

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors of Yin He Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited 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 report 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 report misleading.

SUMMARY

- Revenue for the nine months ended 31 December 2017 amounted to HK\$213,895,000 (2016: HK\$207,595,000), representing an increase of approximately 3% as compared with corresponding period of the previous year.
- Profit attributable to owners of the Company for the nine months ended 31 December 2017 amounted to HK\$31,942,000 while profits attributable to owners of the Company for the nine months ended 31 December 2016 amounted to HK\$35,869,000.
- Basic earnings per share for the nine months ended 31 December 2017 amounted to approximately HK\$2.18 cent while basic earnings per share for the nine months ended 31 December 2016 amounted to approximately HK\$2.93 cents.



UNAUDITED THIRD QUARTERLY RESULTS

The board of Directors (the "Board") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "Group") for the nine months ended 31 December 2017 together with the comparative unaudited figures for the corresponding periods in 2016 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVES INCOME

For the nine months ended 31 December 2017

	Notes	Third Quarter Unaudited For the three months ended		First to Third Quarter Unaudited For the nine months ended	
		31 December 2017 HK\$'000	31 December 2016 HK\$'000	31 December 2017 HK\$'000	31 December 2016 HK\$'000
Revenue	5	78,413	61,099	213,895	207,595
Direct costs		(42,991)	(44,499)	(115,984)	(140,674)
Gross profit		35,422	16,600	97,911	66,921
Other income	5	706	3,063	1,588	8,346
General and administrative expenses		(12,831)	(14,086)	(53,560)	(32,284)
Operating profit		23,297	5,577	45,939	42,983
Finance costs	6	(3,661)	(3)	(6,876)	(9)
Profit before income tax		19,636	5,574	39,063	42,974
Income tax expense	7	(2,197)	(1,462)	(7,070)	(7,089)
PROFIT FOR THE PERIOD		17,439	4,112	31,993	35,885
OTHER COMPREHENSIVE INCOME FOR THE PERIOD					
Release of investment revaluation reserve upon disposal of available-for-sale investments		(1,018)	0	(1,756)	0
Effect of foreign exchange rate change		7,532	-	17,533	(6,774)
Total comprehensive income for the period		23,953	4,112	47,770	29,111
Profit for the period attributable to					
Owners of the Company		17,436	4,119	31,942	35,869
Non-controlling interest		3	(7)	51	16
		17,439	4,112	31,993	35,885
Total comprehensive income/(expense) for the period attributable to					
Owners of the Company		23,950	4,119	47,719	29,122
Non-controlling interest		3	(7)	51	(11)
Earnings per share for profit attributable to owners of the Company					
- Basic (HK cent(s))	8	1.193	0.32	2.185	2.93
- Diluted (HK cent(s))	8	1.141	0.30	2.090	2.78

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2017

	Share capital	Share premium	Convertible preference shares	Merger reserve	Investment revaluation reserve	Statutory reserve	Translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 31 March 2016	11,521	718,316	100,575	(213)	-	5,030	(3,379)	41,934	873,784	4,726	878,510
Total comprehensive income for the period	-	-	-	-	-	-	(6,747)	35,869	29,122	(11)	29,111
Issue of share upon placing	2,056	171,897	-	-	-	-	-	-	173,953	-	173,953
Issue of consideration shares	1,029	86,471	-	-	-	-	-	-	87,500	-	87,500
Conversion of preference shares	10	1,480	(1,490)	-	-	-	-	-	-	-	-
At 31 December 2016 (Unaudited)	<u>14,616</u>	<u>978,164</u>	<u>99,085</u>	<u>(213)</u>	<u>-</u>	<u>5,030</u>	<u>(10,126)</u>	<u>77,803</u>	<u>1,164,359</u>	<u>4,715</u>	<u>1,169,074</u>
As at 31 March 2017	14,616	997,994	99,085	(213)	7,171	10,936	(16,229)	73,033	1,186,393	4,514	1,190,907
Total comprehensive income for the period	-	-	-	-	(1,756)	-	17,533	31,942	47,719	51	47,770
At 31 December 2017 (Unaudited)	<u>14,616</u>	<u>997,994</u>	<u>99,085</u>	<u>(213)</u>	<u>5,415</u>	<u>10,936</u>	<u>1,304</u>	<u>104,975</u>	<u>1,234,112</u>	<u>4,565</u>	<u>1,238,677</u>

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Yin He Holdings limited (the “Company”) was incorporated in the Cayman Islands on 24 February 2012 as an exempted company with limited liability under the Companies law of the Cayman Islands. The Company’s shares are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong limited (the “Stock Exchange”) on 10 April 2013.

The Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s principal place of business is located at Room 2418A, Wing On Centre, 111 Connaught Road Central, Hong Kong.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial information for the nine months ended 31 December 2017 (“Third Quarterly Financial Information”) have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institutes of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial information should be read in conjunction with audited financial statements and notes thereto for the year ended 31 March 2017.

It should be noted that accounting estimates and assumptions are used in preparation of unaudited condensed consolidated financial information. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

The Third Quarterly Financial Information are unaudited, but have been reviewed by the Audit Committee of the Company. The Third Quarterly Financial Information were approved for issue on 13 February 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on historical cost basis. Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the nine months ended 31 December 2017 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2017.

In the current third quarterly period, the Group has applied for the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to Hong Kong Accounting Standard ("HKAS") 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle

The application of the above amendments to HKFRSs in the current Third Quarterly period has had no material effect on the amounts reported in the condensed consolidated financial statements and/or on the disclosures set out in these condensed consolidated financial statements.

4. SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. No operating segment identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

Human resource services	–	provision of staff outsourcing services, executive/ staff search services and other human resources support services
Credit consultancy services	–	provision of credit assessment and credit consultancy services
Loan facilitation services	–	operation of peer-to-peer ("P2P") financing platform and other loan facilitation services
Asset management services	–	provision of financial advisory services for corporate
Loan financing services	–	provision of loan financing services

Revenue and expenses are allocated to the reportable segments with reference to revenue generated and the expenses incurred by those segments. The measurement of segment profit or loss is the same as those used in preparing these financial statements under HKFRSs except that finance costs, and other income and expenses not directly attributable to business activities of the operating segments are not included in arriving at the operating results of the operating segments. Unallocated corporate results comprise of administrative expenses of the Company for the nine-month periods ended 31 December 2016 and 2017.

Segment revenue and results

For the nine-month period ended 31 December 2017 (unaudited)

	Human resources services HK\$'000	Credit consultancy services HK\$'000	Loan facilitation services HK\$'000	Asset management services HK\$'000	Loan financing services HK\$'000	Consolidated HK\$'000
Segment revenue	<u>127,247</u>	<u>19,288</u>	<u>48,144</u>	<u>5,056</u>	<u>14,160</u>	<u>213,895</u>
Segment profit	<u>1,638</u>	<u>11,065</u>	<u>36,845</u>	<u>1,371</u>	<u>14,136</u>	<u>65,055</u>
Interest income						6
Unallocated corporate expenses						<u>(25,998)</u>
Profit before income tax						<u><u>39,063</u></u>

For the nine-month period ended 31 December 2016 (Unaudited)

	Human resource services HK\$'000	Credit consultancy services HK\$'000	Loan facilitation services HK\$'000	Asset management services HK\$'000	Consolidated HK\$'000
Reportable segment revenue	<u>152,747</u>	<u>7,335</u>	<u>31,159</u>	<u>16,354</u>	<u>207,595</u>
Reportable segment profit	<u>2,472</u>	<u>5,251</u>	<u>22,124</u>	<u>10,629</u>	<u>40,476</u>
Interest income					8,119
Unallocated corporate expenses					<u>(5,621)</u>
Profit before income tax					<u><u>42,974</u></u>

There is no inter-segment sale between different business segments during the period or prior year.

Geographical information

The following table presents the revenue from external customers for the nine months ended 31 December 2017 and 2016 by geographical locations:

	For the nine months ended	
	31 December 2017 (Unaudited) HK\$ '000	31 December 2016 (Unaudited) HK\$ '000
Revenue from customers		
Hong Kong	127,247	152,747
PRC	86,648	54,848
	213,895	207,595

5. REVENUE AND OTHER INCOME

An analysis of the Group's revenue and other income is as follows:

	Three months ended		Nine months ended	
	31 December 2017 (Unaudited) HK\$ '000	2016 (Unaudited) HK\$ '000	31 December 2017 (Unaudited) HK\$ '000	2016 (Unaudited) HK\$ '000
Revenue				
Staff outsourcing services	42,257	45,896	116,381	143,426
Executive/staff search services	1,327	587	5,181	4,839
Other human resources support services	1,872	1,278	5,685	4,482
Credit consultancy services	5,739	1,484	19,288	7,335
Loan facilitation services	18,462	10,702	48,144	31,159
Asset management services	1,934	1,152	5,056	16,354
Loan financing services	6,552	-	14,160	-
	78,413	61,099	213,895	207,595
Other income				
Interest income	3	2,926	6	8,119
Sundry income/(expense)	703	137	1,582	227
	706	3,063	1,588	8,346
	79,119	64,162	215,483	215,941

6. FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Interest charges on:				
Bonds payable	3,660	–	6,871	–
Obligation under a finance lease	1	3	5	9
	<u>3,661</u>	<u>3</u>	<u>6,876</u>	<u>9</u>

7. INCOME TAX EXPENSE

	Three months ended 31 December		Nine months ended 31 December	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Current tax				
– Hong Kong Profits Tax – charged for the period	270	26	270	408
– Enterprise Income Tax of The People's Republic of China (the "PRC")	1,927	1,436	6,800	6,681
	<u>2,197</u>	<u>1,462</u>	<u>7,070</u>	<u>7,089</u>

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits derived in Hong Kong for both periods.

Pursuant to the income tax rules and regulations of the PRC, the subsidiaries in the PRC are subject to China Enterprise Income Tax at the rate of 25% for both periods and 9% is specifically for the PRC subsidiaries which are operating in Tibet Autonomous Region.



8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share are based on the following data:

	Three months ended 31 December		Nine months ended 31 December	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Earnings				
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	17,436	4,119	31,942	35,869
	'000	'000	'000	'000
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,461,568	1,277,800	1,461,568	1,223,308
Effect of dilutive potential ordinary shares:				
Convertible preference shares	66,500	66,500	66,500	66,500
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,528,068	1,344,300	1,528,068	1,289,808

DIVIDEND

The Board does not recommend the payment of a dividend for the nine months ended 31 December 2017 (2016: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

The Group recorded an unaudited revenue of approximately HK\$213,895,000 for the nine months ended 31 December 2017, representing an increase of 3% from approximately HK\$207,595,000 for the corresponding period of the previous year.

The unaudited net profit attributable to shareholders for the nine months ended 31 December 2017 was HK\$31,993,000 whereas the Group recorded a net profit of approximately HK\$35,885,000 for the corresponding period of the previous year. The decrease was mainly due to the decrease in turnover of staff outstanding Services and asset management services segment. In addition, a professional fee of Bond issuance incurred during the nine months ended 31 December 2017.

The Group's gross profit for the nine months ended 31 December 2017 was approximately HK\$97,911,000, representing an increase of approximately 46.3% as compared with the corresponding period (2016: HK\$66,921,000). The increase in the Group's gross profit was mainly due to attributable by the profits derived from the Group's provision of loan facilitation and credit consultancy services, which accounted for approximately 67.7% of the Group's total gross profit.

The Group's general and administrative expense for the nine months ended 31 December 2017 amounted to HK\$53,560,000, which represented an increase of approximately 65.9% as compared with the last corresponding period (2016: HK\$32,284,000). The increase is mainly due to the inclusion of administrative expenses incurred a professional fee of Bond issuance during the nine months ended 31 December 2017.

Business Review

The Group is principally engaged in (i) provision of staff outsourcing services, executive/staff search services and other human resources support services (“Human Resources Services”); (ii) provision of credit assessment and credit consultancy services in the People’s Republic of China (the “PRC”); (iii) operation of peer-to-peer (“P2P”) financing platform and provision of other loan facilitation business in the PRC; (iv) provision of asset management services business in the PRC; and (v) loan financing services.

For the nine months ended 31 December 2017, the unaudited revenue from staff outsourcing services was approximately HK\$116,381,000, representing a decrease of approximately 18.9% when compared to approximately HK\$143,426,000 for the corresponding period of the previous year. The reason for the decrease was due to a reduction in demand for staff outsourcing services from existing clients.

Revenue from credit consultancy services in the PRC was approximately HK\$19,288,000 for the year ended 31 December 2017, representing an increase of approximately 163% as compared to approximately HK\$7,335,000 for the corresponding period of previous year.

Revenue from loan facilitation services was approximately HK\$48,144,000 for the year ended 31 December 2017, representing an increase of approximately 54.5% as compared to approximately HK\$31,159,000 for the corresponding period of previous year.

Revenue from Asset Management Services was approximately HK\$5,056,000 for the year ended 31 December 2017, representing a decrease of approximately 69.1% as compared to approximately HK\$16,354,000 for the corresponding period of previous year.

Revenue from new classified loan financing services was approximately HK\$14,160,000 for the year ended 31 December 2017. The Group believes extending this business segment and will further diversify the Group’s business and widen its existing financial services spectrum.

Prospects

The Group aims to create value for shareholders by looking into new business synergies and exploring potential strategic partners to broaden its credit assessment and credit counselling services, loan facilitation, asset management business and loan financing service in the PRC. The Group will continue focus strongly on business developments in the PRC by expanding within its existing platform and services network in the PRC.

Capital Structure of the Group

There was no material change in the Group's capital structure as compared to the most recent published annual report.

Foreign Exchange Exposure

As most of the Group's business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi, the Group's exposure to exchange rate risk is limited. It is the Group's treasury policy to manage its foreign currency exposure only when its potential financial impact is material to the Group. The Group did not use any financial instrument to hedge against foreign currency risk.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operation. Since the Scheme has become effective on 10 April 2013 and up to 31 December 2017, no share options were granted, exercised or cancelled by the Company under the Scheme and there were no outstanding share options under the Scheme as at 31 December 2017.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 December 2017, interests and short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

Long position in the Shares

Name of Director	Nature of interests	Number of Shares held	Approximate percentage of Issued share capital
Li Ang (<i>note</i>)	Interest in controlled corporation	141,764,039	9.70%
Li Si Cong (<i>note</i>)	Beneficial owner	66,500,000	4.55%

Note: Mr. Li Si Cong and Mr. Li Ang pledged their 200,000,000 Shares to Harvest Progress International Limited. Harvest Progress International Limited is 100% controlled by Li Han Fa, Hong Pei Hua is spouse of Li Han Fa. By virtue of the SFO, Hong Pei Hua is deemed to be interested in the same blocks of shares in which Li Han Fa is interested.

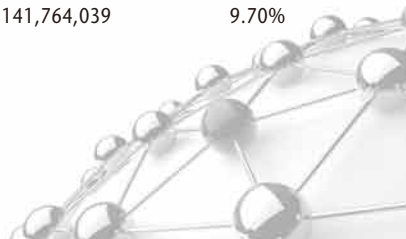
Save as disclosed above, as at 31 December 2017, none of the Directors and Chief Executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

INTERESTS AND SHORT POSITIONS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 31 December 2017, the persons/entities (other than directors and chief executive of the Company) have an interest or a short position in the shares or the underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO, or who will be, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group are as follows:

Long position in the Shares

Name	Nature of interests	Number of Shares held	Approximate percentage of Issued share capital
Central Huijin Investment Ltd. ("CHI")	Person having a security interest in shares (Note 1)	208,264,039	14.25%
	Interest in controlled corporation (Note 1)	115,342,126	7.89%
China Construction Bank Corporation ("CCB")	Person having a security interest in shares (Note 1)	208,264,039	14.25%
	Interest in controlled corporation (Note 1)	115,342,126	7.89%
Upmost Corporation Limited ("Upmost")	Beneficial owner (Note 2)	207,200,000	14.18%
Zhang Jian	Interest in controlled corporation (Note 2)	207,200,000	14.18%
Li Ang	Interest in controlled corporation (Note 3)	141,764,039	9.70%



Name	Nature of interests	Number of Shares held	Approximate percentage of Issued share capital
Elate Star Limited ("Elate Star")	Beneficial owner (Note 3)	71,764,039	4.91%
Gao Tong Limited ("Gao Tong")	Beneficial owner (Note 3)	70,000,000	4.79%
Lv Xiang-yang	Beneficial owner	109,050,000	7.46%
Zhan Yu Global Limited ("Zhan Yu")	Beneficial owner (Note 4)	75,000,000	5.13%
Ye Jun	Interest in controlled corporation (Note 4)	75,000,000	5.13%

Notes:

- (1) According to the Corporate Substantial Shareholder Notices filed by CHI and CCB on 29 December 2016 (the "Notices"), each of CHI and CCB, as person having a security in shares, is interested in 208,264,039 Shares and also, having interest in controlled corporation, interested in 115,342,126 Shares. As set out in the Notices, Chance Talent Management Limited ("Chance Talent") has a direct interest in 323,606,165 Shares. Since Chance Talent is wholly-owned by CCBI Investments Limited ("CCBII") who in turn is wholly-owned by CCB International (Holdings) Limited ("CCBIH") who in turn is wholly-owned by CCB Financial Holdings Limited ("CCBF") who in turn is wholly-owned by CCB International Group Holdings Limited ("CCBIG") who in turn is wholly-owned by CCB who in turn is owned as to 57.31% by CHI, CCBII, CCBIH, CCBF, CCBIG, CCB and CHI are deemed to be interested in 323,606,165 Shares.
- (2) Upmost is a company owned as to 100% by Mr. Zhang Jian. By virtue of the SFO, Mr. Zhang Jian is deemed to be interested in the same block of shares in which Upmost is interested.
- (3) Both Elate Star and Gao Tong are owned as to 100% by Mr. Li Ang. By virtue of the SFO, Mr. Li Ang is deemed to be interested in the same blocks of shares in which Elate Star and Gao Tong are interested.
- (4) Zhan Yu is a company owned as to 100% by Mr. Ye Jun. By virtue of the SFO, Mr. Ye Jun is deemed to be interested in the same block of shares in which Zhan Yu is interested.

Save as disclosed above, no other parties (other than Directors and chief executive of the Company) has disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of SFO or were recorded in the register kept by the Company under section 336 of the SFO as having an interest or a short position in the shares or underlying shares of the Company as at 31 December 2017.

Short positions in underlying shares of the Company

As at 31 December 2017, no short positions of other persons or substantial shareholders in the underlying shares of equity derivatives of the Company and its associated corporations were recorded in the register.

As at 31 December 2017, the Directors were not aware of any person who had an interest or short position in the underlying shares (including interests in options, if any) of the Company as recorded in the register required to be kept under Section 336 of the SFO.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Company has not completed any material acquisitions or disposal during the period.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased or sold any of the Company's listed securities during the nine months ended 31 December 2017. The Company had not redeemed any of its listed securities during the nine months ended 31 December 2017.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a Code of Practice for Securities Transactions by Directors and Designated Employees on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry of all Directors who have confirmed their compliance with required standard set out in the Securities Code during the nine months ended 31 December 2017.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions in the Corporate Governance Code (the “Code”) as set out in Appendix 15 of the GEM Listing Rules throughout the nine months ended 31 December 2017.

COMPETITION AND CONFLICT OF INTEREST

None of the Directors, the management shareholders or substantial shareholders of the Company or any of its respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with the Group during nine months ended 31 December 2017.

REVIEW BY AUDIT COMMITTEE

The audit committee comprises three independent non-executive Directors, namely, Mr. Lam Raymond Shiu Cheung, Mr. Wang En Ping and Dr. Cheung Wai Bun Charles, JP. Mr. Wang En Ping is the chairman of the audit committee.

The Group’s unaudited results for the nine months ended 31 December 2017 and this announcement have been reviewed by the audit committee. The Board is of the opinion that such financial information has been prepared in compliance with the applicable accounting standards, the requirements under the GEM Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

By Order of the Board
Yin He Holdings Limited
Zheng Zhong Qiang
Executive Director

Hong Kong, 13 February 2018

