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SUPPLEMENTAL ANNOUNCEMENT

Financial Adviser



Euto Capital Partners Limited

Reference is made to the announcement of Yin He Holdings Limited (the “**Company**”) dated 27 May 2016 (the “**Announcement**”) in relation to the Placing. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

INFORMATION OF THE PLACEE

The Board is pleased to announce that a total of 30,000,000 Placing Shares will be placed to one Placee, namely Ms. Huang Gui Fang (黃桂芳女士) (a PRC citizen), at the Placing Price of HK\$0.685 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

To the best of the Directors’ 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. To the best of the Directors’ knowledge, the Placee (a) has not been financed directly or indirectly by any connected person of the Company; or (b) is accustomed to taking instructions from any connected person of the Company in relation to the subscription of the Placing Shares. Therefore, the Placee shall be regarded as a public Shareholder.

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\$20.1 million which is intended to be used as to (i) approximately HK\$4.02 million for general working capital of the Group; and (ii) approximately HK\$16.08 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 30,000,000 Placing Shares represent approximately 2.49% 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\$300,000.

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 <i>(Note 1)</i>	207,200,000	17.60	207,200,000	17.17
Mr. Li Si Cong <i>(Note 2)</i>	66,500,000	5.65	66,500,000	5.51
Elate Star Limited <i>(Note 3)</i>	34,764,039	2.95	34,764,039	2.88
Mr. Li Ang <i>(Note 3)</i>	22,000,000	1.87	22,000,000	1.82
Ms. Huang Gui Fang	–	–	30,000,000	2.49
Other public Shareholders	846,612,884	71.93	846,612,884	70.13
Total	<u>1,177,076,923</u>	<u>100.00</u>	<u>1,207,076,923</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.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS FROM THE DATE OF THIS ANNOUNCEMENT

Save as disclosed below, the Board confirms that the Company has not raised any funds on any issue of equity securities in the 12 months immediately preceding the date of this announcement.

Date of announcement	Fund-raising activity	Net proceeds raised (approximately)	Intended use of proceeds as stated in the announcement	Actual use of proceeds
10 November 2015 and 18 November 2015	Subscription of 66,500,000 Shares at HK\$1.18 per Share under General Mandate	HK\$78.29 million	General working capital of the Company	62% for increasing the registered capital of Guangzhou Shun Xin Dai Hui Lan Wang Internet Financial Information Services Limited 38% for provision of entrusted loans
6 May 2016, 12 May 2016 and 20 May 2016	Subscription of 25,000,000 Shares at HK\$0.64 per Share under General Mandate	HK\$15.60 million	20% for general working capital of the Company 80% for entrusted loans to customers when opportunities may arise from time to time	20% for general working capital of the Company (approximately HK\$500,000 has been used as general and administrative expenses) All the 80% has fully been used as provision for entrusted loans to customers

NO INTENTION TO CONDUCT ANY FUND RAISING ACTIVITIES

As at the date of this announcement, the Company has no intention to conduct any others fund raising activities.

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

Hong Kong, 7 June 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.