Wilfred.