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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 ADOPTION OF H SHARE AWARD SCHEME, PROPOSED AUTHORISATION TO THE BOARD TO HANDLE MATTERS IN RELATION TO THE H SHARE AWARD SCHEME, PROPOSED ELECTION OF NON-EXECUTIVE DIRECTOR AND NOTICE OF EXTRAORDINARY GENERAL 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 Tuesday, 13 September 2022 at 10:30 a.m. are set out on pages 39 to 40 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 Monday, 12 September 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

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board of Directors	5
Appendix — Rules of the H Share Award Scheme (draft)	16
Notice of EGM	39

DEFINITIONS

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

“Adoption Date”	the date on which the Shareholders approve the Scheme
“Articles”	the articles of association of the Company as amended, supplemented or otherwise modified from time to time
“Authorisation”	the authorisation proposed to be granted to the Board to deal with matters in relation to the Scheme by the Shareholders at the EGM, the full text of which is set forth in the section headed “3. PROPOSED AUTHORISATION TO THE BOARD TO HANDLE MATTERS IN RELATION TO THE SCHEME” of this circular
“Award”	a provisional award of Awarded Shares made in accordance with the Scheme
“Board”	the board of Directors
“Chairman”	the chairman of the Board of Directors
“Committee”	a duly authorised committee comprising such person(s) delegated with the power and authority by the Board to administer the Scheme
“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
“connected person”	has the meaning ascribed to it under the Listing Rules
“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

DEFINITIONS

“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 Tuesday, 13 September 2022, for the Shareholders to consider and, if thought fit, approve the resolutions contained in the notice of the meeting which is set out on pages 39 to 40 of this circular, or any adjournment thereof
“Eligible Participant(s)”	persons eligible for participation in the Scheme under the Scheme Rules, namely any full time employee of (i) any direct or indirect holding company of the Company and (ii) any direct or indirect Subsidiary who is not a connected person
“Excluded Eligible Participant(s)”	any Eligible Participant who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the rules of the Scheme is not permitted under the applicable laws and regulations or where in the view of the Board or the Trustee (as the case may be), compliance with the applicable laws and regulations makes it necessary or expedient to exclude such Eligible Participant
“Grant Letter”	letter issued by the Company to each Grantee in such form as the Board or the Committee may from time to time determine, specifying, among other things, the number of Awarded Shares, the Vesting Date and conditions for the vesting of the Awarded Shares, lock-up on the Awarded Shares (if applicable), the time and manner for acceptance of the grant of the Award and such other relevant terms and conditions of the Award
“Grantee(s)”	means an Eligible Participant selected by the Board pursuant to the rules of the Scheme for the grant of an Award
“Group”	the Company, any direct or indirect holding company of the Company, and any direct or indirect Subsidiary of such holding company

DEFINITIONS

“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”	15 August 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
“Returned Shares”	such Awarded Shares which are not vested and/or forfeited in accordance with the terms of the Scheme, or such Shares being deemed to be Returned Shares
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme”	the H share award scheme proposed to be adopted by the Company
“Scheme Rules”	the rules constituting the Scheme, the full text of which is set out in the Appendix to this circular
“Share(s)”	the ordinary shares of RMB0.5 each in the capital of the Company, comprising Domestic Shares and H Shares
“Shareholder(s)”	the holder(s) of the Shares, comprising Domestic Shareholders(s) and H Shareholder(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere

DEFINITIONS

“Trust Deed”	the trust deed to be entered into between the Company as settlor and the Trustee as trustee on in respect of H Shares and other trust fund (if any) held or to be held by the Trustee subject to the terms thereof, as amended from time to time
“Trust Fund”	the H Shares, funds and properties held under the Trust and managed by the Trustee for the benefit of the Eligible Participants in accordance with the terms of the Scheme and the Trust Deed
“Trustee”	the trustee appointed by the Company for the purpose of the Trust, and initially, Equiom Fiduciary Services (Hong Kong) Limited, a company incorporated in Hong Kong and having its administrative office at Room 2302, 23/F., Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong. To the best knowledge, information, and belief of the Directors after making all reasonable enquiries, as at the Latest Practicable Date, the Trustee and its ultimate beneficial owners are not connected persons of the Company
“Vesting Date”	in relation to any Grantee, the date on which the legal and beneficial ownership of the Awarded
“%”	per cent

* *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:

5/F, Manulife Place
348 Kwun Tong Road
Kowloon
Hong Kong

Independent non-executive Directors:

Mr. Jip Ki Chi
Mr. Wang Fujun
Mr. Zhang Liguang

18 August 2022

To the Shareholders

Dear Sir or Madam

**PROPOSED ADOPTION OF H SHARE AWARD SCHEME,
PROPOSED AUTHORISATION TO THE BOARD TO HANDLE MATTERS
IN RELATION TO THE H SHARE AWARD SCHEME,
PROPOSED ELECTION OF NON-EXECUTIVE DIRECTOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to set forth a notice convening the EGM and to provide you with further details regarding the resolutions to be proposed at the EGM in connection with (i) adoption of the Scheme; (ii) the Authorisation to the Board to deal with

* *For identification purpose only*

LETTER FROM THE BOARD OF DIRECTORS

matters in relation to the Scheme; and (iii) election of non-executive Director, so as to enable you to make informed decisions on whether to vote for or against the resolutions to be proposed at the EGM.

2. PROPOSED ADOPTION OF H SHARE AWARD SCHEME

As disclosed in the announcement of the Company dated 27 July 2022, the Board has proposed to adopt the Scheme and a special resolution will be proposed at the EGM to consider and approve the proposed adoption of the Scheme. The Scheme shall take effect upon the approval by the Shareholders at the EGM.

The full text of the Scheme Rules is set out in the Appendix to this circular.

Set forth below are the principal terms of the Scheme:

Purpose and objectives of the Scheme

The purpose of the Scheme is to recognise and acknowledge the contribution which the Eligible Participants have made or may make to the Group.

Administration

The passing of resolutions in general meeting by the Shareholders, as the institution vested with the supreme authority of the Company, has the power to determine any matter in relation to the Scheme and may authorise the Board and/or the Committee to deal with all matters related to the Scheme to the extent of its authority. Subject to the Listing Rules and the aforementioned authorisation by passing of resolutions in the general meeting by the Shareholders, The Scheme shall be subject to the administration of the Board and/or the Committee, whose decisions (save as otherwise provided herein) shall be final and binding on all parties.

The Trustee shall hold the Trust Fund and administer the Scheme in accordance with the terms of the rules constituting the Scheme and the Trust Deed.

Eligibility

Under the rules constituting the Scheme, the Eligible Participants, namely any full time employee of (i) any direct or indirect holding company of the Company and (ii) any direct or indirect Subsidiary who is not a connected person, are eligible for participation in the Scheme.

Award of H Shares

The Board shall, subject to and in accordance with the authorisation of the general meeting of the Shareholders and the rules of the Scheme, be entitled at any time during the continuation of the Scheme to grant Award to any of the Eligible Participants such number of H Shares as it shall determine pursuant to the Scheme.

LETTER FROM THE BOARD OF DIRECTORS

A grant of an Award shall be made to an Eligible Participant by way of a Grant Letter to be issued by the Company in such written form as the Board may from time to time determine. Subject to and in accordance with the rules of the Scheme, the Board may impose any conditions, restrictions or limitations before the Award can vest as it sees fit by setting out the same in the Grant Letter.

The Board shall notify the Trustee in writing, providing substantially the same information as stated in the relevant Grant Letter upon the making of an Award under the Scheme.

No Award may be made by the Board during the periods as prescribed under the paragraph "Black-out Period" below.

Acquisition of H Shares by the Trustee

The Board shall, after having regard to the requirements in relation to the grant of Awards as stated in the rules of the Scheme, the Listing Rules, the applicable laws and regulations and all relevant circumstances and affairs of the Group (including without limitation the Group's business and operational conditions, its business plans and cashflow requirements currently and in the near future), cause to be paid to the Trustee (or its nominee) such amount as may be required for the purchase of existing H Shares from the market and the related purchase expenses (including all such necessary fees, stamp duty, levies and expenses required for the completion of the purchase of all the Awarded Shares, as applicable). For the avoidance of doubt, the Board shall not issue and shall not instruct the Trustee (or its nominee) to subscribe for any new H Shares for the purpose of satisfying any Award or otherwise in relation to the Scheme.

The Trustee may purchase the H Shares on the Stock Exchange at the prevailing market price (subject to such maximum price as may be from time to time prescribed by the Board). The Trustee (and its nominee) shall not subscribe for any new H Shares in any event.

No H Shares shall be purchased by the Trustee during the periods as prescribed under the paragraph "Black-out Period" below.

Voting rights of the H Shares in the Trust Fund

The Trustee (and its nominee) shall not exercise the voting rights in respect of the H Shares held by it as nominee or under the trust constituted by the Trust Deed (including but not limited to any Awarded Shares, the Returned Shares, any bonus H Shares and scrip H Shares). The Grantees shall not have any right to receive any Awarded Shares set aside for them unless and until the Trustee has transferred and vested the legal and beneficial ownership of such Awarded Shares to and in the Grantees.

LETTER FROM THE BOARD OF DIRECTORS

Equity issue

During the period after an Award has been made and before the Shares are vested in the Grantee, if the Company offers to Shareholders new H Shares or other securities for subscription by way of rights, options or warrants and no amount is required to be payable by the Shareholders, the Trustee shall sell any such nil-paid rights, options or warrants allocated to it in respect of the Awarded Shares. The net proceeds of such sale shall be applied to defray the fees, costs and expenses of the trust constituted under the Trust Deed, and the remainder will be treated as Trust Fund. If the Company offers to the Shareholders new H Shares or other securities for subscription by way of rights, options, warrants or open or preferential offer and consideration is required to be paid, the Trustee shall decline to take up, purchase and/or subscribe for such rights, options, warrants or open or preferential offer.

Vesting of the Awarded Shares

The Board may from time to time, at its discretion, determine the earliest Vesting Date and other subsequent date(s), if any, subject to and upon which the Awarded Shares held by the Trustee upon trust and which are referable to a Grantee shall vest in that Grantee.

At any time prior to a Vesting Date, in respect of a Grantee who died or retired by agreement with a member of the Group at any time prior to or on the Vesting Date, all the Awarded Shares of the relevant Grantee or rights thereto shall be deemed to be vested on the day immediately prior to his death or the day immediately prior to his retirement with the relevant member of the Group.

Black-out Period

For so long as the Shares are listed on the Stock Exchange, the Board shall not grant any Award, make any payment to the Trustee or give instructions to the Trustee to purchase or sell or transfer H Shares, and the Trustee (and its nominee) shall not purchase or sell or transfer H Shares where dealings in H Shares by the Directors are prohibited under the Model Code for Securities Transactions by Directors of Listed Issuers or any code or requirement of the Listing Rules, any applicable laws or regulations or where any requisite approval from any governmental or regulatory authority has not been granted.

Lapse of Award

Save as for the reason provided in the paragraph headed "Vesting of the Awarded Shares" above and unless otherwise as determined by the Board, an Award

LETTER FROM THE BOARD OF DIRECTORS

(or, as the case may be, the relevant part of an Award) shall automatically lapse forthwith and all the Awarded Shares (or, as the case may be, the relevant Awarded Shares) shall become Returned Shares in the event any of the following circumstances occurred prior to or on the Vesting Date:

- (a) the commencement of the winding-up of the Company;
- (b) the Grantee ceases to be an Eligible Participant by reason of the termination of his/her employment on the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily;
- (c) the Grantee had in any way sold, transferred, charged, mortgaged, encumbered or created any interest in favour of any other person over or in relation to the Awarded Shares referable to him/her pursuant to such Award or the related income or the Returned Shares under the Scheme prior to the Vesting Date in breach of the rules of the Scheme;
- (d) the Grantee ceases to be an Eligible Participant for any other reason save as provided in the paragraph headed "Vesting of the Awarded Shares" above;
- (e) a Grantee is found to be an Excluded Eligible Participant; or
- (f) subject to the terms of the Scheme, a Grantee fails to return the duly executed transfer documents prescribed by the Trustee for the relevant Shares awarded under the Scheme within the stipulated period.

Scheme limit

The Board shall not make any further award of Awarded Shares which will result in the number of H Shares awarded by the Board under the Scheme exceeding 10% of the issued H Shares as at the Adoption Date.

Rights attaching to the Awards and the Awarded Shares

Any Award shall be personal to the Grantee and shall not be transferable or assignable to any other person except for any company that is wholly owned by the Grantee or a trust which the settlor is the Grantee and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Awarded Shares referable to him/her pursuant to such Award or the related income or any of the Returned Shares under the Scheme prior to the Vesting Date.

LETTER FROM THE BOARD OF DIRECTORS

The Grantees shall not have any right to receive any Awarded Shares set aside for them under any Award unless and until the Trustee has transferred and vested the legal and beneficial ownership of such Awarded Shares to and in the Grantees in accordance with the terms of the Scheme.

Alteration of the Scheme

The Scheme may be altered by the prior sanction of a resolution passed by the general meeting of the Shareholders so authorising the Board together with the prior written consent of the Trustee, provided that no such alteration shall operate to affect adversely any rights of any Grantee in respect of his Awarded Shares which remain unvested except with the consent in writing of the majority of the Grantee whose Awarded Shares remained unvested on that date (but, for the avoidance of doubt, excluding for this purpose any such Awarded Shares in respect of which that date is a Vesting Date) as would be required of the holders of H Shares under the Articles for a variation of the rights attached to such H Shares.

Duration of the Scheme and termination of the Scheme

The Scheme shall be valid and effective for a period of 10 years commencing from the Adoption Date but may be terminated earlier as determined by passing of resolutions in the general meeting by the Shareholders and/or if so authorised by the Shareholders, the Board.

If, at the date of the termination of the Scheme, the Trustee (or its nominee) holds any H Shares which have not been set aside in favour of any Grantee or retains any unutilised funds remaining as the Trust Fund then the Trustee shall, within 21 business days of receiving notice of such termination, sell such H Shares and remit the proceeds of sale (after making appropriate deductions in respect of all disposal costs, liabilities and expenses in accordance with the Trust Deed) together with such unutilised funds to the Company. Subject to the decision of the Board and subject to the terms of the Scheme, all the Awarded Shares shall become vested on the Grantee on such date of termination upon termination of the Scheme.

Reasons for and benefits of the adoption of the Scheme

The Directors consider that the adoption of the Scheme can realise the purpose of the Scheme, namely to recognise and acknowledge the contribution which the Eligible Participants have made or may make to the Group. The Directors are of the view that the terms and conditions of the Scheme are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Implication under the Listing Rules

The Scheme does not constitute a share option scheme or an arrangement involving the grant of options to participants over new H Shares or other new securities of the Company which is analogous to a share option scheme as defined

LETTER FROM THE BOARD OF DIRECTORS

and regulated under Chapter 17 of the Listing Rules in effect as at the Latest Practicable Date. The Company shall disclose in its annual report a summary of the Scheme and such details of any Awards granted as may be required under the Listing Rules from time to time.

3. PROPOSED AUTHORISATION TO THE BOARD TO HANDLE MATTERS IN RELATION TO THE SCHEME

In order to ensure the successful implementation of the Scheme, the Board has proposed that, subject to the approval of the Scheme by the Shareholders at the EGM, the Shareholders also grant the Authorisation to the Board to deal with matters in relation to the Scheme with full authority, including but not limited to:

- (i) to consider, appoint and establish the Committee for the purpose of administering the Scheme;
- (ii) to authorise any member of the Committee to enter into the Trust Deed on behalf of the Company with the Trustee and to affix the Company seal onto such Trust Deed, pursuant to which the Trustee will provide trust services for the Scheme;
- (iii) to set up, operate or instruct the Trustee to operate such cash securities account(s) as may be deemed appropriate by the Committee so as to facilitate the provision of services for the Company and the Grantees by the Trustee under the Scheme;
- (iv) to consider and authorise the Committee to handle matters in relation to the Scheme with full authority during the validity period of the Scheme, including but not limited to:
 - (a) to determine the terms and conditions of the grant of Awards, approve the form and content of the Grant Letter, select Eligible Participants to become Grantees, and grant Awards to Grantees from time to time;
 - (b) to determine the date of grant of Awards and Vesting Date of Awarded Shares;
 - (c) to administer, amend and adjust the Scheme, including but not limited to adjusting the number of outstanding Awarded Shares or accelerate the Vesting Dates of any Awards, provided that the Scheme limit shall not be adjusted without further approval of the Shareholders in general meeting;
 - (d) to decide on the selection, engagement and change of trustee(s), consultant(s) and other professional parties for the purpose of the Scheme;
 - (e) to sign, execute or terminate all agreements and other relevant documents in connection with the Scheme, fulfil all relevant procedures

LETTER FROM THE BOARD OF DIRECTORS

in relation to the Scheme, and take any such action as the Board or the Committee considers appropriate to implement the terms of the Scheme;

- (f) to determine and adjust the terms, conditions and restrictions on the vesting of the Awards, and to determine whether Awarded Shares granted to the Grantees can be vested;
- (g) to determine the execution, amendment and termination of the Scheme, including the forfeiture of Awards and continued vesting of Awarded Shares upon changes in circumstances on the part of any Grantee;
- (h) to construe and interpret the rules of the Scheme and to resolve any issues and disputes arising from or in connection with the Scheme;
- (i) to exercise any other discretion in relation to matters necessary to the implementation of the Scheme pursuant to the authority granted by the general meeting of the Shareholders from time to time;
- (j) on behalf of the Company, to execute all documents in relation to the operations of and other matters of the Scheme, or to provide any instructions to the Trustee in relation to the Scheme and to approve all matters arising from or in relation to the Trust Deed; and
- (k) on behalf of the Company, negotiate, approve and execute or make any reasonable amendments or changes to all such agreements, contracts or documents as it considers necessary, appropriate or expedient in order to implement the Scheme, and affix the company seal of the Company in accordance with the Articles where required.

The aforementioned Authorisation shall be valid for so long as the Scheme remains in effect.

4. PROPOSED ELECTION OF NON-EXECUTIVE DIRECTOR

Reference is made to the announcement of the Company dated 5 July 2022 in relation to the resignation of Ms. Gu Xiaohui (顧曉慧) (“**Ms. Gu**”) and the proposed election of Ms. Zheng Zhixing (鄭知行) (“**Ms. Zheng**”) as a non-executive Director. In order to fill the vacancy following the resignation of Ms. Gu, Ms. Zheng has been nominated by the nomination committee and the Board as a candidate for the position of non-executive Director for a period commencing immediately after the conclusion of the EGM until the expiry of the term of the third session of the Board, i.e. until 1 December 2024.

The Board has reviewed its structure, size and composition, the qualifications, skills, experience of Ms. Zheng as a non-executive Director with reference to the nomination principles and criteria set out in the Company’s diversity policy of the Board and nomination policy for Directors as well as the Company’s corporate strategy. Taking

LETTER FROM THE BOARD OF DIRECTORS

into account the aforementioned criteria, the Board has assessed and is satisfied with Ms. Zheng's suitability for holding of directorship in the Company, and proposes the election of Ms. Zheng as a non-executive Director by the Shareholders at the EGM.

The biographical details of Ms. Zheng are set forth below:

Ms. Zheng Zhixing (鄭知行), aged 37, is a Chartered Financial Analyst (CFA). Ms. Zheng graduated from Southern Illinois University, USA in August 2009 with a master's degree in economics and finance.

From February 2012 to June 2014, Ms. Zheng worked in the research centre of Zero2IPO Group (清科集團). Ms. Zheng has been working at the investment and development headquarters of Beijing Infrastructure Investment Co., Ltd* (北京市基礎設施投資有限公司) ("**Beijing Infrastructure Investment**") since July 2014. Ms. Zheng currently serves as a senior investment manager of the investment and development headquarters of Beijing Infrastructure Investment and a director of Beijing Zhongguancun Microcredit Co., Ltd* (北京市中關村小額貸款股份有限公司).

As at the Latest Practicable Date, save as disclosed above, Ms. Zheng (i) did not have any relationship with any other Directors, supervisors, senior management or substantial Shareholder or controlling Shareholder (as respectively defined in the Listing Rules) of the Company; (ii) did not have any interest in the securities of the Company or its associated companies within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); (iii) had not entered into or proposed to enter into any other service agreement with the Company or any of its subsidiaries; (iv) did not hold any other position with the Company or any of its subsidiaries; and (v) had not held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Resolutions will be proposed at the EGM for the Shareholders to approve the service agreement which the Company shall enter into with Ms. Zheng as a non-executive Director, subject to approval of her election by the Shareholders at the EGM. The service agreement to be entered into with Ms. Zheng sets out, among others, her duties as a non-executive Director, and undertaking to refer any relevant disputes between her and the Company or holders of H Shares to arbitration. Pursuant to the service agreement, Ms. Zheng is not entitled to any remuneration unless otherwise specified by the Shareholders in a general meeting of the Company.

Save as disclosed above, there is no other information relating to Ms. Zheng in relation to her proposed election and appointment as a non-executive Director that is required to be disclosed pursuant to the requirements of rule 13.51(2) of the Listing Rules. Save for the above, there is no other matter that needs to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD OF DIRECTORS

5. EGM AND PROXY ARRANGEMENT

The notice of the EGM to 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 on Tuesday, 13 September 2022 at 10:30 a.m., is set out on pages 39 to 40 of this circular.

In order to determine the entitlement to attend and vote at the EGM, the register of members of the Company has been closed from Saturday, 13 August 2022 to Tuesday, 13 September 2022, both days inclusive, during which period no transfer of shares will be effected. Shareholders whose names appear on the Company's register of members on Tuesday, 13 September 2022 are entitled to attend and vote at the EGM.

A form of proxy for use at the EGM 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 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. at or before 10:30 a.m. on Monday, 12 September 2022 (Hong Kong time)) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM.

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

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

6. RECOMMENDATIONS

The Board considers that the proposals for each of the (i) adoption of the Scheme; (ii) Authorisation to the Board to deal with matters in relation to the Scheme; and (iii) election of non-executive Director is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed at the EGM as set forth in the notice of the EGM.

LETTER FROM THE BOARD OF DIRECTORS

7. 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.

8. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese 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 full text of the draft Scheme Rules to be considered and, if thought fit, approved by the Shareholders at the EGM is set forth as follows:

河北翼辰實業集團股份有限公司
(Hebei Yichen Industrial Group Corporation Limited)
(Incorporated in the People's Republic of China)

**RULES RELATING TO THE HEBEI YICHEN INDUSTRIAL GROUP
CORPORATION LIMITED H SHARE AWARD SCHEME**

Table of Contents

1	Definitions and Interpretation	18
2	Purpose	22
3	Conditions	23
4	Duration and Administration	23
5	Eligibility Criteria	24
6	Grant of Award	24
7	Acquisition of H Shares by the Trustee	27
8	Vesting	28
9	Lapse	31
10	Related Income and Returned Shares	32
11	Takeover, Right Issue, Open Offer, Scrip Dividend, Etc.	32
12	Scheme Limit	33
13	Alteration of the Scheme	34
14	Disputes	34
15	Termination	34
16	Miscellaneous	35

河北翼辰實業集團股份有限公司
(Hebei Yichen Industrial Group Corporation Limited)

RULES OF H SHARE AWARD SCHEME

1 DEFINITIONS AND INTERPRETATION

1.1 In these Rules, unless the context otherwise requires, the following words and expressions shall have the following meanings:

- “Account”** means the bank account or brokerage account opened in the name of the Trustee or Trust Holdco to be operated solely for the purposes of operating the Scheme and the funds thereof to be held directly or indirectly on trust by the Trustee for the Grantees;
- “Adoption Date”** means the date on which the Scheme is adopted by the Shareholders;
- “Affiliate”** shall include the following:
- (a) any direct or indirect holding company of the Company; and
 - (b) any direct or indirect Subsidiary of any company included in (a) above;
- “Applicable Laws”** means any relevant laws and regulations (including those of the PRC, Hong Kong and any other overseas jurisdiction as may be applicable);
- “Articles”** means the articles of association of the Company from time to time;
- “Award”** means an award of H Shares by the Board pursuant to Paragraph 6 to a Grantee;
- “Awarded Shares”** means in respect of a Grantee, such number of H Shares determined by the Board and granted to such Grantee under the Award pursuant to Paragraph 6;
- “Board”** means the board of directors of the Company for the time being and from time to time, or a duly authorised committee comprising such person(s) delegated by the board of directors with the power and authority granted by the board of directors to administer the Scheme;

“Business Day”	means a day other than a Saturday or Sunday or public holiday on which banks generally in Hong Kong are open for the transaction of normal banking business;
“Companies Ordinance”	means the Companies Ordinance, Chapter 622 of the laws of Hong Kong;
“Company”	means河北翼辰實業集團股份有限公司 (Hebei Yichen Industrial Group Corporation Limited), a joint stock limited company established under the laws of the PRC, the H Shares of which are listed on the Main Board of the Stock Exchange;
“connected person”	has the meaning given to it in the Listing Rules;
“Director(s)”	means the director(s) of the Company from time to time;
“Eligible Participant”	has the meaning given to it in Paragraph 5.1;
“Excluded Eligible Participant”	means any Eligible Participant who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the Scheme Rules is not permitted under the Applicable Laws or where in the view of the Board or the Trustee (as the case may be), compliance with the Applicable Laws makes it necessary or expedient to exclude such Eligible Participant;
“Grantee”	means an Eligible Participant selected by the Board pursuant to Paragraph 6.1 for the grant of an Award;
“Grant Letter”	has the meaning given to it in Paragraph 6.3;
“Group”	means the Company and the Affiliates, and “member of the Group” shall be construed accordingly;
“H Shares”	means the overseas listed foreign invested ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB0.50 each, which are listed on the Stock Exchange and traded in Hong Kong dollars;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;

“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Model Code”	means the Model Code in Appendix 10 to the Listing Rules;
“Partial Lapse”	has the meaning given to it in Paragraph 9.2;
“Personal Representative(s)”	means the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to the Award to be vested in such Grantee;
“PRC”	the People’s Republic of China and for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region and Taiwan;
“Related Income”	means all income or distribution derived from an H Share (net of all expenses or charges incurred in relation to the receipt or payment of such income) held upon the Trust and, for the avoidance of doubt, excludes any Residual Cash;
“Residual Cash”	means cash remaining in the Account or the trust fund of the Trust (including interest income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition of Trust Shares or Awarded Shares;
“Returned Shares”	means such Awarded Shares or Related Income which are not vested and/or forfeited in accordance with the Scheme Rules (whether as a result of a Total Lapse or a Partial Lapse or otherwise), or such H Shares being deemed to be Returned Shares in accordance with the Scheme Rules and the Trust Deed;
“RMB”	means Renminbi, the lawful currency of the PRC;
“Scheme”	means “Hebei Yichen Industrial Group Corporation Limited H Share Award Scheme” constituted and governed by the Scheme Rules;
“Scheme Period”	has the meaning given to it in Paragraph 4.1;

“Scheme Rules”	means these rules relating to the Scheme, in its present form or as amended from time to time in accordance with the provisions hereof;
“Shares”	means ordinary shares of RMB0.50 each in the capital of the Company comprising domestic shares and the H Shares;
“Shareholder(s)”	means holder(s) of Shares from time to time;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subsidiary”	means a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance) of the Company, whether incorporated in Hong Kong or elsewhere and “Subsidiaries” shall be construed accordingly;
“Total Lapse”	has the meaning as set out in Paragraph 9.1;
“Trust”	means the trust constituted by the Trust Deed;
“Trustee”	means the trustee corporation or trustee corporations to be appointed by the Company for the administration of the Scheme;
“Trust Deed”	means a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Scheme;
“Trust Holdco”	means Jovial Ease Investments Limited, a company incorporated in British Virgin Islands, which is wholly owned by the Trustee as trustee of the Trust;
“Trust Period”	shall have the meaning as set out in Clause 1.1 of the Trust Deed;
“Trust Shares”	means such H Shares that are held, directly or indirectly, by the Trustee upon Trust, from time to time for the purpose of the Scheme;
“Vesting Condition(s)”	has the meaning given to it in Paragraph 6.3.3;

“Vesting Date(s)” means in respect of an Award, the date(s) on which some or all of the Award vest in accordance with the terms of the grant of the Award, as set out in the relevant Grant Letter or are deemed to have vested under Paragraph 8.4 or Paragraph 11.1; and

“Vesting Notice” has the meaning given to it in Paragraph 8.1.1.

1.2 For the purposes of the interpretation of these Rules:

1.2.1 References to any statute, statutory provision, ordinance or other law or rule (including the Listing Rules) include any statutory instrument or regulations made under it and references to all or any part of any statute or statutory instrument include any statutory amendment, modification, or re-enactment in force from time to time.

1.2.2 Words importing gender include each gender. The singular includes the plural and vice versa.

1.2.3 The table of contents, headings and paragraph numbers are included for convenience only and do not affect the interpretation or construction of the Scheme Rules.

1.2.4 Any phrase introduced by the terms **“including”**, **“include”**, **“in particular”**, **“for example”** or any similar expression shall be construed as illustrative and shall not limit the sense of the words proceeding those terms.

1.2.5 The word **“persons”** shall be deemed to include any body, corporate, partnership, undertaking or other body of persons, whether incorporated or not incorporated and whether existing or formed after the date of the Scheme.

2 PURPOSE

2.1 The purpose of the Scheme is to recognise and acknowledge the contributions which the Eligible Participants have made or may make to the Group.

2.2 The Scheme will provide the Eligible Participants with an opportunity to acquire proprietary interests in the Company, with the view to achieving the following principal objectives:

2.2.1 motivating the Eligible Participants to optimise their performance and efficiency for the benefit of the Group; and

2.2.2 attracting and retaining or otherwise maintaining ongoing business relationships with the Eligible Participants whose contributions are, or, will or are expected to be, beneficial to the Group.

3 CONDITIONS

The Scheme is conditional upon the passing of resolutions by the Shareholders and the Board to approve and adopt the Scheme and to authorise the Board to grant Awards under the Scheme and to procure the transfer of and otherwise deal with the Awarded Shares in connection with the Scheme.

4 DURATION AND ADMINISTRATION

4.1 Subject to Paragraph 3 and Paragraph 15, the Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date (the “**Scheme Period**”), after which period no further Awards may be granted, but the Scheme Rules shall remain in full force and effect in all other respects.

4.2 Awards granted during the Scheme Period, but which remain outstanding and have not lapsed as at the expiry of the Scheme Period, shall continue to be valid in accordance with their terms of grant notwithstanding the expiry of the Scheme Period.

4.3 The passing of resolutions in general meeting by the Shareholders, as the institution vested with the supreme authority of the Company, has the power to determine any matter in relation to the Scheme and may authorise the Board to deal with all matters related to the Scheme to the extent of its authority. Subject to the Listing Rules and the aforementioned authorisation by passing of resolutions in the general meeting by the Shareholders, the Scheme shall be subject to the administration of the Board, whose decisions (save as otherwise provided herein) shall be final and binding on all parties.

4.4 Without prejudice to the generality of Paragraph 4.3, the passing of resolutions in general meeting by the Shareholders and/or, where authorised by the Shareholders, the Board shall have the right and power to:

4.4.1 interpret and construe the provisions of the Scheme Rules;

4.4.2 determine the persons (if any) who shall be granted an Award, the amount of the Award and terms of the Award;

4.4.3 subject to Paragraph 13, make adjustments to the terms of the Awards granted under the Scheme as it deems necessary;

4.4.4 adopt additional rules and regulations in respect of the Scheme;

4.4.5 prescribe the form(s) or instruments for granting an Award; and

4.4.6 make such other decisions or determinations as it shall deem appropriate in relation to the granting of an Award and/or the administration of the Scheme.

- 4.5 No member of the Board shall be personally liable by reason of any contract or other instrument executed by such member or on his behalf in his capacity as a member of the Board nor for any mistake of judgment made in good faith, and the Company shall indemnify on demand and hold harmless each employee, officer or director of the Company to whom any duty or power relating to the administration or interpretation of the Scheme may be allocated or delegated, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of or an act or omission in connection with the Scheme, unless arising out of such person's own negligence, fraud or bad faith.
- 4.6 The Trustee shall during the Trust Period hold, directly or indirectly, the Trust Shares, the Related Income and the Residual Cash in accordance with the terms of the Scheme Rules and the Trust Deed.

5 ELIGIBILITY CRITERIA

- 5.1 Any full time employee of the Group who is not a connected person of the Company shall be eligible to participate in, and be granted Awards under, the Scheme (each such person being an "**Eligible Participant**").
- 5.2 In order for a person to satisfy the Board that he is qualified to be (or, where applicable, continues to qualify to be) an Eligible Participant, such person shall provide all such information as the Board may request for the purpose of assessing his eligibility (or continuing eligibility).
- 5.3 Any person whom the Board has resolved to be qualified as an Eligible Participant must remain eligible during the period when any Award granted to him remains outstanding.
- 5.4 Should the Board resolve that a Grantee fails/has failed or otherwise is/has been unable, or has ceased, to meet the continuing eligibility criteria under Paragraph 5.1, the Company would be entitled to deem any outstanding Award or part thereof granted to such Grantee and to the extent not already vested, and any Award made to him, as lapsed.

6 GRANT OF AWARD

- 6.1 Subject to and in accordance with the Scheme Rules, the Listing Rules and all Applicable Laws, the Board shall be entitled at any time on any Business Day during the Scheme Period, to grant an Award to any Eligible Participant, as the Board may in its absolute discretion select. Until so selected, no Eligible Participant shall have any entitlement under the Scheme.

- 6.2 Subject to and in accordance with the Scheme Rules, the Listing Rules and all Applicable Laws, the Board may, on a case-by-case basis and at its discretion, impose any conditions, restrictions or limitations before the Award can vest as it sees fit, provided that such conditions, restrictions or limitations are set out in the Grant Letter issued to the Grantee under Paragraph 6.3. Without prejudice to the foregoing, the Board may impose conditions, restrictions or limitations:
- 6.2.1 requiring the continuing eligibility of the Eligible Participant in accordance with the provisions of the Scheme Rules and providing that in the event that the Board resolves that the Eligible Participant fails/has failed or otherwise is or has been unable to meet such continuing eligibility criteria, the Awards shall lapse;
 - 6.2.2 requiring the continuing compliance of such terms and conditions that may be attached to the grant of the Award, failing which the Award (to the extent not already vested) shall lapse, unless otherwise resolved by the Board; and/or
 - 6.2.3 relating to the achievement of operating or financial targets before the relevant Awards become vested.
- 6.3 A grant of an Award shall be made to an Eligible Participant by way of a letter (a “**Grant Letter**”) in such written form as the Board may from time to time determine. The document for granting the Awards shall state and specify:
- 6.3.1 the name and address of the Grantee;
 - 6.3.2 the number of Awarded Shares for the Grantee;
 - 6.3.3 the Vesting Dates and vesting conditions (the “**Vesting Conditions**”) of the Awarded Shares;
 - 6.3.4 any applicable lock-up on the Awarded Shares;
 - 6.3.5 the date by which the Grantee must accept the grant of the Award, failing which the Award would forfeit; and
 - 6.3.6 other relevant terms and conditions of the Award.
- 6.4 Upon the acceptance of the Award by the Grantee, the Board shall as soon as practicable inform the Trustee of:
- 6.4.1 the information set out in Paragraphs 6.3.1 to 6.3.4 and Paragraph 6.3.6 above; and

6.4.2 whether the Trustee shall apply such number of Trust Shares in the trust fund of the Trust not already allocated to any particular Grantee as Awarded Shares or whether the Awarded Shares should be acquired by the Trustee or Trust Holdco on the market.

For these purposes, unless otherwise notified by the Company in writing, the Trustee may treat the Vesting Conditions as conclusive of the matters shown in that Vesting Conditions and that, in case of vested entitlements, the Grantee in question remains an Eligible Participant on the applicable Vesting Date (or any earlier deemed date under Paragraph 8.4). The Trustee is not required to make any enquiry as to whether each such Vesting Condition is correct. Unless otherwise as determined by the Board, the Related Income shall not vest to the Grantee but shall become part of the trust fund of the Trust and be applied in accordance with Paragraph 10.

6.5 Awards granted are subject to the acceptance of the grant by the Grantee in the time and manner stipulated in the Grant Letter issued to the Grantee under Paragraph 6.3 above. If the Grantee does not accept the Award in the time and manner stipulated in the Grant Letter, the Award shall be forfeited.

6.6 Any Award shall be personal to the Grantee and shall not be transferable or assignable to any other person except for any company that is wholly owned by the Grantee or a trust which the settlor is the Grantee and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Awarded Shares referable to him pursuant to such Award or the Related Income or any of the Returned Shares under the Scheme prior to the Vesting Date.

6.7 The Board shall not grant any Award, make any payment to the Trustee pursuant to Paragraph 7.1 or give instructions to the Trustee to purchase or sell or transfer H Shares and the Trustee and Trust Holdco shall not purchase or sell or transfer H Shares where dealings in H Shares by the Directors are prohibited under the Model Code or any code or requirement of the Listing Rules and all Applicable Laws from time to time, including (without limitation):

6.7.1 at any time when a Director possesses unpublished inside information in relation to the securities of the Company;

6.7.2 on any day on which the financial results of the Company are published and during the period of:

- (a) sixty (60) days immediately preceding the publication date of the annual results of the Company or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

- (b) thirty (30) days immediately preceding the publication date of the quarter results (if any) and half-yearly results of the Company or, if shorter, the period from the end of the relevant quarterly or half-yearly period up to the publication date of the results; and

6.7.3 in any circumstance which is prohibited under the Listing Rules, the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or any Applicable Laws or where any requisite approval from any governmental or regulatory authority has not been granted.

- 6.8 No Award shall be granted, nor be capable of acceptance, to an Eligible Participant who would or might be prohibited from dealing in the Shares by the Listing Rules or any other Applicable Laws or who is an Excluded Eligible Participant.

7 ACQUISITION OF H SHARES BY THE TRUSTEE

- 7.1 The Board shall, after having regard to the requirements under Paragraph 6, the Listing Rules, all Applicable Laws and all relevant circumstances and affairs of the Group (including without limitation the Group's business and operational conditions, its business plans and cashflow requirements currently and in the near future) either before or after identification of the Grantee(s), cause to be paid to the Trustee or Trust Holdco (by way of a gift from the funds of the Company or such other persons) such amount as may be required for the purchase of existing H Shares from the market and the related purchase expenses (including for the time being, the brokerage fee, stamp duty, transaction levies, trading fee and investor compensation levy and such other necessary expenses required for the completion of the purchase of all the Awarded Shares, as applicable). For the avoidance of doubt, the Board shall not issue and shall not instruct the Trustee or Trust Holdco to subscribe for any new H Shares for the purpose of satisfying any Award or otherwise in relation to the Scheme.
- 7.2 The Board shall procure that the Trustee or Trust Holdco will have all the relevant Awarded Shares held in its custody within twenty (20) Business Days prior to the Vesting Date of the relevant Awarded Shares.
- 7.3 After receipt of funds from the Company pursuant to Paragraph 7.1, the Trustee shall, within forty-five (45) Business Days on which trading of the H Shares has not been suspended or dealings by the Directors are not prohibited under the Model Code, any code or requirement of the Listing Rules and all Applicable Laws from time to time (or such longer period as the Trustee and the Board may agree from time to time having regard to circumstances of the purchase concerned), apply the same towards, or procure Trust Holdco or authorise any other person or persons as determined by the Board to apply the same towards the purchase of the maximum number of board lots of the H Shares at the prevailing market price (subject to such maximum price as may be from time to time prescribed by the Board). For the avoidance of doubt, the Trustee and Trust Holdco shall not subscribe for any new H Shares in any event.

- 7.4 Any excess funds after the purchase of H Shares shall be retained by the Trustee within the trust fund of the Trust or may, upon instructions of the Board, be returned to the Company within a reasonable period after the purchase of H Shares.
- 7.5 Where the funds paid or caused to be paid to the Trustee or Trust Holdco are not sufficient to purchase all the Awarded Shares (as applicable), the Trustee shall seek further funds from the Company until sufficient Awarded Shares are purchased. The Trustee shall not distribute any H Shares as Awarded Shares to any Grantee pursuant to the Scheme until the Trust has the sufficient number of H Shares for the Trustee to do so. For the avoidance of doubt, the H Shares so purchased shall form part of the capital of the trust fund of the Trust.

8 VESTING

- 8.1 Except in the circumstances of a Total Lapse and barring any unforeseen circumstances, unless otherwise agreed between the Board and the Trustee:

8.1.1 Thirty (30) Business Days (or such shorter period as the Trustee and the Board shall agree from time to time) prior to a Vesting Date, the Board shall:

- (a) confirm with the Trustee the list of Grantees who have fulfilled all Vesting Conditions (if any); and
- (b) send, or instruct the Trustee to send, to the relevant Grantees (with a copy to the Trustee (or, if sent by the Trustee, the Company)) a vesting notice (the “**Vesting Notice**”) together with the following documents:
 - (i) if required, the prescribed transfer documents for the transfer of all or any portion of the Awarded Shares to be completed and signed or confirmed by the Grantee; and
 - (ii) a checklist of information and/or any other documents to be completed/provided by the Grantee (if any); and

8.1.2 subject to the receipt by the Trustee of the requisite information and documents prescribed by the Trustee and duly signed or confirmed by the Grantees (where applicable) within the period stipulated in the Vesting Notice, the Trustee shall transfer or procure Trust Holdco to transfer the relevant Awarded Shares to the relevant Grantee as soon as practicable after the Vesting Date and in any event not later than thirty (30) Business Days after the Vesting Date.

- 8.2 For the purposes of Paragraph 8.1.2, a transfer of H Shares may be effected in any one of the following manners:

8.2.1 depositing the H Shares into a securities account specified by the Grantee; or

- 8.2.2 subject to any lock-up, sell the H Shares on the market and transfer the net sales proceeds either by remittance to a bank account or securities account specified by the Grantee or a cheque payable to the Grantee.
- 8.3 For the avoidance of doubt, all cheques sent to the Grantees in accordance with the above provisions are sent at the risk of the recipients.
- 8.4 In respect of a Grantee who has died or retired by agreement with a member of the Group at any time prior to or on the Vesting Date, all the Awarded Shares of the relevant Grantee or rights thereto shall be deemed to be vested on the day immediately prior to his death or the day immediately prior to his retirement with the relevant member of the Group.
- 8.5 In the event of the death of a Grantee, the Trustee shall hold, directly or indirectly, the vested Awarded Shares and the rights thereto (together the “**Benefits**”) upon trust and, subject to the Trustee holding, to transfer or procure Trust Holdco to transfer the same to the Personal Representative(s) of the Grantee (whose identity and contact details will be notified to the Trustee by the Board) and subject as aforesaid the Trustee shall hold, directly or indirectly, the Benefits or so much thereof as shall not be transferred or applied under the foregoing powers within (a) two (2) years of the death of the Grantee (or such longer period as the Trustee and the Board shall agree from time to time), or (b) the Trust Period (whichever is shorter) upon trust to transfer or procure Trust Holdco to transfer the same to the Personal Representative(s) of the Grantee, or if the Benefits would otherwise become bona vacantia, the Benefits shall be forfeited and cease to be transferable and such Benefits shall be held as Returned Shares or income of the trust fund of the Trust for the purposes of the Scheme. Notwithstanding the foregoing, the Benefits held upon the trusts hereof shall until transfer is made in accordance herewith be retained and may be invested and otherwise dealt with by the Trustee in every way as if they had remained part of the trust fund of the Trust. The Trustee shall treat information provided to it as to the death of any Grantee and the identity and contact details of their Personal Representative as conclusive without being required to make any enquiry that such information is correct.
- 8.6 In the event of any event or series of events of material adverse change or development in local, national, regional or international financial, political, industrial, economic, currency, military, conflict related, legal, fiscal, exchange control, regulatory, equity or market or other conditions having caused a drop in the share price of the Awarded Shares the Board may (but not obliged) at its absolute discretion give the respective Grantees affected on the Vesting Date a compensatory award in such amount and in such form (whether by way of cash, H Shares or otherwise) as the Board at its sole discretion considers appropriate. For the avoidance of doubt, such compensatory award, if any, shall be paid by the Company to the affected Grantees direct.

- 8.7 Save for the brokerage fees, stamp duty and other taxes and expenses and normal registration fees in respect of the transfer of H Shares or payment of cash amount to Grantees on the relevant Vesting Date, the Grantee shall be fully responsible for any tax arising from the receipt by him of the Awarded Shares including but not limited to salaries tax, capital gain tax, etc. Should any arrangement be made at the request by the Grantee such that a designated financial institution is to pay first any tax to any relevant authority, the Grantee must repay such financial institution as soon as possible and in any event no later than three (3) months after the payment has been made.
- 8.8 Subject to Paragraph 8.7, any tax due on the granting or vesting of the Awarded Shares in connection with the Scheme is to be borne by the Grantee absolutely. Any social security contributions legally due, if any, on the granting or vesting of the Awarded Shares shall be borne in such proportion as is required by the Applicable Laws between the Grantee and the relevant member of the Group.
- 8.9 For the avoidance of doubt,
- 8.9.1 a Grantee shall not have any interest or rights (including the right to receive dividends) other than a contingent interest in the Awarded Shares prior to the Vesting Date;
- 8.9.2 a Grantee shall have no rights in the Residual Cash, the Related Income or any of the Returned Shares unless otherwise as determined by the Board;
- 8.9.3 no instructions may be given by a Grantee to the Trustee in respect of the Awarded Shares that have not vested, and such other properties of the Account or the trust fund of the Trust managed by the Trustee;
- 8.9.4 the Trustee or Trust Holdco shall not exercise the voting rights in respect of any Trust Shares held by it as nominee or under the Trust (if any). All other rights and powers in respect of any Trust Shares held by it as nominee or under the Trust (if any) shall be exercised by the Trustee or Trust Holdco in accordance with the instructions of the Company;
- 8.9.5 a Grantee shall have no rights in the fractional share arising out of consolidation of H Shares (such H Shares shall be deemed as Returned Shares for the purposes of the Scheme);
- 8.9.6 in the event a Grantee ceases to be eligible pursuant to Paragraph 9.1 on the relevant Vesting Date, the award of the Awarded Shares in respect of the relevant Vesting Date shall, unless the Board otherwise agrees, lapse and such Awarded Shares shall not vest on the relevant Vesting Date and the Grantee shall have no claims against the Company or the Trustee or Trust Holdco; and

8.9.7 in the case of the death of a Grantee, the Benefits shall be forfeited if no transfer of the Benefits to the Personal Representatives of the Grantee is made within the period prescribed in Paragraph 8.5, the Personal Representatives of the Grantee shall have no claims against the Company or the Trustee or Trust Holdco.

9 LAPSE

9.1 Save as provided in Paragraph 8.4 and unless otherwise as determined by the Board, in the event that prior to or on the Vesting Date in respect of a Grantee:

9.1.1 the commencement of the winding-up of the Company;

9.1.2 the Grantee (if an employee or director of the Company or another member of the Group) ceases to be an Eligible Participant by reason of the termination of his employment or directorship on the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this Paragraph 9.1.2 shall be conclusive and binding on the Grantee, and where appropriate, his legal personal representative(s);

9.1.3 the Grantee commits a breach of Paragraph 6.6; and

9.1.4 the Grantee ceases to be an Eligible Participant for any other reason

(each of these, an event of “**Total Lapse**”), the Award shall, unless the Board otherwise agrees, lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but the relevant Awarded Shares shall become Returned Shares for the purpose of the Scheme.

9.2 In the event that prior to or on the Vesting Date:

9.2.1 a Grantee is found to be an Excluded Eligible Participant; or

9.2.2 a Grantee fails to return duly executed transfer documents prescribed by the Trustee for the relevant Awarded Shares within the stipulated period

(each of these, an event of “**Partial Lapse**”), the relevant part of the Award made to such Grantee shall, unless the Board otherwise agrees, lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but the relevant Awarded Shares shall become Returned Shares for the purpose of the Scheme.

- 9.3 Where any Awarded Shares and Related Income which is in the form of H Shares are not vested in any Grantee for whatever reasons in accordance with the Scheme Rules, all such unvested Awarded Shares and Related Income shall become and for all intents and purposes be deemed to become the Returned Shares for the purposes of the Scheme and in accordance with the Scheme Rules.

10 RELATED INCOME AND RETURNED SHARES

- 10.1 The deemed cash income of the Trust Shares as described in Paragraphs 10.2, 11.3, 11.4, 11.5 and 11.6) shall be applied to defray the fees, costs and expenses of the Trust, and the remainder will be treated as income of the trust fund of the Trust.
- 10.2 The Trustee shall hold, directly or indirectly, the Related Income which is in the form of H Shares and the Returned Shares exclusively for the benefit of all or one or more of the Eligible Participants (including future Eligible Participants but excluding any Excluded Eligible Participants) and may upon instructions by the Board (a) allocate such Related Income and Returned Shares as Awarded Shares to any Grantees, or (b) sell or procure Trust Holdco to sell such Related Income and Returned Shares, in which case the net sale proceeds thereof shall be deemed as income of the trust fund of the Trust and shall be applied in accordance with Paragraph 10.1.

11 TAKEOVER, RIGHT ISSUE, OPEN OFFER, SCRIP DIVIDEND, ETC.

- 11.1 If there occurs an event of change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, all the Awarded Shares shall immediately vest on the date when such change of control event becomes or is declared unconditional and such date shall be deemed to be the Vesting Date. The Board shall instruct the Trustee in writing the number of Awarded Shares to be vested on each Grantee and the Company (with a copy of the Trustee) or the Trustee (with a copy to the Company) shall send to each Grantee a vesting notice together with such prescribed transfer documents required to effect the transfer of the Trust Shares as Award Shares. Subject to the receipt by the Trustee of duly executed prescribed transfer documents within thirty (30) Business Days from the deemed Vesting Date, the Trustee shall transfer or procure Trust Holdco to transfer the Awarded Shares to such Grantee. For the purpose of this Paragraph 11.1, “**control**” shall have the meaning as specified in the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs from time to time.
- 11.2 In the event the Company undertakes a consolidation of the H Shares, all fractional shares arising out of such consolidation in respect of the Awarded Shares of a Grantee shall be deemed as forfeited for the purposes of the Scheme and shall not be transferred to the relevant Grantee on the relevant Vesting Date.

- 11.3 In the event the Company undertakes an open offer of new securities in respect of any Trust Shares which are held, directly or indirectly, by the Trustee under the Scheme, the Trustee shall not subscribe for any new H Shares. In the event of a rights issue, the Trustee shall not take up any rights H Shares and the Board shall direct the Trustee to sell such amount of the nil-paid rights allotted to it during a specific period and at a specific price range as instructed by the Company and the net proceeds of sale of such rights shall, unless otherwise instructed by the Company, be held, directly or indirectly, as income of the trust fund of the Trust and be applied in accordance with Paragraph 10.1.
- 11.4 In the event the Company issues bonus warrants in respect of any Trust Shares which are held, directly or indirectly, by the Trustee, the Trustee shall not subscribe for any new H Shares by exercising any of the subscription rights attached to the bonus warrants and the Board shall direct the Trustee to sell the bonus warrants created and granted to it during a specific period and at a specific price range as instructed by the Company and the net proceeds of sale of such bonus warrants shall, unless otherwise instructed by the Company, be held, directly or indirectly, as income of the trust fund of the Trust and be applied in accordance with Paragraph 10.1.
- 11.5 In the event the Company undertakes a scrip dividend scheme, the Trustee shall always elect to receive cash dividend and not scrip dividend. Such cash dividend, unless otherwise instructed by the Company, shall be treated as income of the trust fund of the Trust and be applied in accordance with Paragraph 10.1.
- 11.6 In the event of other non-cash and non-scrip distribution made by the Company in respect of Trust Shares held, directly or indirectly, upon the Trust, the Trustee shall always dispose of such distribution at a price agreed by the Company and, unless otherwise instructed by the Company, the net sale proceeds thereof shall be deemed as income of the trust fund of the Trust and be applied in accordance with Paragraph 10.1.
- 11.7 In the event of any increase or variation of the share capital of the Company by way of capitalisation, rights issues, sub-division, consolidation or reduction of capital, subject to any duty of confidentiality that the Company may have, the Company shall inform the Trustee as soon as practicable and the Trustee shall give notice in writing of the same to the Grantees accordingly.

12 SCHEME LIMIT

The Board shall not make any further award of Awarded Shares which will result in the number of H Shares awarded by the Board under the Scheme exceeding ten per cent (10%) of the issued H Shares as at the Adoption Date.

13 ALTERATION OF THE SCHEME

The Scheme may be altered by the prior sanction of a resolution passed by the general meeting of the Shareholders so authorising the Board together with the prior written consent of the Trustee, provided that no such alteration shall operate to affect adversely any rights of any Grantee in respect of his Awarded Shares which remain unvested except with the consent in writing of the majority of the Grantees whose Awarded Shares remained unvested on that date (but, for the avoidance of doubt, excluding for this purpose any such Awarded Shares in respect of which that date is a Vesting Date) as would be required of the holders of H Shares under the Articles for a variation of the rights attached to such H Shares.

14 DISPUTES

Any dispute arising in connection with the Scheme shall be referred to the decision of the Board, whose decision shall be final and binding.

15 TERMINATION

15.1 The Scheme shall terminate on the earlier of:

15.1.1 the date the last of the Awarded Shares has been vested and the last of the Awarded Shares transferred to the relevant Grantee or the last of the Awarded Shares has lapsed in accordance with these rules of the Scheme; and

15.1.2 such date as determined by the passing of resolutions in general meeting by the Shareholders and/or if so authorised by the Shareholders, the Board provided that such termination shall not affect any subsisting rights of any Grantee hereunder.

15.2 Upon termination:

15.2.1 subject to the decision of the Board, all the Award shall become vested in the Grantee on such date of termination, save in respect of the Total Lapse;

15.2.2 subject to Paragraph 15.2.1, all the Trust Shares and all such non-cash income remaining in the trust fund of the Trust shall be sold by the Trustee, within twenty-one (21) Business Days (on which the trading of the Shares has not been suspended) of receiving notice of such termination of the Scheme (or such longer period as the Board may otherwise determine); and

15.2.3 Residual Cash, net proceeds of sale referred to in Paragraph 15.2.2 hereof and such other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, liabilities and expenses in accordance with the Trust Deed) shall be remitted to the Company forthwith after the sale. For the avoidance of doubt, the Trustee may not transfer or procure Trust Holdco to transfer any H Shares to the Company nor may the Company otherwise hold

any H Shares whatsoever (other than its interest in the proceeds of sale of such H Shares pursuant to Paragraph 15.2.2 hereof).

- 15.3 For the avoidance of doubt, the temporary suspension of the granting of any Award shall not be construed as a decision to terminate the operation of the Scheme.

16 MISCELLANEOUS

- 16.1 The Company shall bear the costs of establishing and administering the Scheme, including, for the avoidance of doubt, costs arising from communication as referred to in Paragraph 16.3, expenses incurred in the purchase or subscription of H Shares by the Trustee or Trust Holdco and relevant brokerage fees, stamp duty and other taxes and expenses and normal registration fees in respect of the transfer of H Shares or payment of cash amount to Grantees on the relevant Vesting Date. For the avoidance of doubt, the Company shall not be liable for any tax or expenses of such other nature payable on the part of any Eligible Participant in respect of any sale, purchase, vesting, transfer of H Shares or payment of cash.

- 16.2 No Grantee shall enjoy any of the rights of a shareholder by virtue of the grant of Award pursuant to the Scheme, unless and until the relevant Awarded Shares are actually transferred to the Grantee upon vesting.

- 16.3 Unless otherwise specified, any notice, claim, demand, court process, document or other communication (collectively "**communication**" in this Paragraph 16.3) to be given under the Scheme Rules shall be in writing and may be left at or sent to the Eligible Participant or Grantee at the address, facsimile number (if any) or email address as notified by such Eligible Participant or Grantee from time to time, and to the Company or Trustee at the address, facsimile number (if any) or email address set out below and marked to the attention of the person named below and/or such other address, facsimile numbers or email addresses as may have been last notified in writing by such party specifically referring to the Scheme Rules.

To the Company:

Address: No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province, the PRC

Facsimile number: N/A

Email address: yichenshiye@hbyc.com.cn

Attention: Mr. Zhang Chao (張超先生) / Mr. Zhang Lifeng (張力峰先生)

To the Trustee: Equiom Fiduciary Services (Hong Kong) Limited

Address: Room 2302, 23/F., Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong

Facsimile number: (852) 3188 1147

Email address: HKTrustTeam@equiomgroup.com

Attention: Ms. Karen Choy

Any communication so addressed to the relevant party shall be deemed to have been received within the stated adjacent to the relevant means of dispatch:

Means of dispatch	Time of deemed receipt
Local mail/courier	Twenty-four (24) hours after dispatch
Facsimile	On dispatch
Email	On dispatch
Air courier	Three (3) days after dispatch
Airmail	Five (5) days after dispatch

A communication served in accordance with this Paragraph 16.3 shall be deemed to have been sufficiently served and in proving service and/or receipt of a communication, it shall be sufficient to prove that such communication was, as the case may be, left at the addressee's address or that the envelope containing such communication was properly addressed and posted or dispatched to the addressee's address or that the communication was properly transmitted by facsimile or by email to the addressee. A communication served by facsimile shall be deemed properly dispatched on receipt of a satisfactory transmission report printed out by sending facsimile machine, and a communication served by email shall be deemed properly dispatched on receipt if a satisfactory delivery report received by the sending party or, if no such satisfactory delivery report has been received, shall be deemed properly dispatched if no transmission error or failure report has been received by the sending party.

Nothing in this Paragraph 16.3 shall preclude the service of communication or the proof of such service by any mode permitted by law.

- 16.4 A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant his Award. A Grantee shall pay all tax and discharge all other liabilities to which he may become subject to as a result of the participation in the Scheme. The Company, the Trustee and the Trust Holdco shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in the Scheme. A Grantee shall, on demand, indemnify the Company, the Trustee and the Trust Holdco fully against all claims and demands which may be made against the Company, the Trustee or the Trust Holdco (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Grantee to obtain any necessary consent referred to hereinabove or to pay tax or other liabilities referred to hereinabove and against all incidental costs and expenses which may be incurred or spent by the Company, the Trustee or the Trust Holdco.
- 16.5 The Board shall have the power from time to time to make or vary regulations for the administration and operation of the Scheme, provided that the same are not inconsistent with the other provisions of the Scheme and the Scheme Rules. The Board shall also have the power to delegate its powers to make Awards to Grantees to any of the Directors from time to time.
- 16.6 The Scheme and the Scheme Rules shall not form part of any contract of employment between any member of the Group and any employee and the rights and obligations of any employee under the terms of his office or employment shall not be affected by his participation in the Scheme or any right which he may have to participate in it and the Scheme shall afford such an employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 16.7 The grant of an Award on a particular basis in any year does not create any right to or expectation of the grant of Awards on the same basis, or at all, in any future year. Participation in the Scheme does not imply any right to participate, or to be considered for participation in any later operation of the Scheme. Subject to any applicable legislative requirement, any Award will not be regarded as remuneration for pensions purposes or for the purposes of calculating payments on termination of employment.
- 16.8 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against the Company or the Trustee directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Trustee.
- 16.9 Each and every provision hereof shall be treated as a separate provision and shall be severally enforceable as such and in the event of any provision or provisions being or becoming unenforceable in whole or in part. To the extent that any provision or provisions are unenforceable they shall be deemed to be deleted from these rules of

the Scheme, and any such deletion shall not affect the enforceability of the rules of the Scheme as remain not so deleted.

16.10 By participating in the Scheme the Grantee consents to the holding and processing of personal data provided by the Grantee to the Company for all purposes relating to the operation of the Scheme. These include, but are not limited to:

16.10.1 administering and maintaining the Grantee records;

16.10.2 providing information to the Trustee, legal advisers, registrars, brokers or third party administrators of the Scheme;

16.10.3 providing information to future purchasers of the Company or the business in which the Grantee works; and

16.10.4 transferring information about the Grantee to a country or territory outside Hong Kong.

16.11 The Scheme, the Scheme Rules and all Awards made hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

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 Tuesday, 13 September 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 18 August 2022):

ORDINARY RESOLUTIONS

1. To consider and approve the election of Ms. Zheng Zhixing as a non-executive Director of the third session of the Board.
2. Conditional upon resolution 1 above being passed, to consider and approve the service agreement to be entered into by the Company and Ms. Zheng Zhixing as a 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 service agreement on behalf of the Company as and when appropriate after the passing of this resolution at a general meeting of the Company.

SPECIAL RESOLUTIONS

3. To consider and approve the proposed adoption of the Scheme.
4. To consider and approve the proposed Authorisation to the Board to deal with matters in relation to the Scheme.

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

Shijiazhuang, the PRC, 18 August 2022

* For identification purpose only

NOTICE OF EGM

Notes:

All resolutions at the meeting will be taken by poll pursuant to the Listing Rules. The chairman of the Board may demand poll for voting pursuant to the Articles. The results of the poll will be published on the websites of Stock Exchange 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 Saturday, 13 August 2022 to Tuesday, 13 September 2022, both dates inclusive, during which period no transfer of shares will be registered. Shareholders whose names appear on the Company's register of members on Tuesday, 13 September 2022 are entitled to attend and vote at the 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 Domestic Shares) or at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H Shares) not less than 24 hours before the time fixed for the meeting (i.e. not later than 10:30 a.m. on Monday, 12 September 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 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 Liguang as independent non-executive Directors.