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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hebei Yichen Industrial Group Corporation Limited* (河北翼辰實業集團股份有限公司), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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 EXTENSION OF THE VALIDITY PERIOD OF THE RESOLUTION ON THE PROPOSED A SHARE OFFERING AND LISTING AND THE AUTHORISATION TO DEAL WITH SPECIFIC RELATED MATTERS, NOTICE OF EXTRAORDINARY GENERAL MEETING, NOTICE OF H SHAREHOLDERS CLASS MEETING AND NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING

The notices convening the EGM and the Class Meetings to be held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC on Friday, 18 March 2022 at 10:30 a.m. are set out on pages 22 to 27 of this circular.

The forms of proxy for use at the EGM and the Class Meetings are enclosed herewith and also published on both the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hbyc.com.cn>). If you intend to appoint a proxy to attend the EGM and/or the relevant Class Meeting, you are requested to complete, sign and return the enclosed form(s) of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM (i.e. not later than 10:30 a.m. on Thursday, 17 March 2022 (Hong Kong time)) and/or the relevant Class Meeting or any adjournment thereof (as the case may be). Completion, signing and return of the form(s) of proxy will not preclude you from attending and voting in person at the EGM and/or the relevant Class Meeting or any adjournment thereof (as the case may be).

References to time and dates in this circular are to Hong Kong time and dates.

* For identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“2020 EGM and Class Meetings”	the extraordinary general meeting, the H Shareholders class meeting and the Domestic Shareholders class meeting of the Company each held on 30 October 2020 to consider and approve, among other things, the Resolution Concerning the A Share Offering and the Authorisation Concerning the A Share Offering
“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 proposed initial public offering by the Company of not more than 158,442,000 A Shares which are proposed 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
“Authorisation Concerning the A Share Offering”	the authorisation for 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 granted by the Shareholders at the 2020 EGM and Class Meetings, the details of which are set forth in Appendix II to this circular
“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

DEFINITIONS

“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 currently not listed or traded on any stock exchange
“Domestic Shareholder(s)”	the holder(s) of the Domestic Share(s)
“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, 18 March 2022 or immediately following the conclusion of the H Shareholders Class Meeting (whichever is the later), the notice of which is set out on pages 26 to 27 of this circular, for the Domestic Shareholders to consider and, if thought fit, approve the extension of the validity period of each of the Resolution Concerning the A Share Offering and the Authorisation Concerning the A Share Offering, and any adjournment thereof
“EGM”	the extraordinary general meeting of the Company 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, 18 March 2022, for the Shareholders to consider and, if thought fit, approve the extension of the validity period of each of the Resolution Concerning the A Share Offering and the Authorisation Concerning the A Share Offering, and any adjournment thereof
“Group”	collectively, the Company and its subsidiaries for the time being
“H Shareholder(s)”	the holder(s) of the H Share(s)

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“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, 18 March 2022 or immediately following the conclusion of the EGM (whichever is the later), the notice of which is set out on pages 24 to 25 of this circular, for the H Shareholders to consider and, if thought fit, approve the extension of the validity period of each of the Resolution Concerning the A Share Offering and the Authorisation Concerning the A Share Offering, and any adjournment thereof
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	21 February 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining the information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Resolution Concerning the A Share Offering”	the resolution on the proposed A Share Offering and Listing passed by the Shareholders at the 2020 EGM and Class Meetings, the details of which are set forth in Appendix I to this circular
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary shares of RMB0.5 each in the capital of the Company, comprising Domestic Shares and H Shares

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“Shareholder(s)”	the holder(s) of the Shares, comprising Domestic Shareholder(s) and H Shareholder(s)
“Shenzhen Stock Exchange”	the Shenzhen Stock Exchange (深圳證券交易所)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Circular”	the supplemental circular of the Company dated 15 October 2020 in relation to, among others matters, the Resolution Concerning the A Share Offering and the Authorisation Concerning the A Share Offering
“%”	per cent

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Listing Rules, the Securities and Futures Ordinance or any modification thereof and used in this circular shall, where applicable, have the meaning assigned to it under the Listing Rules, the Securities and Futures Ordinance or any modification thereof, as the case may be.

If there is any inconsistency between the English and Chinese versions of this circular, the Chinese version shall prevail unless otherwise stated.

* *For identification purpose only*

LETTER FROM THE BOARD OF DIRECTORS



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)

Executive Directors:

Mr. Zhang Haijun (*Chairman*)
Mr. Wu Jinyu
Mr. Zhang Chao
Mr. Zhang Lihuan
Ms. Ma Xuehui

Registered office and headquarters:

No. 1 Yichen North Street
Gaocheng District
Shijiazhuang City
Hebei Province
PRC

Non-executive Director:

Ms. Gu Xiaohui

Principal place of business in Hong Kong:

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Independent non-executive Directors:

Mr. Jip Ki Chi
Mr. Wang Qi
Mr. Zhang Liguó

25 February 2022

To the Shareholders

Dear Sir or Madam

**PROPOSED EXTENSION OF THE VALIDITY PERIOD OF
THE RESOLUTION ON THE PROPOSED A SHARE OFFERING AND
LISTING AND THE AUTHORISATION TO DEAL WITH
SPECIFIC RELATED MATTERS,
NOTICE OF EXTRAORDINARY GENERAL MEETING,
NOTICE OF H SHAREHOLDERS CLASS MEETING
AND
NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING**

I. INTRODUCTION

References are made to the announcements of the Company dated 30 August 2020, 9 September 2020, 24 September 2020, 30 September 2020, 30 October 2020 and 30 December 2020 and the Supplemental Circular in relation to, among other matters, the Resolution

* For identification purpose only

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Concerning the A Share Offering and the Authorisation Concerning the A Share Offering. Reference is further made to the announcement of the Company dated 30 January 2022 in relation to the proposed extension of the validity period of each of the Resolution Concerning the A Share Offering and the Authorisation Concerning the A Share Offering. The purpose of this circular is to set forth a notice convening the EGM, a notice convening the H Shareholders Class Meeting and a notice convening the Domestic Shareholders Class Meeting and to provide you with further details regarding the resolutions to be proposed at the EGM and the Class Meetings in connection with the extension of the validity period of each of the Resolution Concerning the A Share Offering and the Authorisation Concerning the A Share Offering.

II. PROPOSED EXTENSION OF THE VALIDITY PERIOD OF THE RESOLUTION CONCERNING THE A SHARE OFFERING AND THE AUTHORISATION CONCERNING THE A SHARE OFFERING

The Resolution Concerning the A Share Offering and the Authorisation Concerning the A Share Offering were considered and approved by the Shareholders at the 2020 EGM and Class Meetings each held on 30 October 2020. The validity period of each of the Resolution Concerning the A Share Offering and the Authorisation Concerning the A Share Offering was 12 months from the date on which they were considered and approved at the 2020 EGM and Class Meetings (i.e. from 30 October 2020 to 29 October 2021).

As at the Latest Practicable Date, given that the proposed A Share Offering and Listing is still in progress and the validity period of the Resolution Concerning the A Share Offering and the Authorisation Concerning A Share Offering had expired on 29 October 2021, the Board of Directors proposes to seek approval from the Shareholders for an extension of the validity period of each of the Resolution Concerning the A Share Offering and the Authorisation Concerning the A Share Offering for 12 months from the day immediately after the expiration of the validity period (i.e. from 30 October 2021 to 29 October 2022), such that the Company could proceed with the proposed A Share Offering and Listing.

The resolution in relation to the proposed extension of the validity period of the Resolution Concerning the A Share Offering and the Authorisation Concerning the A Share Offering will each be put forward for consideration and approval by the Shareholders by way of a special resolution at the EGM and the Class Meetings. Save for the above, all other parts of the contents in respect of the proposed A Share Offering and Listing as set forth in the Supplemental Circular will remain unchanged. For more details, please refer to the Appendices to this circular.

III. OTHER INFORMATION IN RELATION TO THE PROPOSED A SHARE OFFERING AND LISTING

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

As disclosed in the Supplemental Circular, 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

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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. 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.

Subsequent to the Shareholders' approval of the proposals in relation to the A Share Offering and Listing on 30 October 2020 at the 2020 EGM and Class Meetings and acceptance by the Shenzhen Stock Exchange of the Company's application for the A Share Offering and Listing on 30 December 2020, the Company had not been able to proceed with the A Share Offering and Listing as planned. An outbreak of COVID-19 took place in Gaocheng District of Shijiazhuang City, where the Group's headquarters and principal place of business are located, in early 2021, which had caused the district to be in total lockdown for an extended period of time. As a result, the sponsor to the A Share Offering and Listing was unable to conduct the requisite due diligence work in accordance with the initial timetable, and the Company had put on hold its application for the A Share Offering and Listing between February and May 2021.

As a result of the above delay, the Company was required to update the track record period in respect of its listing application, which necessitated additional work by the Company and the professional parties to the A Share Offering and Listing. Further, in response to inquiries by the Shenzhen Stock Exchange, the sponsor is required to conduct further due diligence. For the above reasons, the Company was unable to complete the listing application process before expiry of the Shareholders' approval for the Resolution Concerning the A Share Offering and the Authorisation Concerning the A Share Offering by October 2021 as originally planned.

Under the relevant PRC laws and regulations and rules of the Shenzhen Stock Exchange, the Resolution Concerning the A Share Offering and the Authorisation Concerning the A Share Offering must remain effective as at the date of CSRC approving registration of the Shares. The Company, after due consideration and consultation with the sponsor to the A Share Offering and Listing, expects that it will be able to obtain CSRC approval prior to expiry of the proposed extension.

Taking into account these reasons and benefits, the Company is of the view that the proposed extension of 12 months of the validity of each of the Resolution Concerning the A Share Offering and the Authorisation Concerning the A Share Offering are necessary and reasonable so as to enable the Company to proceed with the A Share Offering at such time when the Company considers appropriate, and is in the interests of the Company and the Shareholders as a whole.

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2. Use of Proceeds from the A Share Offering

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 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.	Laboratory construction project for the research and development center	99.9	99.9
4.	Production expansion project for railway sleepers	140.0	140.0
Total		694.4	694.4

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 centralised 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.

LETTER FROM THE BOARD OF DIRECTORS

For details of the relevant projects, please refer to the disclosures in the Supplemental Circular.

3. Impact of A Share Offering on the Shareholding Structure of the Company

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 158,442,000 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 Latest Practicable Date and immediately after completion of the proposed A Share Offering shall be as follows:

	As at the Latest Practicable Date	Approximate percentage of the Company's Number of Shares	issued share capital	Immediately after completion of the proposed A Share Offering (assuming the over-allotment option is not exercised at all)	Approximate percentage of the Company's Number of Shares	issued share capital	Immediately after completion of the proposed A Share Offering (assuming the over-allotment option is exercised in full) <i>(Note 3)</i>	Approximate percentage of the Company's Number of Shares	issued share capital
Domestic Shares <i>(Note 1)</i>									
• Domestic Shares held by the non-public Shareholders, i.e. core connected persons of the Company <i>(Note 2)</i>	572,852,774	63.80%		-	-		-	-	
• Domestic Shares held by the public	100,527,226	11.20%		-	-		-	-	
	673,380,000	75.00%		-	-		-	-	

LETTER FROM THE BOARD OF DIRECTORS

	As at the Latest Practicable Date		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) <i>(Note 3)</i>	
	Approximate percentage of the Company's Number of Shares	issued share capital	Approximate percentage of the Company's Number of Shares	issued share capital	Approximate percentage of the Company's Number of Shares	issued share capital
A Shares <i>(Note 1)</i>						
• A Shares to be converted from Domestic Shares in issue held by the non-public Shareholders, i.e. core connected persons of the Company <i>(Note 2)</i>	-	-	572,852,774	54.23%	572,852,774	53.04%
• A Shares to be converted from the Domestic Shares in issue held by the public	-	-	100,527,226	9.52%	100,527,226	9.31%
• A Shares to be issued under the proposed A Share Offering, which will be held by the public	-	-	158,442,000	15.00%	182,208,300	16.87%
	-	-	<u>831,822,000</u>	<u>78.75%</u>	<u>855,588,300</u>	<u>79.22%</u>
H Shares						
• H Shares held by the public	<u>224,460,000</u>	<u>25.00%</u>	<u>224,460,000</u>	<u>21.25%</u>	<u>224,460,000</u>	<u>20.78%</u>
Total	<u>897,840,000</u>	<u>100.00%</u>	<u>1,056,282,000</u>	<u>100.00%</u>	<u>1,080,048,300</u>	<u>100.00%</u>

LETTER FROM THE BOARD OF DIRECTORS

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 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 17 December 2020, and in aggregate controlled 572,852,774 Domestic Shares, representing approximately 63.80% of the total issued share capital of the Company as at the Latest Practicable Date; 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.
- (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 Latest Practicable Date, based on the publicly available information and to the best of the knowledge of the Directors, approximately 36.20% of the total issued Shares (including Domestic Shares representing 11.20% of the issued Shares and H Shares representing 25.00% of the issued 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 158,442,000 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 45.77% (assuming the over-allotment option is not exercised at all, and including A Shares representing 24.52% of the issued Shares and H Shares representing 21.25% of the issued Shares) or 46.96% (assuming the over-allotment option is exercised in full, and including A Shares representing 26.18% of the issued Shares and H Shares representing 20.78% of the issued Shares), 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.

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4. Progress of A Share Offering and Listing

On 23 September 2020 and 30 September 2020, the Board of Directors resolved to approve relevant proposals of the Company on the A Share Offering and Listing. The relevant proposals in relation to the A Share Offering and Listing were considered and approved by the Shareholders at the 2020 EGM and Class Meetings each held on 30 October 2020. On 30 December 2020, the Company received a notice of acceptance issued by the Shenzhen Stock Exchange to the Company. The proposed A Share Offering and Listing is pending approval by the CSRC for registration and subject to certain conditions precedent.

The Shenzhen Stock Exchange issued its first enquiry letter to the Company regarding the application for the A Share Offering and Listing on 28 January 2021. However, as disclosed in the paragraphs headed “III. OTHER INFORMATION IN RELATION TO THE PROPOSED A SHARE OFFERING AND LISTING — 1. Reasons for and Benefits of the Proposed A Share Offering and Listing” above in this Letter from the Board of Directors, the sponsor to the A Share Offering and Listing was unable to perform the requisite due diligence work due to a COVID-19 outbreak in the area surrounding the Group’s headquarters and principal place of business in early 2021. To focus on its business operations, the Company applied to the Shenzhen Stock Exchange to put the listing review process on hold on 22 February 2021.

Since then, the COVID-19 pandemic had been contained in Gaocheng District, Shijiazhuang City. The Company submitted its financial report for the year ended 31 December 2020 to the Shenzhen Stock Exchange and applied to resume the listing review process on 21 May 2021. Subsequently, the Company received the second enquiry letter from the Shenzhen Stock Exchange on 8 September 2021 and submitted its financial report for the six months ended 30 June 2021 on 28 September 2021.

As at the Latest Practicable Date, the Company was in the process of preparing the replies to the second inquiry letter from the Shenzhen Stock Exchange. The A Share Offering and Listing had thus progressed to the Inquiry Stage (as defined below). The expected timeline for the A Share Offering and Listing is as follows:

- (i) the Shenzhen Stock Exchange has raised questions to the Company by way of inquiry letter and the Company has been providing written responses accordingly (the “**Inquiry Stage**”). The Inquiry Stage is an ongoing process and its length would depend on the number of questions the Shenzhen Stock Exchange may have and whether the Company can properly address their concerns. The Inquiry Stage is estimated to be completed by February 2022 upon submission of the Company’s reply to the second inquiry letter;

LETTER FROM THE BOARD OF DIRECTORS

- (ii) upon completion of the Inquiry Stage, the listing committee of the Shenzhen Stock Exchange (the “**SZSE Listing Committee**”) will convene a review hearing to review the Company’s listing application;
- (iii) after the review meeting and upon approval by the SZSE Listing Committee, the Shenzhen Stock Exchange will submit to the CSRC, among other things, a confirmation that the Company satisfies the conditions to issue shares and the materials reviewed by the Shenzhen Stock Exchange in connection to the Company’s listing application, for the CSRC to consider whether to approve registration of the Shares. The CSRC may request the Shenzhen Stock Exchange to make further inquiries;
- (iv) upon the CSRC approving registration of the Shares, the Company shall report to the Shenzhen Stock Exchange its proposed arrangements on underwriting of the A Share Offering and the issuance of the A Shares. If the Shenzhen Stock Exchange does not object to such proposals within five working days, the Company may proceed to publish its prospectus for the A Shares Offering and conduct the remaining work prior to issuance of the A Shares, which primarily include performing road show, determining strategic allotment if needed, offline placement and online subscription and determining whether or not to adopt over-allotment option, etc., after which the process of the issuance of the A Shares will be completed; and
- (v) the Company will then determine the listing date of the A Shares. The existing Domestic Shares in issue will be converted into A Shares on the listing date of the A Shares.

The above expected timeline for the A Share Offering and Listing is only based on the best estimation of the Company after consulting professional parties involved in the preparation and application for the proposed A Share Offering and Listing and is for illustrative purpose only. Such timeline is subject to change based on, among other factors, the progress of the Inquiry Stage, current and future market conditions as well as development of the Company’s business.

IV. EGM, THE CLASS MEETINGS AND PROXY ARRANGEMENT

1. EGM

The EGM will be held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC on Friday, 18 March 2022 at 10:30 a.m. for the Shareholders to consider and, if thought fit, approve the extension of the validity period of each of the Resolution Concerning the A Share Offering and the Authorisation Concerning the A Share Offering. The notice of the EGM is set out on pages 22 to 23 of this circular.

LETTER FROM THE BOARD OF DIRECTORS

A form of proxy for use at the EGM is enclosed herewith and also published on both the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hbyc.com.cn>). If you intend to appoint a proxy to attend the EGM, you are requested to complete, sign and return the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM (i.e. not later than 10:30 a.m. on Thursday, 17 March 2022 (Hong Kong time)) or any adjournment thereof (as the case may be). Completion, signing and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof.

2. Class Meetings

The H Shareholders Class Meeting will be held at 10:30 a.m. on Friday, 18 March 2022 or immediately following the conclusion of the EGM (whichever is the later), and the Domestic Shareholders Class Meeting will be held at 10:30 a.m. on Friday, 18 March 2022 or immediately following the conclusion of the H Shareholders Class Meeting (whichever is the later), both at the same venue as the EGM, i.e. the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC, for the H Shareholders and the Domestic Shareholders to consider and, if thought fit, approve the extension of the validity period of each of the Resolution Concerning the A Share Offering and the Authorisation Concerning the A Share Offering. Notices of Class Meetings are set out on pages 24 to 27 of this circular.

Forms of proxy for use at the Class Meetings are enclosed herewith and also published on both the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hbyc.com.cn>). If you intend to appoint a proxy to attend the relevant Class Meeting, you are requested to complete, sign and return the relevant form of proxy enclosed 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, 17 March 2022 (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 you 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 of Directors at the Company's principal place of business in the PRC.

3. Voting at the EGM and Class Meetings

Pursuant to relevant requirements of the Listing Rules, voting at the EGM and the Class Meetings will be taken by poll. The announcements of poll results of the meetings will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hbyc.com.cn>).

LETTER FROM THE BOARD OF DIRECTORS

To the best of the knowledge, information and belief of the Directors, none of the Shareholders will be required to abstain from voting on the resolution at any of the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting according to the requirements under the Articles of Association.

4. Closure of Register of Members

As disclosed in the announcement of the Company dated 30 January 2022, in order to determine the entitlement to attend and vote at the EGM, the register of members of the Company has been closed from Friday, 18 February 2022 to Friday, 18 March 2022, both days inclusive, during which period no transfer of shares will be registered. Shareholders whose names appear on the Company's register of members on Friday, 18 March 2022 are entitled to attend and vote at the EGM and the H Shareholders Class Meeting or the Domestic Shareholders Class Meeting (as the case may be).

V. RECOMMENDATIONS

The Board of Directors considers that the proposed extension of the validity period of each of the Resolution Concerning the A Share Offering and the Authorisation Concerning A Share Offering is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board of Directors recommends the Shareholders to vote in favour of the resolution to be proposed at the EGM and the Class Meetings as set forth in the notices of the EGM and the Class Meetings.

VI. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

VII. MISCELLANEOUS

The Chinese text of this circular shall prevail over the English text for the purpose of interpretation in case of any inconsistency.

Yours faithfully,
For and on behalf of the Board of Directors
Hebei Yichen Industrial Group Corporation Limited*
Zhang Haijun
Chairman

* For identification purpose only

The Resolution Concerning the A Share Offering was considered and approved at the 2020 EGM and Class Meetings each held on 30 October 2020. Details of the proposed A Share Offering and Listing are as follows:

(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 158,442,000 A Shares (before the exercise of the over-allotment option), which shall represent not more than 15% 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 the EGM and the Class Meetings 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.

(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 Latest Practicable Date, 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) METHODS OF OFFERING

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

- (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, which include primarily 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 registration approval documents.

Based on the results of the initial consultation, the Board will fully consider, among other things, the following factors when determining the offer price: (i) the then operational and financial conditions of the Company; (ii) the valuation of comparable companies; (iii) the then general situation in the A share market; and (iv) the applicable laws and regulations, currently mainly including the Opinions on Further Promoting the Reform of the System for Initial Public Offering of Shares (《關於進一步推進新股發行體制改革的意見》), the Measures for the Administration of Securities Issuance and Underwriting (《證券發行與承銷管理辦法》), the Notice on Issues Concerning Pricing in Initial Public Offerings (《關於新股發行定價相關問題的通知》), 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)》), and the Rules for Implementation of Initial Public Offering of Securities and Underwriting on the ChiNext of the Shenzhen Stock Exchange (《深圳證券交易所創業板首次公開發行證券發行與承銷業務實施細則》). The Board considers that the above pricing methodology is in the interests of the Company and the Shareholders as a whole.

Pursuant to the Company Law of the PRC (中華人民共和國公司法), the offer price of the A Shares shall not be lower than the par value of the Shares of the Company, i.e. RMB0.5 per Share. There is no other legal or regulatory requirement stipulating the floor price in the proposed A Share Offering.

According to provision 4 of the Measures for the Administration of Securities Issuance and Underwriting (《證券發行與承銷管理辦法》), in an initial public offering of shares, the share offer price can be fixed through price consultations with offline investors, or through other lawful and practicable means such as direct determination of offer price based on negotiations between the issuer and the lead underwriter(s). Where the public offering involves not more than 20 million shares and no transfer of existing shares, the offer price can be fixed through the direct price determination method. The issuer and the lead underwriter(s) shall disclose the pricing methodology in respect of the share offer in the prospectus and the offer announcement. The issue price of shares issued by a listed company shall comply with the relevant requirements prescribed by the CSRC in respect of issues of shares by a listed company.

According to provision 3 of the Special Regulations on Initial Public Offering of Securities and Underwriting on the ChiNext (創業板首次公開發行證券發行與承銷特別規定)), in an initial public offering of shares, where the offer price is fixed through price consultations with offline investors, the offer price can be fixed after initial price consultations, or through bookbuilding after the offer price range has been determined through initial price consultations. Where the public offering involves not more than 20 million shares and no public sale of shares by any shareholder, the issuer and the lead underwriter(s) can fix the offer price through the direct price determination method. The price-to-earnings ratio corresponding to an offer price fixed through the direct price determination method shall not exceed the average price-to-earnings ratio of other listed issuers in the same industry in the secondary market. In the case of an issuer which has completed or is simultaneously conducting a share offer in a foreign market, the offer price fixed through the direct price determination method shall not exceed the share price of the issuer in the foreign market. Where the issuer has yet to record any profits, the offer price shall be fixed through price consultations with offline investors.

According to provision 10 of the Rules for Implementation of Initial Public Offering of Securities and Underwriting on the ChiNext of the Shenzhen Stock Exchange (《深圳證券交易所創業板首次公開發行證券發行與承銷業務實施細則》), where the price consultation method is adopted to fix the offer price in an initial public offering of shares, after prices are quoted by the offline investors, the issuer and the lead underwriter(s) shall fix the offer price (or the offer price range) after eliminating the highest prices quoted; for this purpose, the prices eliminated shall correspond to not less than 10% of the shares that all offline investors intend to apply to subscribe for. If the lowest price among the highest quoted prices to be eliminated is the same as the final offer price (or the upper limit of the offer price range), the quotation of such a lowest price need not be eliminated. The target places in respect of quoted prices that have been eliminated shall not be entitled to participate in the offline application for share subscription.

(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 “III. Proposed A Share Offering and Listing and Related Matters — 3. Resolution on the Investment Projects to Be Financed with the Proceeds from the Proposed A Share Offering and Listing and the Relevant Feasibility Analysis” in the Letter from the Board of Directors in the Supplemental Circular for details of 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

This resolution shall be valid for 12 months from the date on which it is considered and approved at the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting. 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 this resolution.

APPENDIX II AUTHORISATION CONCERNING THE A SHARE OFFERING

The Authorisation Concerning the A Share Offering was considered and approved at the 2020 EGM and Class Meetings each held on 30 October 2020. 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 the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting 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 the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting;
- (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 the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting, 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 12 months from the date on which it is considered and approved at the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting. 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 such authorisation.

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Hebei Yichen Industrial Group Corporation Limited* (河北翼辰實業集團股份有限公司) (the “**Company**”) will be held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the People's Republic of China (“**the PRC**”) on Friday, 18 March 2022 at 10:30 a.m. to consider, and if thought fit, pass (with or without amendments or supplements) the following resolution (unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 25 February 2022):

SPECIAL RESOLUTION

1. To consider and approve the proposed extension of the validity period of each of the Resolution Concerning the A Share Offering and the Authorisation Concerning the A Share Offering.

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

Shijiazhuang, the PRC, 25 February 2022

* For identification purpose only

Notes:

All resolutions at the meeting will be taken by poll pursuant to the Listing Rules. The chairman of the Board of Directors may demand poll for voting pursuant to the Articles of Association. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

1. For determining the entitlement to attend and vote at the EGM, the register of members of the Company has been closed from Friday, 18 February 2022 to Friday, 18 March 2022, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, holders of the H Shares 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 not later than 4:30 p.m. on Thursday, 17 February 2022 (Hong Kong time) for registration.

NOTICE OF EGM

2. A shareholder entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company. Where a shareholder appoints more than one proxy, his proxies can only vote on a poll.
3. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorised. If the shareholder is a corporation, that instrument must be either under its common seal or under the hand of its director(s) or duly authorised executive officer(s) or duly authorised attorney(ies). If that instrument is signed by an attorney of a shareholder, the power of attorney or other document authorising that attorney to sign must be notarised.
4. In order to be valid, the form of proxy together with the notarised power of attorney or other authorisation document (if any) must be deposited at the Secretariat of the Board of Directors at the Company's principal place of business in the PRC (for holders of the Domestic Shares) or at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of the H Shares) not less than 24 hours before the time fixed for the meeting (i.e. not later than 10:30 a.m. on Thursday, 17 March 2022 (Hong Kong time)).
5. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer, or the revocation of the proxy or of the authority under which the form of proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no notice in writing of these matters shall have been received by the Company prior to the commencement of the EGM.
6. The address and contact details of the Company's H share registrar, Computershare Hong Kong Investor Services Limited, are as follows:

As to the transfer documents:
Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

As to the form of proxy:
17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Telephone No.: (+852) 2862 8555
Facsimile No.: (+852) 2865 0990
7. The address and contact details of the Company's principal place of business in the PRC are as follows:

No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC
Telephone No.: (+86) 311 88929020
E-mail: yichenshiye@hbyc.com.cn
8. In accordance with the Company's articles of association, where two or more persons are registered as the joint holders of any share, only the person whose name appears first in the register of members shall be entitled to receive this notice, and this notice, when served on such person, shall be deemed to have been given to all joint holders of such share.
9. The EGM is expected to be concluded within half a day. Shareholders (in person or by proxy) attending the EGM are responsible for their own transportation and accommodation expenses.
10. Shareholders or their proxies shall produce their identification documents for inspection when attending the EGM.

As at the date of this notice, the Board of Directors comprises Mr. Zhang Haijun, Mr. Wu Jinyu, Mr. Zhang Lihuan, Mr. Zhang Chao and Ms. Ma Xuehui as executive Directors; Ms. Gu Xiaohui as a non-executive Director; and Mr. Jip Ki Chi, Mr. Wang Qi and Mr. Zhang Liguó as independent non-executive Directors.

NOTICE OF H SHAREHOLDERS CLASS MEETING



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)

NOTICE OF H SHAREHOLDERS CLASS MEETING

NOTICE IS HEREBY GIVEN that a class meeting of the holders of H Shares of Hebei Yichen Industrial Group Corporation Limited* (河北翼辰實業集團股份有限公司) (the “**Company**”) will be held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the People’s Republic of China (“**the PRC**”) on Friday, 18 March 2022 at 10:30 a.m. or immediately following the conclusion of the EGM or any adjournment thereof (whichever is the later) to consider, and if thought fit, pass (with or without amendments or supplements) the following resolution (unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 25 February 2022):

SPECIAL RESOLUTION

1. To consider and approve the proposed extension of the validity period of each of the Resolution Concerning the A Share Offering and the Authorisation Concerning the A Share Offering.

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

Shijiazhuang, the PRC, 25 February 2022

* *For identification purpose only*

Notes:

All resolutions at the meeting will be taken by poll pursuant to the Listing Rules. The chairman of the H Shareholders Class Meeting may demand poll for voting pursuant to the Articles of Association. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

1. For determining the entitlement to attend and vote at the EGM, the register of members of the Company has been closed from Friday, 18 February 2022 to Friday, 18 March 2022, both days inclusive, during which period no transfer of shares will be registered. Accordingly, in order to be eligible to attend and vote at the H Shareholders Class Meeting, holders of the H Shares whose transfers have not been registered shall deposit all transfer documents accompanied by the relevant share certificates at the

NOTICE OF H SHAREHOLDERS CLASS MEETING

Company's H share registrar, Computershare Hong Kong Investor Services Limited not later than 4:30 p.m. on Thursday, 17 February 2022 (Hong Kong time) for registration.

2. A shareholder entitled to attend and vote at the H Shareholders Class Meeting may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company. Where a shareholder appoints more than one proxy, his proxies can only vote on a poll.
3. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorised. If the shareholder is a corporation, that instrument must be either under its common seal or under the hand of its director(s) or duly authorised executive officer(s) or duly authorised attorney(ies). If that instrument is signed by an attorney of a shareholder, the power of attorney or other document authorising that attorney to sign must be notarised.
4. In order to be valid, the form of proxy together with the notarised power of attorney or other authorisation document (if any) must be deposited at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited not less than 24 hours before the time fixed for the meeting (i.e. not later than 10:30 a.m. on Thursday, 17 March 2022 (Hong Kong time)).
5. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer, or the revocation of the proxy or of the authority under which the form of proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no notice in writing of these matters shall have been received by the Company prior to the commencement of the H Shareholders Class Meeting.
6. The address and contact details of the Company's H share registrar, Computershare Hong Kong Investor Services Limited, are as follows:

As to the transfer documents:
Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

As to the form of proxy:
17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Telephone No.: (+852) 2862 8555
Facsimile No.: (+852) 2865 0990
7. In accordance with the Company's articles of association, where two or more persons are registered as the joint holders of any share, only the person whose name appears first in the register of members shall be entitled to receive this notice, and this notice, when served on such person, shall be deemed to have been given to all joint holders of such share.
8. The H Shareholders Class Meeting is expected to be concluded within half a day. Shareholders (in person or by proxy) attending the H Shareholders Class Meeting are responsible for their own transportation and accommodation expenses.
9. Shareholders or their proxies shall produce their identification documents for inspection when attending the H Shareholders Class Meeting.

As at the date of this notice, the Board of Directors comprises Mr. Zhang Haijun, Mr. Wu Jinyu, Mr. Zhang Lihuan, Mr. Zhang Chao and Ms. Ma Xuehui as executive Directors; Ms. Gu Xiaohui as a non-executive Director; and Mr. Jip Ki Chi, Mr. Wang Qi and Mr. Zhang Liguao as independent non-executive Directors.

NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING



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)

NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING

NOTICE IS HEREBY GIVEN that a class meeting of the holders of Domestic Shares of Hebei Yichen Industrial Group Corporation Limited* (河北翼辰實業集團股份有限公司) (the “**Company**”) will be held at the meeting room of the Company, No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the People’s Republic of China (“**the PRC**”) on Friday, 18 March 2022 at 10:30 a.m. or immediately following the conclusion of the H Shareholders Class Meeting or any adjournment thereof (whichever is the later) to consider, and if thought fit, pass (with or without amendments or supplements) the following resolution (unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 25 February 2022):

SPECIAL RESOLUTION

1. To consider and approve the proposed extension of the validity period of each of the Resolution Concerning the A Share Offering and the Authorisation Concerning the A Share Offering.

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

Shijiazhuang, the PRC, 25 February 2022

* For identification purpose only

Notes:

All resolutions at the meeting will be taken by poll pursuant to the Listing Rules. The chairman of the Domestic Shareholders Class Meeting may demand poll for voting pursuant to the Articles of Association. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

1. For determining the entitlement to attend and vote at the EGM, the register of members of the Company has been closed from Friday, 18 February 2022 to Friday, 18 March 2022, both days inclusive, during which period no transfer of shares will be registered. Accordingly, Domestic Shareholders whose names appear on the register of members of the Company on Friday, 18 March 2022 (Hong Kong time) are entitled to attend the Domestic Shareholders Class Meeting.

NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING

2. A shareholder entitled to attend and vote at the Domestic Shareholders Class Meeting may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company. Where a shareholder appoints more than one proxy, his proxies can only vote on a poll.
3. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorised. If the shareholder is a corporation, that instrument must be either under its common seal or under the hand of its director(s) or duly authorised executive officer(s) or duly authorised attorney(ies). If that instrument is signed by an attorney of a shareholder, the power of attorney or other document authorising that attorney to sign must be notarised.
4. In order to be valid, the form of proxy together with the notarised power of attorney or other authorisation document (if any) must be deposited at the Secretariat of the Board of Directors at the Company's principal place of business in the PRC not less than 24 hours before the time fixed for the meeting (i.e. not later than 10:30 a.m. on Thursday, 17 March 2022 (Hong Kong time)).
5. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer, or the revocation of the proxy or of the authority under which the form of proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no notice in writing of these matters shall have been received by the Company prior to the commencement of the Domestic Shareholders Class Meeting.
6. The address and contact details of the Company's principal place of business in the PRC are as follows:

No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC
Telephone No.: (+86) 311 88929020
E-mail: yichenshiye@hbys.com.cn
7. In accordance with the Company's articles of association, where two or more persons are registered as the joint holders of any share, only the person whose name appears first in the register of members shall be entitled to receive this notice, and this notice, when served on such person, shall be deemed to have been given to all joint holders of such share.
8. The Domestic Shareholders Class Meeting is expected to be concluded within half a day. Shareholders (in person or by proxy) attending the Domestic Shareholders Class Meeting are responsible for their own transportation and accommodation expenses.
9. Shareholders or their proxies shall produce their identification documents for inspection when attending the Domestic Shareholders Class Meeting.

As at the date of this notice, the Board of Directors comprises Mr. Zhang Haijun, Mr. Wu Jinyu, Mr. Zhang Lihuan, Mr. Zhang Chao and Ms. Ma Xuehui as executive Directors; Ms. Gu Xiaohui as a non-executive Director; and Mr. Jip Ki Chi, Mr. Wang Qi and Mr. Zhang Liguang as independent non-executive Directors.