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## **YIN HE HOLDINGS LIMITED**

**銀合控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

(Stock code: 8260)

### **SUPPLEMENTAL ANNOUNCEMENT**

**Financial Adviser**



**Euto Capital Partners Limited**

Reference is made to the circular of the Company dated 29 January 2015 in relation to the placing (“**2014 Placing**”) of new shares under specific mandate (the “**2014 Placing Circular**”) and the announcements of the Company dated (i) 13 November 2015 in relation to the subscription of new shares under general mandate (the “**Subscription Announcement**”); and (ii) 9 May 2016 in relation to the placing (“**2016 Placing**”) of new shares under general mandate (the “**2016 Placing Announcement**”, together with the Subscription Announcement, collectively the “**Announcements**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

#### **THE 2014 PLACING**

##### **Use of proceeds**

As disclosed in the 2014 Placing Circular under the paragraph headed “*REASONS FOR THE PLACING AND USE OF PROCEEDS*”, the Company intends to apply the net proceeds of approximately HK\$48.5 million in the following manner:

- (i) approximately HK\$3 million as working capital for the Sheng Zhuo Group Limited (a wholly-owned subsidiary of the Group), which would cover staff salary, rental expenses and administrative expenses;
- (ii) approximately HK\$5.5 million as additional general working capital of the Group to maintain its liquidity and fulfill the need for possible increase of administrative expenses of the Group; and
- (iii) the remaining balance of approximately HK\$40 million to develop its money lending business.

The Board would like to supplement that the utilisation of the aforesaid net proceeds are set out as follows:

	<b>Planned amount per 2014 Placing Circular HK\$ million</b>	<b>Amount utilised up to the date of this announcement HK\$ million</b>	<b>Balance as at the date of this announcement HK\$ million</b>
(i) Working capital for Sheng Zhuo Group Limited (a wholly-owned subsidiary of the Group)	3.0	3.0	Nil
(ii) General working capital of the Group	5.5	5.5	Nil
(iii) Development of money lending business	40.0	23.3	16.7
Total	<u>48.5</u>	<u>31.8</u>	<u>16.7</u>

## THE SUBSCRIPTION

### Use of proceeds

As disclosed in the Subscription Announcement under the paragraph headed “USE OF PROCEEDS”, the Company intended to utilise the net proceeds from the Subscription to (i) increase the registered capital of the PRC Company (i.e. Guangzhou Shun Xin Dai Hui Lian Wang Internet Financial Information Services Limited) from RMB10 million to RMB50 million; (ii) provide entrusted loans; and (iii) place short term deposits with authorised financial institutions and/or licensed banks in Hong Kong and/or the PRC.

The Board would like to supplement that the net proceeds from Subscription was fully utilised as to (i) approximately HK\$48.70 million (approximately 62%) to increase the registered capital of the PRC Company; and (ii) approximately HK\$29.70 million (approximately 38%) for provision of entrusted loans.

## THE 2016 PLACING

### Use of proceeds

As disclosed in the 2016 Placing Announcement under paragraph headed “REASONS FOR THE PLACING AND USE OF PROCEEDS”, it is expected that the net proceeds from Placing will be utilised as general working capital of the Group and for the liquid capital pool of the Group to provide entrusted loans to customers when opportunities may arise from time to time (“**Liquid Capital Pool**”).

The Board would like to supplement that although the Company has sufficient general working capital for the next 12 months (even without the net proceeds from Placing), the Company plans to set aside 20% (approximately HK\$3.12 million) of the net proceeds from Placing for the general working capital of the Group. The remaining 80% (approximately HK\$12.48 million) of the net proceeds from Placing will be allocated to the Liquid Capital Pool.

## **Placing commission**

The Board would like to supplement that the placing commission to be received by the Placing Agent pursuant to the Placing Agreement is 2% of the aggregate Placing Price (being HK\$0.64) of the Placing Shares (being the maximum number of 25,000,000 Shares).

By order of the Board  
**Yin He Holdings Limited**  
**Lam Tsz Chung**  
*Executive Director*

Hong Kong, 12 May 2016

*As at the date of this announcement, the executive Directors are Mr. Lam Tsz Chung, Mr. Li Si Cong and Mr. Zheng Zhong Qiang, the non-executive Director is Mr. Chang Tin Duk Victor and the independent non-executive Directors are Mr. Lam Raymond Shiu Cheung, Mr. Wang En Ping and Dr. Cheung Wai Bun Charles, JP.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

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