



## **THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2020**

### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**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 that 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.**

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*This announcement, for which the directors (the “Directors”) of Yin He Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange 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.*

**SUMMARY**

- Revenue for the nine months ended 31 December 2020 amounted to HK\$133,197,000 (nine months ended 31 December 2019: HK\$154,277,000), decreased by HK\$21,080,000 as compared with corresponding period of the previous year.
- Profit attributable to owners of the Company for the nine months ended 31 December 2020 amounted to HK\$9,226,000 while profits attributable to owners of the Company for the nine months ended 31 December 2019 amounted to HK\$22,132,000.
- Basic earnings per share for the nine months ended 31 December 2020 amounted to approximately HK\$0.54 cents while basic earnings per share for the nine months ended 31 December 2019 amounted to approximately HK\$1.37 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 2020 together with the comparative unaudited figures for the corresponding period in 2019 as follows:

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the nine months ended 31 December 2020*

	Notes	Unaudited		Unaudited	
		For the three months ended 31 December 2020 HK\$'000	31 December 2019 HK\$'000 (Restated)	For the nine months ended 31 December 2020 HK\$'000	31 December 2019 HK\$'000 (Restated)
<b>Revenue</b>	5	<b>51,423</b>	50,685	<b>133,197</b>	154,277
Direct costs		<b>(29,395)</b>	(28,514)	<b>(91,049)</b>	(91,408)
<b>Gross profit</b>		<b>22,028</b>	22,171	<b>42,148</b>	62,869
Other income	5	<b>1,928</b>	7,767	<b>6,458</b>	8,537
Share of results of associates		–	1,582	–	3,043
General and administrative expenses		<b>(15,765)</b>	(13,544)	<b>(30,183)</b>	(35,531)
<b>Profit from operations</b>		<b>8,191</b>	17,976	<b>18,423</b>	38,918
Finance costs	6	<b>(1,364)</b>	(3,013)	<b>(6,048)</b>	(9,649)
<b>Profit before tax</b>		<b>6,827</b>	14,963	<b>12,375</b>	29,269
Income tax expenses	7	<b>87</b>	(2,142)	<b>(1,670)</b>	(5,841)
<b>Profit for the period</b>		<b>6,914</b>	12,821	<b>10,705</b>	23,428

	Unaudited		Unaudited	
	For the three months ended 31 December 2020	31 December 2019	For the nine months ended 31 December 2020	31 December 2019
Notes	HK\$'000	HK\$'000 (Restated)	HK\$'000	HK\$'000 (Restated)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>				
Fair value loss on equity instruments at fair value through other comprehensive income	-	(1,978)	-	(11,070)
Exchange difference arising on translation of foreign operations	<u>19,261</u>	<u>13,095</u>	<u>26,243</u>	<u>(43,455)</u>
Other comprehensive income for the period, net of income tax	<u>19,261</u>	<u>11,117</u>	<u>26,243</u>	<u>(54,525)</u>
<b>Total comprehensive income for the period</b>	<b><u>26,175</u></b>	<b><u>23,938</u></b>	<b><u>36,948</u></b>	<b><u>(31,097)</u></b>
<b>Profit for the period attributable to</b>				
Owners of the Company	<u>6,703</u>	11,939	<u>9,226</u>	22,132
Non-controlling interest	<u>211</u>	882	<u>1,479</u>	1,296
	<b><u>6,914</u></b>	<b><u>12,821</u></b>	<b><u>10,705</u></b>	<b><u>23,428</u></b>
<b>Total comprehensive income/(expense) for the period attributable to</b>				
Owners of the Company	<u>25,587</u>	23,028	<u>34,774</u>	(32,270)
Non-controlling interest	<u>588</u>	910	<u>2,174</u>	1,173
	<b><u>26,175</u></b>	<b><u>23,938</u></b>	<b><u>36,948</u></b>	<b><u>(31,097)</u></b>
<b>Earnings per share for profit attributable to owners of the Company</b>				
Basic (HK cent)	9			
For profit for the period	<u>0.39</u>	<u>0.73</u>	<u>0.54</u>	<u>1.37</u>
Diluted (HK cent)	9			
For profit for the period	<u>0.37</u>	<u>0.70</u>	<u>0.52</u>	<u>1.32</u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2020

	Attributable to owners of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Convertible preference shares HK\$'000	Merger reserve HK\$'000	Investment revaluation reserve HK\$'000	Statutory reserve HK\$'000	Translation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Non-controlling interest HK\$'000	Total equity HK\$'000
At 1 April 2019 (Audited)	15,435	1,032,536	96,234	(213)	(10,495)	25,065	(32,028)	136,028	1,262,562	4,402	1,266,964
Profit for the period	-	-	-	-	-	-	-	22,132	22,132	1,296	23,428
Other comprehensive income for the period											
Fair value loss on investments in equity instrument at fair value through other comprehensive income	-	-	-	-	(11,070)	-	-	-	(11,070)	-	(11,070)
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	(43,332)	-	(43,332)	(123)	(43,455)
Total comprehensive income for the period	-	-	-	-	(11,070)	-	(43,332)	22,132	(32,270)	1,173	(31,097)
Realization of contingent consideration	-	-	-	-	-	-	-	(3,710)	(3,710)	-	(3,710)
Issue of shares upon acquisition of subsidiaries	901	33,865	-	-	-	-	-	-	34,766	2,403	37,169
At 31 December 2019 (Unaudited)	<u>16,336</u>	<u>1,066,401</u>	<u>96,234</u>	<u>(213)</u>	<u>(21,565)</u>	<u>25,065</u>	<u>(75,360)</u>	<u>154,450</u>	<u>1,261,348</u>	<u>7,978</u>	<u>1,269,326</u>
At 1 April 2020 (Audited)	17,236	1,083,608	96,234	(213)	(47,660)	26,482	(57,217)	(699,835)	418,635	7,192	425,827
Profit for the period	-	-	-	-	-	-	-	9,226	9,226	1,479	10,705
Other comprehensive income for the period											
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	25,548	-	25,548	695	26,243
Total comprehensive income for the period	-	-	-	-	-	-	25,548	9,226	34,774	2,174	36,948
At 31 December 2020 (Unaudited)	<u>17,236</u>	<u>1,083,608</u>	<u>96,234</u>	<u>(213)</u>	<u>(47,660)</u>	<u>26,482</u>	<u>(31,669)</u>	<u>(690,609)</u>	<u>453,409</u>	<u>9,366</u>	<u>462,775</u>

## **NOTES TO THE CONDENSED CONSOLIDATED 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 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 AND PRINCIPAL ACCOUNTING POLICIES**

The unaudited condensed consolidated financial statements for the nine months ended 31 December 2020 (the “Third Quarterly Financial Statements”) have been prepared in accordance with the Hong Kong Accounting Standard (“HKAS”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”).

The unaudited condensed consolidated financial statements should be read in conjunction with the Group’s annual audited financial statements and notes thereto for the year ended 31 March 2020 (“2020 Audited Financial Statements”). The principal accounting policies that have been used in the preparation of these unaudited condensed consolidated financial statements are consistent with those followed in the preparation of 2020 Audited Financial Statements except for the new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA that are adopted for the first time for the current period’s financial statements.

It should be noted that accounting estimates and assumptions are used in preparation of unaudited condensed consolidated financial statements. 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 Statements are unaudited, but have been reviewed by the audit committee of the Company. The Third Quarterly Financial Statements were approved for issue on 11 February 2021.

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted the following new or revised standards and amendments (the “new HKFRSs”) issued by the HKICPA, which are or have become effective for the Group’s financial year beginning on 1st April, 2020:

HKFRS 3 (Amendments)	Definition of a Business
HKFRS 7, HKFRS 9 and HKAS 39 (Amendments)	Interest Rate Benchmark Reform
HKFRS 16 (Amendments)	COVID-19-Related Rent Concession (Early adopted)
HKAS 1 and HKAS 8 (Amendments)	Definition of Material
Revised Conceptual Framework	Revised Conceptual Framework for Financial Reporting

The adoption of the new and revised HKFRSs has had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

### 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 financing platform and other loan facilitation services
Asset management services	– provision of financial advisory services for corporate, asset management firms and private equity funds and minority investments in private companies
Loan financing	– provision of loan financing services
Insurance training services	– provision of insurance training services

## Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

	Human resources services <i>HK\$'000</i>	Credit consultancy services <i>HK\$'000</i>	Loan facilitation services <i>HK\$'000</i>	Asset management services <i>HK\$'000</i>	Loan financing services <i>HK\$'000</i>	Insurance training services <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>For the nine months ended 31 December 2020</b>							
Segment revenue	100,451	197	54	1,526	23,717	7,253	133,198
Segment profit	793	515	(2,506)	(2,391)	9,495	3,431	9,337
Interest income							2
Exchange gain							3,267
Unallocated corporate expenses							(231)
<b>Profit before tax</b>							<b>12,375</b>
<b>For the nine months ended 31 December 2019</b>							
Segment revenue	99,570	9,037	14,317	2,256	23,359	5,738	154,277
Segment profit	508	5,565	3,821	6,269	13,513	4,572	34,248
Interest income							8
Unallocated corporate expenses							(4,987)
<b>Profit before tax</b>							<b>29,269</b>

## Geographical information

The following table presents the revenue from external customers for the nine months ended 31 December 2020 and 2019 by geographical locations:

	<b>For the nine months ended</b>	
	<b>31 December 2020 (Unaudited) <i>HK\$'000</i></b>	<b>31 December 2019 (Unaudited) <i>HK\$'000</i> (Restated)</b>
<b>Revenue from customers</b>		
Hong Kong	<b>124,168</b>	110,015
PRC	<b>9,030</b>	44,262
	<b>133,198</b>	154,277



## 5. REVENUE AND OTHER INCOME

An analysis of the revenue from the Group's principal activities, which is also the Group's turnover, and other income is as follows:

	(Unaudited)		(Unaudited)	
	For the three months ended 31 December 2020 HK\$'000	31 December 2019 HK\$'000 (Restated)	For the nine months ended 31 December 2020 HK\$'000	31 December 2019 HK\$'000 (Restated)
<b>Revenue</b>				
Staff outsourcing services	31,398	28,876	95,827	93,924
Executive/Staff search services	–	859	253	1,699
Other human resources support services	1,088	1,681	4,371	3,947
Credit consultancy services	32	1,004	197	9,037
Loan facilitation services	1	5,090	54	14,317
Asset management services	531	753	1,526	2,256
Interest income from loan financing services	14,404	7,773	23,717	23,359
Insurance training services	3,970	4,649	7,253	5,738
	<u>51,424</u>	<u>50,685</u>	<u>133,198</u>	<u>154,277</u>
<b>Other income</b>				
Bank interest income	–	5	6	8
Exchange gains	1,608	–	3,267	–
Sundry income	320	7,762	3,185	8,529
	<u>1,928</u>	<u>7,767</u>	<u>6,458</u>	<u>8,537</u>
	<u><u>53,352</u></u>	<u><u>58,452</u></u>	<u><u>139,656</u></u>	<u><u>162,814</u></u>

## 6. FINANCE COSTS

	(Unaudited)		(Unaudited)	
	For the three months ended 31 December 2020 HK\$'000	31 December 2019 HK\$'000	For the nine months ended 31 December 2020 HK\$'000	31 December 2019 HK\$'000
Interest charges on:				
Bond payables	1,331	2,960	5,931	9,455
Lease liabilities	33	53	117	194
	<u>1,364</u>	<u>3,013</u>	<u>6,048</u>	<u>9,649</u>

## 7. INCOME TAX EXPENSE

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2020</b>	2019	<b>2020</b>	2019
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
		(Restated)		(Restated)
Current tax				
Hong Kong Profits Tax	<b>(284)</b>	1,194	<b>1,154</b>	3,427
PRC Enterprise Income Tax ("EIT")	<b>197</b>	988	<b>516</b>	3,297
Deferred taxation	<b>–</b>	(40)	<b>–</b>	(883)
	<b>(87)</b>	2,142	<b>1,670</b>	5,841

Hong Kong profits tax have been provided for at 16.5% on the estimated assessable profits for the nine months ended 31 December 2020 (2019: 16.5%).

Pursuant to the income tax rules and regulations of the PRC, the subsidiaries in the PRC are subject to EIT at the rate of 25% for the nine months ended 31 December 2020 (2019: 25%) and 15% (2019: 15%) is specifically for the PRC subsidiaries which are operating in Tibet Autonomous Region.

## 8. DIVIDEND

The Board does not recommend the payment of a dividend for the nine months ended 31 December 2020 (2019: nil).

## 9. EARNINGS PER SHARE

The calculation of basic earnings per share amounts are based on the profit for the period attributable to shareholders of the Company, and the weighted average number of ordinary shares in issue during the period.

The calculation of the diluted earnings per share amounts for the three months and nine months ended 31 December 2020 is based on the profit for the period attributable to shareholders of the Company, adjusted to reflect the effect of the deemed exercise of all dilutive convertible preference shares at the beginning of the period.

The calculation of the diluted earnings per share amounts for the three months and nine months ended 31 December 2019 is based on the profit for the period attributable to shareholders of the Company, adjusted to reflect the effect of the deemed exercise of all dilutive convertible preference shares at the beginning of the period.

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	(Unaudited)		(Unaudited)	
	For the three months ended		For the nine months ended	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Earnings</b>				
Profit for the period attributable to owners of the Company for the purposes of basic and dilutive earnings per share	<u><b>6,703</b></u>	<u>11,939</u>	<u><b>9,226</b></u>	<u>22,132</u>
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2020</b>	2019	<b>2020</b>	2019
	<b>'000</b>	'000	<b>'000</b>	'000
<b>Number of shares</b>				
Weighted average number of ordinary shares in issue during the period, used in basic earnings per share calculation	<b>1,723,630</b>	1,633,556	<b>1,723,630</b>	1,610,300
Effect of dilutive potential ordinary shares:				
Convertible preference shares	<u><b>64,587</b></u>	<u>64,587</u>	<u><b>64,587</b></u>	<u>64,587</u>
Weighted average number of ordinary shares in issue during the period, used in diluted earnings per share	<u><b>1,788,217</b></u>	<u>1,698,143</u>	<u><b>1,788,217</b></u>	<u>1,674,887</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

The Group recorded an unaudited revenue of approximately HK\$133,197,000 for the nine months ended 31 December 2020, decreased by HK\$21,080,000 or 13.7% from approximately HK\$154,277,000 for the corresponding period of the previous year.

Gross profit for the nine months ended 31 December 2020 was approximately HK\$42,148,000 representing a decrease of approximately HK\$20,721,000 or 33.0% as compared with the last corresponding period (nine months ended 31 December 2019: approximately HK\$62,869,000).

The unaudited net profit attributable to owners of the Company for the nine months ended 31 December 2020 was approximately HK\$9,226,000, representing a decrease of approximately HK\$12,906,000 or 58.3% as compared with the last corresponding period (nine months ended 31 December 2019: HK\$22,132,000).

The Group's general and administrative expenses for the nine months ended 31 December 2020 amounted to approximately HK\$30,183,000, which represented a decrease of approximately HK\$5,348,000 or 15.0% as compared with the last corresponding period (nine months ended 31 December 2019: HK\$35,531,000). The decrease was mainly due to the professional fee incurred for issuing bond during the last corresponding period.

The Group's finance cost for the nine months ended 31 December 2020 amounted to approximately HK\$6,048,000 (nine months ended 31 December 2019: HK\$9,649,000), which was mainly attributable to the bond and borrowings outstanding during the period.

Total comprehensive income for the nine months ended 31 December 2020 was HK\$36,948,000 (nine months ended 31 December 2019: total comprehensive expense of HK\$31,097,000) mainly comprised the exchange difference arising on transaction of foreign operations, resulted from the appreciation of renminbi of approximately 8.6% during the period.

## **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 financing platform and provision of other loan facilitation business in the PRC; (iv) provision of asset management services business in the PRC; (v) loan financing services; and (vi) insurance training services.

Revenue from staff outsourcing services was approximately HK\$95,827,000 for the nine months ended 31 December 2020, representing an increase of approximately 2.0% as compared to approximately HK\$93,924,000 for the corresponding period of previous year.

Revenue from loan facilitation services was approximately HK\$54,000 for the nine months ended 31 December 2020, as compared to approximately HK\$32,046,000 for the corresponding period of previous year.

Revenue from assets management services was approximately HK\$1,526,000 for the nine months ended 31 December 2020, which was approximately the same as compared to approximately HK\$2,256,000 for the corresponding period of previous year.

Revenue from loan financing services was approximately HK\$23,717,000 for the nine months ended 31 December 2020, was approximately the same as compared to approximately HK\$23,359,000 for the corresponding period of previous year.

Revenue from insurance training services was approximately HK\$7,253,000 for the nine months ended 31 December 2020, representing an increase of approximately 26.4% as compared to approximately HK\$5,738,000 for the corresponding period of previous year.

## **Prospects**

In light of the slowdown in the global economy and the impact of the COVID-19 epidemic, we have proactively responded and conducted corporate restructuring activities to rebalance our business focus. We have expanded our business into the insurance services sector by acquiring an insurance training business in 2019. We will continue to rebalance and diversify the Group's overall business to confront the volatiled economic condition and environment.

## **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**

Most of the Group's business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi. As the financial statements of the Group are presented in Hong Kong dollars, which is the Company's functional and presentation currency, any fluctuation of exchanges rates would impact the Group's net asset value. During the nine months ended 31 December 2020, the exchange gain arising on retranslation of foreign operations of HK\$26,243,000 (nine months ended 31 December 2019: exchange gain of HK\$6,982,000) are recognised in the exchange fluctuation reserve. Currently, the Group has not used derivative financial instruments to hedge against its 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 2020, no share options were granted, exercised or cancelled by the Company under the Scheme and there was no outstanding share options under the Scheme as at 31 December 2020.

## **DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES**

As at 31 December 2020, 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 are as follows:

### **Long position in the Shares**

<b>Name of Director</b>	<b>Nature of interests</b>	<b>Number of Share held</b>	<b>Approximate percentage of Issued share capital</b>
Li Ang	Interest in controlled corporation	141,764,039	8.22%
Cai Zhen Hui	Beneficially owned	62,970,000	3.65%

Save as disclosed above, as at 31 December 2020, 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 2020, 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 Share held	Approximate percentage of Issued share capital
Upmost Corporation Limited (“Upmost”)	Beneficial owner ( <i>Note 1</i> )	207,200,000	12.02%
Zhang Jian	Interest in controlled corporation ( <i>Note 1</i> )	207,200,000	12.02%
Li Ang	Interest in controlled corporation ( <i>Note 2</i> )	141,764,039	8.22%
Elate Star Limited (“Elate Star”)	Beneficial owner ( <i>Note 2</i> )	141,764,039	8.22%

*Notes:*

- (1) 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.
- (2) Elate Star is owned as to 100% by Mr. Li Ang. By virtue of the SFO, Mr. Li Ang is deemed to be interested in the same block of shares in which Elate Star 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 2020.

### **Short positions in underlying shares of the Company**

As at 31 December 2020, 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 2020, 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, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2020.

### **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

During the period under review, the Company has adopted the standards set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding the Directors' dealings in the securities of the Company. Having made specific enquiry to all Directors, the Company was not aware of any non-compliance with the required standards of dealings and such code of conduct regarding securities transactions by Directors during the nine months ended 31 December 2020.

### **CORPORATE GOVERNANCE**

The Company has complied with all the code provisions in the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules throughout the nine months ended 31 December 2020.

## 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 2020.

## 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 2020 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**  
**Li Ang**  
*Chairman*

Hong Kong, 11 February 2021

*Executive Directors as at the date of this announcement:*

Mr. Li Ang

Mr. Zheng Zhong Qiang

*Non-executive Director as at the date of this announcement:*

Mr. Chang Tin Duk, Victor

Mr. Lam Tsz Chung

*Independent Non-executive Directors as at the date of this announcement:*

Mr. Lam Raymond Shiu Cheung

Mr. Wang En Ping

Dr. Cheung Wai Bun Charles, JP

*This announcement will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcement" page for at least seven days from the day of its posting and on the Company's website at [www.yinhe.com.hk](http://www.yinhe.com.hk).*