Hebei Yichen Industrial Group Corporation Limited*
河北翼辰實業集團股份有限公司
(A joint stock limited liability company incorporated in the People's Republic of China)
(Stock Code: 1596)

INSIDE INFORMATION

POSSIBLE ADJUSTMENTS TO CONSOLIDATED NET PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2020

This announcement is made by Hebei Yichen Industrial Group Corporation Limited (the "**Company**"; together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 28 August 2020 (the "**Interim Results Announcement**") in relation to the interim results of the Group for the six months ended 30 June 2020 (the "**Reporting Period**"). As disclosed in the Interim Results Announcement, the consolidated net profit and total comprehensive income of the Group for the Reporting Period amounted to approximately RMB96.6 million. The interim condensed consolidated financial information as contained in the Interim Results Announcement had not been reviewed by the auditor of the Company (the "**Auditor**"). The Interim Results Announcement was published after review and approval by the audit committee of the board (the "**Board**") of directors (the "**Directors**") of the Company and the Board. The Board had engaged the Auditor to conduct an independent review of the interim consolidated financial information of the Group for the Reporting Period, which had yet to be completed by the time of publication of the Interim Results Announcement.

On 12 September 2020, the Company was notified in writing by the Auditor that it had come to the Auditor's attention that repayments had been received by the Group after the date of the Interim Results Announcement in partial settlement of certain receivables in respect of which full provisions for impairment had been made in the interim condensed consolidated financial information as presented in the Interim Results Announcement; in the light of the above, the

Group was advised to reassess the amount of the provisions for impairment of receivables for the Reporting Period (the "**Provisions**"). Based on the Auditor's preliminary calculation of the amount of Provisions, it is expected that the consolidated net profit and total comprehensive income of the Group for the Reporting Period should increase by approximately RMB28 million to RMB35 million after adjustment.

The Board wishes to state that this announcement is made on the basis of the information currently available to the Board and a preliminary assessment in respect thereof only. In particular, the exact amounts of the adjustments to be made to the Provisions and the consolidated net profit and total comprehensive income of the Group for the Reporting Period have yet to be determined by the Board and reviewed by the Auditor in accordance with the applicable accounting principles. Further details of the adjustments and their impact on the published financial information of the Group for the Reporting Period will be announced by the Company immediately after the same have been ascertained.

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
Hebei Yichen Industrial Group Corporation Limited*
ZHANG Haijun
Chairman

Shijiazhuang, The PRC, 13 September 2020

As at the date of this announcement, the executive Directors are Mr. Zhang Haijun, Mr. Wu Jinyu, Mr. Zhang Chao, Mr. Zhang Lihuan and Ms. Fan Xiulan; the non-executive Director is Ms. Gu Xiaohui; and the independent non-executive Directors are Mr. Jip Ki Chi, Mr. Wang Qi and Mr. Zhang Liguo.

* *For identification purpose only*