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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)

**PROPOSED A SHARE OFFERING
AND LISTING AND RELATED MATTERS
AND
POSTPONEMENT OF EXTRAORDINARY GENERAL MEETING AND
CONVENING OF CLASS MEETINGS**

PROPOSED A SHARE OFFERING AND LISTING AND RELATED MATTERS

Reference is made to the announcement of the Company dated 28 August 2020 in connection with the commencement of the relevant preparatory work in respect of the proposed initial public offering of ordinary shares in the share capital of the Company to be traded in Renminbi on the Shenzhen Stock Exchange.

The Board of Directors is pleased to announce that on 23 September 2020, the Board of Directors has considered and approved the resolutions regarding the proposed A Share Offering and the related matters. According to the proposed A Share Offering and Listing plan, the Company intends to apply for an initial public offering of A Shares and listing on the ChiNext of the Shenzhen Stock Exchange which shall comprise not more than 299,280,000 A Shares (before the exercise of the over-allotment option) with a par value of RMB0.5 each. The proposed A Share Offering and Listing will be subject to, among other things, the approval of the Shareholders by way of special resolutions at a general meeting and class meetings of the H shareholders and the domestic shareholders of the Company, and the approval of the CSRC and other relevant regulatory authorities.

Other resolutions related to the proposed A Share Offering and Listing have been considered and approved at the relevant meetings of the Board of Directors and/or the Supervisory Committee. Major part of the contents of the relevant resolutions are set forth in the paragraph headed "Other Resolutions Related to the proposed A Share Offering and Listing" in this announcement.

POSTPONEMENT OF EGM AND CONVENING OF CLASS MEETINGS

Subsequent to the despatch of the First Circular and the Original Notice of EGM, Mr. Zhang Haijun (張海軍), a Domestic Shareholder who beneficially owned approximately 14.30% of the total issued share capital of the Company and, together with the other Controlling Shareholders, in aggregate controlled 65.44% of the total issued share capital of the Company as at the date of this announcement, had indicated to the Board of Directors his intention to propose that additional resolutions in connection with the proposed A Share Offering and Listing and the related matters as approved by the Board of Directors should be considered by the Shareholders at the EGM. To facilitate the implementation of the proposed A Share Offering and Listing plan and in accordance with Article 8.7 of the Articles of Association and the relevant laws and regulations, the Board of Directors has resolved to postpone the EGM (as additional time is required to prepare the Supplemental Circular containing the details of such resolutions) and convene the Class Meetings, and such resolutions will be put forward for consideration and approval by the Shareholders at the postponed EGM (subject to receipt of the Notice from Mr. Zhang Haijun (張海軍) in respect of his proposal as described above) and the Class Meetings.

The Supplemental Circular, containing, among other things, the details of the resolutions intended to be proposed at the postponed EGM (in addition to those set forth in the Original Notice of EGM) and the Class Meetings will be despatched to the Shareholders as and when appropriate.

Extension of Period of Closure of Register of Members in Connection with the Postponed EGM and the Class Meetings

In the light of the postponement of the EGM and the convening of the Class Meetings, the period of closure of the register of members of the Company for the purpose of determining the entitlement to attend and vote at the postponed EGM and the Class Meetings will be extended. Accordingly, no transfer of Shares has been registered from Monday, 14 September 2020 onwards, and such arrangements will remain in place until Friday, 23 October 2020 (both days inclusive). H Shareholders and Domestic Shareholders whose names appear on the register of members of the Company on Monday, 14 September 2020 (Hong Kong time) are entitled to attend the postponed EGM and the H Shareholders Class Meeting or the Domestic Shareholders Class Meeting (as the case may be).

Change of Period of Closure of Register of Members in Connection with the 2020 Interim Dividend

In the light of the postponement of the EGM, the period of closure of the register of members of the Company for the purpose of determining the entitlement to the 2020 Interim Dividend will be changed, and the register of members of the Company will instead be closed from Friday, 30 October 2020 to Thursday, 5 November 2020, both dates inclusive, during which period no transfer of Shares will be registered. Subject to approval by the Shareholders at the postponed EGM, the 2020 Interim Dividend will be paid on or around Friday, 27 November 2020 to the Shareholders whose names appear on the registers of members of the Company on Thursday, 5 November 2020.

Notices of the Meetings

The Revised Notice of EGM and the notice of the Class Meetings setting forth all of the resolutions to be considered at the postponed EGM and the Class Meetings respectively will be despatched to the Shareholders together with the Supplemental Circular as and when appropriate. The Revised Notice of the EGM shall supersede the Original Notice of EGM.

Forms of Proxy

Since the First Form of Proxy does not contain the additional resolutions intended to be proposed at the postponed EGM in connection with the proposed A Share Offering and Listing and the related matters as set out in the Revised Notice of EGM, the Company has prepared the Updated Form of Proxy for the postponed EGM, which will be despatched to the Shareholders together with the Supplemental Circular and published on both the websites of the Stock Exchange and the Company as and when appropriate.

Forms of proxy for use at the Class Meetings will also be enclosed with the Supplemental Circular and published on both the websites of the Stock Exchange and the Company.

Shareholders and potential investors of the Company should note that the proposed A Share Offering and Listing will be subject to, among others, the final decisions of the Shareholders and the approval of CSRC and other relevant regulatory authorities. Accordingly, Shareholders and potential investors of the Company should be aware that there is no assurance as to when the Proposed A Share Offering may take place or whether it will take place at all. Shareholders and potential investors of the Company should therefore exercise caution, and only place reliance on the information published by the Company, when they deal or contemplate dealing in any securities of the Company. If in doubt as to their positions or the actions to be taken, Shareholders and potential investors of the Company are strongly recommended to consult their professional advisers.

I. PROPOSED A SHARE OFFERING AND LISTING AND RELATED MATTERS

Reference is made to the announcement of the Company dated 28 August 2020 in connection with the commencement of the relevant preparatory work in respect of the proposed initial public offering of ordinary shares in the share capital of the Company to be traded in Renminbi on the Shenzhen Stock Exchange.

The Board of Directors is pleased to announce that on 23 September 2020, the Board of Directors has considered and approved the resolutions regarding the proposed A Share Offering and the related matters. According to the proposed A Share Offering and Listing plan, the Company intends to apply for an initial public offering of A Shares and listing on the ChiNext of the Shenzhen Stock Exchange which shall comprise not more than 299,280,000 A Shares (before the exercise of the over-allotment option) with a par value of RMB0.5 each. The proposed A Share Offering and Listing and the related matters will be subject to, among other things, the approval of the Shareholders at a general meeting (by way of special resolutions or ordinary resolutions (as the case may be)) and class meetings (by way of special resolutions) of the Company, and the approval of the CSRC and other relevant regulatory authorities.

Proposed A Share Offering and Listing Plan

Details of the proposed A Share Offering and Listing are as follow:

1. Class and par value of the Shares to be issued

The Shares to be issued are RMB ordinary Shares (A Shares) with a par value of RMB0.5 each.

2. Offering size

The Company proposes to issue not more than 299,280,000 A Shares (before exercise of the over-allotment option), which shall represent not more than 25% of the total enlarged share capital of the Company after completion of the A Share Offering. The actual number of Shares to be issued in the proposed A Share Offering shall be determined by the Board of Directors and its authorised person(s) with the authorisation of the Shareholders at a general meeting and class meetings of the H shareholders and the domestic shareholders of the Company based on the capital needs of the Company and actual situation of the securities market at the time of issue after consultation with the sponsor and/or lead underwriters, according to the requirements of relevant laws and regulations and shall be subject to approval of the securities regulatory authorities and the market conditions. The proposed A Share Offering shall involve issue of new Shares only, with no public sale of Shares held by any existing Shareholder.

Please refer to the the paragraphs headed “Effects of the Proposed A Share Offering on the Shareholding Structure of the Company” in this section for details of the effects of the proposed A Share Offering and Listing on the shareholding structure of the Company. The Company considers that the A Share Offering will not constitute substantial changes to the existing shareholding structure of the Company, and will not cause any material adverse changes to the governance and operation of the Company.

3. Target subscribers

The target subscribers are qualified price consultation investors and natural persons, legal persons and other institutional investors who/which are holders of A shares securities accounts on the Shenzhen Stock Exchange and entitled to trade on the ChiNext (except for those prohibited by national laws, administrative regulations, other applicable normative documents and other regulatory requirements applicable to the Company), unless otherwise required by the CSRC or the Shenzhen Stock Exchange.

If any of the above target subscribers of the proposed A Share Offering is a connected person of the Company, the Company will comply with the applicable announcement, reporting and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As at the date of this announcement, none of the connected person(s) of the Company has indicated to the Company that he/she/it intends to participate in the subscription for the A Shares in such a way as to trigger any obligation of the Company to comply with the relevant requirements under the Listing Rules.

4. *Method of offering*

The A Share Offering will be conducted through the following method:

- (i) offline price consultation placement to investors;
- (ii) fixed-price issue to online subscribers based on market capitalisation; and
- (iii) other methods as approved by the CSRC and the Shenzhen Stock Exchange (including but not limited to placing of Shares to strategic investors).

5. *Pricing methodology*

The offer price of the proposed A Share Offering will be determined by the Company and the lead underwriters through initial price consultation based on the consultation results, or through other methods as may be approved by the CSRC and the Shenzhen Stock Exchange, after the Company has obtained the approval registration documents.

6. *Method of underwriting*

The proposed A Share Offering will be underwritten by the lead underwriters by means of standby underwriting.

7. *Use of proceeds*

Please refer to the paragraphs headed "Other Resolutions Related to the Proposed A Share Offering and Listing - 2. Resolution on the Investment Projects to be Financed with the Proceeds from the Proposed A Share Offering and the Relevant Feasibility Analysis" in this section for the proposed use of the net proceeds from the proposed A Share Offering.

8. *Proposed place of listing*

The A Shares to be issued under the proposed A Share Offering are to be listed on the ChiNext of the Shenzhen Stock Exchange.

9. *Time of offering and listing*

The Company may determine the time of issue of the A Shares under the proposed A Share Offering within 12 months from the date on which the Company receives the decision from the CSRC on approving the registration of the shares to be publicly offered. Upon approval of the Shenzhen Stock Exchange, the Board of Directors may determine the specific date of listing of the A Shares after consultation with the lead underwriters.

10. *Validity period of the resolution*

The resolution shall be valid for 24 months from the date on which it is considered and approved at a general meeting and class meetings of the H shareholders and the domestic shareholders of the Company. If the proposed A Share Offering and Listing could not be completed within such a period of time and the Company intends to proceed with the proposed A Share Offering and Listing, the Company shall seek further approval from the Shareholders at a general meeting, a H Shareholders class meeting and a Domestic Shareholders class meeting, respectively, for an extension of the validity period of the resolution.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of a general meeting, a class meeting of the H shareholders and a class meeting of the domestic shareholders of the Company.

Other Resolutions Related to the Proposed A Share Offering and Listing

Other resolutions related to the proposed A Share Offering and Listing have been considered and approved at the relevant meetings of the Board of Directors and/or the Supervisory Committee. Set forth below are the major part of the contents of the relevant resolutions:

1. Resolution on the Grant of Authorisation to the Board of Directors and Its Authorised Person(s) to Deal with Specific Matters Related to the Proposed A Share Offering and Listing at Their Full Discretion

In order to ensure the smooth execution of matters related to the proposed A Share Offering and Listing, a resolution on the grant of authorisation to the Board of Directors and its authorised person(s) to deal with specific matters related to the proposed A Share Offering and Listing at their full discretion will be proposed at a general meeting and class meetings of the H shareholders and the domestic shareholders of the Company. The scope of the authorisation is as follows:

- (1) to execute or amend documents in connection with the proposed A Share Offering and Listing, including but not limited to the letter of intent for offering, the prospectus, sponsor agreement, underwriting agreement, listing agreement, statement and undertaking and various announcements, and to approve the execution of necessary procedures in connection with the application for offering of A Shares as prescribed by the relevant governmental departments and the CSRC;

- (2) to make all necessary adjustments to the specific plan for the proposed Share Offering and Listing in accordance with the resolution on the proposed A Share Offering and Listing as considered approved by at a general meeting and class meetings of the H shareholders and the domestic shareholders of the Company and pursuant to the applicable requirements under the national laws, administrative regulations, departmental rules and regulatory documents and as prescribed by the securities regulatory authorities and the actual conditions, and to attend to the implementation of such a plan at full discretion, which shall cover matters including but not limited to the timing of offering, offering size, pricing methodology, offer price, target subscribers and other matters related to the proposed A Share Offering and Listing;
- (3) to approve the execution of procedures including capital verification, alteration of registered capital and entrusting custody of securities after completion of the proposed A Share Offering and Listing;
- (4) to formulate the specific plan in relation to the use of proceeds from the proposed A Share Offering and to make necessary adjustments according to the requirements of the state and the regulatory authorities (including comments given during the vetting process of the application for the proposed A Share Offering and Listing) and the market conditions, and the actual progress and respective urgency of the investment projects to be financed with the proceeds from the proposed A Share Offering and Listing, within the framework laid down pursuant to the relevant resolutions passed at a general meeting and class meetings of the H shareholders and the domestic shareholders of the Company;
- (5) to apply or arrange for approval from, registration with and filing of documents with and to seek the requisite consents from the relevant governmental departments, regulatory authorities, Shenzhen Stock Exchange and Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司深圳分公司) in connection with the proposed A Share Offering and Listing;
- (6) based on
 - (i) changes in the relevant requirements under the laws, administrative regulations, departmental rules and regulatory documents and as prescribed by the securities regulatory authorities;
 - (ii) the requirements of and recommendations from the relevant governmental departments and regulatory authorities in the PRC or elsewhere; and
 - (iii) the actual conditions of the proposed A Share Offering and Listing as it is implemented,

to make all necessary alterations and amendments to the Articles of Association and other internal management policies of the Company formulated or amended in connection with the proposed A Share Offering and Listing in accordance with the relevant requirements under the laws, administrative regulations, departmental rules and regulatory documents and as prescribed by the securities regulatory authorities and as considered and approved by the Board of Directors and at a general meeting and class meetings of the H shareholders and the domestic shareholders of the Company, and to make necessary amendments to the provisions in the Articles of Association in relation to matters such as the registered capital and shareholding structure of the Company after completion of the proposed A Share Offering and Listing and attend to the relevant alteration, filing and registration procedures as prescribed by the company registration authority and other relevant governmental authorities;

- (7) to engage relevant intermediaries in connection with the proposed A Share Offering and Listing, determine their service fees and execute the relevant engagement agreements; and
- (8) to attend to other matters related to the proposed A Share Offering and Listing.

Such authorisation shall be valid for 24 months from the date on which it is considered and approved at a general meeting and class meetings of the H shareholders and the domestic shareholders of the Company. If the proposed A Share Offering and Listing could not be completed within 24 months from the date of consideration and approval at a general meeting and class meetings of the H shareholders and the domestic shareholders of the Company and the Company intends to proceed with the proposed A Share Offering and Listing, the Company shall seek further approval from the Shareholders at a general meeting and class meetings of the H shareholders and the domestic shareholders of the Company, respectively, for an extension of the validity period of such authorisation.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of a general meeting, a class meeting of the H shareholders and a class meeting of the domestic shareholders of the Company.

2. Resolution on the Investment Projects to be Financed with the Proceeds from the Proposed A Share Offering and the Relevant Feasibility Analysis

Based on the Company's needs from the operational and development perspectives, the net proceeds from the proposed A Share Offering (after deduction of the offering expenses incurred) will be invested in the following projects:

No. Project name	Total investment (RMB million)	Net proceeds proposed to be allocated (RMB million)
1. Production expansion project for high-speed railway and heavy-haul railway fastening products	144.7	144.7
2. Technical transformation project for the production lines of urban rail and ordinary railway fastening products	309.8	309.8
3. Research and development center construction project	99.9	99.9
4. Production expansion project for railway sleepers	140.0	140.0
Total	<u>694.4</u>	<u>694.4</u>

Before the full amount of the net proceeds is raised, the Company shall finance the above projects with its own funds based on the respective progress of each project. After the net proceeds have been received, the net proceeds will be used for payment of the remaining amounts of the investment costs and replacement of the initial investment. In the event that the net proceeds from the proposed A Share Offering and Listing (after deduction of the offering expenses incurred) are insufficient to meet the funding requirements in connection with the above investment projects, the shortfall will be met with bank borrowings or the Company's own funds. If the net proceeds exceed the investment costs required for the above investment projects, the balance will be applied to supplement the working capital of the Company in its principal business.

The Company will deposit the net proceeds into a special-purpose account designated by the Board of Directors for centralized management and enter into a tri-party custody agreement with the sponsor and the relevant commercial bank. The Company shall strictly follow its internal net proceeds management policies with a view to ensuring effective control over the security of the net proceeds and efficient use of the net proceeds.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of a general meeting, a class meeting of the H shareholders and a class meeting of the domestic shareholders of the Company.

3. Resolution on the Plan for Distribution of Profits Accumulated Prior to the Proposed A Share Offering and Listing

Pursuant to the Measures for the Administration of Registration of Initial Public Offering of Shares on the ChiNext (Trial) (《創業板首次公開發行股票註冊管理辦法(試行)》), the Company shall ascertain the distribution plan for profits accumulated prior to the proposed A Share Offering and Listing before submission of application for the proposed A Share Offering and Listing. Taking into account the interests of the existing Shareholders and the new Shareholders and the funding arrangements based on the Company's development plan, it is proposed that all undistributed profits of the Company accumulated prior to the proposed A Share Offering and Listing will be shared among the new Shareholders and the existing Shareholders upon completion of each of the proposed A Share Offering and Listing in proportion to their then respective shareholdings.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of a general meeting, a class meeting of the H shareholders and a class meeting of the domestic shareholders of the Company.

4. Resolution on Report on Use of Proceeds from Previous Fund Raising Activity

Pursuant to the requirements under the Administrative Measures for the Issuance of Securities by Listed Companies (《上市公司證券發行管理辦法》) and the Provisions on Report of Use of Proceeds from Previous Fund Raising Activity (《關於前次募集資金使用情況報告的規定》) issued by the CSRC and other relevant laws, regulations and regulatory documents, the Company has prepared the Report on Use of Proceeds from Previous Fund Raising Activity after verifying the use of proceeds from the Global Offering of H Shares. An accounting firm with the qualification to conduct securities business has been engaged to verify the Report on Use of Proceeds from Previous Fund Raising Activity and issued a verification report in respect thereof, which states that the accounting firm is of the view that the Report on Use of Proceeds from Previous Fund Raising has truthfully reflected the use of proceeds from the Global Offering of H Shares by the Company up to 30 June 2020.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of a general meeting, a class meeting of the H shareholders and a class meeting of the domestic shareholders of the Company.

5. Resolution on the Price Stabilisation Plan for the A Shares for the Three Years after Listing

Pursuant to the Opinions on Further Promoting the Reform of the System for Public Offering of Shares (《關於進一步推進新股發行體制改革的意見》) issued by the CSRC and other relevant requirements, the Company and its controlling shareholders, Directors and senior management has jointly formulated the Price Stabilisation Plan for the A Shares for the Three Years after Listing.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of a general meeting, a class meeting of the H shareholders and a class meeting of the domestic shareholders of the Company.

6. Resolution on the Dividend Distribution Plan for the Shareholders for the Three Years after the A Share Offering and Listing

Pursuant to the Guidelines on the Supervision and Administration of Listed Companies No. 3 – Cash Dividend Distribution by Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》) issued by the CSRC and other relevant regulations and in accordance with the Articles of Association, the Company has formulated the Dividend Distribution Plan for the Shareholders for the Three Years after the A Share Offering and Listing. After consideration and approval by the Shareholders at a general meeting and class meetings of the H shareholders and the domestic shareholders of the Company, the plan shall come into effect on the date of listing on the ChiNext of the A Shares to be offered in the proposed A Share Offering.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of a general meeting, a class meeting of the H shareholders and a class meeting of the domestic shareholders of the Company.

7. Resolution the Company’s Medium-and-long Term Strategic Development Plan and Development Plan for the Three Years Ending 31 December 2023

In order to ensure consistency between the Company’s business development objectives and principal business and to provide full safeguards for the interests of the Shareholders, including among others, the minority Shareholders, the Board of Directors has, after thorough discussion, formulated the Company’s Medium-and-long Term Strategic Development Plan and Development Plan for the Three Years Ending 31 December 2023 in accordance with the national industry policy and the requirements under the relevant laws, regulations and regulatory documents.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of a general meeting, a class meeting of the H shareholders and a class meeting of the domestic shareholders of the Company.

8. Resolution on Analysis of Dilution of Immediate Return as a Result of the A Share Offering and Listing and the Relevant Recovery Measures

Pursuant to the Guiding Opinions on Matters concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring of the CSRC (《中國證券監督管理委員會關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》), the Company has conducted an analysis of the dilution of immediate return as a result of the proposed A Share Offering and Listing and prepared the Analysis of Dilution of Immediate Return as a Result of the A Share Offering and Listing and the Relevant Recovery Measures.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of a general meeting, a class meeting of the H shareholders and a class meeting of the domestic shareholders of the Company.

9. Resolution on Relevant Undertakings to Be Given and Restrictive Measures to Be Taken by the Company in Connection with the Proposed A Share Offering and Listing

Pursuant to requirements under the Opinions on Further Promoting the Reform of the System for Public Offering of Shares (《關於進一步推進新股發行體制改革的意見》) issued by the CSRC, the Company proposes to give and take a series of undertakings and restrictive measures in connection with the proposed A Share Offering and Listing, including but not limited to undertakings in relation to stabilisation of share price, share repurchase and buy-back, implementation of recovery measures in respect of dilution of immediate return, and restrictive measures on failure to perform relevant public undertakings.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of a general meeting, a class meeting of the H shareholders and a class meeting of the domestic shareholders of the Company.

10. Resolution on Formulation of the Articles of Association of the Company (Draft) Applicable after Completion of the Proposed Listing of the A Shares

In preparation for the proposed A Share Offering and Listing, in order to ensure the Company's compliance with the requirements applicable to a listed company in corporate governance and other areas, pursuant to the requirements under the Company Law of the PRC (《中華人民共和國公司法》), the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) and other relevant laws, regulations and regulatory documents, based on the Articles of Association that are currently in effect, the Company has formulated the Articles of Association of the Company (Draft) applicable after completion of the proposed A Share Offering and Listing (the “**Post-A Share Listing Articles of Association**”).

To facilitate the implementation of the proposed A Share Offering and Listing, general and unconditional authorisation will be sought from the Shareholders for the chairman of the Board of Directors to make all necessary alterations and amendments to the Post-A Share Listing Articles of Association (including but not limited to any alteration or amendment to the wording, chapters or provisions) in accordance with the relevant laws, regulations and regulatory documents and the requirements and guidance imposed or given by the relevant national governmental departments and regulatory authorities, provided that no prejudice should be caused to the interests of the Shareholders.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of a special resolution at each of a general meeting, a class meeting of the H shareholders and a class meeting of the domestic shareholders of the Company. Subject to approval by the Shareholders, the Post-A Share Listing Articles of Association will come into effect on the listing date of the A Shares to be offered in the proposed A Share Offering. Prior to completion of the proposed A Share Offering and Listing, the current version of the Articles of Association will remain valid and effective.

11. Resolution on Amendments to the Rules of Procedures of General Meetings

At the extraordinary general meeting, the H Shareholders class meeting and the Domestic Shareholders class meeting of the Company held on 18 March 2020, certain amendments to the Articles of Association were considered and approved by the Shareholders. It is proposed that corresponding amendments should be made to the relevant parts of the Rules of Procedures of General Meetings.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of an ordinary resolution at a general meeting of the Company, and a special resolution at each of a class meeting of the H Shareholders and a class meeting of the Domestic Shareholders.

12. Resolutions on Formulation of the Rules of Procedures of General Meetings, Rules of Procedures of the Board of Directors, Rules of Procedures of the Supervisory Committee and Working Rules of the Independent Directors Applicable after Completion of the Proposed Listing of the A Shares

In preparation for the proposed A Share Offering and Listing, pursuant to the Company Law of the PRC (《中華人民共和國公司法》), the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》), the corporate governance structure requirements imposed by the securities regulatory authorities in the PRC and elsewhere and the requirements under other relevant laws, regulations and regulatory documents, based on the Rules of Procedures of General Meetings, Rules of Procedures of the Board of Directors, Rules of Procedures of the Supervisory Committee and Working Rules of the Independent Directors that are currently in effect, the Company has formulated the Rules of Procedures of General Meetings applicable after completion of the proposed A Share Offering and Listing (the “**Post-A Share Listing Rules of Procedures of General Meetings**”), Rules of Procedures of the Board of Directors applicable after completion of the proposed A Share Offering and Listing (the “**Post-A Share Listing Rules of Procedures of the Board of Directors**”), Rules of Procedures of the Supervisory Committee applicable after completion of the proposed A Offering and Listing (the “**Post-A Share Listing Rules of Procedures of the Supervisory Committee**”) and Working Rules of the Independent Directors applicable after completion of the proposed A Share Offering and Listing (the “**Post-A Share Listing Working Rules of the Independent Directors**”).

To facilitate the implementation of the proposed A Share Offering and Listing, general and unconditional authorisation will be sought from the Shareholders for the chairman of the Board of Directors or the Supervisory Committee (as the case may be) to make all necessary alterations and amendments to the Post-A Share Listing Rules of Procedures of General Meetings, Post-A Share Listing Rules of Procedures of the Board of Directors, Post-A Share Listing Rules of Procedures of the Supervisory Committee and Post-A Share Listing Working Rules of the Independent Directors (including but not limited to any alteration or amendment to the wording, chapters or provisions) in accordance with the relevant laws, regulations and regulatory documents and the requirements imposed and recommendations given by the relevant national governmental departments and regulatory authorities, provided that no prejudice should be caused to the interests of the Shareholders.

The proposal in relation to each of the relevant documents has been approved by the Board of Directors or the Supervisory Committee (as the case may be). The proposal in relation to the Working Rules of the Independent Directors will be put forward for consideration and approval by the Shareholders by way of an ordinary resolution at a general meeting of the Company. The proposal in relation to each of the rest of the relevant documents will be put forward for consideration and approval by the Shareholders by way of an ordinary resolution at a general meeting of the Company, and a special resolution at each of a class meeting of the H Shareholders and a class meeting of the Domestic Shareholders. Subject to approval by the Shareholders, the Post-A Share Listing Rules of Procedures of General Meetings, Post-A Share Listing Rules of Procedures of the Board of Directors, Post-A Share Listing Rules of Procedures of the Supervisory Committee and Post-A Share Offering Working Rules of the Independent Directors will come into effect on the listing date of the A Shares to be offered in the proposed A Share Offering. Prior to completion of the proposed A Share Offering and Listing, the current versions of the Rules of Procedures of General Meetings, Rules of Procedures of the Board of Directors, Rules of Procedures of the Supervisory Committee and Working Rules of the Independent Directors will remain valid and effective.

13. Resolution on Formulation of the External Guarantee Management Policies and Regulations on Management of Related Party Transactions (A Shares) of the Company Applicable after Completion of the Proposed Listing of the A Shares

In order to complete the work required for the proposed A Share Offering and Listing and to ensure the Company's compliance with the requirements applicable to a listed company in corporate governance and other areas, pursuant to the requirements under the Company Law of the PRC (《中華人民共和國公司法》), the Rules Governing the Listing of Shares on ChiNext (2020 Revision) (《深圳證券交易所創業板股票上市規則(2020修訂)》) and other relevant laws, regulations and regulatory documents and the Post-A Share Listing Articles of Association, the Company has formulated the External Guarantee Management Policies and Regulations on Management of Related Party Transactions (A Shares), which will come into effect on the listing date of the A Shares to be offered in the proposed A Share Offering.

To facilitate the implementation of the proposed A Share Offering and Listing, general and unconditional authorisation will be sought from the Shareholders for the chairman of the Board of Directors to make all necessary alterations and amendments to the External Guarantee Management Policies and Regulations on Management of Related Party Transactions (A Shares) (including but not limited to any alteration or amendment to the wording, chapters or provisions) in accordance with the relevant laws, regulations and regulatory documents and the requirements and guidance imposed or given by the relevant national governmental departments and regulatory authorities, provided that no prejudice should be caused to the interests of the Shareholders.

The proposal in relation to each of the relevant documents has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of an ordinary resolution at a general meeting of the Company.

14. Resolution on Confirmation of the Related Party Transactions of the Group during the Reporting Periods

Due to the actual needs of the Group in its business operations, the Group had been engaged in transactions with certain related parties during the periods from 2017 to 2019 and from January 2020 to June 2020 (the “**Reporting Periods**”). In connection with the application for the proposed A Share Offering and Listing, the related party transactions of the Group shall be strictly formalised under the applicable requirements.

The Company has reviewed the related party transactions of the Group during the Reporting Periods and considers that all such transactions were conducted in an equal, voluntary, fair and reasonable manner in all material respects at prices that were fair and reasonable, and the relevant decision-making authorisation and procedures were in compliance with applicable laws, without any prejudice caused to the interests of the Company or the Shareholders or transfer of interests to the Company or its related parties.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of an ordinary resolution at a general meeting of the Company.

The Company confirms that, the above related party transactions conducted during the Reporting Periods, other than the supply of steel beams and provision of processing services in respect of steel billets by Shijiazhuang City Gaocheng District Longji Corporate Management Co., Ltd.* (石家莊市藁城區隆基企業管理有限公司) to the Group during the term from 1 August 2015 to 31 December 2019 as disclosed in the H Share Prospectus and the announcements of the Company dated 28 August 2018 and 30 December 2019, did not constitute non-fully exempt connected transactions or continuing connected transactions of the Group as defined in Chapter 14A of the Listing Rules.

15. Resolution on the Engagement of Intermediaries in Connection with the Proposed A Share Offering and Listing

In connection with the application for the proposed A Share Offering and Listing, according to the relevant requirements, the Company proposes to engage Kaiyuan Securities Co., Ltd. (開源證券股份有限公司) as the sponsor and lead underwriter, China International Capital Corporation Limited (中國國際金融股份有限公司) as the joint lead underwriter, Pan-China Certified Public Accountant LLP (天健會計師事務所(特殊普通合夥)) as the financial audit firm and internal audit firm, and Jia Yuan Law Offices (北京市嘉源律師事務所) as the legal advisers in connection with the proposed A Share Offering and Listing. In addition, the Company will engage other intermediaries where necessary according to its actual needs in the course of the proposed A Share Offering and Listing.

The proposal has been approved by the Board of Directors and will be put forward for consideration and approval by the Shareholders by way of an ordinary resolution at a general meeting of the Company, and a special resolution at each of a class meeting of the H Shareholders and a class meeting of the Domestic Shareholders.

Reasons for and Benefits of the Proposed A Share Offering and Listing

The Company has consulted professional parties and relevant regulatory authorities in respect of the eligibility of the Company for and the benefits and risks associated with the proposed A Share Offering and Listing, and conducted research and analysis on the feasibility of the proposal.

The Directors consider that the proposed A Share Offering and Listing will be conducive to the long-term development of the Group in that it will provide the Group with further options to satisfy its funding requirements and expedite the Group's entry into a new stage of development with enhanced corporate image and strengthened market position, and thus facilitate the business development of the Group and sustainable growth in the Group's revenue and returns to the shareholders of the Company. The Directors are therefore of the view that the proposed A Share Offering and Listing is in the interests of the Company and the Shareholders as a whole.

Effects of the Proposed A Share Offering on the Shareholding Structure of the Company

The 673,380,000 existing Domestic Shares in issue will be converted into A Shares on the date of completion of the Proposed A Share Offering. For reference and illustration purposes only, assuming that all 299,280,000 A Shares under the proposed A Share Offering are approved and issued, and none of the subscribers is a connected person of the Company, and there are no changes in the share capital of the Company prior to completion of the proposed A Share Offering, the shareholding structure of the Company as at the date of this announcement and immediately after completion of the proposed A Share Offering shall be as follows:

	As at the date of this announcement		Immediately after completion of the proposed A Share Offering (assuming the over-allotment option is not exercised at all)		Immediately after completion of the proposed A Share Offering (assuming the over-allotment option is exercised in full) (Note 3)	
	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital
Domestic Shares (Note 1)						
• Domestic Shares held by the non-public Shareholders, i.e. core connected persons of the Company (Note 2)	588,475,906	65.54%	-	-	-	-
• Domestic Shares held by the public	84,904,094	9.46%	-	-	-	-
	673,380,000	75.00%	-	-	-	-
A Shares (Note 1)						
• A Shares to be converted from Domestic Shares in issue held by non-public Shareholders, i.e. core connected persons of the Company (Note 2)	-	-	588,475,906	49.16%	588,475,906	47.38%
• A Shares to be converted from the Domestic Shares in issue held by the public	-	-	84,904,094	7.09%	84,904,094	6.84%

	As at the date of this announcement		Immediately after completion of the proposed A Share Offering (assuming the over-allotment option is not exercised at all)		Immediately after completion of the proposed A Share Offering (assuming the over-allotment option is exercised in full) (Note 3)	
	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital
• A Shares to be issued under the proposed A Share Offering, which will be held by the public	-	-	299,280,000	25.00%	344,172,000	27.71%
	-	-	972,660,000	81.25%	1,017,552,000	81.93%
H Shares						
• H Shares held by the public	224,460,000	25.00%	224,460,000	18.75%	224,460,000	18.07%
Total	897,840,000	100.00%	1,197,120,000	100.00%	1,242,012,000	100.00%

Notes:

- (1) All of the issued Domestic Shares will be converted into A Shares upon completion of the proposed A Share Offering.
- (2) The core connected persons of the Company include (i) the Controlling Shareholders, i.e. Mr. Zhang Haijun (張海軍), Ms. Zhang Junxia (張軍霞), Mr. Zhang Xiaogeng (張小更), Mr. Zhang Xiaosuo (張小鎖), Mr. Zhang Ligang (張立剛), Mr. Wu Jinyu (吳金玉), Mr. Zhang Chao (張超), Mr. Zhang Lijie (張力杰), Mr. Zhang Lifeng (張力峰), Ms. Zhang Yanfeng (張艷峰), Mr. Zhang Libin (張力斌), Mr. Zhang Lihuan (張力歡), Mr. Zhang Ning (張寧), Ms. Zhang Hong (張宏) and Mr. Zhang Ruiqiu (張瑞秋), who, as Domestic Shareholders, have been acting in concert in terms of their exercise of voting rights at general meetings of the Company and entered into a concert party agreement to confirm their acting-in-concert agreement on 12 January 2018, and in aggregate controlled 587,552,774 Domestic Shares, representing approximately 65.44% of the total issued share capital of the Company as at the date of this announcement; Mr. Zhang Haijun (張海軍), Mr. Wu Jinyu (吳金玉), Mr. Zhang Chao (張超) and Mr. Zhang Lihuan (張力歡) are also executive Directors, and Mr. Zhang Lifeng (張力峰) is also the general manager of the Company; and (ii) Ms. Fan Xiulan (樊秀蘭), an executive Director who held 923,132 Domestic Shares, representing approximately 0.10% of the total issued share capital of the Company as at the date of this announcement.
- (3) Under the relevant laws and regulations and pursuant to the permission of the regulatory authorities, the Company and the lead underwriters can adopt the over-allotment option. The number of A Shares to be issued by exercising the over-allotment option shall not exceed 15% of the total number of A Shares under the proposed A Share Offering.

As at the date of this announcement, based on the publicly available information and to the best of the knowledge of the Directors, 25% of the issued Shares of the Company (comprising the H Shares) were held by the public, which satisfies the requirements under rules 8.08(1) and 13.32(1) of the Listing Rules.

Assuming that all 299,280,000 A Shares under the proposed A Share Offering are approved and issued, and none of the subscribers is a connected person of the Company, and there are no changes in the share capital of the Company prior to completion of the proposed A Share Offering, the public float percentage of the Company (comprising both A Shares and H Shares) immediately after completion of the proposed A Share Offering will be approximately 50.84% (assuming the over-allotment option is not exercised at all) and 52.62% (assuming the over-allotment option is exercised in full), which will continue to satisfy the requirements under rules 8.08(1) and 13.32(1) of the Listing Rules. The Company undertakes that it will continue to comply with the public float requirements under the Listing Rules throughout the application process and after completion of the proposed A Share Offering.

Fund raising activities in the past twelve months

The Company has not conducted any fund raising activity involving the issue of equity securities during the period of twelve months preceding the date of this announcement.

General

The above resolutions relating to the proposed A Share Offering and Listing and the related matters require the approval of the Shareholders at a general meeting (by way of special resolutions or ordinary resolutions (as the case may be)) and class meetings (by way of special resolutions) of the Company, and will be put forward for consideration by the Shareholders at the postponed EGM (subject to receipt of the Notice (as defined below) from Mr. Zhang Haijun (張海軍)) and the Class Meetings to be convened. Please refer to the section headed “II. Postponement of EGM and Convening of Class Meetings” in this announcement for further details of the arrangements relating to the EGM and the Class Meetings.

II. POSTPONEMENT OF EGM AND CONVENING OF CLASS MEETINGS

According to Article 8.7 of the Articles of Association, when the Company convenes a shareholders’ general meeting, the Board of Directors, Supervisory Committee and Shareholders individually or jointly holding 3% or more of Shares shall be entitled to propose motions in writing to the Company. The contents of the motions shall fall within the scope of duties of the Shareholders’ general meeting, have definite topics and specific matters for resolution and comply with the relevant requirements of the laws, administrative regulations and the Articles of Association. Shareholders individually or jointly holding 3% or more of the shares of the Company shall be entitled to propose ad hoc motions and submit to the convener in writing 10 days prior to the convening of the Shareholders’ general meeting. The convener shall issue a supplemental notice of shareholders’ general meeting to other shareholders within two days after the receipt of such proposal and incorporate the motions into the agenda of such meeting. Other than stipulated above, the convener shall not amend any motion stated in the notice of Shareholders’ general meeting or add any new motion after the issuance of the notice of Shareholders’ general meeting.

Subsequent to the despatch of the First Circular and the Original Notice of EGM, Mr. Zhang Haijun (張海軍), a Domestic Shareholder who beneficially owned approximately 14.30% of the total issued share capital of the Company and, together with the other Controlling Shareholders, in aggregate controlled 65.44% of the total issued share capital of the Company as at the date of this announcement, had indicated to the Board of Directors his intention to propose that additional resolutions in connection with the proposed A Share Offering and Listing and the related matters as approved by the Board of Directors should be considered by the Shareholders at the EGM. To facilitate the implementation of the proposed A Share Offering and Listing plan and in accordance with Article 8.7 of the Articles of Association and the relevant laws and regulations, the Board of Directors has resolved to postpone the EGM (as additional time is required to prepare the Supplemental Circular containing the details of such resolutions) and convene the Class Meetings, and such resolutions will be put forward for consideration and approval by the Shareholders at the postponed EGM (subject to receipt of a written notice (the “**Notice**”) from Mr. Zhang Haijun (張海軍) in respect of his proposal as described above), and the Class Meetings.

Accordingly, the Board of Directors hereby announces that the EGM, which is originally scheduled to be held at 10:30 a.m. on Thursday, 15 October 2020, will be held at 10:30 a.m. on Friday, 23 October 2020 instead. The venue of the EGM shall remain unchanged, i.e. the postponed EGM will be held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC.

The H Shareholders Class Meeting will be held at 10:30 a.m. on Friday, 23 October 2020 or immediately following the conclusion of the postponed EGM (whichever is the later), and the Domestic Shareholders Class Meeting will be held at 10:30 a.m. on Friday, 23 October 2020 or immediately following the conclusion of the H Shareholders Class Meeting (whichever is the later), both at the same venue as the postponed EGM, for the H Shareholders and the Domestic Shareholders to approve the resolutions in connection with the proposed A Share Offering and Listing and the related matters respectively.

The Supplemental Circular, containing, among other things, the details of the resolutions intended to be proposed at the postponed EGM (in addition to those set forth in the Original Notice of EGM) and the Class Meetings, will be despatched to the Shareholders as and when appropriate.

Extension of Period of Closure of Register of Members in Connection with the postponed EGM and the Class Meetings

As disclosed in the interim results announcement for the six months ended 30 June 2020 of the Company dated 28 August 2020 (the “**Interim Results Announcement**”) and the First Circular, in order to determine the entitlement to attend and vote at the EGM, the register of members of the Company has been closed from Monday, 14 September 2020. In the light of the postponement of the EGM and the convening of the Class Meetings, the ending date of the period of closure of the register of members of the Company will be postponed, and such a period will be extended to Friday, 23 October 2020. Accordingly, no transfer of Shares has been registered from Monday, 14 September 2020 onwards, and such arrangements will remain in place until Friday, 23 October 2020 (both days inclusive). H Shareholders and Domestic Shareholders whose names appear on the register of members of the Company on Monday, 14 September 2020 (Hong Kong time) are entitled to attend the postponed EGM and the H Shareholders Class Meeting or the Domestic Shareholders Class Meeting (as the case may be).

Change of Period of Closure of Register of Members in Connection with the 2020 Interim Dividend

As disclosed in the Interim Results Announcement and the First Circular, the register of members of the Company will be closed from Wednesday, 21 October 2020 to Tuesday, 27 October 2020, both days inclusive, and subject to the passing of the relevant resolution at the EGM, the 2020 Interim Dividend will be paid to those Shareholders whose names are listed on the Company's register of members as at Tuesday, 27 October 2020, and the payment is expected to be paid on or around Friday, 27 November 2020.

In the light of the postponement of the EGM, the book closure period for the purpose of determining the entitlement to the 2020 Interim Dividend will be changed, and the register of members of the Company will instead be closed from Friday, 30 October 2020 to Thursday, 5 November 2020, both dates inclusive, during which period no transfer of Shares will be registered. In order to qualify for the 2020 Interim dividend, H Shareholders whose transfers have not been registered shall deposit all transfer documents accompanied by the relevant share certificates at the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Thursday, 29 October 2020 (Hong Kong time) for registration.

The payment date of the 2020 Interim Dividend shall remain unchanged. Subject to approval by the Shareholders at the postponed EGM, the 2020 Interim Dividend will be paid on or around Friday, 27 November 2020 to the Shareholders whose names appear on the registers of members of the Company on Thursday, 5 November 2020.

Notices of the Meetings

The Revised Notice of EGM and the notice of the Class Meetings setting forth all of the resolutions to be considered at the postponed EGM and the Class Meetings respectively (collectively, the "**Meeting Notices**") will be despatched to the Shareholders together with the Supplemental Circular as and when appropriate. The Revised Notice of EGM shall supersede the Original Notice of EGM.

Please refer to the Meeting Notices and the Supplemental Circular for the details of the postponed EGM and Class Meetings, including, among others, the venue and the resolutions to be considered at the meetings, and other relevant matters.

Forms of Proxy

Updated Form of Proxy for the EGM

The First Form of Proxy for the EGM was enclosed with the First Circular despatched to the Shareholders on 31 August 2020 and has also been published on both the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hbyc.com.cn>). Since the First Form of Proxy does not contain the additional resolutions intended to be proposed at the postponed EGM in connection with the proposed A Share Offering and Listing and the related matters as set out in the Revised Notice of EGM, the Company has prepared the Updated Form of Proxy for the postponed EGM which will be despatched to the Shareholders together with the Supplemental Circular and published on both the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hbyc.com.cn>) as and when appropriate.

Each Shareholder who intends to appoint a proxy to attend the postponed EGM is requested to complete, sign and return the enclosed Updated Form of Proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the meeting (i.e. not later than 10:30 a.m. on Thursday, 22 October 2020 (Hong Kong time)) or any adjournment thereof (as the case may be) (the “**Closing Time**”).

Shareholders who have lodged the First Form of Proxy with the Company should note the following arrangements:

- (i) each Updated Form of Proxy deposited at the Secretariat of the Board at the Company’s principal place of business in the PRC (in the case of holder of Domestic Shares) or at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (in the case of holder of H Shares) by the Closing Time shall be treated as a valid form of proxy and shall revoke and supersede the First Form of Proxy previously deposited by the same Shareholder if correctly completed and signed and returned in accordance with the instructions printed thereon; and
- (ii) if no Updated Form of Proxy is deposited at the Secretariat of the Board at the Company’s principal place of business in the PRC (in the case of holder of Domestic Shares) or at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (in the case of holder of H Shares) by the Closing Time, the First Form of Proxy will be treated as a valid form of proxy if correctly completed and signed and returned in accordance with the instructions printed thereon. Each proxy so appointed by the Shareholders will be entitled to vote according to the instructions given on the First Form of Proxy and to vote at his/her discretion or to abstain from voting on any additional resolution properly put to the postponed EGM, including the resolutions in connection with the proposed A Share Offering and Listing and the related matters as set out in the Revised Notice of EGM.

Completion, signing and return of the First Form of Proxy and/or the Updated Form of Proxy will not preclude Shareholders from attending and voting in person at the postponed EGM or any adjournment thereof.

Forms of Proxy for the Class Meetings

Forms of proxy for use at the Class Meetings will also be enclosed with the Supplemental Circular and published on both the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hbyc.com.cn>). Shareholders who intend to appoint a proxy to attend the relevant Class Meeting should complete, sign and return the relevant form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the relevant Class Meeting (i.e. at or before 10:30 a.m. on Thursday, 22 October 2020 (Hong Kong time)) or any adjournment thereof (as the case may be). Completion, signing and return of the relevant form of proxy will not preclude Shareholders from attending and voting in person at the relevant Class Meeting or any adjournment thereof (as the case may be). For H Shareholders, the form of proxy should be returned to the Company’s H share registrar, Computershare Hong Kong Investor Services Limited. For Domestic Shareholders, the form of proxy should be returned to the Secretariat of the Board at the Company’s principal place of business in the PRC.

Shareholders and potential investors of the Company should note that the proposed A Share Offering and Listing will be subject to, among others, the final decisions of the Shareholders and the approval of CSRC and other relevant regulatory authorities. Accordingly, Shareholders and potential investors of the Company should be aware that there is no assurance as to when the Proposed A Share Offering may take place or whether it will take place at all. Shareholders and potential investors of the Company should therefore exercise caution, and only place reliance on the information published by the Company, when they deal or contemplate dealing in any securities of the Company. If in doubt as to their positions or the actions to be taken, Shareholders and potential investors of the Company are strongly recommended to consult their professional advisers.

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“2020 Interim Dividend”	the interim dividend of RMB0.017 per Share (tax inclusive) for the six months ended 30 June 2020
“A Share(s)”	the ordinary shares with a par value of RMB0.5 each in the share capital of the Company proposed to be allotted and issued by the Company and issued on ChiNext and traded in Renminbi
“A Share Offering” or “A Share Offering and Listing”	the initial public offering by the Company of not more than 299,980,000 A Shares which are to be listed on ChiNext
“Articles of Association”	the articles of association of the Company as amended, supplemented or otherwise modified from time to time
“Board of Directors”	the board of Directors
“Chairman”	the chairman of the Board of Directors
“ChiNext”	the ChiNext (創業板) of the Shenzhen Stock Exchange
“Class Meetings”	collectively, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting
“Company”	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 PRC whose issued H Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules, and in the context of this announcement, refer to the controlling shareholders of the Company, being Mr. Zhang Haijun (張海軍), Ms. Zhang Junxia (張軍霞), Mr. Zhang Xiaogeng (張小更), Mr. Zhang Xiaosuo (張小鎖), Mr. Zhang Ligang (張立剛), Mr. Wu Jinyu (吳金玉), Mr. Zhang Chao (張超), Mr. Zhang Lijie (張力杰), Mr. Zhang Lifeng (張力峰), Ms. Zhang Yanfeng (張艷峰), Mr. Zhang Libin (張力斌), Mr. Zhang Lihuan (張力歡), Mr. Zhang Ning (張寧), Ms. Zhang Hong (張宏) and Mr. Zhang Ruiqiu (張瑞秋), who, as Domestic Shareholders, have been acting in concert in terms of their exercise of voting rights at general meetings of the Company and entered into a concert party agreement to confirm their acting-in-concert agreement on 12 January 2018, and in aggregate controlled 587,552,774 Domestic Shares, representing approximately 65.44% of the total issued share capital of the Company as at the date of this announcement
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the domestic invested ordinary share(s) in the capital of the Company, with a nominal value of RMB0.5 each, which are subscribed for and paid up in RMB and are unlisted Shares which are currently not listed or traded on any stock exchange
“Domestic Shareholders Class Meeting”	the class meeting of the Domestic Shareholders to be convened and held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC at 10:30 a.m. on Friday, 23 October 2020 or immediately following the conclusion of the H Shareholders Class Meeting (whichever is the later), the notice of which will be despatched to the Shareholders as and when appropriate, for the Domestic Shareholders to consider and, if thought fit, approve the proposed A Share Offering and Listing and the related matters, and any adjournment thereof
“Domestic Shareholder(s)”	the holder(s) of the Domestic Share(s)

“EGM”	the extraordinary general meeting of the Company originally scheduled to be convened and held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC at 10:30 a.m. on Thursday, 15 October 2020 and postponed to 10:30 a.m. on Friday, 23 October 2020, for the Shareholders to consider and, if thought fit, approve the proposed profit distribution plan and interim dividend distribution plan of the Company for the six months ended 30 June 2020 and the grant of the authorisation to the Board of Directors to distribute the 2020 Interim Dividend to the Shareholders, and the proposed A Share Offering and Listing and the related matters
“First Circular”	the circular of the Company dated 31 August 2020
“First Form of Proxy”	the form of proxy for the EGM enclosed with the First Circular
“Global Offering of H Shares”	collectively, the Hong Kong Public Offering and the International Offering, both as defined in the H Share Prospectus
“Group”	collectively, the Company and its subsidiaries for the time being
“H Shares”	the overseas listed foreign invested ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB0.5 each, which are listed on the Stock Exchange and traded in Hong Kong dollars
“H Shareholders Class Meeting”	the class meeting of the H Shareholders to be convened and held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC at 10:30 a.m. on Friday, 23 October 2020 or immediately following the conclusion of the postponed EGM (whichever is the later), the notice of which will be despatched to the Shareholders as and when appropriate, for the H Shareholders to consider and, if thought fit, approve the proposed A Share Offering and Listing and the related matters, and any adjournment thereof
“H Share Prospectus”	the prospectus of the Company dated 9 December 2016 in connection with the global offering of H Shares
“H Shareholder(s)”	the holder(s) of the H Share(s)

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“independent third party(ies)”	person(s) or company(ies) which is(are) not connected person(s) or core connected person(s) (as defined in the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Original Notice of EGM”	the notice of the EGM dated 31 August 2020 set out in the First Circular
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Revised Notice of EGM”	the revised notice of the EGM which will be despatched to the Shareholders as and when appropriate and contains the resolution set forth in the Original Notice of EGM and the additional resolutions intended to be proposed at the postponed EGM in connection with the proposed A Share Offering and Listing and the related matters, and shall supersede the Original Notice of EGM
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedures of General Meetings”	the rules of procedures of the general meetings of the Company, as amended from time to time
“Rules of Procedures of the Board of Directors”	the rules of procedures of the Board of Directors, as amended from time to time
“Rules of Procedures of the Supervisory Committee”	the rules of procedures of the Supervisory Committee, as amended from time to time
“Share(s)”	the ordinary shares of RMB0.5 each in the capital of the Company, comprising Domestic Shares and H Shares
“Shareholder(s)”	the holder(s) of the Shares, comprising Domestic Shareholders(s) and H Shareholder(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company

“Supervisory Committee”	the supervisory committee of the Company comprising the Supervisors
“Supplemental Circular”	the supplemental circular of the Company which will be despatched to the Shareholders as and when appropriate and contains details regarding the resolutions intended to be proposed at the postponed EGM (in addition to those set forth in the Original Notice of EGM) and the Class Meetings in connection with the proposed A Share Offering and Listing and the related matters
“SZSE” or “Shenzhen Stock Exchange”	the Shenzhen Stock Exchange (深圳證券交易所)
“Updated Form of Proxy”	the updated form of proxy for the postponed EGM which will be despatched to the Shareholders and published on both the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.hbyc.com.cn) as and when appropriate and contains all of the resolutions to be proposed at the postponed EGM, including (where appropriate) the resolutions intended to be proposed in connection with the 2020 Interim Dividend and the proposed A Share Offering and the related matters
“%”	per cent

By order of the Board
Hebei Yichen Industrial Group Corporation Limited*
ZHANG Haijun
Chairman

Shijiazhuang, The PRC, 23 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 Ligu.

* For identification purpose only