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COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE



The Board is pleased to announce that all of the conditions of the Placing have been fulfilled and the completion of the Placing took place on 20 May 2016.

A total of 25,000,000 Placing Shares have been successfully placed by the Placing Agent to one Placee at the Placing Price of HK\$0.64 per Placing Share pursuant to the terms and conditions of the Placing Agreement. The net proceeds from the Placing are approximately HK\$15.6 million.

Reference is made to the announcements of Yin He Holdings Limited (the “**Company**”) dated 6 May 2016 and 12 May 2016 (the “**Announcements**”) in relation to the Placing. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

COMPLETION OF THE PLACING

The Board is pleased to announce that all of the conditions of the Placing have been fulfilled and the completion of the Placing (“**Completion**”) took place on 20 May 2016.

A total of 25,000,000 Placing Shares have been successfully placed to one Placee, namely Ms. Yang Qin (楊琴女士) (a PRC citizen), at the Placing Price of HK\$0.64 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

To the best of the Director's knowledge, information and belief after having made all reasonable enquiries, the Placee is an Independent Third Party and has not become a substantial Shareholder (within the meaning of the GEM Listing Rules) immediately upon Completion.

The net proceeds from the Placing, after deducting of commission payable to the Placing Agent and other expenses incidental to the Placing, is approximately HK\$15.6 million which is intended to be used as to (i) approximately HK\$3.12 million for general working capital of the Group; and (ii) approximately HK\$12.48 million for the liquid capital pool of the Group to provide entrusted loans to customers when opportunities arise from time to time.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The 25,000,000 Placing Shares represent approximately 2.12% of the issued share capital of the Company immediately after Completion. The aggregate nominal value of the Placing Shares issued under the Placing is HK\$250,000.

Set out below is the shareholding structure of the Company immediately before and after Completion:

	(i) Immediately before Completion		(ii) Immediately after Completion	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Upmost Corporation Limited (Note 1)	207,200,000	17.98	207,200,000	17.60
Mr. Li Si Cong (Note 2)	66,500,000	5.77	66,500,000	5.65
Elate Star Limited (Note 3)	34,764,039	3.02	34,764,039	2.95
Mr. Li Ang (Note 3)	22,000,000	1.91	22,000,000	1.87
Ms. Yang Qin	4,540,000	0.39	29,540,000	2.51
Other public Shareholders	817,072,884	70.93	817,072,884	69.42
Total	<u>1,152,076,923</u>	<u>100.00</u>	<u>1,177,076,923</u>	<u>100.00</u>

Notes:

1. Upmost Corporation Limited held 207,200,000 Shares. As Upmost Corporation Limited is wholly and beneficially owned by Mr. Zhang Jian, Mr. Zhang Jian is deemed to be interested in 207,200,000 Shares held by Upmost Corporation Limited under the SFO.
2. Mr. Li Si Cong is an executive Director.

3. Mr. Li Ang is the son of Mr. Li Si Cong. Elate Star Limited is wholly and beneficially owned by Mr. Li Ang and therefore, Mr. Li Ang is deemed to be interested 34,764,039 Shares held by Elate Star Limited under the SFO.

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

Hong Kong, 20 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.

This announcement will remain on GEM website on the “Latest Listed Company Information” page for at least seven days from the day of its posting and on the Company’s website at www.yinhe.com.hk.