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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)

POLL RESULTS OF THE ANNUAL GENERAL MEETING HELD ON 31 MAY 2022 APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR CHANGE IN COMPOSITION OF BOARD COMMITTEES AND PAYMENT OF FINAL DIVIDEND

According to the notice dated 27 April 2022 (the “**Notice**”) of annual general meeting (the “**AGM**”) of Hebei Yichen Industrial Group Corporation Limited (the “**Company**”), the AGM of the Company was 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 Tuesday, 31 May 2022 at 10:30 a.m. Unless otherwise defined, capitalised terms in this announcement shall have the same meaning as given to them in the Notice.

The total number of the issued shares of the Company as at the date of the AGM was 897,840,000 shares, of which 673,380,000 shares were domestic shares and 224,460,000 shares were H shares. Accordingly, the total number of shares entitling the holders to attend and vote for or against any of the resolutions proposed at the AGM was 897,840,000 shares.

There were no shares entitling the shareholders to attend and abstain from voting in favour of any of the resolutions proposed at the AGM as set out in Rule 13.40 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). None of the shareholders of the Company has stated his or her intention to vote against or abstain from voting on any resolutions at the AGM. There were no shareholders of the Company that were required under the Listing Rules to abstain from voting.

* For identification purpose only

The holding of the AGM was in compliance with the requirements of the Company Law of the PRC (《中華人民共和國公司法》) and the articles of association of the Company (the “**Articles of Association**”).

Computershare Hong Kong Investor Services Limited, the Company’s H share registrar, acted as the scrutineer for the vote-taking at the AGM.

The following directors of the Company attended the AGM: Mr. Zhang Haijun, Mr. Wu Jinyu, Mr. Zhang Chao, Mr. Zhang Lihuan and Ms. Ma Xuehui as executive Directors; Ms. Gu Xiaohui as a non-executive Director; and Mr. Jip Ki Chi and Mr. Zhang Liguu as independent non-executive Directors.

VOTING RESULTS OF THE AGM

At the AGM of the Company held on 31 May 2022, all the proposed resolutions as set out in the Notice of the AGM were taken by poll. The poll results are as follows:

Ordinary Resolutions		Number of Votes (%)	
		For	Against
1.	To consider and approve the report of the board of directors (the “ Board ”) of the Company for the year ended 31 December 2021.	643,725,960 (100%)	0 (0%)
2.	To consider and approve the report of the board of supervisors of the Company for the year ended 31 December 2021.	643,725,960 (100%)	0 (0%)
3.	To consider and approve the audited consolidated financial statements and the reports of the auditors of the Company for the year ended 31 December 2021.	643,725,960 (100%)	0 (0%)
4.	To consider and approve the annual financial budgets of the Company for the year ending 31 December 2022 and the final financial accounts of the Company for the year ended 31 December 2021.	643,725,960 (100%)	0 (0%)
5.	To consider and approve the proposed profit distribution plan and the final dividend distribution plan of the Company for the year ended 31 December 2021 and to authorise the Board to distribute such final dividend to the shareholders of the Company.	643,725,960 (100%)	0 (0%)

Ordinary Resolutions		Number of Votes (%)	
		For	Against
6.	To consider and approve the re-appointment of Pan-China Certified Public Accountant LLP (天健會計師事務所(特殊普通合夥)) as the auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board to determine their remuneration.	643,725,960 (100%)	0 (0%)
7.	To consider and approve the authorisation to the Board to determine the remuneration of the directors and supervisors of the Company for the year ending 31 December 2022.	643,725,960 (100%)	0 (0%)
8.	To consider and approve the election of Mr. Wang Fujun as an independent non-executive director of the third session of the Board.	643,725,960 (100%)	0 (0%)
9.	Conditional upon resolution 8 above being passed, to consider and approve the appointment letter to be issued by the Company to Mr. Wang Fujun as an independent non-executive Director of the third session of the Board and the remuneration arrangements set out therein, and the granting of the authority to the legal representative of the Company to execute the foregoing appointment letter on behalf of the Company as and when appropriate after the passing of this resolution at a general meeting of the Company.	643,725,960 (100%)	0 (0%)
As more than half of the votes were cast in favour of each of the resolutions numbered 1 to 9, all resolutions were duly passed as ordinary resolutions.			
10.	To consider and approve the proposed granting of the general mandate to the Board to issue domestic shares and H shares.	643,725,960 (100%)	0 (0%)
As more than two-thirds of the votes were cast in favour of the resolution numbered 10, the above resolution was duly passed as special resolution.			

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board is pleased to announce that Mr. Wang Fujun was elected as an independent non-executive Director of the third session of the Board at the conclusion of the AGM. His term of office commences from the date of this announcement until the expiry of the term of the third session of the Board.

CHANGE IN COMPOSITION OF BOARD COMMITTEES

The Board further announces that with effect from 31 May 2022, Mr. Wang Fujun has been appointed the chairman of the nomination committee of the Company and a member of each of the audit committee of the Company and the corporate governance committee of the Company.

Following the appointment of Mr. Wang Fujun as an independent non-executive Director and change in composition of Board committees, the Company has re-complied with the following requirements: –

- (a) the Board must include at least three independent non-executive Directors representing at least one-third of the Board under rules 3.10(1) and 3.10A of the Listing Rules;
- (b) the Board shall consist of nine Directors, including three independent non-executive Directors, under Article 10.1 of the Articles of Association;
- (c) the audit committee of the Company shall consist of a minimum of three members under Rule 3.21 of the Listing Rules and paragraph 2.1 of the terms of reference of the audit committee of the Company;
- (d) the nomination committee of the Company shall be chaired by the chairman of the Board or an independent non-executive Director under Rule 3.27A of the Listing Rules and paragraph 2.2 of the terms of reference of the nomination committee of the Company; and
- (e) the nomination committee of the Company shall consist of not less than three Directors and a majority of whom shall be independent non-executive Directors under paragraph 2.1 of the terms of reference of the nomination committee of the Company.

The Board would like to welcome Mr. Wang Fujun for joining the Board.

PAYMENT OF FINAL DIVIDEND

The Board wishes to inform the Company's shareholders that the details of the payment of the final dividend are as follows:

The Company will pay a final dividend of RMB0.0553 per share (tax inclusive) for the year ended 31 December 2021 (the “**2021 Final Dividend**”) with an aggregate net amount of approximately RMB49,650,552 to shareholders of the Company whose names are listed on the Company's register of members as at Tuesday, 14 June 2022. According to the Articles of Association, dividends will be denominated and declared in Renminbi. Dividends on domestic shares will be paid in Renminbi and dividends on H shares will be paid in foreign currencies. The relevant exchange rate will be the average middle exchange rate as announced by the People's Bank of China for one calendar week prior to the date of declaration of dividends (i.e., RMB0.8537 equivalent to HK\$1.00). The 2021 Final Dividend is expected to be paid around Thursday, 21 July 2022.

Dividend Tax Deduction

Enterprise Income Tax

In accordance with the tax law and relevant requirements under taxation regulatory institutions of the PRC, the Company is required to withhold 10% enterprise income tax when it distributes the 2021 Final Dividend to all non-resident enterprise shareholders (including HKSCC Nominees Limited, other nominees, trustees or other entities and organisations, who will be deemed as non-resident enterprise shareholders) whose names appear on the H share register of members of the company on Tuesday, 14 June 2022.

Pursuant to the “Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Exchanges Connectivity Mechanism” (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) (the “**Shanghai-Hong Kong Stock Connect Tax Policy**”) jointly issued by the Ministry of Finance of the PRC, the State Taxation Administration and China Securities Regulatory Commission, the dividends derived from the investment by a domestic corporate investor in stocks listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect will be included in its total income and subject to enterprise income tax according to the law. In particular, dividends received by resident enterprises in the Mainland which hold H shares for at least 12 consecutive months shall be exempted from enterprise income tax according to the law. In respect of the dividends received by domestic corporate investors, H share companies listed on the Stock Exchange will not withhold income tax on dividend for such corporate investors. The tax payable shall be reported and paid by the enterprises themselves.

As such, when distributing the 2021 Final Dividend pursuant to the register of members of domestic corporate investors as holders of H shares of the Company as at Tuesday, 14 June 2022 provided by China Securities Depository and Clearing Corporation Limited (“**CSDC**”), the Company shall not withhold income tax on dividends for domestic corporate investors. The tax payable shall be reported and paid by the enterprises themselves.

Individual Income Tax

Pursuant to the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》), the Implementation Regulations of the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法實施條例》), the Tentative Measures on Withholding and Payment of Individual Income Tax (《個人所得稅代扣代繳暫行辦法》), the Shanghai-Hong Kong Stock Connect Tax Policy (《滬港通稅收政策》) and other relevant laws and regulations and based on the Company's consultation with the relevant PRC tax authorities, the Company is required to withhold and pay 20% of individual income tax for the Company's individual H shareholders whose names appear on the H share register of members of the Company (the “**Individual H Shareholders**”).

Pursuant to the Shanghai-Hong Kong Stock Connect Tax Policy, for dividends received by domestic individual investors from the investment in H shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect, the H share companies listed on the Stock Exchange shall withhold individual income tax at a rate of 20%. For dividends received by domestic securities investment funds from the investment in shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect, it is subject to the individual income tax based on the same requirements in respect of such domestic individual investors.

As such, when distributing the 2021 Final Dividend pursuant to the register of members of domestic individual investors (including domestic securities investment funds) as holders of H shares of the Company as at Tuesday, 14 June 2022 provided by CSDC, the Company shall withhold and pay individual income tax in accordance with the requirements mentioned above on behalf of the investors.

Pursuant to the “Notice on Matters concerning the Levy and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045” (《關於國稅發[1993]045號檔廢止後有關個人所得稅徵管問題的通知》) (the “**Tax Notice**”) issued by the State Taxation Administration and the letter titled “Tax Arrangements on Dividends Paid to Hong Kong Residents by Mainland Companies” issued by the Stock Exchange, the overseas resident individual shareholders of the shares issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions on the tax treaties between the countries where they reside and China and the tax arrangements between Mainland China and Hong Kong (Macau). The Company shall identify the residential status of Individual H Shareholders according to their registered addresses on the H share register of members of the Company on Tuesday, 14 June 2022 (the “**Registered Address**”). The Company assumes no responsibility and disclaims any liabilities whatsoever in relation to the tax status or tax treatment of the Individual H Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the Individual H Shareholders or any disputes over the withholding mechanism or arrangements. Details of the arrangements are as follows:

- For Individual H Shareholders who are Hong Kong or Macau residents or residents of another country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of these Individual H Shareholders in the distribution of final dividend;

- For Individual H Shareholders who are residents of a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of less than 10%, the Company will temporarily withhold and pay individual income tax at the rate of 10% on behalf of these Individual H Shareholders in the distribution of final dividend. If relevant Individual H Shareholders would like to apply for a refund of the excess amount of tax withheld and paid, the Company will handle, on their behalf, the applications for tax preferential treatments under the Tax Notice. Qualified shareholders shall submit a letter of entrustment and all application materials as required under the Tax Notice to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, in a timely manner. The Company will then submit the above documents to competent tax authorities for their examination, and if and when approved, the Company will assist in refunding the excess amount of tax withheld and paid;
- For Individual H Shareholders who are residents of a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the effective tax rate stipulated in the relevant tax treaty on behalf of these Individual H Shareholders in the distribution of final dividend; and
- For Individual H Shareholders who are residents of a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, or a country (region) which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of these Individual H Shareholders in the distribution of final dividend.

If the domicile of an Individual H Shareholder is not the same as the Registered Address or if the Individual H Shareholder would like to apply for a refund of the final excess amount of tax withheld and paid, he or she shall notify and provide relevant supporting documents to the Company on or before Tuesday, 7 June 2022. Upon examination of the supporting documents by the relevant tax authorities, the Company will comply with the guidelines of the tax authorities to implement regulations and arrangements related to withholding and payment. Individual H Shareholders carry out the relevant procedures on their own or through representatives in accordance with the relevant requirements under the "Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties" (Guo Shui Fa [2015] No. 60) (《非居民納稅人享受稅收協定待遇管理辦法》(國稅發[2015]60號)) if they fail to provide the relevant supporting documents to the Company before the time limit stated above.

Shareholders are recommended to consult their tax advisers regarding the PRC, Hong Kong and other tax implications arising from their holding and disposal of H shares of the Company.

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

Shijiazhuang, the PRC, 31 May 2022

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Haijun, Mr. Wu Jinyu, Mr. Zhang Chao, Mr. Zhang Lihuan and Ms. Ma Xuehui; the non-executive director of the Company is Ms. Gu Xiaohui; and the independent non-executive directors of the Company are Mr. Jip Ki Chi, Mr. Wang Fujun and Mr. Zhang Ligu.

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