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**EXTENSION OF EXCLUSIVITY PERIOD
FOR MEMORANDUM OF
UNDERSTANDING IN RELATION TO
THE POSSIBLE ACQUISITION**

Financial Adviser



Euto Capital Partners Limited

This announcement is made by the Company pursuant to the Inside Information Provision under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 17.10 of the GEM Listing Rules.

The Board announces that on 24 June 2020 (after trading hours), the Company and the Vendor entered into the Second Supplemental MOU to extend the Expiry Date from 30 June 2020 to 31 December 2020.

This announcement is made by the Company pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 17.10 of the GEM Listing Rules.

Reference is made to the announcement of the Company dated 23 July 2019 (“**MOU Announcement**”) and the Company’s announcement (“**First Supplemental MOU Announcement**”) dated 22 January 2020. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the MOU Announcement.

As disclosed in the MOU Announcement, the Company and the Vendor entered into the MOU, pursuant to which the Vendor has conditionally agreed to sell and the Company has conditionally agreed to purchase the entire equity interest of the Target Company. The Vendor agreed that it will not and will procure that the Target Company and its directors, officers, employees, representatives and agents not to, directly or indirectly, for a period of six (6) months from the date of the MOU (“**Exclusivity Period**”), (i) solicit, initiate or encourage enquiries or offers from; or (ii) initiate or continue negotiations or discussions with or furnish any information to; or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Company with respect to the sale or other disposition of the equity interest in or the sale, subscription, or allotment of any part thereof or any other shares of the Target Company. Should the Target Company (and its existing shareholder) or the Vendor receives any respective inquiries or invitation, the Company would be informed immediately. Pursuant to the MOU (as supplemented by a supplemental MOU dated 22 January 2020), the Exclusivity Period will expire on 30 June 2020 (“**Expiry Date**”).

As additional time is required for the Company and the Vendor to negotiate and agree on the terms of the Formal Agreement, on 24 June 2020 (after trading hours), the Company and the Vendor entered into the second supplemental MOU (“**Second Supplemental MOU**”) to the MOU to extend the Expiry Date to 31 December 2020.

Save for the above, all other terms and conditions of the MOU shall remain unchanged and be in full force and effect in its original terms.

The Board wishes to emphasize that the Acquisition may or may not materialise and Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

By Order of the Board
Yin He Holdings Limited
Li Ang
Chairman

Hong Kong, 24 June 2020

As at the date of this announcement, the executive Directors are Mr. Li Ang and Mr. Zheng Zhong Qiang, the non-executive Director are Mr. Chang Tin Duk Victor and Mr. Lam Tsz Chung, 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 GEM Listing Rules 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.