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Yincheng International Holding Co., Ltd.

銀城國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1902)

PROFIT WARNING

This announcement is made by Yincheng International Holding Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019 and currently available information, the Group is expected to record a significant decrease in net profit after tax for the six months ended 30 June 2019 by approximately 80% as compared with the same period in 2018. As at 30 June 2019, the Group’s financial position remained stable.

The decrease in net profit after tax for the six months ended 30 June 2019 was mainly due to the following reasons:

1. A substantial decrease in investment income of business combinations achieved in stages;
2. Certain sale and marketing activities were launched for properties promotional purpose, resulting in a significant increase in selling and distribution expenses;
3. A significant drop in share of (losses)/gain of joint ventures and associates; and
4. A significant increase in the provision for the land appreciation tax in accordance with the requirements of China tax laws and regulations.

Notwithstanding the above, the impact of the above factors was mitigated by a substantial increase in revenue and gross profit generated from the sale of properties of the Group.

As the Company is still in the course of preparing its results for the six months ended 30 June 2019, the information contained in this announcement is based on a preliminary review by the management of the Company with reference to the information currently available

and has not been reviewed by the Company's auditors or the Company's audit committee. The unaudited results of the Group for the six months ended 30 June 2019 will be published in due course pursuant to the requirements of the Listing Rules.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By order of the Board
YINCHENG INTERNATIONAL HOLDING CO., LTD.
HUANG Qingping
Chairman

Hong Kong, 8 August 2019

As at the date of this announcement, the executive directors of the Company are Mr. Ma Baohua, Mr. Zhu Li, Mr. Wang Zheng and Ms. Shao Lei; the non-executive directors of the Company are Mr. Huang Qingping and Mr. Xie Chenguang; and the independent non-executive directors of the Company are Mr. Chen Shimin, Mr. Chan Peng Kuan and Mr. Lam Ming Fai.