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)

PROFIT WARNING

This announcement is made by Hebei Yichen Industrial Group Corporation Limited* (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2024 and the information currently available to the Board, the Group is expected to record a consolidated net loss of approximately RMB50.8 million for the year ended 31 December 2024. This represents a reversal from a consolidated net gain of approximately RMB50.3 million recorded for the year ended 31 December 2023.

The Board considers that the decline in the Group's financial performance is primarily attributable to the following factors:

(i) the impairment loss subject to provision was estimated at approximately RMB64.2 million for the year ended 31 December 2024, as compared with the provision for impairment loss of approximately RMB36.9 million for the year ended 31 December 2023, mainly due to the increase in loss on credit impairment under the expected credit loss ("**ECL**") model provided by the Company as a result of the longer cycle of recovery of loan receivables amid the sluggish macroeconomic environment.

(ii) the loss from changes in fair value associated with financial assets held for trading and the investment loss from disposal of financial assets held for trading of approximately RMB68.1 million were recognised for the year ended 31 December 2024, as compared with the gain from changes in fair value associated with financial assets held for trading and the investment loss from disposal of financial assets held for trading of approximately RMB49.1 million recognised for the year ended 31 December 2023. The increase in loss from changes in fair value associated with financial assets held for trading and the investment loss was mainly due to the change in price of Hong Kong listed company securities previously held by the Company. As of 31 December 2024, there were no Hong Kong listed company securities remained to be held by the Company.

(iii) a decrease in the gross profit of Company's products of approximately RMB38.2 million for the year ended 31 December 2024 as affected by the construction progress of the railway projects and changes in the product structure.

The Board wishes to state that this announcement is made on the basis of the preliminary assessment of the unaudited management accounts of the Group for the year ended 31 December 2024 and the information currently available to the Board, which have not been audited or reviewed by the Company's auditor and may be subject to adjustments. The financial information and performance of the Group for the year ended 31 December 2024 will be disclosed in the annual results announcement of the Company for the year ended 31 December 2024, which is expected to be published in March 2025.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Shijiazhuang, The PRC, 13 March 2025

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. Zhang Liguo and Mr. Wang Fuju as independent non-executive Directors.

* *For identification purpose only*