

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 IN RELATION TO SUPPLEMENTAL CIRCULAR, NOTICE OF H SHAREHOLDERS CLASS MEETING AND NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING DATED 10 MAY 2023

Reference is made to the supplemental circular of Hebei Yichen Industrial Group Corporation Limited (the “**Company**”) in relation to, among others, the proposed amendments to the Articles of Association (the “**Supplemental Circular**”), the notice of the H Shareholders Class Meeting and the notice of the Domestic Shareholders Class Meeting, each of which is dated 10 May 2023. Terms and expressions defined in the Supplemental Circular should carry the same meanings when used herein, unless the context otherwise requires.

IMPACT ON SHAREHOLDER PROTECTION

The Board would like to provide Shareholders with further details of the impact of the proposed amendments to the Articles of Association on shareholder protection as follows.

As disclosed in the Letter from the Board in the Supplemental Circular, (i) the Listing Rules have been amended with effect from 1 January 2022 to adopt a uniform set of 14 Core Standards for shareholder protection for issuers regardless of their respective place of incorporation; and (ii) the State Council and the CSRC had issued the New PRC Regulations and on the same date as the New PRC Regulations took effect (i.e. 31 March 2023), the Special Regulations and the Mandatory Provisions were repealed; PRC-incorporated issuers shall formulate their articles of association in line with the PRC Guidelines on AoA in place of the Mandatory Provisions. In the light of the above, the Board has proposed to amend the existing Articles of Association and to adopt the Amended and Restated Articles of Association.

As explained in the Letter from the Board in the Supplemental Circular, the Amended and Restated Articles of Association incorporate amendments to ensure conformity with the Core Standards set out in Appendix 3 to the Listing Rules. These Core Standards relate to, among others, (a) notice and conduct of general meetings; (b) shareholders' rights to remove directors, vote, speak and requisition a meeting, and appoint proxies or corporate representatives; (c) reserving (i) approval of appointment, removal and remuneration of auditors to a majority of the shareholders or other body independent of the board of directors; and (ii) other material matters to super-majority votes by the shareholders; (d) restrictions on the term of a director appointed to fill a casual vacancy; (e) availability of the shareholders' register for inspection; and (f) restrictions on shareholders voting on certain matters required by the Listing Rules. The Board would like to add that such amendments will serve to import into the Articles of Association standardised shareholder protection standards in accordance with the current requirements under the Listing Rules, reinforcing and bringing greater clarity in respect of Shareholders' rights particularly in the areas mentioned above. Hence, the Board are of the view that such amendments are favourable to the Shareholders from the perspective of shareholder protection.

In addition, it is explained in the Letter from the Board in the Supplemental Circular that the amendments to the Articles of Association are proposed to be made also with a view to removing those articles that have become obsolete due to the repeal of the Special Regulations and the Mandatory Provisions and bringing the Articles of Association overall into line with the PRC Guidelines on AoA. Particularly, under the New PRC Regulations, holders of domestic shares and H shares are no longer deemed different classes of shareholders, and the class meeting requirements originally applicable to holders of domestic shares and H shares are no longer necessary; the use of arbitration to resolve disputes is also no longer required. The Board believes that the removal of the class meeting requirement in the Articles of Association will not compromise protection of the Shareholders: currently, class meetings are required for changes or abrogation of the rights of a class of Shareholders; as Domestic Shares and H Shares are now regarded as one class of ordinary shares under the PRC law, the substantive rights attached to these two kinds of Shares (including rights on voting, dividend and asset distribution upon liquidation) are the same. The removal of the class meeting requirement is consistent with the current arrangement for non-PRC issuers with a dual listing on an exchange in the PRC and the Stock Exchange: while the shares of these companies are separately listed on the Stock Exchange and the PRC exchange and such shares are non-fungible, the PRC regulations and the Listing Rules do not require shares listed on the different exchanges to be treated as different classes of shares. As regards the use of arbitration, such requirements may no longer be relevant or necessary under the prevailing circumstances and state of development of the market. As a matter of fact, such requirements are not applicable to overseas issuers listed on the Exchange under the Listing Rules. After the removal of the arbitration requirements, the Shareholders may enforce their rights under the Articles of Association using the same approaches as shareholders of overseas issuers, through, in particular, commencing legal proceedings in a court of the place of incorporation of the Company or a Hong Kong court.

EFFECTIVE DATES OF THE PROPOSED AMENDMENTS

In light of the New PRC Regulations, the Stock Exchange has published a consultation paper on 24 February 2023 setting out its proposed consequential amendments to the Listing Rules in the light of the New PRC Regulations (the “**Proposed Listing Rules Amendments**”). As at the date of this announcement, the consultation conclusions and the effective date of the Proposed Listing Rules Amendments have yet to be announced. In this connection, the Board would like to clarify the effect dates of the proposed amendments to the Articles of Association as follows:

- the proposed amendments to Articles 1.1, 1.7, 3.11, 4.1, 4.2, 6.5, 7.3, 7.4, 8.6, 14.2, 14.8, 15.17, 16.18, 17.7, 17.8, 20.2, 21.1, 23.5 and 23.6 and Chapter 9 of the Articles of Association will take effect only after (a) the relevant special resolution has been passed by the relevant Shareholders at each of the AGM and the Class Meetings; and (b) the Proposed Listing Rules Amendments have become effective; and
- save for the above, the proposed amendments to the Articles of Association will take effect on the date on which they are approved at the AGM and the Class Meeting.

BOOK CLOSURE PERIOD AND LAST SHARE REGISTRATION DATE FOR THE CLASS MEETINGS

As explained in note 1 to each of the notice of the H Shareholders Class Meeting and the notice of the Domestic Shareholders Class Meeting, for the purpose of determining the entitlement to attend and vote at the AGM, the register of members of the Company has been closed from Wednesday, 26 April 2023 and will remain closed up to and including Thursday, 25 May 2023, during which period no transfer of shares has been and will be registered. The Board would like to clarify that such a book closure period also applies to each of the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting, since these Class Meetings will be held on the same date as the AGM, i.e. Thursday, 25 May 2023, and the register of members of the Company had already been closed when the notices of these Class Meetings were given on 10 May 2023.

Accordingly, the last share registration date for each of the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting is Tuesday, 25 April 2023. As explained in note 1 to each of the notice of the H Shareholders Class Meeting and the notice of the Domestic Shareholders Class Meeting, H Shareholders and Domestic Shareholders whose names appeared on the register of members of the Company on Wednesday, 26 April 2023 are entitled to attend and vote at the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting respectively.

Save as disclosed above, all other information in the Supplemental Circular, the notice of the H Shareholders Class Meeting and the notice of the Domestic Shareholders Class Meeting remains unchanged. This announcement is supplemental to and should be read in conjunction with the Supplemental Circular, the notice of the H Shareholders Class Meeting and the notice of the Domestic Shareholders Class Meeting.

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

Shijiazhuang, The PRC, 11 May 2023

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. Zheng Zhixing as a non-executive Director; and Mr. Jip Ki Chi, Mr. Wang Fujun and Mr. Zhang Liguang as independent non-executive Directors.

* *For identification purpose only*