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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 TRANSACTIONS
INVESTMENT ACTIVITIES OF A SUBSIDIARY

THE TRANSACTIONS

On 29 August 2024, the Company was informed by the investment manager of the Purchaser that the Purchaser (an indirect wholly-owned subsidiary of the Company) purchased a nominal amount of US\$250,000 and US\$800,000 at a discount at approximately HK\$1.8 million of the Estate Sky Notes and approximately HK\$5.4 million BNP Notes on 19 August 2024 and 22 August 2024 respectively. At present, the Group owns nominal amount of US\$1.5 million of the Estate Sky Notes and US\$1.8 million of the BNP Notes, with the total purchasing cost of approximately HK\$10.9 million and HK\$12.0 million respectively.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of each of the Estate Sky Transaction and the BNP Transaction aggregated with previous purchases within 12 months of the date of this announcement amounting to approximately HK\$10.9 million and HK\$12.0 million respectively are more than 5% but less than 25%, each of the Transactions 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 Transactions were carried out on market over the counter via intermediaries, the identity of the ultimate seller(s) of the Estate Sky Notes and the BNP Notes are 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 Transactions is paid in cash using the internal resources of the Group.

MAJOR TERMS OF THE ESTATE SKY NOTES AND THE BNP NOTES

Estate Sky Notes:

Issuer	:	Estate Sky
Guarantor	:	CSI
Outstanding size	:	Approximately US\$296.1 million
Current credit rating of Estate Sky Notes	:	Nil
Coupon rate per annum	:	5.45%
Ranking	:	Senior unsecured
Maturity	:	21 July 2025
Call date	:	Callable at 101 since 21 July 2024

BNP Notes:

Issuer	:	BNP
Outstanding size	:	US\$1,750 million
Current credit rating of BNP Notes	:	Moody's: Ba1; Standard & Poor's: BBB-; Fitch: BBB-
Coupon rate per annum	:	- 4.5%, to be reset at 2.944% over constant maturity 5-year US treasury yield on 25 February 2030 if not called on BNP's first call date - Discretionary and not cumulative
Ranking	:	Junior subordinated (higher than equity)
Maturity	:	Callable perpetual

Call date : 25 February 2030 or each date falling five, or an integral multiple of five, years after 25 February 2030

INFORMATION ON ESTATE SKY AND BNP

According to the public information available to the Directors, Estate Sky is a company incorporated in British Virgin Islands and wholly owned by CSI. CSI is a property investment and development company primarily in the PRC and Hong Kong, with main focus on active repositioning and value enhancement of commercial projects in prime locations and premium residential property development in Hong Kong and Shanghai.

BNP is a company incorporated in France as a public limited company and listed on the Euronext Paris (stock code: BNP.FP). It provides commercial, retail, investment and private corporate banking services primarily in Europe and, to a lesser extent, North America and Asia Pacific. It also offers asset management and investment advisory services to institutions and individuals.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Estate Sky, CSI and BNP and their ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

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\$170.1 million from the completion of rights issue, after deducting all relevant expenses therefor, and the Company proposed to apply approximately HK\$150.1 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 Estate Sky Notes. Primary assets of the CSI group are located in Hong Kong and high-tier cities of China, hence relatively solid book value. Furthermore, with a moderate total liabilities to total assets ratio of approximately 48%, the asset coverage of CSI group is decent.

Owing to the interest rate hike in the US since early 2022, the BNP Notes have suffered substantially. BNP is a global renowned and well capitalized banking and financial services group. Although the coupon payment of the BNP Notes is discretionary, coupon suspension on subordinated contingent convertible securities is extremely unusual.

The Company is sanguine about the financial standing of both CSI and BNP. Both the Estate Sky Notes and the BNP Notes represent rare opportunities to earn an attractive yield in unique market conditions. Accordingly, the Directors considered that the Transactions is fair, reasonable, on normal commercial terms, and is in the interests of the Group and its shareholders as a whole.

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DEFINITIONS

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

“BNP”	BNP Paribas
“BNP Notes”	the fixed rate resetting perpetual subordinated contingent convertible securities issued by BNP with the outstanding principal amount of US\$1,750 million and coupon rate of 4.5% and callable since 25 February 2030
“BNP Transaction”	the purchase of the BNP Notes by the Purchaser
“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
“CSI”	CSI Properties Limited, whose issued shares are listed on the Stock Exchange (stock code: 497)
“Director(s)”	the director(s) of the Company
“Estate Sky”	Estate Sky Limited
“Estate Sky Notes”	the notes issued by Estate Sky Limited with the outstanding principal amount of approximately US\$296.1 million and coupon rate of 5.45% and callable at 101 since 21 July 2024 and guaranteed by CSI
“Estate Sky Transaction”	the purchase of the Estate Sky Notes by the Purchaser
“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)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Transactions”	collectively, the BNP Transaction and the Estate Sky Transaction
“US”	the United States of America
“US\$”	United States dollars, the lawful currency of the US
“%”	per cent.

For and on behalf of
DA YU FINANCIAL HOLDINGS LIMITED
Lee Wa Lun, Warren
Managing Director

Hong Kong, 29 August 2024

For the purpose of this announcement, the exchange rate of US\$1.00 = HK\$7.813 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.