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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**‘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 2018/19 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 REPURCHASE SHARES**
- (3) CHANGE OF AUDITOR**
- AND**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Da Yu Financial Holdings Limited to be held at Room 201, 2/F., Pico Tower, 66 Gloucester Road, Wanchai, Hong Kong on Monday, 25 November 2019 at 11:30 a.m. is set out on pages 14 to 18 of this circular. Whether or not you are able to attend the said meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, 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 or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjourned meeting if you so wish.

24 October 2019

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Room 201, 2/F., Pico Tower, 66 Gloucester Road, Wanchai, Hong Kong on Monday, 25 November 2019 at 11:30 a.m. or any adjournment thereof;
“AGM Notice”	the notice convening the AGM as set out in Appendix III to this circular;
“Articles of Association”	the amended and restated memorandum and articles of association of the Company, as amended from time to time;
“BDO”	BDO Limited, the proposed new auditor of the Company;
“Board”	the board of Directors;
“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 October 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information included herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Repurchase Mandate”	as defined in paragraph 3(b) of the Letter from the Board in this circular;

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## DEFINITIONS

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“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”	Hong Kong Code on Share Buy-backs;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers;
“ZHONGHUI”	ZHONGHUI ANDA CPA Limited, the auditor of the Group as at the Latest Practicable Date;
“2018/19 Annual Report”	annual report of the Company for the year ended 30 June 2019; and
“%”	per cent.

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**LETTER FROM THE BOARD**

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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)**

*Executive Directors:*

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

Mr. Lam Chi Shing

Ms. Li Ming

*Non-Executive Director:*

Mr. Li Chi Kong (*Chairman*)

*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

24 October 2019

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR**  
**(1) RE-ELECTION OF RETIRING DIRECTORS**  
**(2) GENERAL MANDATES TO ISSUE SECURITIES**  
**AND TO REPURCHASE SHARES**  
**(3) CHANGE OF AUDITOR**  
**AND**  
**(4) 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. Li Chi Kong, Mr. Lam Chi Shing and Ms. Li Ming; (ii) the granting to the Directors of the Issuance Mandate and Repurchase Mandate; and (iii) the proposed change of auditor.

**2. RE-ELECTION OF RETIRING DIRECTORS**

Pursuant to Article 108 of the Articles of Association, 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

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## LETTER FROM THE BOARD

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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 Articles of Association, 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 appointed by the Board to fill a casual vacancy shall hold office only until the first annual general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company 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 Articles of Association, Mr. Li Chi Kong, Mr. Lam Chi Shing and Ms. Li Ming shall retire from office by rotation and, being eligible, offer themselves 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.

### 3. GENERAL MANDATES TO ISSUE SECURITIES AND TO REPURCHASE SHARES

The Directors consider that the proposals for Issuance Mandate and the Repurchase 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 repurchase 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 "**Repurchase Mandate**").

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## LETTER FROM THE BOARD

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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 repurchased prior to the AGM, a maximum of 227,866,038 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 Repurchase 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 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 repurchased (if any) under the Repurchase Mandate will be proposed as ordinary resolution 6 set out in the AGM Notice. With reference to the Issuance Mandate and the Repurchase Mandate, the Directors wish to state that they have no immediate plan to issue any securities of the Company or to repurchase 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 Repurchase Mandate is set out in Appendix II to this circular.

#### **4. PROPOSED CHANGE OF AUDITOR**

ZHONGHUI will retire as the auditor of the Company upon expiration of its current term of office at the close of the AGM and will not seek for re-appointment due to estimated time costs that will be incurred in the audit and level of audit fee.

The Board, with recommendation of the audit committee of the Company, proposes to appoint BDO as the new auditor of the Company at the AGM and to hold office until the conclusion of the next annual general meeting of the Company, subject to the approval of the Shareholders at the AGM.

ZHONGHUI has confirmed to the Board that there are no matters in relation to its retirement as the auditor of the Company that need to be brought to the attention of the Shareholders.

The Board and the audit committee of the Company have confirmed that they are not aware of any matters in relation to the proposed change of auditor that need to be brought to the attention of the Shareholders.

#### **5. ANNUAL GENERAL MEETING**

The AGM Notice is set out in Appendix III to this circular. A copy of the 2018/19 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; the granting of the Issuance Mandate and the Repurchase Mandate, and the change of auditor.

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## LETTER FROM THE BOARD

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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. 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 branch share registrar of the Company in Hong Kong, 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 or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish.

### 6. RECOMMENDATION

The Directors consider that the proposed ordinary resolutions for approval of the re-election of the retiring Directors, which include Mr. Li Chi Kong, Mr. Lam Chi Shing and Ms. Li Ming, the grant of the Issuance Mandate and the Repurchase Mandate, the extension of the Issuance Mandate to include the total number of such Shares repurchased (if any) under the Repurchase Mandate, and the change of auditor 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. Li Chi Kong (“Mr. Li”) – Non-Executive Director**

Mr. Li, aged 66, was appointed on 25 July 2019 and acts as the Chairman of the Board. He is also the chairman and member of nomination committee and member of remuneration committee of the Company. He joined Yu Ming Investment Management Limited (“**Yu Ming**”), a wholly-owned subsidiary of the Company, in 2008 as a director. He is responsible for overseeing the corporate strategy and development of Yu Ming. Mr. Li has extensive experience in finance and accounting and was an executive director of Allied Properties (H.K.) Limited, a company listed on the Main Board of the Stock Exchange (stock code: 56), from October 1999 until redesignation as a non-executive director in July 2018. He is also general consultant of Allied Group Limited (“**Allied Group**”), a company listed on the Main Board of the Stock Exchange (stock code: 373), since July 2018 when he retired from the position of the group financial controller.

From December 2011 to March 2014, Mr. Li was an executive director of Tongfang Kontafarma Holdings Limited (formerly known as Allied Cement Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 1312). Prior to joining Allied Group in 1996 as the group financial controller, Mr. Li worked for Peat, Marwick, Mitchell & Company (now known as KPMG) and Price Waterhouse & Company (now known as PricewaterhouseCoopers) and acted as the group financial controller of Hopewell Holdings Limited (former stock code: 54, which was privatized in May 2019), Century City International Holdings Limited (“**Century City**”, stock code: 355) and Paliburg International Holdings Limited (the listing of which was replaced by Paliburg Holdings Limited, stock code: 617), as well as two other listed companies which were disposed of by Century City, known at the time as Richfield International Holdings Limited and Cathay City International Holdings Limited.

Mr. Li graduated from the University of Edinburgh in Scotland, United Kingdom in 1975 with a Bachelor of Science degree and obtained a Postgraduate Diploma in Accounting from Heriot-Watt University in Edinburgh in 1976. He is a member of the Institute of Chartered Accountants of Scotland and a fellow of the Hong Kong Institute of Certified Public Accountants.

Save as disclosed above, at the Latest Practicable Date, Mr. 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, he did not have any interest in Shares within the meaning of Part XV of the SFO.

Mr. Li had entered into a letter of appointment with the Company on 25 July 2019 for an initial term of three years commencing on 25 July 2019 subject to termination in certain circumstances as stipulated in the letter of appointment. The director’s fee payable by the Company to Mr. Li is HK\$60,000 per annum with discretionary bonus (if any).

**Mr. Lam Chi Shing (“Mr. Lam”) – Executive Director**

Mr. Lam, aged 39, was appointed on 25 July 2019 and is a functional director and the portfolio manager of Yu Ming. He joined Yu Ming in 2005 and is a Responsible Officer for 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. Lam mainly supervises the asset management business of Yu Ming. He is responsible for formulating investments ideas, identifying different investment opportunities both in listed and unlisted securities and execution of investment decisions. He is also involved in the provision of corporate finance services by Yu Ming.

Mr. Lam has over 13 years of experience in asset management and corporate finance gained in Yu Ming. Prior to joining Yu Ming, Mr. Lam worked in corporate lending and syndication department of the Bank of East Asia, Limited.

Mr. Lam graduated from The Chinese University of Hong Kong in 2002 with a Bachelor of Business Administration degree, and is accredited with Chartered Financial Analyst since September 2009.

Save as disclosed above, at the Latest Practicable Date, Mr. Lam 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 17,800,000 Shares within the meaning of Part XV of the SFO.

Mr. Lam had entered into a service agreement with the Company on 25 July 2019 for an initial term of three 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. Lam is entitled to a monthly salary of HK\$95,300 and a director’s fee of HK\$60,000 per annum with discretionary bonus (if any) payable by the Group.

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

Ms. Li, aged 42, was appointed on 25 July 2019 and joined Yu Ming in October 2007 and was appointed as an associate director and a corporate finance director of Yu Ming since January 2010 and January 2014, respectively. She is a Responsible Officer in Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as well as a Licensed Representative in Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO and is 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 has over 17 years of experience in corporate finance. Prior to joining Yu Ming, she worked with Asian Capital (Corporate Finance) Limited (whose business was listed under ZZ Capital International Limited (formerly known as Asian Capital Holdings Limited) on the GEM of the Stock Exchange in 2010 with stock code: 8295) from April 2001 to October 2007.

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 (under a programme offered in conjunction with Beijing Inti Management College and INTI International University & Colleges).

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 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 on 25 July 2019 for an initial term of three 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. Ms. Li is entitled to a monthly salary of HK\$110,500 and a director's fee of HK\$60,000 per annum with discretionary bonus (if any) payable by the Group.

### **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 Articles of Association.

Save as disclosed above, none of the above retiring Directors had interest in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

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.

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## **APPENDIX II      EXPLANATORY STATEMENT AS TO REPURCHASE MANDATE**

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*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 Repurchase Mandate.*

### **LISTING RULES FOR REPURCHASE OF SECURITIES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase 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 repurchased by a company must be fully-paid up and all repurchases 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 repurchases or by specific approval of a particular transaction.

### **SHARE CAPITAL**

As at the Latest Practicable Date, the total number of Shares in issue is 1,139,330,190 Shares. Subject to the passing of the proposed resolution in respect of the granting of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be permitted under the Repurchase Mandate to repurchase a maximum of 113,933,019 Shares, representing 10% of the total number of Shares in issue as at the date of granting of the Repurchase 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 REPURCHASES**

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

Repurchases 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 Repurchase Mandate so as to give the Company additional flexibility to do so if and when appropriate. The number of Shares to be repurchased on occasion and the price and other terms upon which the same are repurchased 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 repurchase Shares, Shareholders can be assured that the Directors would only make repurchases in circumstances where they consider it to be in the best interests of the Company and the Shareholders as a whole.

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## **APPENDIX II      EXPLANATORY STATEMENT AS TO REPURCHASE MANDATE**

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### **FUNDING OF REPURCHASES**

Repurchases of Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association, 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 repurchase.

In the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase 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 for the year ended 30 June 2019 contained in the 2018/19 Annual Report. However, the Directors do not propose to exercise the Repurchase 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' UNDERTAKING**

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate to make repurchases in accordance with the Listing Rules and all applicable laws of the Cayman Islands and in accordance with the memorandum of association of the Company and the Articles of Association.

### **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 Repurchase 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 repurchases of Shares.

### **HONG KONG CODE ON TAKEOVERS AND MERGERS**

If, on the exercise of the power to repurchase the Shares pursuant to the Repurchase 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.

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**APPENDIX II      EXPLANATORY STATEMENT AS TO REPURCHASE  
MANDATE**

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Name of Shareholders	Number of Shares interested	Approximate % of the issued share capital of the Company	<i>Notes</i>	Approximate % of the issued share capital of the Company should the Repurchase Mandate be exercised in full
Lee Wa Lun, Warren	227,250,000	19.94%	1	22.16%
Cheung Kit Shan, Susanna	227,250,000	19.94%	1	22.16%

*Note:*

1. Ms. Cheung Kit Shan, Susanna is deemed to be interested in the Shares under the SFO by virtue of being the spouse of Mr. Lee Wa Lun, Warren.

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: Mr. Lee Wa Lun, Warren, a substantial Shareholder and the executive Director together with parties acting in concert with him (including his spouse Ms. Cheung Kit Shan, Susanna) holds 227,250,000 Shares, representing approximately 19.94% of the issued share capital of the Company.

On the basis of 1,139,330,190 Shares in issue as at the Latest Practicable Date and assuming no further issue or repurchase of Shares prior to the AGM, if the Repurchase Mandate were exercised in full, the shareholding percentage (if the present shareholding remains the same) of Mr. Lee Wa Lun, Warren, together with all his concerted parties would increase to approximately 22.16%.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of the exercise of the power in full under the Repurchase Mandate.

The Directors have no present intention to exercise the Repurchase 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.

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**APPENDIX II      EXPLANATORY STATEMENT AS TO REPURCHASE  
MANDATE**

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**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:

	<b>Price per Share</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2018</b>		
October*	–	–
November*	–	–
December*	–	–
<b>2019</b>		
January*	–	–
February*	–	–
March*	–	–
April*	–	–
May*	–	–
June*	–	–
July*	0.560	0.410
August	0.475	0.260
September	0.550	0.370
October (up to the Latest Practicable Date)	0.540	0.445

\* *Trading in the shares on the Stock Exchange had been suspended since 1:00 p.m. on 18 September 2014 and trading in the Shares on the Stock Exchange has been resumed with effect from 9:00 a.m. on Friday, 26 July 2019.*

**SHARE REPURCHASE MADE BY THE COMPANY**

During the six months immediately preceding the Latest Practicable Date, no Shares were repurchased 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 of Da Yu Financial Holdings Limited (the “**Company**”) will be held at Room 201, 2/F., Pico Tower, 66 Gloucester Road, Wanchai, Hong Kong on Monday, 25 November 2019 at 11:30 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 30 June 2019.
2. (a) To re-elect the following persons:
  - i. Mr. Li Chi Kong as a Director.
  - ii. Mr. Lam Chi Shing as a Director.
  - iii. Ms. Li Ming as a Director.
- (b) To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration.
3. To appoint BDO Limited as the auditor of the Company and to authorise the Board to fix its remuneration.

**ORDINARY RESOLUTIONS**

The following resolutions 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 Laws 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 repurchase the shares of the Company (“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 Hong Kong 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 (the “Listing Rules”) 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 repurchased 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 repurchased 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 Laws 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 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 4 above be and is hereby extended by the addition thereto a number

representing the total number of shares of the Company (“Shares”) repurchased by the Company under the authority granted pursuant to paragraph (a) of resolution 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, 24 October 2019

*Notes:*

1. Any member entitled to attend 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 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 branch share registrar of the Company in Hong Kong, 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 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, 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, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. To ascertain shareholders’ eligibility to attend and vote at the meeting, the register of members of the Company will be closed from Wednesday, 20 November 2019 to Monday, 25 November 2019, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify to attend and vote at the meeting, all transfers of share ownership, accompanied by the relevant share certificates, must be lodged with the branch share registrar of the Company in Hong Kong, Hong Kong Registrars Limited, at Shop 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 19 November 2019.

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

*Executive Directors:*

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

Mr. Lam Chi Shing

Ms. Li Ming

*Non-Executive Director:*

Mr. Li Chi Kong (*Chairman*)

*Independent Non-Executive Directors:*

Mr. Chan Sze Chung

Mr. Suen Chi Wai

Mr. Sum Wai Kei, Wilfred