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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)

UPDATE ON MAJOR TRANSACTIONS

IN RELATION TO THE

SHAREHOLDERS' APPROVAL FOR THE LAND ACQUISITION UNDER A JOINT VENTURE ARRANGEMENT AND FORMATION OF JOINT VENTURE

Reference is made to the announcements of Yincheng International Holding Co., Ltd. (the “**Company**”) dated 4 July 2019, 24 July 2019, 22 August 2019, 6 September 2019 and 25 September 2019 in relation to the Land Acquisition under a joint venture arrangement (collectively, the “**Announcements**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

The Announcements previously stated that the Land Acquisition and the joint venture arrangement pursuant to the Cooperation Agreement were major transactions exempt from Shareholders’ approval requirement under Rule 14.33A of the Listing Rules.

According to the announcement of the Company dated 6 September 2019, pursuant to the Supplemental Agreement, capital commitment of Nanjing Yinjiazhen and the other two shareholders of the Project Company in funding the Land Acquisition cost is not proportional to the respective equity interest held by the shareholders of the Project Company since Jiangsu Aidi will not contribute funds for financing the Land Acquisition cost and it will pay its share of registered capital of RMB500 million at a later stage when the first batch of completed properties are sold and delivered to customers of the Project Company (collectively known as the “**JV Arrangements**”). As the JV Arrangements are not considered to be on normal commercial terms, the Land Acquisition under the JV Arrangements does not fall within the exemption from shareholders’ approval under Rule 14.33A of the Listing Rules, and the Land Acquisition and the formation of the Project Company as a joint venture constitute major transactions (the “**Transactions**”), subject to Shareholders’ approval requirement under Rule 14.40 of the Listing Rules.

Since no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Transactions, pursuant to Rule 14.44 of the Listing Rules, the Company will obtain a written approval for the Transactions from Silver Huang Holding Limited, Silver Vally Holding Limited, Silver Xie Holding Limited, Silver Ma Holding

Limited, Silver Li Holding Limited, Silver Wang Holding Limited, Silver Shao Holding Limited (collectively, the “**Relevant Shareholders**”), being a closely allied group of Shareholders which together are beneficially interested in 746,542,411 Shares, representing approximately 51.59% of the issued share capital of the Company as at the date of this announcement, carrying rights to vote at a general meeting of the Company. To the best of knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholder has any material interest in the Transactions and is required to abstain from voting if the Company is to convene an extraordinary general meeting for the approval of the Transactions. If such written consent from of the Relevant Shareholders is obtained and the Stock Exchange agrees that the conditions set out in Rule 14.44 of the Listing Rules have been met, no extraordinary general meeting of the Company will be convened for the purpose of approving the Transactions and a further announcement will be made as appropriate.

As disclosed in the Company’s announcement dated 25 September 2019, the Company expects to despatch a circular containing, amongst other things, details of the Transactions to Shareholders on or before 25 November 2019.

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

Hong Kong, 11 October 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.