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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)

SUPPLEMENTAL ANNOUNCEMENT PAYMENT OF FINAL DIVIDENDS

Reference is made to the announcement of Hebei Yichen Industrial Group Corporation Limited (the “**Company**”) dated 31 May 2022 in relation to, among other things, poll results of the AGM held on 31 May 2022 and details of the payment of the 2021 Final Dividend (the “**Announcement**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board wishes to provide the shareholders of the Company with further details of the payment of the 2021 Final Dividend as follows:

According to Articles 16.14 and 16.15 the Articles of Association, dividends and other payments payable to holders of overseas-listed foreign shares shall be calculated and announced in Renminbi and paid in a foreign currency pursuant to the relevant state regulations on the administration of foreign exchange. Where dividends are paid in a foreign currency, the average middle exchange rate of the relevant foreign currency announced by the People's Bank of China for the calendar week immediately preceding the date of declaration of the dividends and other payments shall be used as the exchange rate.

Hence, dividends payable to holders of H shares of the Company (“**H Shares**”) shall be paid in Hong Kong dollars and the following formula shall apply for the purpose of calculating the Hong Kong dollars equivalent of the amount of the 2021 Final Dividend payable per H Share:

$$\text{Amount of the 2021 Final Dividend in HK\$} = \frac{\text{Amount of the 2021 Final Dividend in RMB}}{\text{Average middle RMB/HK\$ exchange rate as announced by the People's Bank of China for the calendar week (i.e. 24 to 30 May 2022) immediately preceding the date of declaration of the dividends (i.e. 31 May 2022)}}$$

The average of the middle exchange rates for Renminbi to Hong Kong dollars as announced by the People's Bank of China for the calendar week (i.e. 24 to 30 May 2022) immediately preceding 31 May 2022, being the date of the AGM at which the final dividends was declared, was RMB0.8537 to HK\$1.00. Accordingly, the amount of the 2021 Final Dividend payable per H Share of RMB0.0553 per share (before deducting any applicable tax) is equivalent to HK\$0.0648.

Dividend tax deduction

As announced in the Announcement, pursuant to the relevant laws and regulations, the Company is required to withhold and pay enterprise income tax and individual income tax when it distributes the 2021 Final Dividend to holders of H Shares of behalf of these shareholders in the following manner:

- For non-resident enterprise investors (including HKSCC Nominees Limited, other nominees, trustees or other entities and organisations, who will be deemed as non-resident enterprise shareholders), the Company shall withhold and pay enterprise income tax at a rate of 10%. As such, the amount of the 2021 Final Dividend payable per H Share to these shareholders after deducting the applicable tax is HK\$0.0583;
- For domestic corporate investors, the Company shall not withhold enterprise income tax on dividends. The tax payable shall be reported and paid by the enterprises themselves. As such, the full amount of the 2021 Final Dividend (i.e. HK\$0.0648 per H Share) shall be payable to these shareholders without any deduction on account of any applicable tax;
- For Individual H Shareholders who are domestic individual investors or domestic securities investment funds, the Company shall withhold and pay individual income tax at a rate of 20%. As such, the amount of the 2021 Final Dividend payable per H Share to these Individual H Shareholders after deducting the applicable tax is HK\$0.0518; and
- For Individual H Shareholders who are overseas residents who are entitled to the relevant preferential tax treatment pursuant to the provisions in 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 and withhold and pay individual income tax at the rate stipulated in the relevant tax treaty or tax arrangement. As such, the amount of the 2021 Final Dividend payable per H Share to these Individual H Shareholders after deducting the applicable tax shall be determined by the following formula:

$$\begin{array}{l} \text{Amount of the 2021 Final} \\ \text{Dividend payable per H Share} \\ \text{excluding the applicable tax} \end{array} = \begin{array}{l} \text{Amount of the 2021 Final Dividend in HK\$} \\ \text{(i.e. HK\$0.0648) * (1 - tax rate stipulated in the} \\ \text{relevant tax treaty or tax arrangement)} \end{array}$$

The Company will appoint Bank of Communications Trustee Limited as the receiving agent in Hong Kong (the “**Receiving Agent**”) and will pay to the Receiving Agent the 2021 Final Dividend for payment to holders of H Shares. The final dividends will be paid by the Receiving Agent on or about Thursday, 21 July 2022, and will be despatched on the same day to holders of H Shares who are entitled to receive such dividends by ordinary post and at their own risk.

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

Shijiazhuang, The PRC, 7 June 2022

As at the date of this announcement, the Board 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 Fujun and Mr. Zhang Ligu as independent non-executive Directors.

* *For identification purpose only*