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銀城生活服務有限公司

YINCHENG LIFE SERVICE CO., LTD.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1922)

**VOLUNTARY ANNOUNCEMENT
TRANSFER OF SHARES BY THE CONTROLLING SHAREHOLDER
TO SELECTED EMPLOYEES OF THE COMPANY**

This announcement is made by Yincheng Life Service CO., Ltd. (the “**Company**”) on a voluntary basis.

As at the date of this announcement, the Company has been informed by Mr. Huang Qingping (“**Mr. Huang**”), a non-executive director and the controlling shareholder of the Company, that in order to recognise the contribution of certain selected employees of the Company and to provide incentives to and assist the Company in retaining such selected employees, on 22 November 2022 (the “**Transfer Date**”), he procured Silver Wutong Holding Limited (“**Silver Wutong**”) (a company directly wholly-owned by Mr. Huang) to execute share transfer agreements to transfer an aggregate of 720,000 shares of the Company (the “**Shares**”), representing approximately 0.27% of the entire issued share capital of the Company, off-market to certain employees of the Company (the “**Transfers**”).

Details of the Transfers are set out as follows:–

- (i) 80,000 Shares, representing approximately 0.03% of the entire issued share capital of the Company, were transferred to Silver Xuemei Holding Limited, a company directly wholly-owned by Ms. Huang Xuemei (an executive director of the Company), at a consideration of HK\$204,000; and
- (ii) the remaining 640,000 Shares, representing approximately 0.24% of the entire issued share capital of the Company, were transferred to eleven (11) selected employees of the Company, all of which are senior management members of the Company, at a total consideration of HK\$1,632,000.

The consideration for the Transfers at HK\$2.55 per Share were at a discount of approximately 20% to the average closing price of the Shares for the five business days immediately preceding the Transfer Date at HK\$3.22 per Share.

As advised by Mr. Huang, save for each of Ms. Huang Xuemei and the eleven (11) selected employees who has undertaken not to, and procured his/her respective controlled corporation not to, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of the Shares that were transferred to them from Silver Wutong within one year from the Transfer Date, there is no other restrictions or conditions in the dealings of such Shares.

As the Transfers are regarded as a share-based payment by the Company under the relevant accounting treatments, and that there may be a difference between the consideration of the Transfers and the fair value of such transferred Shares upon valuation of such transferred Shares is being conducted, such difference may constitute an expense of the Company which may impose an impact on the financial statements of the Company. The actual impact of such on the financial statements of the Company are subject to the review by the audit committee of the Company and audit by the reporting accountants of the Company. The Company shall make further announcement(s) in relation to such potential and actual impact as and when appropriate according to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Upon completion of the Transfers, the Company will be ultimately owned as to approximately 38.39% by Mr. Huang. Hence, the Transfers will not result in any change in the controlling shareholder and de facto controller of the Company.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board of
Yincheng Life Service CO., Ltd.
XIE Chenguang
Chairman

Hong Kong, 22 November 2022

As at the date of this announcement, the executive directors of the Company are Mr. Li Chunling and Ms. Huang Xuemei; the non-executive directors of the Company are Mr. Huang Qingping, Mr. Xie Chenguang, Mr. Ma Baohua and Mr. Zhu Li; and the independent non-executive directors of the Company are Mr. Chow Siu Hang, Mr. Li Yougen and Mr. Mao Ning.