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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)

FURTHER ANNOUNCEMENT OF THE AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the announcement of the Company dated 31 March 2020 in connection with the unaudited annual results for the year ended 31 December 2019 (the “**Unaudited Annual Results Announcement**”). Capitalised terms used herein, unless otherwise defined, shall have the same meanings as those defined in the Unaudited Annual Results Announcement.

AUDITED ANNUAL RESULTS

The Board is pleased to announce that the Group’s auditor, Ernst & Young (“**Ernst & Young**”), has completed its audit of the annual results of the Group for the year ended 31 December 2019 in accordance with the International Financial Reporting Standards (“**IFRSs**”), including the financial figures in respect of the Group’s consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto. The audited annual results for the year ended 31 December 2019 were approved by the Board on 15 April 2020, details of which are set out below.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 December 2019

		(Audited) 2019	(Audited) 2018
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
REVENUE	5	9,092,472	5,070,094
Cost of sales		<u>(7,613,165)</u>	<u>(3,600,043)</u>
GROSS PROFIT		1,479,307	1,470,051
Other income and gains	5	65,800	324,069
Selling and distribution expenses		(294,980)	(237,271)
Administrative expenses		(292,408)	(331,536)
Other expenses		(22,828)	(15,909)
Fair value gains on investment properties		106,300	14,803
Finance costs	6	(166,991)	(254,007)
Share of profits and losses of:			
Joint ventures		(15,440)	(19,716)
Associates		81,369	111,373
PROFIT BEFORE TAX		940,129	1,061,857
Income tax expense	7	(579,769)	(566,535)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>360,360</u>	<u>495,322</u>
Attributable to:			
Owners of the Company		150,309	442,440
Non-controlling interests		210,051	52,882
		<u>360,360</u>	<u>495,322</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	8	<u>0.11</u>	<u>0.47</u>

	(Audited) 2019 RMB'000	(Audited) 2018 RMB'000
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	33,022	–
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
Equity investments designated at fair value through other comprehensive income:		
Change in fair value	1,965	–
Income tax effect	(324)	–
	1,641	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR	34,663	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	395,023	495,322
Total comprehensive income attributable to:		
Owners of the parent	184,972	442,440
Non-controlling interests	210,051	52,882
	395,023	495,322

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Notes	(Audited) 2019 RMB'000	(Audited) 2018 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,241,223	362,642
Investment properties		918,200	811,900
Right-of-use assets		281,354	–
Prepaid land lease payments		–	258,430
Intangible assets		5,707	6,364
Investments in joint ventures		78,103	103,739
Investments in associates		910,513	281,185
Deferred tax assets		309,682	199,194
Equity investments designated at fair value through other comprehensive income (“FVOCI”)		326,723	–
Total non-current assets		<u>4,071,505</u>	<u>2,023,454</u>
CURRENT ASSETS			
Properties under development		16,166,537	17,397,704
Completed properties held for sale		6,227,457	2,123,761
Trade receivables		1,458	2
Due from related companies		895,762	1,184,581
Prepaid land lease payments		–	5,440
Prepayments, deposits and other receivables	9	2,729,374	939,409
Tax recoverable		342,007	145,782
Other current assets		56,245	–
Inventories		890	–
Restricted cash		1,137,115	122,820
Pledged deposits		29	7,441
Cash and cash equivalents		2,894,255	1,589,181
Total current assets		<u>30,451,129</u>	<u>23,516,121</u>
CURRENT LIABILITIES			
Trade and bills payables	10	2,742,799	2,250,325
Other payables, deposits received and accruals	12	3,969,718	2,908,338
Due to related companies		624,499	1,615,416
Interest-bearing bank and other borrowings		4,917,819	5,300,063
Lease liabilities		16,826	–
Contract liabilities		10,503,434	5,274,810
Financial guarantee contracts		–	6,289
Tax payable		1,293,051	504,146
Total current liabilities		<u>24,068,146</u>	<u>17,859,387</u>
NET CURRENT ASSETS		<u>6,382,983</u>	<u>5,656,734</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,454,488</u>	<u>7,680,188</u>

	(Audited) 2019 RMB'000	(Audited) 2018 RMB'000
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	5,582,140	4,891,341
Lease liabilities	3,072	–
Financial guarantee contracts	–	12,578
Deferred tax liabilities	842,471	365,970
	<hr/>	<hr/>
Total non-current liabilities	6,427,683	5,269,889
	<hr/>	<hr/>
NET ASSETS	4,026,805	2,410,299
	<hr/>	<hr/>
EQUITY		
Equity attributable to owners of the Company		
Share capital	124,119	347
Treasury shares	(7)	(7)
Other reserves	2,384,706	1,568,259
	<hr/>	<hr/>
	2,508,818	1,568,599
	<hr/>	<hr/>
Non-controlling interests	1,517,987	841,700
	<hr/>	<hr/>
TOTAL EQUITY	4,026,805	2,410,299
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. CORPORATE AND GROUP INFORMATION

The Company is an exempted company incorporated in the Cayman Islands. The registered office address of the Company is Sertus Chambers, Governors Square, Suite # 5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman KY1-1104, the Cayman Islands.

The Company is an investment holding company. During the year ended 31 December 2019, the subsidiaries now comprising the Group were involved in property development, hotel operations and property investment.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 6 March 2019.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs"), (which include all standards and interpretations approved by the International Accounting Standards Board ("IASB"), International Accounting Standards ("IASs") and Standing Interpretations Committee interpretations) approved by the IASB that remain in effect, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and equity investments designated at FVOCI which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i>
IFRS 16	<i>Leases</i>
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
IFRIC-Int 23	<i>Uncertainty over Income Tax Treatments</i>
<i>Annual Improvements</i> <i>2015–2017 Cycle</i>	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

Except for the amendments to IFRS 9 and IAS 19, and *Annual Improvements to IFRSs 2015–2017 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised IFRSs are described below:

- (a) IFRS 16 replaces IAS 17 *Leases*, IFRIC-Int 4 *Determining whether an Arrangement contains a Lease*, SIC-Int 15 *Operating Leases — Incentives* and SIC-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in IAS 17.

IFRS 16 did not have any significant impact on leases where the Group is the lessor.

The Group has adopted IFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under IAS 17 and related interpretations.

New definition of a lease

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC-Int 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC-Int 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee — Leases previously classified as operating leases

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of property, machinery, and motor vehicles. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less (“**short-term leases**”) (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

Impact on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and included in interest-bearing bank and other borrowings. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019.

All these assets were assessed for any impairment based on IAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

For the leasehold land and buildings (that were held to earn rental income and/or for capital appreciation) previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 January 2019. They continue to be measured at fair value applying IAS 40.

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease

The impacts arising from the adoption of IFRS 16 as at 1 January 2019 are as follows:

	Increase/ (decrease) RMB'000
Assets	
Increase in right-of-use assets	20,889
Decrease in prepayments and other receivables	(1,247)
	<hr/>
Increase in total assets	<u>19,642</u>
Liabilities	
Increase in lease liabilities	19,642
	<hr/>
Increase in total liabilities	<u>19,642</u>

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

	<i>RMB'000</i>
Operating lease commitments as at 31 December 2018	11,088
Weighted average incremental borrowing rate as at 1 January 2019	5.33%
	<hr/>
Discounted operating lease commitments as at 1 January 2019	15,465
Add: Payments for optional extension periods not recognised as at 31 December 2018	4,177
	<hr/>
Lease liabilities as at 1 January 2019	<u>19,642</u>

- (b) Amendments to IAS 28 clarify that the scope exclusion of IFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies IFRS 9, rather than IAS 28, including the impairment requirements under IFRS 9, in accounting for such long-term interests. IAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group assessed its business model for its long-term interests in associates and joint ventures upon adoption of the amendments on 1 January 2019 and concluded that the long-term interests in associates and joint ventures continued to be measured at amortised cost in accordance with IFRS 9. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.
- (c) IFRIC-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “**uncertain tax positions**”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions arising from the transfer pricing on its intergroup sales. Based on the Group’s tax compliance and transfer pricing study, the Group determined that it is probable that its transfer pricing policy will be accepted by the tax authorities. Accordingly, the interpretation did not have any impact on the financial position or performance of the Group.

4. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's business which includes property development and leasing by project locations for the purpose of making decisions about resource allocation and performance assessment. As all the locations have similar economic characteristics and are similar in the nature of property development and leasing, the nature of the aforementioned business processes, the type or class of customer for the aforementioned business and the methods used to distribute the properties or provide the services, thus all locations were aggregated as one reportable operating segment.

Geographical information

No further geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no non-current assets of the Group are located outside Mainland China.

Information about major customers

No sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue for the year ended 31 December 2019.

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents income from the sale of properties, project management income, hotel operations and rental income during the reporting year.

An analysis of revenue, other income and gains is as follows:

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Revenue		
Sale of properties	8,996,128	5,067,075
Project management income	79,679	–
Hotel operations	13,460	–
Rental income	3,205	3,019
	<u>9,092,472</u>	<u>5,070,094</u>
Represented by:		
Recognised at a point in time:		
Revenue from sale of properties	8,996,128	5,067,075
Revenue from hotel operation	7,293	–
Recognised over time:		
Revenue from project management	79,679	–
Revenue from hotel operation	6,167	–
Revenue from property lease income	3,205	3,019
	<u>9,092,472</u>	<u>5,070,094</u>

The following table shows the amounts of revenue recognized in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognized from performance obligations satisfied in previous periods:

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of properties	<u>4,959,576</u>	<u>3,758,844</u>
Other income and gains		
Government grants	2,799	124
Interest income	23,323	22,561
Forfeiture of deposits	1,685	1,203
Project management income	–	6,851
Investment income on business combination achieved in steps	11,277	292,672
Loss on disposal of a subsidiary	(14,739)	–
Dividend income from equity investments at fair value through other comprehensive income	10,990	–
Recovery of financial guarantees contracts	13,102	–
Recovery of security deposit for breaking contracts	16,470	–
Others	893	658
	<u>65,800</u>	<u>324,069</u>

6. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Interest on bank and other borrowings	571,974	537,255
Interest on pre-sales deposits	238,253	166,629
Interest on lease liabilities	1,268	–
Less: Interest capitalised	(644,504)	(449,877)
	<u>166,991</u>	<u>254,007</u>

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable profits currently arising in Hong Kong for the year ended 31 December 2019.

Subsidiaries of the Group operating in Mainland China are subject to PRC corporate income tax rate of 25% for the year.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Current tax:		
PRC corporate income tax	492,732	263,786
PRC LAT	444,236	304,030
Deferred tax	(357,199)	(1,281)
Total tax charge for the year	<u>579,769</u>	<u>566,535</u>

A reconciliation of income tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the income tax expense at the effective income tax rate for each reporting period is as follows:

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Profit before tax	<u>940,129</u>	<u>1,061,857</u>
At the statutory income tax rate	235,032	265,464
Profits attributable to joint ventures and associates	(16,482)	(22,914)
Investment income recognised in acquisition of subsidiaries	(2,819)	(73,168)
Income not subject to tax	(2,748)	–
Expenses not deductible for tax	3,335	24,853
Deductible temporary differences not recognised	2,902	6,156
Withholding taxes on undistributed profits of the subsidiaries in the PRC	3,101	27,984
Tax losses utilised from previous periods	(38,512)	–
Tax losses not recognised	62,783	110,138
Provision for LAT	444,236	304,030
Tax effect on LAT	(111,059)	(76,008)
Tax charge at the Group's effective rate	<u>579,769</u>	<u>566,535</u>

Tax payable in the consolidated statement of financial position represents:

	31 December 2019 <i>RMB'000</i>	31 December 2018 <i>RMB'000</i>
PRC corporate income tax payable	524,194	118,338
PRC LAT payable	768,857	385,808
Total tax payable	<u>1,293,051</u>	<u>504,146</u>

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,369,170,287 in issue during the year ended 31 December 2019 (2018: 947,280,356 shares, taking into account the effects of the issue of HKD denominated shares in lieu of the cancellation of USD denominated shares and the capitalisation issue).

No adjustment has been made to the basic earnings per share amounts presented for the year ended 31 December 2019 in respect of a dilution as the Group had no potential dilutive ordinary shares in issue during the year.

9. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	31 December 2019 RMB'000	31 December 2018 RMB'000
Deposits for land use right	154,364	6,328
Prepayments for construction cost	2	1,258
Other deposits	197,481	43,000
Other tax recoverable	519,042	332,543
Due from third parties	1,810,384	538,310
Interest receivables	1,119	363
Other receivables	46,982	17,607
	<u>2,729,374</u>	<u>939,409</u>

Other receivables are unsecured, non-interest-bearing and have no fixed terms of repayment. There was no provision made for impairment of other receivables during the reporting period.

10. TRADE AND BILLS PAYABLES

An ageing analysis of the Group's trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	31 December 2019 RMB'000	31 December 2018 RMB'000
Within 1 year	1,866,927	1,880,153
Over 1 year	875,872	370,172
	<u>2,742,799</u>	<u>2,250,325</u>

Trade payables are unsecured and interest-free and are normally settled based on the progress of construction.

11. DIVIDENDS

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Proposed final — HK\$0.0232 (2018: Nil) per ordinary share	30,062	—

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

12. OTHER PAYABLES AND ACCRUALS

	31 December 2019 <i>RMB'000</i>	31 December 2018 <i>RMB'000</i>
Deposits related to construction	129,218	90,384
Interest payable	94,270	60,041
Payroll and welfare payable	56,634	59,728
Tax and surcharges	72,782	11,433
Advanced from third parties	3,543,074	2,624,465
Accrued liabilities	49,269	53,131
Others	24,471	9,156
	3,969,718	2,908,338

Other payables are unsecured and repayable on demand. The fair values of other payables at the end of each of the reporting period approximated to their corresponding carrying amounts.

MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED ANNUAL RESULTS

Since financial information contained in the Unaudited Annual Results Announcement was neither audited nor agreed with Ernst & Young as at the date of their publication and subsequent adjustments have been made to such information, shareholders and potential investors of the Company are advised to pay attention to certain differences between the financial information of the unaudited and audited annual results of the Group. Set forth below are principal details and reasons for the material differences in such financial information in accordance with Rule 13.49(3)(ii)(b) of the Listing Rules.

Item for the year ended 31 December 2019	Disclosure in this announcement (RMB'000)	Disclosure in the Unaudited Annual Results Announcement (RMB'000)	Difference (RMB'000)	Notes
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
Revenue	9,092,472	9,012,793	79,679	1
Cost of sales	7,613,165	7,573,875	39,290	1
Other income and gains	65,800	97,103	(31,303)	2
Administrative expenses	292,408	267,955	24,453	3
Income tax expenses	579,769	590,307	(10,538)	4
Profit and total comprehensive income for the year	360,360	365,189	(4,829)	5
Profit and total comprehensive income for the year attributable to owners of the Company	150,309	155,138	(4,829)	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
Cash and cash equivalents	2,894,255	2,890,545	3,710	6
Current liabilities due to related companies	624,499	609,132	15,367	7
Contract liabilities	10,503,434	10,499,724	3,710	6
Tax payable	1,293,051	1,303,589	(10,538)	4
Equity attributable to owners of the Company	2,508,818	2,486,120	22,698	8
Non-controlling interests	1,517,987	1,545,513	(27,526)	8

Notes:

1. The difference in revenue was approximately RMB79.7 million and the corresponding difference in cost of sales was approximately RMB39.3 million, mainly due to the reclassification of project management income as revenue in accordance with IFRS15.
2. The difference in other income and gains was approximately RMB31.3 million, mainly due to (i) the reclassification of project management income as revenue in accordance with IFRS15; (ii) the reclassification of certain project management cost to administrative expenses; and (iii) the reconciliation difference of debt to a related party of the Company.
3. The difference in administrative expenses was approximately RMB24.5 million, mainly due to the reclassification of certain project management cost to administrative expenses.
4. Difference in each of the income tax expenses and tax payable was approximately RMB10.5 million, mainly due to the income tax filing difference of a subsidiary of the Company.
5. Difference in each of the profit and total comprehensive income for the year and the profit and total comprehensive income for the year attributable to owners of the Company was approximately RMB4.8 million, mainly due to adjustment of the items set out herein.
6. Difference in each of the cash and cash equivalents and contract liabilities was approximately RMB3.7 million, mainly due to the timing difference with banks.
7. The difference in current liabilities due to related companies was approximately RMB15.4 million, mainly due to the reconciliation difference of debt to a related party of the Company.
8. The difference in equity attributable to owners of the Company was approximately RMB22.7 million, and the difference in non-controlling interests was approximately RMB27.5 million, mainly due to the (i) adjustment of the items set out herein; and (ii) the reclassification of retained earnings and non-controlling interests relating to the disposal of a subsidiary of the Company.

Save as disclosed in this announcement and the corresponding adjustments in totals, percentages, ratios and comparative figures related to the above material differences, all other information contained in the Unaudited Annual Results Announcement remain unchanged.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (“AGM”) is scheduled to be held on Friday, 29 May 2020, the notice of which will be published and dispatched to the shareholders as soon as practicable in accordance with the Company’s Articles of Association and the Listing Rules.

FINAL DIVIDEND

The Board recommended the payment of final dividend of HK\$0.0232 per share for the year ended 31 December 2019 (2018: Nil) to shareholders whose names appear on the register of members of the Company at the close of business on Monday, 8 June 2020. The proposed final dividend is expected to be paid in or about August 2020 following shareholders’ approval at the AGM. The Company will make announcement regarding the exact payment date of the final dividend as and when appropriate in accordance with the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

- (a) from Tuesday, 26 May 2020 to Friday, 29 May 2020, both days inclusive and during which period no transfer of shares of the Company will be effected, for the purpose of ascertaining the shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. (Hong Kong time) on Monday, 25 May 2020; and
- (b) from Thursday, 4 June 2020 to Monday, 8 June 2020, both days inclusive and during which period no transfer of shares of the Company will be effected, for the purpose of ascertaining the shareholders' entitlement to the proposed final dividend. In order to establish entitlements to the proposed final dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. (Hong Kong time) on Wednesday, 3 June 2020.

THE AUDIT COMMITTEE AND REVIEW OF PRELIMINARY ANNOUNCEMENT BY ERNST & YOUNG

The Audit Committee has reviewed and discussed the audited annual results for the year ended 31 December 2019. The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2019 as set out in this announcement have been agreed by the Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

On behalf of the Board
Yincheng International Holding Co., Ltd.
HUANG Qingping
Chairman

Hong Kong, 15 April, 2020

As at the date of this announcement, 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.

Note: Amounts and percentage figures included in this announcement, including information presented in thousands or millions of units, have been subject to rounding adjustments. Accordingly, totals of rows or columns of numbers in tables may not be equal to the apparent total individual items.