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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)**

**DISCLOSEABLE TRANSACTION**  
**TREASURY MANAGEMENT INVESTMENT**

**THE TRANSACTION**

On 25 August 2023, the Board resolved to, through the Purchaser (a direct wholly-owned subsidiary of the Company), purchase up to US\$6.0 million in nominal amount (equivalent to approximately HK\$47.1 million) of the Notes at a discount and the total consideration would not exceed HK\$40.0 million. The Purchaser purchased a nominal amount of US\$2.0 million at approximately HK\$12.4 million of the Notes as at the date of this announcement.

**LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Treasury Management Investment is more than 5% but less than 25%, the Treasury Management Investment constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the Listing Rules.

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As the Treasury Management Investment is made on market over the counter via intermediaries, the identity of the ultimate seller(s) of the Notes is unknown to the Company. On this basis, to the knowledge, information and belief of the Directors after having made all reasonable enquiries, the counterparties and their respective ultimate beneficial owner(s) (if any) are and will be Independent Third Parties.

The consideration of the Treasury Management Investment is and will be paid in cash using the internal resources of the Group.

## **MAJOR TERMS OF THE NOTES**

Issuer	:	The Bank of East Asia, Limited
Outstanding size	:	US\$650 million
Current credit rating of Notes	:	Moody's: Ba2; Standard & Poor's: BB
Coupon rate per annum	:	- 5.825%, payable semi-annually to be reset at 5.527% over constant 5-year US treasury yield if not called on the first call date - Discretionary and not cumulative
Dividend stopper	:	In the event of any non-payment of coupons of the Notes, the Issuer shall not declare or pay any cash dividend for its shares and carry out any stock buyback until the payment of any subsequent coupon of the Notes (which, for the avoidance of doubt, shall exclude any coupon that has not been paid in previous periods)
Ranking	:	Junior subordinated (higher than equity)
Maturity	:	Callable perpetual
Issuer call date	:	21 October 2025 (first Issuer call date), and semi-annually after the first Issuer call date
ISIN	:	XS2222027364

## **INFORMATION ON THE ISSUER**

According to the public information available to the Directors, the Issuer is a company incorporated in Hong Kong with limited liability engaging in banking and financial sectors whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 23).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Issuer and its ultimate beneficial owners are Independent Third Parties.

## **REASONS FOR AND BENEFITS OF THE TREASURY MANAGEMENT INVESTMENT**

The Group is principally engaged in activities regulated by Securities and Futures Commission of Hong Kong and other activities, including dealing in securities, advising on securities, advising on corporate finance, asset management, money lending and securities and related services.

In the wake of the recent China real estate debacle, China and Hong Kong equities and fixed incomes have been hit hard lately, including the Notes. The Issuer is a leading independent bank based in Hong Kong and is well capitalized. Although the coupon payment of the Notes is discretionary, coupon suspension on additional tier 1 instruments is extremely unusual. The Board is sanguine about the Issuer's financial standing. The Notes represent a rare opportunity to earn an attractive yield in unique market conditions. Accordingly, the Directors considered that the Treasury Management Investment is fair, reasonable, on normal commercial terms, and is in the interests of the Group and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

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## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Board”	the board of Directors
“Company”	Da Yu Financial Holdings Limited, a company incorporated in Cayman Islands with limited liability whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 1073)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“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 PRC

“Independent Third Party(ies)”	party(ies) who is/are third party(ies) independent of the Company and its connected person(s) (as defined under the Listing Rules)
“Issuer”	The Bank of East Asia, Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	the additional tier 1 perpetual notes issued by the Issuer with principal amount of US\$650 million and coupon rate of 5.825% and first Issuer call date of 21 October 2025
“PRC” or “China”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macao Special Administrative Region of the PRC and Taiwan)
“Purchaser”	Yu Ming Investment Management Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Treasury Management Investment”	investment in the Notes up to a nominal value of US\$6.0 million
“US”	the United States of America
“US\$”	United States dollars, the lawful currency of the US
“%”	per cent.

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

Hong Kong, 28 August 2023

*For the purpose of this announcement, the exchange rate of US\$1.00 = HK\$7.85 has been used for currency translation, where applicable. Such an exchange rate is for illustrative purposes and does not constitute representations that any amount in US\$ or HK\$ has been, could have been or may be converted at such a rate.*

*As at the date of this announcement, the Non-Executive Directors are Mr. Kuo Jen-Hao (Chairman) and Mr. Xu Haohao, the Executive Directors are Mr. Lee Wa Lun, Warren (Managing Director), 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.*