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**TERMINATION OF
MEMORANDUM OF UNDERSTANDING
IN RELATION TO
THE PROPOSED ACQUISITION OF
GAIN HOPE HOLDINGS LIMITED**

Financial Adviser



Euto Capital Partners Limited

Reference is made to the announcements of Yin He Holdings Limited (the “**Company**”) dated 27 November 2015, 25 February 2016 and 26 May 2016 (the “**Announcements**”) in relation to the acquisition of the 75% issued share capital of Gain Hope Holdings Limited (the “**FC Acquisition**”). Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as defined in the Announcements.

The Board announces that after careful consideration of all the circumstances surrounding the FC Acquisition, the Purchaser and the Vendors decided not to proceed with the FC Acquisition on the current structure basis. On 25 July 2016, the Purchaser and the Vendors entered into a deed of termination (the “**Termination Deed**”) whereby the parties have mutually agreed to terminate the FC MOU and to release and discharge each other from its respective obligations under the FC MOU with effect from the date of the Termination Deed.

The Board considers that the termination of the FC Acquisition will not have any material adverse impact on the financial position and operation of the Group.

The announcement is made pursuant to Rule 19.36 of the GEM Listing Rules.

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

Hong Kong, 25 July 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.