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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)

CHANGE IN USE OF PROCEEDS

Reference is made to the public offer prospectus of Da Yu Financial Holdings Limited (the “**Company**”) dated 28th June, 2019 (the “**Prospectus**”). Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Prospectus.

As disclosed in the Prospectus, the Company intended to utilise the net proceeds of approximately HK\$123.2 million from the Public Offer as follows:

- (i) approximately HK\$68.0 million for the settlement of the Acquisition Consideration;
- (ii) approximately HK\$46.0 million for the repayment of the Cash Advance;
- (iii) approximately HK\$4.3 million for settlement of professional fees relating to the Resumption; and
- (iv) approximately HK\$4.9 million for general working capital of the Enlarged Group.

As at the date of this announcement, the intended usage of net proceeds from the Public Offer (i) to (iii) above had been utilized as planned.

The legal actions brought against the Company by its previous substantial shareholder, Perfect Gate Holdings Limited, as announced before and subsequent to the publication of the Prospectus, required the Company to appoint legal counsels both in Hong Kong and Cayman Islands to defend them in order to resume trading of shares of the Company on 26th July 2019.

The legal costs finally agreed with the legal advisers were in excess of those budgeted for in the Prospectus. As such the HK\$4.9 million earmarked for working capital in respect of (iv) above is to be reallocated wholly for settlement of additional professional fees relating to the Resumption.

The Board considers that there is no material adverse effect on the working capital of the Enlarged Group and the reallocation under the circumstance is appropriate and in the interest of the Company and the Shareholders as a whole.

By order of the Board
DA YU FINANCIAL HOLDINGS LIMITED
Lee Wa Lun, Warren
Managing Director

Hong Kong, 4th December, 2019

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