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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
INVESTMENT ACTIVITIES OF A SUBSIDIARY

THE TRANSACTION

On 12 June 2024 (after trading hours), the Company, through the Purchaser (an indirect wholly-owned subsidiary of the Company), purchased a nominal amount of US\$250,000 at a discount at approximately HK\$1.6 million of the Notes. At present, the Purchaser owns nominal amount of approximately US\$1.8 million of the Notes, with the total purchasing cost of approximately HK\$11.9 million, and intends to increase the position to up to US\$2.0 million in nominal amount at a discount but would not trigger a major transaction.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Transaction aggregated with previous purchases within 12 months of the date of this announcement amounting to approximately HK\$11.9 million is more than 5% but less than 25%, the Transaction 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.

THE TRANSACTION

On 12 June 2024 (after trading hours), the Company, through the Purchaser (an indirect wholly-owned subsidiary of the Company), purchased a nominal amount of US\$250,000 at a discount at approximately HK\$1.6 million of the Notes. At present, the Purchaser owns nominal amount of US\$1.8 million of the Notes, with the total purchasing cost of approximately HK\$11.9 million, and intends to increase the position to up to US\$2.0 million in nominal amount at a discount but would not trigger a major transaction.

As the Transaction was carried out 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 Transaction is and will be paid in cash using the internal resources of the Group.

MAJOR TERMS OF THE NOTES

(i)	Issuer	:	Shui On Development (Holding) Limited
	Guarantor	:	Shui On Land Limited
	Outstanding size	:	US\$500 million
	Current credit rating of Notes	:	Nil
	Coupon rate per annum	:	6.15%
	Ranking	:	Senior unsecured
	Maturity	:	24 August 2024
	Call date	:	Callable at 100 since 24 May 2024
(ii)	Issuer	:	Shui On Development (Holding) Limited
	Guarantor	:	Shui On Land Limited
	Outstanding size	:	Approximately US\$490 million
	Current credit rating of Notes	:	Nil
	Coupon rate per annum	:	5.5%
	Ranking	:	Senior unsecured
	Maturity	:	3 March 2025
	Call date	:	Callable at 101.375 since 3 March 2024

INFORMATION ON THE ISSUER AND THE GUARANTOR

According to the public information available to the Directors, the Issuer is a company incorporated in the Cayman Islands with limited liability and its principal activity is engaged in debt financing. The Issuer is a wholly-owned subsidiary of the Guarantor.

According to the public information available to the Directors, the Guarantor is a company incorporated in Cayman Islands with limited liability and, through its subsidiaries, mainly engaged in property development and property investment whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 272).

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

REASONS FOR AND BENEFITS OF THE TRANSACTION

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 February 2024, the Company obtained the net proceeds of approximately HK\$170.0 million from the completion of rights issue, after deducting all relevant expenses therefor, and the Company proposed to apply approximately HK\$150.0 million of the net proceeds from the rights issues as the seed money into the Purchaser so as to expand the Group's asset management business.

In the wake of the recent China real estate debacle, China and Hong Kong equities and credits have been hit hard lately, including the Notes. The Guarantor's focus is on the investment property with value representing around half of the total assets, hence a relatively stable operating cashflow of the Guarantor group. Furthermore, with a moderate total liabilities to total assets ratio of around 56%, the asset coverage of the Guarantor group is decent within the China property space. The Notes represent a rare opportunity to earn an attractive yield in unique market conditions. Accordingly, the Directors considered that the Transaction is fair, reasonable, on normal commercial terms, and is in the interests of the Group and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Transaction aggregated with previous purchases within 12 months of the date of this announcement amounting to approximately HK\$11.9 million is more than 5% but less than 25%, the Transaction constitutes a discloseable transactions of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the Listing Rules.

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
“Guarantor”	Shui On Land Limited
“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”	Shui On Development (Holding) Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	including, (i) the notes issued by the Issuer with the outstanding principal amount of US\$500 million and coupon rate of 6.15% and callable at 100 since 24 May 2024 and guaranteed by the Guarantor; and (ii) the notes issued by the Issuer with the outstanding principal amount of approximately US\$490 million and coupon rate of 5.5% and callable at 101.375 since 3 March 2024 and guaranteed by the Guarantor
“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 High Dividend Fund, a fund incorporated as an exempted company in the Cayman Islands and registered as a regulated mutual fund under the Mutual Funds Act (2021 Revision of the Cayman Islands)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the purchase of the Notes by the Purchaser
“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, 12 June 2024

For the purpose of this announcement, the exchange rate of US\$1.00 = HK\$7.82 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 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.