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銀城國際控股有限公司

YINCHENG INTERNATIONAL HOLDING CO., LTD.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1902)

**(1) RESIGNATION OF AUDITOR;
(2) DELAY IN PUBLICATION OF INTERIM RESULTS
AND DESPATCH OF INTERIM REPORT FOR
THE SIX MONTHS ENDED 30 JUNE 2023;
AND
(3) CONTINUED SUSPENSION OF TRADING**

This announcement is made by Yincheng International Holding Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

References are made to the announcements of the Company dated 21 August 2023 and 25 September 2023 (the “**Announcements**”) in relation to the delay in publication of the 2023 Interim Results and despatch of the 2023 Interim Report. Unless otherwise defined herein or the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

RESIGNATION OF AUDITOR

The Board hereby announces that Ernst & Young has tendered its resignation as the auditor of the Company with effect from 1 November 2023.

Set out below is a summary of the factors leading to Ernst & Young’s resignation as stated in its resignation letter dated 1 November 2023 (the “**Resignation Letter**”):

- (a) due to a significant reduction in audit fees proposed by the Company after the date of annual general meeting, the Company and Ernst & Young were unable to reach a consensus as to the audit fees for the year ending 31 December 2023. Ernst & Young has, as a result, neither been formally engaged by the Company for the audit of the financial statements for such financial year nor has it commenced any related audit work;

- (b) a certain portion of the audit fees owed by the Company to Ernst & Young for the year ended 31 December 2022 remains overdue and unsettled, which in Ernst & Young's view, may impact its independence according to paragraph R410.13 of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants, and which issue also raised concerns on whether the Company would be able to settle its audit fees for the year ending 31 December 2023 should a consensus on such fees be reached; and
- (c) with reference to the Announcements, the Company continues to be delinquent in publishing the 2023 Interim Results and despatching the 2023 Interim Report to the Shareholders within the timeframe required under the Listing Rules, as additional time is required to complete the outstanding matters as described in the Company's announcement dated 25 September 2023. The Company has not indicated the expected date by which it is able to do so. Furthermore, Ernst & Young has learnt from the management of the Company that there has been certain changes to the personnel of the finance team of the Company. In view of the above, there were concerns on the part of Ernst & Young as to the Company's ability to timely and accurately prepare its financial statements and underlying evidence, and for Ernst & Young to satisfy its obligation as the auditor of the Company to timely execute and complete a quality audit for 2023.

Ernst & Young has confirmed that, up to the date of the Resignation Letter and save as disclosed therein, there are no circumstances connected with its resignation which it considers should be brought to the attention of the Shareholders or creditors of the Company.

The Board and the audit committee of the Company are also of the view that, save as disclosed herein, they are not aware of any other matter in connection with the resignation of Ernst & Young that needs to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its sincere gratitude to Ernst & Young for its professional and quality services rendered to the Company during its tenure as the auditor of the Company.

The Company is in the process of identifying a new auditor to fill the casual vacancy following the resignation of Ernst & Young. The Company will make further announcement(s) in relation to the appointment of the new auditor as and when appropriate in accordance with the Listing Rules.

DELAY IN PUBLICATION OF INTERIM RESULTS AND DESPATCH OF INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2023

As set out in the announcement of the Company dated 25 September 2023, the delay in publication of the 2023 Interim Results and despatch of the 2023 Interim Report was due to, among others, (i) the Group not having reached a consensus with certain suppliers over the progress of the construction works of the relevant property projects completed by such suppliers; (ii) the Group not having reached a consensus with its affiliated companies as to the amount of certain accounting items in the management accounts of the relevant project companies of the Group and its affiliated companies; and (iii) certain suppliers and affiliated companies of the Group having failed to provide the Outstanding Documents to the Group.

As at the date of this announcement, the Group has reached a verbal agreement with two suppliers regarding the progress of the construction works of the relevant property projects completed by them and continues to be negotiating with the relevant remaining suppliers and affiliated companies regarding ways to resolve the disagreements and the provision of the Outstanding Documents. Furthermore, the Company is in the process of identifying suitable candidates to fill up the vacancies following the changes to the personnel of the finance team of the Company.

The Company will publish further announcement(s) in due course to inform the Shareholders of (i) the expected date of publication of the 2023 Interim Results; (ii) the expected date of despatch of the 2023 Interim Report; and (iii) any material developments on the relevant matters.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 4 September 2023 and will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to 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, 6 November 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.