
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Yin He Holdings Limited (the “Company”), you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**(1) PROPOSALS FOR GRANT OF GENERAL MANDATES
TO ISSUE NEW SHARES AND REPURCHASE SHARES;
(2) RETIREMENT OF DIRECTORS AND
RE-ELECTION OF RETIRING DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Company to be held on 25 February 2021 (Thursday) at Unit B, 10/F, E168, 166-168 Des Voeux Road Central, Hong Kong at 3:00 p.m. is set out on pages 12 to 16 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting thereof should you so desire.

In light of the risks posed by the novel coronavirus (COVID-19) pneumonia epidemic, every shareholder or proxy attending the Annual General Meeting is required to wear a surgical face mask throughout the meeting and no refreshment will be served. The Company strongly advises the Shareholders to appoint the chairman of the meeting as their proxy to vote on the resolutions, instead of attending the meeting in person.

This circular will remain on the “Latest Company Announcements” page of the Stock Exchange website at www.hkexnews.hk for 7 days from the date of its posting. This circular will also be posted on the Company’s website at www.yinhe.com.hk.

CONTENTS

	<i>Page</i>
CHARACTERISTICS OF GEM	i
DEFINITIONS	1-2
LETTER FROM THE BOARD	3-5
APPENDIX I – EXPLANATORY STATEMENT	6-8
APPENDIX II – DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM	9-11
NOTICE OF ANNUAL GENERAL MEETING	12-16

CHARACTERISTICS OF GEM

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given the companies listed on GEM are generally small and mid-sized companies, 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.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held on 7 August 2020 (Friday) at Unit B, 10/F, E168, 166-168 Des Voeux Road Central, Hong Kong at 3:00 p.m.;
“AGM Notice”	the notice convening the AGM set out on pages 12 to 16 of this circular;
“Articles”	the articles of association of the Company;
“close associate(s)”	has the same meaning as defined in the GEM Listing Rules;
“Board”	the board of Directors;
“Company”	Yin He Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the GEM of the Stock Exchange (stock code: 8260);
“core connected person(s)”	has the same meaning as defined in the GEM Listing Rules;
“controlling shareholder(s)”	has the same meaning as defined in the GEM Listing Rules;
“Director(s)”	the directors of the Company;
“Eligible Participant(s)”	any employee (whether full-time or part-time, including any executive Director) of the Group or any Invested Entity, or any non-executive Director (including independent non-executive Directors) of the Group or any Invested Entity, or any supplier of goods and/or services to the Group or any Invested Entity, or any customer of the Group or any Invested Entity, or any person or entity that provides research, development or other technological support to the Group or any Invested Entity, or any holder of securities issued by any member of the Group or any Invested Entity, or any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity, or any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group, are eligible for Options under the Share Option Scheme;
“GEM”	GEM operated by of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;

DEFINITIONS

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Invested Entity”	any entity in which the Group holds any equity interest;
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot and issue Shares set out as resolution no. 4 in the AGM Notice;
“Latest Practicable Date”	24 December 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Date”	10 April 2013, the date on which dealings in the Shares commenced on GEM;
“Memorandum”	the memorandum of association of the Company;
“Options”	the options granted under the Share Option Scheme to subscribe for new Shares in accordance with the terms thereof;
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares set out as resolution no. 5 in the AGM Notice;
“SFO”	Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company;
“Share Option Scheme”	the share option scheme adopted by the Company on 19 March 2013;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-back.

LETTER FROM THE BOARD



Executive Directors:

Mr. Li Ang
Mr. Zheng Zhong Qiang

Non-executive Directors:

Mr. Lam Tsz Chung
Mr. Chang, Tin Duk Victor

Independent non-executive Directors:

Mr. Lam, Raymond Shiu Cheung
Mr. Wang En Ping
Dr. Cheung Wai Bun Charles, JP

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Places of Business in Hong Kong:

Room 2418A, Wing On Centre
111 Connaught Road Central
Hong Kong

31 December 2020

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSALS FOR GRANT OF GENERAL MANDATES
TO ISSUE NEW SHARES AND REPURCHASE SHARES;
(2) RETIREMENT OF DIRECTORS AND
RE-ELECTION OF RETIRING DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to: (i) provide you with details of the proposed Issue Mandate and the proposed Repurchase Mandate and the extension of the Issue Mandate by addition thereto of the number of Shares repurchased pursuant to the Repurchase Mandate; (ii) set out an explanatory statement regarding the Repurchase Mandate; (iii) furnish you with details of the proposed re-election of Directors; and (iv) give you notice of the AGM.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES

Ordinary resolutions will be proposed at the AGM to grant to the Directors new general mandates:

- (i) to allot, issue and otherwise deal with new Shares not exceeding 20% of the total number of issued Shares as at the date of passing the proposed resolution at the AGM; and
- (ii) to repurchase Shares up to a maximum of 10% of the total number of issued Shares as at the date of passing the proposed resolution at the AGM.

In addition, a separate ordinary resolution will be proposed at the AGM to add to the Issue Mandate those Shares repurchased by the Company pursuant to the Repurchase Mandate (if granted to the Directors at the AGM).

The Directors have no present intention to exercise the Issue Mandate or the Repurchase Mandate (if granted to the Directors at the AGM).

As at the Latest Practicable Date, a total of 1,723,629,967 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued and/or repurchased by the Company prior to the AGM, the Company will be allowed to issue a maximum of 344,725,993 new Shares representing 20% of the total number of issued Shares as at the date of the AGM.

An explanatory statement containing information regarding the Repurchase Mandate is set out in the Appendix I to this circular.

RETIREMENT OF DIRECTORS AND RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 83(3) of the Articles, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Pursuant to Article 84(1) of the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Accordingly, pursuant to Articles 84(1) and 84(2) of the Articles, Mr. Zheng Zhong Qiang, Mr. Lam Tsz Chung and Mr. Chang, Tin Duk Victor shall retire from office by rotation at the AGM. Being eligible, Mr. Zheng Zhong Qiang, Mr. Lam Tsz Chung and Mr. Chang, Tin Duk Victor will offer themselves for re-election as executive/non-executive Director (as the case may be) at the AGM. Particulars of the Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

LETTER FROM THE BOARD

AGM

A notice convening the AGM to be held on 25 February 2021 (Thursday) at Unit B, 10/F, E168, 166-168 Des Voeux Road Central, Hong Kong at 3:00 p.m. is set out on pages 12 to 16 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

You will find enclosed a proxy form for use at the AGM. Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM, or any adjournment thereof, should you so wish.

All the resolutions proposed to be approved at the AGM will be taken by poll and an announcement will be made by the Company after the AGM on the results of the AGM.

RECOMMENDATION

The Directors consider that the resolutions referred to in this circular are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of all resolutions to be proposed at the AGM.

RESPONSIBILITY STATEMENT

This circular, 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 enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

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

This appendix includes an explanatory statement required by the Stock Exchange to be presented to the Shareholders concerning the Repurchase Mandate proposed to be granted to the Directors.

1. STOCK EXCHANGE RULES FOR REPURCHASES OF SHARES

The GEM Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

The GEM Listing Rules provide that all proposed repurchases of shares by a company with a primary listing on the Stock Exchange must be approved by shareholders in advance by an ordinary resolution at a general meeting, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up.

2. FUNDING AND IMPACT OF REPURCHASES

Any repurchase will be made out of funds which are legally available for the purpose in accordance with the memorandum and articles of association of the Company, the GEM Listing Rules and the applicable laws of the Cayman Islands. As compared with the financial position of the Company as at 31 March 2020 (being the date to which the latest audited accounts of the Company have been made up), the Directors consider that there would not be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

3. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

4. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,723,629,967 Shares.

Subject to the passing of the relevant ordinary resolutions to approve the general mandates to issue and repurchase Shares and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the AGM, the Directors would be authorised to exercise the powers of the Company to repurchase a maximum of 172,362,996 Shares, being 10% of the issued share capital of the Company.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the applicable laws of the Cayman Islands and in accordance with the Memorandum and Articles.

6. EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as that term is defined in the Takeovers Code), depending on the level of increase of the shareholding, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date and insofar the Directors are aware of, Shareholders who are interested in more than 10% of the Shares then in issue were (i) Upmost Corporation Limited ("Upmost") which owned 207,200,000 Shares (approximately 12.02% of the issued share capital of the Company); (ii) Mr. Zhang Jian ("Mr. Zhang") where Upmost is wholly and beneficially owned by Mr. Zhang. For the purpose of the SFO, Mr. Zhang is deemed or taken to be interest in all the Shares owned by Upmost. In the event that the Repurchase Mandate was exercised in full, (i) the interest of Upmost in the Company will be increased from approximately 12.02% to approximately 13.36%; and (ii) the interest of Mr. Zhang in the Company will be increased from approximately 12.02% to approximately 13.36%. On the basis of the aforesaid increase of shareholding, the Directors are not aware of any consequences of such repurchases of Shares that would result in a Shareholder, or group of Shareholders acting in concert, becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code if the Repurchase Mandate was exercised in full. Moreover, the Directors do not intend to exercise the power to repurchase Shares to an extent which would render any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors will not exercise the Repurchase Mandate if the repurchase would result in a public shareholding of less than the minimum public float requirement of 25% of the total issued share capital of the Company.

7. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective close associates has any present intention, in the event that the proposed Repurchase Mandate is granted, to sell Shares to the Company. No core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make repurchases of Shares.

8. SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) during the six months ended on the Latest Practicable Date.

9. SHARE PRICES

The highest and lowest closing prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months preceding and up to the Latest Practicable Date were as follows:

	Price per Share (closing price)	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2019		
December	0.260	0.163
2020		
January	0.200	0.115
February	0.119	0.097
March	0.229	0.119
April	0.247	0.176
May	0.200	0.162
June	0.184	0.135
July	0.182	0.149
August	0.156	0.115
September	0.144	0.085
October	–	–
November	–	–
December (up to the Latest Practicable Date)	–	–

Note: Trading in the Shares on the Stock Exchange has been suspended since 15 September 2020.

Set out below are details of the proposed Directors to be re-elected at the AGM.

Mr. Zheng Zhong Qiang (鄭鍾強), aged 57, was appointed as an executive Director on 1 September 2014 and is responsible for overseeing the business operations in the PRC. He is also the member of nomination committee of the Company. Mr. Zheng obtained his Bachelor degree of Chemistry from 華南理工大學 (South China University of Technology[#]) in 1983 and a Master degree in Hotel and Tourism Management from The Hong Kong Polytechnic University in 2014. Mr. Zheng was appointed as a deputy general manager in 中山市中糖集團有限公司 (Zhongshan Zhongtang Group Co. Ltd.[#]) in 1997. In 2002, he was appointed as the head of business management in 中山市公有企業管理局 (Zhongshan Public Business Bureau[#]). During the period of 2003 to 2010, Mr. Zheng served as the vice chairman of 中山公用事業集團有限公司 (Zhongshan Public Utilities Group Co., Ltd.[#]), the chairman of 中山公用科技股份有限公司 (Zhongshan Public Utilities Science and Technology Co., Ltd.[#]), a director of 中山公用事業集團股份有限公司 (Zhongshan Public Utilities Group Co., Ltd.[#]) (SZ: 000685) and the general manager of its holding company, 中山中滙投資集團有限公司 (Zhongshan Zhonghui Investment Group Co., Ltd.[#]). Mr. Zheng was appointed as chairman of the board of 中山旅遊集團有限公司 (Zhongshan Tourism Group Co., Ltd.[#]) in October 2010. Since June 2014, he has been appointed as the associate professor in 華南理工大學經濟與貿易學院 (Economy and Trade College, South China University of Technology[#]).

Save as disclosed above, Mr. Zheng does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Mr. Zheng does not have any relationship with other Directors, senior management of the Company, substantial or controlling Shareholders and he has no interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Zheng has entered into a letter of appointment with the Company for an initial term of three years commencing 1 September 2014, which may be terminated by giving the other party not less than three months' prior notice in writing.

Mr. Zheng is entitled to receive an annual director's fee of HK\$240,000 which is determined with reference to market conditions and individual qualification and experience.

Save as disclosed above, there are no other matters relating to the re-election that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to paragraph 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Lam Tsz Chung (林子聰), aged 47, was appointed as a non-executive Director on 1 September 2014 and re-designated as an executive director on 31 August 2015. Mr. Lam was subsequently re-designated as a non-executive Director on 1 September 2016. Mr. Lam is member of the remuneration committee of the Company. He is responsible for advising on business opportunities for investment, development and expansion of the Group. Having practised law in Hong Kong for more than 20 years, he was admitted as a solicitor of the High Court of Hong Kong and a solicitor of the Supreme Court of England and Wales with expertise in civil litigation and commercial matters. Mr. Lam obtained a Bachelor of Laws and a Postgraduate Certificate of Laws from the University of Hong Kong in 1995 and 1996 respectively. He also obtained a Master of Laws from City University of Hong Kong and a Master of Science (Financial Analysis) from the Hong Kong University of Science and Technology.

Mr. Lam is a consultant of Messrs. C. W. Lau & Co. holding a practicing certificate issued by the Law Society of Hong Kong.

Mr. Lam is a China-Appointed Attesting Officer appointed by Ministry of Justice of the PRC, an adjudicator of Immigration Tribunal, an adjudicator of Registration of Persons Tribunal, a member of Appeal Panel (Housing) and a member of Disciplinary Panel A of the Hong Kong Institute of Certified Public Accountants.

Save as disclosed above, Mr. Lam does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Mr. Lam does not have any relationship with other Directors, senior management of the Company, substantial or controlling Shareholders and he has no interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Lam has entered into a letter of appointment with the Company for an initial term of three years commencing 1 September 2014, which may be terminated by giving the other party not less than three months' prior notice in writing.

Mr. Lam is entitled to receive an annual director's fee of HK\$360,000 which is determined with reference to market conditions and individual qualification and experience.

Save as disclosed above, there are no other matters relating to the re-election that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to paragraph 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Chang, Tin Duk Victor (張天德), aged 48, was first appointed as an executive Director on 24 February 2012 and re-designated as a non-executive director on 31 August 2015. He is a co-founder of the Group and is a director of Zebra Strategic Outsource Solution Limited (“Zebra SOS”). He is responsible for overseeing the business development and in-house operations and devising market strategies and business expansion plans of the Group. He has over 16 years of experience in recruitment process outsourcing, executive/staff search and private investment management. Before joining the Company, Mr. Chang started his career with Lippo Securities Limited and moved on to become director of Grand International Holdings Limited (“Grand International”), which was engaged in general investments. After leaving Grand International, he went on to be director and responsible officer for Astrum Capital Management Limited (a corporation licensed to carry out type 1 (dealing in securities), type 2 (dealing in futures contract), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (“SFO”)) and Murtsa Capital Partners Limited (a corporation licensed to carry out type 9 (asset management) regulated activity under the SFO) but subsequently resigned from both companies in order to focus and cope with the business expansion of the Group. Also, Mr. Chang resigned as a compliance consultant for Astrum Capital Management Limited in November 2013. Mr. Chang graduated with a Bachelor of Science degree in business administration from Boston University in January 1993.

Mr. Chang is now a director & responsible officer of each of Dakin Securities Limited and Dakin Asset Management Limited. Dakin Securities Limited is a corporation licensed to carry out type 1 (dealing in Securities) and Type 2 (dealing in futures contract) regulated activities under the SFO and Dakin Asset Management Limited is a corporation licensed to carry out type 9 (asset management) regulated activity under the SFO. Mr. Chang is also a director of Dakin Capital Limited (a corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the SFO).

Save as disclosed above, Mr. Chang does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Mr. Chang does not have any relationship with other Directors, senior management of the Company, substantial or controlling Shareholders and he has no interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Chang has entered into a director’s service agreement with the Company for an initial term of three years commencing on the Listing Date, which may be terminated by giving the other party not less than three months’ prior notice in writing.

Mr. Chang is entitled to receive an annual director’s fee of HK\$240,000 which is determined with reference to market conditions and individual qualification and experience.

Save as disclosed above, there are no other matters relating to the re-election that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to paragraph 17.50(2)(h) to (v) of the GEM Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that an annual general meeting (the “Meeting”) of Yin He Holdings Limited (the “Company”) will be held on 25 February 2021 (Thursday) at Unit B, 10/F, E168, 166-168 Des Voeux Road Central, Hong Kong at 3:00 p.m. for considering and, if thought fit, passing, with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated accounts and reports of the directors and auditor of the Company and its subsidiaries for the year ended 31 March 2020.
2. To re-appoint Confucius International CPA Limited as the auditor of the Company and to authorise the board of directors of the Company to fix their remuneration.
3.
 - (a) Mr. Zheng Zhong Qiang be re-elected as an executive director of the Company and the board of directors of the Company be authorised to fix his director’s remuneration.
 - (b) Mr. Lam Tsz Chung be re-elected as a non-executive director of the Company and the board of directors of the Company be authorised to fix his director’s remuneration.
 - (c) Mr. Chang, Tin Duk Victor be re-elected as a non-executive director of the Company and the board of directors of the Company be authorised to fix his director’s remuneration.
4. **“THAT:**
 - (A) subject to paragraph (C) of this resolution below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (B) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might or would require the exercise of such powers (including but not limited to the power to allot, issue and deal with additional shares in the capital of the Company) during or after the end of the Relevant Period;
- (C) the total number of shares of the Company to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraphs (A) and (B) of this resolution above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of any options granted under the share option scheme adopted by the Company or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to subscribe for shares in the Company; or (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in the Company in lieu of the whole or part of a dividend in accordance with the articles of association of the Company from time to time, shall not exceed 20% of the total number of shares of the Company in issue at the time of passing this resolution and the said approval shall be limited accordingly; and
- (D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the Company’s articles of association to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

NOTICE OF ANNUAL GENERAL MEETING

5. **“THAT:**

- (A) subject to paragraph (C) of this resolution below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares in the capital of the Company on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to repurchase such shares are subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange, be and is hereby, generally and unconditionally approved;
- (B) the approval in paragraph (A) of this resolution above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (C) the total number of shares of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (A) of this resolution above during the Relevant Period shall not exceed 10% of the total number of shares of the Company as at the time of passing this resolution and the said approval shall be limited accordingly; and
- (D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the Company’s articles of association to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** conditional upon the passing of Resolutions 4 and 5 as set out in this notice convening the Meeting of which this Resolution forms part, the general mandate granted to the directors of the Company pursuant to Resolution 4 as set out in this notice convening the Meeting of which this Resolution forms part be and is hereby extended by the addition thereto the total number of issued shares of the Company repurchased by the Company under the authority granted pursuant to Resolution 5 as set out in this notice convening the Meeting of which this Resolution forms part, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing this Resolution.”

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

Hong Kong, 31 December 2020

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. To be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the Meeting was originally held within 12 months from such date.
5. Where there are joint holders of any shares, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint holding.
6. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting if the member so wish and in such event, the instrument appointing a proxy should be deemed to be revoked.
7. An explanatory statement containing the information necessary to enable the members to make an informed decision as to whether to vote for or against the ordinary resolution no. 5 as set out in this notice is enclosed.
8. The transfer books and Register of Members of the Company will be closed from 24 February 2021 to 25 February 2021, both days inclusive. During such period, no share transfers will be effected. In order to qualify for attending the Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 23 February 2021.
9. Details of each of the retiring directors proposed to be re-elected as a director of the Company at the Meeting are set out in Appendix II to this circular.
10. A form of proxy for use at the Meeting is enclosed.
11. In light of the risks posed by the novel coronavirus (COVID-19) pneumonia epidemic, every shareholder or proxy attending the Annual General Meeting is required to wear a surgical face mask throughout the meeting and no refreshment will be served. The Company strongly advises the Shareholders to appoint the chairman of the meeting as their proxy to vote on the resolutions, instead of attending the meeting in person.

The English names of PRC nationals, enterprises, entities, departments, facilities, certificates, titles and the like are translations of their Chinese names and are for identification purpose only.