



PROFIT WARNING AND UPDATE ON THE EXCHANGE OFFER

PROFIT WARNING

The board of directors (the “**Board**”) of Yincheng International Holding Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company and potential investors that, based on a preliminary review of the latest available unaudited consolidated management accounts of the Group, the Group is expected to record a loss attributable to owners of the parent ranging from approximately RMB800 million to approximately RMB1.2 billion for the year ended 31 December 2022, as compared with a profit attributable to owners of the parent of approximately RMB142 million for the year ended 31 December 2021.

Based on the latest available information, the Board considers that the turnaround from profit to loss was primarily attributable to (i) the increase in impairment loss recognised for property and other assets caused by factors such as changes in the overall market conditions and the COVID-19 pandemic in China; (ii) foreign exchange losses due to the devaluation of Renminbi; and (iii) the fair value loss of investment properties.

As the Company is still in the course of preparation of its results for the financial year ended 31 December 2022, information contained herein 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 auditors or the audit committee of the Company and are subject to possible adjustments arising from further review. Details of the Group’s performance will be disclosed in the Company’s announcement of the audited annual results of the Group for the year ended 31 December 2022, which will be announced in compliance with applicable laws, regulations and rules.

UPDATE ON THE EXCHANGE OFFER

Reference is made to the announcements of the Company published on 18 February 2023, 24 February 2023 and 2 March 2023 (the “**Announcements**”) in relation to the Exchange Offer of the Existing Notes. Capitalized terms used in this paragraph shall have the same meanings ascribed to them in the Announcements. The Company hereby announces the termination of the Exchange Offer. All Existing Notes previously tendered and not withdrawn will be returned to their respective holders. The Existing Notes matured on 7 March 2023. As of the date of this announcement, the Company has not paid the principal and interest on the Existing Notes due and payable on the maturity date. In addition, as a result of the non-payment under the Existing Notes, the holders of the Company’s 12.5% Senior Notes due in September 2023 may, subject to the conditions under and in accordance with the indenture governing such notes, demand early repayment. The Company is actively assessing the impact of the abovementioned matters and will seek professional advice on the action it should take in order to seek a consensual solution with all stakeholders. The Company will make further announcements in due course in respect of any material developments.

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, 17 March 2023

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 Dr. Chen Shimin, Mr. Chan Peng Kuan and Mr. Yim Hong Cheuk Foster.