

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in 河北翼辰實業集團股份有限公司 Hebei Yichen Industrial Group Corporation Limited*, 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)

- (1) PROPOSED GRANT OF GENERAL MANDATE TO ISSUE
DOMESTIC SHARES AND H SHARES;**
- (2) PROPOSED CHANGE OF BUSINESS SCOPE;**
- (3) PROPOSED ADOPTION OF ADDITIONAL REGISTERED ADDRESS;**
- (4) PROPOSED ADOPTION OF CASBE;**
- (5) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION;**
- (6) ELECTION OF AUDITOR;**
- AND**
- (7) NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting of Hebei Yichen Industrial Group Corporation Limited 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 (the "PRC") on Monday, 29 July 2019 at 10:30 a.m. is set out on pages 18 to 24 of this circular.

A reply slip and a form of proxy for use at the annual general meeting are enclosed herewith and also published on both the websites of the Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.hbyc.com.cn>). If you intend to appoint a proxy to attend the meeting, 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 meeting (i.e. not later than 10:30 a.m. on Sunday, 28 July 2019 (Hong Kong time)) or any adjournment thereof (as the case may be). Completion, signing and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof. Shareholders who intend to attend the meeting in person or by proxy should complete, sign and return the reply slip in accordance with the instructions printed thereon on or before Tuesday, 9 July 2019.

References to time and dates in this circular are to Hong Kong time and dates.

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DEFINITIONS

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

“Additional Registered Address”	the address of the new factory of the Group which is proposed to be adopted by the Company as an additional registered address of the Company, as referred to in the section headed “3. Proposed Changes and Amendments Regarding Business Scope, Additional Registered Address, Accounting Standards and Articles of Association — (2) The Proposed Adoption of Additional Registered Address” in the Letter from the Board in this circular [^]
“Adoption of Additional Registered Address”	the adoption of the Additional Registered Address
“Adoption of CASBE”	the adoption of CASBE as the only set of accounting standards for the preparation of the financial statements of the Group
“AGM”	the annual general meeting of the Company 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 (the “PRC”) on Monday, 29 July 2019 at 10:30 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 18 to 24 of this circular, or any adjournment thereof
“Amended Articles”	the Original Articles as amended to reflect the Change of Business Scope, the Adoption of Additional Registered Address and the Adoption of CASBE which are proposed to be adopted, as referred to in the section headed “3. Proposed Changes and Amendments Regarding Business Scope, Additional Registered Address, Accounting Standards and Articles of Association — (4) The Proposed Amendments to the Articles of Association” in the Letter from the Board in this circular [^]
“Amendments to the Articles of Association”	the amendments to be made to the Original Articles and as incorporated into the Amended Articles to reflect the Change of Business Scope, the Adoption of Additional Registered Address and the Adoption of CASBE and other housekeeping amendments

DEFINITIONS

“Articles of Association”	the articles of association of the Company as amended, supplemented or otherwise modified from time to time
“Board”	the board of Directors
“CASBE”	the China Accounting Standards for Business Enterprises (《中國企業會計準則》)
“Change of Business Scope”	the change of the business scope of the Company from the Original Business Scope to the New Business Scope
“Company”	河北翼辰實業集團股份有限公司 (Hebei Yichen Industrial Group Corporation Limited*), a joint stock limited liability company incorporated in the PRC, whose H Shares are listed on the Main Board of the Stock Exchange
“Consultation Conclusions”	the Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong (《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計 準則以及聘用內地會計師事務所的諮詢總結》)
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	domestic invested ordinary share(s) in the capital of the Company, with a nominal value of RMB0.50 each, which are subscribed for and paid up in Renminbi and are unlisted Shares which are currently not listed or traded on any stock exchange
“Existing Registered Address”	the present address of the Company as stated in the business license of the Company and registered with the competent industry and commerce authority in the PRC, as referred to in the section headed “3. Proposed Changes and Amendments Regarding Business Scope, Additional Registered Address, Accounting Standards and Articles of Association — (2) The Proposed Adoption of Additional Registered Address” in the Letter from the Board in this circular [^]

* For identification purpose only

DEFINITIONS

“H Share(s)”	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”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IFRS”	the International Financial Reporting Standards
“Latest Practicable Date”	3 June 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOF”	the Ministry of Finance of the PRC
“New Business Scope”	the new business scope which is proposed to be adopted by the Company, as referred to in the section headed “3. Proposed Changes and Amendments Regarding Business Scope, Additional Registered Address, Accounting Standards and Articles of Association — (1) The Proposed Change of Business Scope” in the Letter from the Board in this circular [^]
“Original Articles”	certain articles in the existing Articles of Association which are proposed to be amended to reflect the Change of Business Scope, the Adoption of Additional Registered Address and the Adoption of CASBE, as referred to in the section headed “3. Proposed Changes and Amendments Regarding Business Scope, Additional Registered Address, Accounting Standards and Articles of Association — (4) The Proposed Amendments to the Articles of Association” in the Letter from the Board in this circular [^]
“Original Business Scope”	the current business scope of the Company as stated in the business license of the Company and registered with the competent industry and commerce authority in the PRC, as referred to in the section headed “3. Proposed Changes and Amendments Regarding Business Scope, Additional Registered Address, Accounting Standards and Articles of Association — (1) The Proposed Change of Business Scope” in the Letter from the Board in this circular [^]

DEFINITIONS

“PRC”	the People’s Republic of China and for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares of RMB0.50 each in the capital of the Company comprising the Domestic Shares and the H Shares
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

[^] *The Original Business Scope, the New Business Scope, the Existing Registered Address, the Additional Registered Addresses, the Original Articles and the New Articles in Chinese, being their original language, and their English translations have both been stated in this circular. The English translations are included for reference only and in the event of any inconsistency, the original language version, i.e. the Chinese version, shall prevail.*

LETTER FROM THE BOARD



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. Zhang Ligang (*Chief Executive Officer*)
Mr. Wu Jinyu
Mr. Zhang Chao
Mr. Zhang Lihuan
Ms. Fan Xiulan

Registered office:

No. 1 Yichen North Street
Gaocheng District
Shijiazhuang City
Hebei Province
PRC

Independent non-executive Directors:

Mr. Jip Ki Chi
Mr. Wang Qi
Mr. Zhang Liguo

Principal place of business in Hong Kong:

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

10 June 2019

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATE TO ISSUE
DOMESTIC SHARES AND H SHARES;
(2) PROPOSED CHANGE OF BUSINESS SCOPE;
(3) PROPOSED ADOPTION OF ADDITIONAL REGISTERED ADDRESS;
(4) PROPOSED ADOPTION OF CASBE;
(5) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION;
(6) ELECTION OF AUDITOR;
AND
(7) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to set out the notice of the AGM and to provide you with information regarding certain resolutions to be proposed at the AGM to enable you to make informed decisions on whether to vote for or against those resolutions at the AGM.

* For identification purpose only

LETTER FROM THE BOARD

2. PROPOSED GRANT OF GENERAL MANDATE TO ISSUE DOMESTIC SHARES AND H SHARES

In order to ensure flexibility and discretion to the Board, in the event that it becomes desirable to issue any Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for a general mandate to issue Domestic Shares and H Shares. At the forthcoming AGM, a special resolution will be proposed to grant a general mandate to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with Domestic Shares or H Shares in the share capital of the Company not exceeding 20% of the aggregate number of each class of issued Domestic Shares and H Shares as at the date of the passing of the proposed special resolution in relation to such general mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised of 897,840,000 Shares, including 673,380,000 Domestic Shares and 224,460,000 H Shares. Subject to the passing of the proposed special resolution contained in item 10 of the notice of AGM and on the basis that no further Shares will be issued before the AGM, the Company will be allowed to issue a maximum of 134,676,000 Domestic Shares and 44,892,000 H Shares. The general mandate shall be effective from the time the relevant special resolution is passed until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the revocation or variation of the authority given under the above-mentioned resolution by a special resolution of the Shareholders in a general meeting; or (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or other applicable laws, rules and regulations to be held.

The Board will only exercise its power under the general mandate in accordance with the Listing Rules, and the applicable laws, rules and regulations of government and regulatory bodies of the PRC and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC authorities are obtained.

3. PROPOSED CHANGES AND AMENDMENTS REGARDING BUSINESS SCOPE, ADDITIONAL REGISTERED ADDRESS, ACCOUNTING STANDARDS AND ARTICLES OF ASSOCIATION

In the light of the business expansion of the Group and in order to improve the operational efficiency of the Group, the Board proposes to change the business scope and adopt an additional registered address of the Company, and to adopt the CASBE as the only set of accounting standards for the preparation of the financial statements of the Group. The Articles of Association are proposed to be amended accordingly to reflect the above changes.

LETTER FROM THE BOARD

(1) The Proposed Change of Business Scope

The Original Business Scope of the Company as stated in the business license of the Company and registered with the competent industry and commerce authority in the PRC is as follows:

“manufacturing and sale of railway engineering equipment, rubber plates, rubber boot cover, nylon baffle seats and rubber (excluding items for medical use), nylon, plastic products (excluding items for medical use), railings, multi-function modular shelving and wire steel products, solid wire, gas shielded and self-shielded series of flux cored wire products; operating the export of the self-manufactured products and technology of the Company and import of raw and auxiliary materials, machines and equipment, spare parts and technology required by the Company, save for commodities and technology which must only be imported and exported by specific companies designated by the state and commodities and technology whose import and export are prohibited by the state; casting of railway parts. (Projects which require prior approvals under the laws must be undertaken only after the approvals have been granted by the relevant government authorities.)^”

鐵路工務器材、橡膠墊板、橡膠套靴、尼龍檔板座及橡膠(不含醫用品)、尼龍、塑料製品(不含醫用品)、圍欄杆、多功能組合式置物架及鋼絲製品、實芯焊絲、藥芯焊絲氣保護和自保護系列產品製造銷售；經營本企業自產產品和技術的出口業務和本企業所需的原輔材料、機械設備、零配件及技術的進口業務，但國家限定公司經營和禁止進出口的商品及技術除外；鐵路配件的鑄造。（依法須經批准的項目，經相關部門批准後方可開展經營活動）^”

In the light of the business expansion of the Group, the Board proposes to widen the Original Business Scope by the addition of the underscored items in the New Business scope set out below (the “Change of Business Scope”):

“manufacturing and sale of railway engineering equipment, embedded ducts and parts, pipe section bolts and parts of pipe section bolts, railroad sleepers, switch sleepers, short sleepers, supporting blocks, track plates, variable rods, water and boil proof plywood, water stops, geogrids, geotextiles, rubber plates, transportation train parts and components, rubber boot cover, nylon baffle seats and rubber (excluding items for medical use), nylon, plastic products (excluding items for medical use), railway guardrails, railings, multi-function modular shelving and wire steel products, solid wire, gas shielded and self-shielded series of flux cored wire products, welding equipment, steels, metal and electronic products, welding equipment sets and parts, welding machines, electrical engineering and electrification parts, electrical cable ducts, earth terminals and base terminal cables, electrified railway catenary steel poles- H-shaped poles; operating the export of the self-manufactured products and technology of the Company and import of raw and auxiliary materials, machines and equipment, spare parts and technology required by the Company, save for commodities and technology which must only be imported and exported by specific companies designated by the state and

LETTER FROM THE BOARD

commodities and technology whose import and export are prohibited by the state; casting of railway parts. (Projects which require prior approvals under the laws must be undertaken only after the approvals have been granted by the relevant government authorities.) ^

鐵路工務器材、預埋槽道及配件、管片螺栓及管片螺栓配件、軌枕、岔枕、短枕、支撐塊、軌道板、變桿、防水板、止水帶、土工格柵、土工布、橡膠墊板、機車車輛零部件、橡膠套靴、尼龍檔板座及橡膠(不含醫用品)、尼龍、塑料製品(不含醫用品)、鐵路護欄、圍欄杆、多功能組合式置物架及鋼絲製品、實芯焊絲、藥芯焊絲氣保護和自保護系列產品、焊接器材、鋼材、五金交電、焊接成套設備及配件、焊接機、電務電氣化配件、電纜槽、接地端子及接地端子綫、電氣化鐵路接觸網鋼支柱—H型支柱製造銷售；經營本企業自產產品和技術的出口業務和本企業所需的原輔材料、機械設備、零配件及技術的進口業務，但國家限定公司經營和禁止進出口的商品及技術除外；鐵路配件的鑄造。(依法須經批准的項目，經相關部門批准後方可開展經營活動)^”

The New Business Scope shall be subject to such amendments or adjustments as the competent industry and commerce authority in the PRC may direct.

(2) The Proposed Adoption of Additional Registered Address

The Existing Registered Address of the Company as stated in the business license of the Company and registered with the competent industry and commerce authority in the PRC is as follows:

“No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province ^

河北省石家莊市藁城區翼辰北街1號^”

Following the completion of the construction of the new factory of the Group, the Board proposes to adopt the address of the new factory of the Group as set out below as an additional registered address of the Company:

“No. 268 Lianzhou East Road, Gaocheng District, Shijiazhuang City, Hebei Province ^

河北省石家莊市藁城區廉州東路268號^”

LETTER FROM THE BOARD

(3) The Proposed Adoption of CASBE

Since the date of listing of the H shares of the Company on the Main Board of the Stock Exchange, the financial statements of the Company have been prepared in accordance with both the IFRS and the PRC accounting standards and regulations pursuant to the Articles of Association.

According to the Consultation Conclusions published by the Stock Exchange in December 2010, Mainland incorporated issuers listed on the Stock Exchange are allowed to prepare their financial statements using the Mainland accounting standards, and CASBE may be used for the preparation of periodic financial reports commencing from annual accounting periods ending on or after 15 December 2010. In addition, as per the Consultation Conclusions, Mainland audit firms approved by the MOF and the CSRC are allowed to service Mainland incorporated issuers using Mainland auditing standards. Rule 19A.32 of the Listing Rules states that insofar as an issuer is a PRC issuer, the annual accounts must be audited to a standard comparable to that required in Hong Kong or under, among others, the standards and interpretations issued by the China Auditing Standards Board of the MOF.

Based on the above and in order to improve the efficiency and reduce the cost of disclosure and audit expenses, the Board proposes to adopt CASBE as the only set of accounting standards for the preparation of the financial statements of the Group. The proposed Adoption of CASBE will be effected by way of the proposed Amendments to the Articles of Association (in respect of Articles 16.6 and 16.7 only) as described in the section headed “3. Proposed Changes and Amendments Regarding Business Scope, Additional Registered Address, Accounting Standards and Articles of Association — (4) The Proposed Amendments to the Articles of Association” in the Letter from the Board in this circular and subject to the Shareholders’ approval in respect thereof.

Subject to the approval by the Shareholders for the proposed Amendments to the Articles of Association (in respect of Articles 16.6 and 16.7 only), it is expected that the interim results of the Company for the six months ending 30 June 2019 will be prepared in accordance with the CASBE. The Company is of the view that the proposed Adoption of CASBE will not have any material adverse effect on the publication of the Company’s interim results for the six months ending 30 June 2019.

LETTER FROM THE BOARD

(4) The Proposed Amendments to the Articles of Association

To reflect the Change of Business Scope, the Adoption of Additional Registered Address and the Adoption of CASBE and for housekeeping purpose, the Board proposes to make the following amendments, to the Articles of Association:

Original Article^

Article 1.3

The Company's addresses

No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province

Postal Code: 052160

Telephone: 0311-88929052

Fax: 0311-88929228

第1.3條

本公司住所

河北省石家莊市藁城區翼辰北街1號

郵遞區號：052160

電話：0311-88929052

傳真：0311-88929228

Amended Article^

Article 1.3

The Company's addresses

No. 1 Yichen North Street, Gaocheng District, Shijiazhuang City, Hebei Province

No. 268 Lianzhou East Road, Gaocheng District, Shijiazhuang City, Hebei Province

Postal Code: 052160

Telephone: 0311-88929052

Fax: 0311-88929228

第1.3條

本公司住所

河北省石家莊市藁城區翼辰北街1號

河北省石家莊市藁城區廉州東路268號

郵遞區號：052160

電話：0311-88929052

傳真：0311-88929228

LETTER FROM THE BOARD

Original Article^

Article 2.2

The business scope of the Company is: manufacturing and sale of rail work equipment, rubber plates, rubber boot cover, nylon baffle blocks and rubber (excluding medical equipment), nylon, plastic products (excluding medical equipment), railings, multi-function modular shelving and wire steel products, solid wire, gas shielded and self-shielded series of flux cored wire products; operating the export of the self-manufactured products and technology of the Company and import of raw and auxiliary materials, machines and equipment, spare parts and technology required by the Company, save for commodities and technology which must be imported and exported by specific companies designated by the State and prohibited from import and export; casting of railway parts.

The business scope of the Company shall be such items as approved by the company registration authority.

Amended Article^

Article 2.2

The business scope of the Company is: manufacturing and sale of railway engineering equipment, embedded ducts and parts, pipe section bolts and parts of pipe section bolts, railroad sleepers, switch sleepers, short sleepers, supporting blocks, track plates, variable rods, water and boil proof plywood, water stops, geogrids, geotextiles, rubber plates, transportation train parts and components, rubber boot cover, nylon baffle seats and rubber (excluding items for medical use), nylon, plastic products (excluding items for medical use), railway guardrails, railings, multi-function modular shelving and wire steel products, solid wire, gas shielded and self-shielded series of flux cored wire products, welding equipment, steels, metal and electronic products, welding equipment sets and parts, welding machines, electrical engineering and electrification parts, electrical cable ducts, earth terminals and base terminal cables, electrified railway catenary steel poles-H-shaped poles; operating the export of the self-manufactured products and technology of the Company and import of raw and auxiliary materials, machines and equipment, spare parts and technology required by the Company, save for commodities and technology which must only be imported and exported by specific companies designated by the state and commodities and technology whose import and export are prohibited by the state; casting of railway parts. (Projects which require prior approvals under the laws must be undertaken only after the approvals have been granted by the relevant government authorities.)

The business scope of the Company shall include such items as the company registration authority may approve.

LETTER FROM THE BOARD

Original Article^

第2.2條

本公司的經營範圍為：鐵路工務器材、橡膠墊板、橡膠套靴、尼龍擋板座及橡膠（不含醫用品）、尼龍、塑膠製品（不含醫用品）、圍欄杆、多功能組合式置物架及鋼絲製品、實芯焊絲、藥芯焊絲氣保護和自保護系列產品製造銷售；經營本企業自產產品和技術的出口業務和本企業所需的原輔材料、機械設備、零配件及技術的進口業務，但國家限定公司經營和禁止進出口的商品及技術除外；鐵路配件的鑄造。

本公司的經營範圍以經公司登記機關核准的項目為準。

Article 16.6

The financial statements of the Company shall, in addition to complying with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the overseas area in which the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be stated in the notes to the financial statements. When the Company is to distribute its after-tax profits of the relevant accounting year, the lower after-tax profits as shown in the two financial statements shall be adopted.

Amended Article^

第2.2條

本公司的經營範圍為：鐵路工務器材、預埋槽道及配件、管片螺栓及管片螺栓配件、軌枕、岔枕、短枕、支撐塊、軌道板、變桿、防水板、止水帶、土工格柵、土工布、橡膠墊板、機車車輛零部件、橡膠套靴、尼龍擋板座及橡膠（不含醫用品）、尼龍、塑料製品（不含醫用品）、鐵路護欄、圍欄杆、多功能組合式置物架及鋼絲製品、實芯焊絲、藥芯焊絲氣保護和自保護系列產品、焊接器材、鋼材、五金交電、焊接成套設備及配件、焊接機、電務電氣化配件、電纜槽、接地端子及接地端子綫、電氣化鐵路接觸網鋼支柱—H型支柱製造銷售；經營本企業自產產品和技術的出口業務和本企業所需的原輔材料、機械設備、零配件及技術的進口業務，但國家限定公司經營和禁止進出口的商品及技術除外；鐵路配件的鑄造。（依法須經批准的項目，經相關部門批准後方可開展經營活動）

本公司的經營範圍以經公司登記機關核准的項目為準。

Article 16.6

The financial statements of the Company may, in addition to complying with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the overseas area in which the Company's shares are listed.

LETTER FROM THE BOARD

Original Article^

第16.6條

本公司的財務報表除應當按中國會計準則及法規編制外，還應當按國際或者境外上市地會計準則編制。如按兩種會計準則編制的財務報表有重要出入，應當在財務報表附注中加以注明。本公司在分配有關會計年度的稅後利潤時，以前述兩種財務報表中稅後利潤數較少者為準。

Article 16.7

Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the overseas area in which the Company's shares are listed.

第16.7條

本公司公佈或者披露的中期業績或者財務資料應當按中國會計準則及法規編制，同時按國際或者境外上市地會計準則編制。

Amended Article^

第16.6條

本公司的財務報表除應當按中國會計準則及法規編制外，還可以按國際或者境外上市地會計準則編制。

Article 16.7

Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards and regulations, and may also be prepared in accordance with either international accounting standards or that of the overseas area in which the Company's shares are listed.

第16.7條

本公司公佈或者披露的中期業績或者財務資料應當按中國會計準則及法規編制，同時亦可按國際或者境外上市地會計準則編制。

LETTER FROM THE BOARD

Original Article^

Article 22.2

Where a notice is sent by post, it is only required to specify the address, name of the addressee, prepay the postage, and put the notice in the envelope, and the envelope enclosing the said notice shall be deemed as served 24 hours after being sent out.

第 22.2 條

通知以郵遞方式送交時，只須清楚地寫明地址、收件人姓名(名稱)、預付郵資，並將通知放置信封內，而包含該通告的信封寄出48小時後，視為已收悉。

Amended Article^

Article 22.2

Where a notice is sent by post, it is only required to specify the address, name of the addressee, prepay the postage, and put the notice in the envelope, and the said notice shall be deemed to have been served and delivered on the day on which the envelope containing the same, properly addressed and prepaid, is put into the post. In proving such service or delivery, it shall be sufficient to prove that the envelope containing the notice was properly addressed and prepaid and put into the post, and a certificate in writing signed by a director or a person appointed by the board of directors that the envelope containing the notice was so addressed and prepaid and put into the post shall be conclusive evidence thereof.

第 22.2 條

通知以郵遞方式送交時，只須清楚地寫明地址、收件人姓名(名稱)、預付郵資，並將通知放置信封內，載有前述通知且已適當註明地址及獲預付郵資的信封投郵之日，前述通知即視為已送達及交付。在證明前述送達及交付時，若能證明載有前述通知的信封已適當註明地址及獲預付郵資並投郵，即屬足夠，而由本公司一名董事或董事會委任的一名人士簽署的證明書，表明載有前述通知的信封已如上述註明地址及獲預付郵資並投郵，即為確實的證據。

Notwithstanding the proposed Amendments to the Articles of Association, the contents of the other Chapters and Articles of the Articles of Association shall remain unchanged. The English version of the proposed Amendments to the Articles of Association is an unofficial translation of its Chinese version and for reference only. In the event of any inconsistency, the Chinese version shall prevail.

LETTER FROM THE BOARD

(5) The Conditions for the Changes and Amendments

The proposed Change of Business Scope and Adoption of Additional Registered Address are each subject to an ordinary resolution in relation thereto being passed by the Shareholders at the AGM.

Conditional upon the ordinary resolutions in relation to the proposed Change of Business Scope and Adoption of Additional Registered Address having been passed by the Shareholders at the AGM, the proposed amendments to Articles 1.3 and 2.2 will be put forward for approval by the Shareholders by way of a special resolution at the AGM respectively. The proposed amendments to Articles 16.6, 16.7 and Article 22.2 will be put forward for approval by the Shareholders by way of separate special resolutions at the AGM.

In addition, the proposed Change of Business Scope, Adoption of Additional Registered Address and Amendments to the Articles of Association are each subject to all necessary approvals, authorisations and/or registrations (where applicable) being obtained from or filed with the relevant authorities in the PRC in respect thereof.

The filings with the relevant authorities in the PRC in respect of the proposed Change of Business Scope, Adoption of Additional Registered Address and Amendments to the Articles of Association will be made after the passing of the relevant resolutions by the Shareholders at the AGM. Subject to satisfaction of the conditions set out above, the Change of Business Scope, the Adoption of Additional Registered Address and the Amendments to the Articles of Association will take effect on the date on which the New Business Scope, the Additional Registered Address and the amended Articles of Association are registered with the competent industry and commerce authority in the PRC respectively.

4. ELECTION OF AUDITOR

Reference is made to the announcements of the Company dated 21 May 2018, 26 April 2019 and 8 May 2019 respectively. PricewaterhouseCoopers (“**PwC**”) was reappointed as the auditor of the Company at the annual general meeting of the Company held on 21 May 2018 to hold office until the conclusion of the next annual general meeting of the Company, i.e. the AGM. Subsequently, PwC had tendered its resignation as the auditor of the Company with effect from 26 April 2019. Article 17.4 of the Articles of Association of the Company provides that where there exists a vacancy for the auditor position, the Board shall be entitled to appoint an accounting firm to fill the vacancy before any Shareholders’ meeting is held. Accordingly, the Board has appointed Confucius International CPA Limited (天健國際會計師事務所有限公司) (“**Confucius International**”) as the new auditor with effect from 8 May 2019 to fill the vacancy arising from the resignation of PwC. Confucius International shall hold office until the conclusion of the forthcoming annual general meeting of the Company, i.e. the AGM.

LETTER FROM THE BOARD

In the light of the above, the Board has resolved to nominate Pan-China Certified Public Accountant LLP (天健會計師事務所(特殊普通合夥)) (“PCCPA”) as the candidate for the auditor position for election at the AGM. PCCPA is one of the largest and reputable domestic accounting firms in the PRC which has been approved by the MOF and the CSRC that is eligible to act as a reporting accountant and/or an auditor for PRC incorporated companies listed in Hong Kong and is qualified to audit the accounts of the Company under CASBE. Subject to approval by the Shareholders, PCCPA shall hold office as the auditor of the Company from the conclusion of the AGM until the conclusion of the next annual general meeting of the Company.

5. AGM AND PROXY ARRANGEMENT

The notice of the AGM 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 Monday, 29 July 2019 at 10:30 a.m., is set out on pages 18 to 24 of this circular.

In order to determine the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 28 June 2019 to Monday, 29 July 2019, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, holders of the H shares whose transfers have not been registered shall deposit all transfer documents accompanied by the relevant share certificates at the Company’s H share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 27 June 2019 (Hong Kong time).

A reply slip and a form of proxy for use at the AGM 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>). Shareholders who intend to attend the meeting in person or by proxy should complete, sign and return the reply slip in accordance with the instructions printed thereon on or before Tuesday, 9 July 2019. If you intend to appoint a proxy to attend the AGM, 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 AGM (i.e. at or before 10:30 a.m. on Sunday, 28 July 2019 (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 AGM.

LETTER FROM THE BOARD

6. RECOMMENDATION

The Directors consider that the general mandate to issue Domestic Shares and H Shares, the Change of Business Scope, the Adoption of Additional Registered Address, the Adoption of CASBE, the Amendments to the Articles of Association and the election of PCCPA as the auditor of the Company are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

7. MISCELLANEOUS

The Chinese text of this circular shall prevail over the English text for the purpose of interpretation in case of any inconsistency.

Yours faithfully,
For and on behalf of the Board
Hebei Yichen Industrial Group Corporation Limited*
ZHANG Haijun
Chairman

* *For identification purpose only*

NOTICE OF THE ANNUAL GENERAL MEETING



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 is hereby given that the annual general meeting ("AGM") of Hebei Yichen Industrial Group Corporation Limited (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 Monday, 29 July 2019 at 10:30 a.m. for the following purposes:

AS ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors (the "Board") of the Company for the year ended 31 December 2018.
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2018.
3. To consider and approve the audited consolidated financial statements and the reports of the auditors of the Company for the year ended 31 December 2018.
4. To consider and approve the annual financial budgets of the Company for the year ending 31 December 2019 and the final financial accounts of the Company for the year ended 31 December 2018.
5. To consider and approve the proposed profit distribution plan and the final dividend distribution plan of the Company for the year ended 31 December 2018 and to authorise the Board to distribute such final dividend to the shareholders of the Company.
6. To consider and approve the election of Pan-China Certified Public Accountant LLP (天健會計師事務所(特殊普通合伙)) as the auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board to determine their remuneration.
7. To consider and approve the authorisation to the Board to determine the remuneration of the directors and supervisors of the Company for the year ending 31 December 2019.

* For identification purpose only

NOTICE OF THE ANNUAL GENERAL MEETING

8. To consider and approve the proposed change of the business scope of the Company (details of which are set out in the section headed “3. Proposed Changes and Amendments Regarding Business Scope, Additional Registered Address, Accounting Standards and Articles of Association — (1) The Proposed Change of Business Scope” in the Letter from the Board in the circular of the Company dated 10 June 2019 (the “Circular”)), and to authorise any one of the Directors to do all such acts and things, sign all such documents and generally take all such steps as he/she, in his/her absolute discretion, considers necessary, desirable or expedient for the purpose of implementing and/or giving effect to the change of the business scope of the Company.
9. To consider and approve the proposed adoption of an additional registered address of the Company (details of which are set out in the section headed “3. Proposed Changes and Amendments Regarding Business Scope, Additional Registered Address, Accounting Standards and Articles of Association — (2) The Proposed Adoption of Additional Registered Address” in the Letter from the Board in the Circular, and to authorise any one of the Directors to do all such acts and things, sign all such documents and generally take all such steps as he/she, in his/her absolute discretion, considers necessary, desirable or expedient for the purpose of implementing and/or giving effect to the adoption of an additional registered address of the Company.

AS SPECIAL RESOLUTIONS

10. To consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“THAT:

- (1) the Board be granted an unconditional general mandate to issue, allot or otherwise deal with additional shares in the capital of the Company, whether Domestic Shares or H Shares, and to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations, in respect thereof, subject to the following conditions:
 - (a) the aggregate amount of shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Board pursuant to the mandate above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and

NOTICE OF THE ANNUAL GENERAL MEETING

- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company,

shall not exceed 20 per cent of the aggregate number of Domestic Shares of the Company in issue as at the date of passing this resolution and/or 20 per cent of the aggregate number of H Shares of the Company in issue as at the date of passing this resolution; and

- (b) the Board will only exercise its power under such mandate in accordance with the Company Law of the People's Republic of China (the "PRC") and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") (as the same may be amended from time to time) and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained;

For the purpose of this resolution:

"Domestic Shares" means the domestic invested ordinary shares in the capital of the Company, with a nominal value of RMB0.50 each, which are subscribed for and paid up in Renminbi and are unlisted shares which are currently not listed or traded on any stock exchange;

"H Shares" means the overseas listed foreign invested ordinary share in the 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;

"Relevant Period" means the period from the passing of this resolution until the earliest of:

- (A) the conclusion of the next annual general meeting of the Company; or
- (B) the revocation or variation of the authority given under the above-mentioned resolution by a special resolution of the Shareholders in a general meeting; or
- (C) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or other applicable laws to be held; and

NOTICE OF THE ANNUAL GENERAL MEETING

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

- (2) subject to the Board resolving to issue shares pursuant to sub-paragraph (1) of this resolution, the Board be authorised to:
 - (a) approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new shares including, without limitation, determining the time and place of issue, making all necessary applications to the relevant authorities, and entering into an underwriting agreement (or any other agreements);
 - (b) determine the use of proceeds and to make all necessary filings and registrations with the relevant authorities in the PRC, Hong Kong and/or any other places and jurisdictions (as appropriate); and
 - (c) increase the registered capital of the Company in accordance with the actual increase of capital by issuing shares pursuant to sub-paragraph (1) of this resolution, to register the increase of capital with the relevant authorities in the PRC, Hong Kong and/or any other places and jurisdiction (as appropriate) and to make such amendments to the articles of association of the Company as it thinks fit so as to reflect the increase and any other resultant changes in the registered capital of the Company.”
- 11. Subject to the passing of the ordinary resolution numbered 9 above, to consider and approve the proposed amendments to Article 1.3 of the Articles of Association of the Company (details of which are set out in the section headed “3. Proposed Changes and Amendments Regarding Business Scope, Additional Registered Address, Accounting Standards and Articles of Association — (4) The Proposed Amendments to the Articles of Association” in the Letter from the Board in the Circular), and to authorise any one of the Directors to do all such acts and things, sign all such documents and generally take all such steps as he/she, in his/her absolute discretion, considers necessary, desirable or expedient for the purpose of implementing and/or giving effect to the amendments to the Article.

NOTICE OF THE ANNUAL GENERAL MEETING

12. Subject to the passing of the ordinary resolution numbered 8 above, to consider and approve the proposed amendments to Article 2.2 of the Articles of Association of the Company (details of which are set out in the section headed “3. Proposed Changes and Amendments Regarding Business Scope, Additional Registered Address, Accounting Standards and Articles of Association — (4) The Proposed Amendments to the Articles of Association” in the Letter from the Board in the Circular), and to authorise any one of the Directors to do all such acts and things, sign all such documents and generally take all such steps as he/she, in his/her absolute discretion, considers necessary, desirable or expedient for the purpose of implementing and/or giving effect to the amendments to the Article.
13. To consider and approve the proposed amendments to Articles 16.6 and 16.7 of the Articles of Association of the Company (details of which are set out in the section headed “3. Proposed Changes and Amendments Regarding Business Scope, Additional Registered Address, Accounting Standards and Articles of Association — (4) The Proposed Amendments to the Articles of Association” in the Letter from the Board in the Circular), and to authorise any one of the Directors to do all such acts and things, sign all such documents and generally take all such steps as he/she, in his/her absolute discretion, considers necessary, desirable or expedient for the purpose of implementing and/or giving effect to the amendments to such Articles.
14. To consider and approve the proposed amendments to Article 22.2 of the Articles of Association of the Company (details of which are set out in the section headed “3. Proposed Changes and Amendments Regarding Business Scope, Additional Registered Address, Accounting Standards and Articles of Association — (4) The Proposed Amendments to the Articles of Association” in the Letter from the Board in the Circular), and to authorise any one of the Directors to do all such acts and things, sign all such documents and generally take all such steps as he/she, in his/her absolute discretion, considers necessary, desirable or expedient for the purpose of implementing and/or giving effect to the amendments to such Article.

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

Shijiazhuang, PRC, 10 June 2019

* For identification purpose only

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

All resolutions at the meeting will be taken by poll pursuant to the Listing Rules. The Chairman of the Board of the Company may demand poll for voting pursuant to the Articles of Association of the Company. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

1. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Friday, 28 June 2019 to Monday, 29 July 2019, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, holders of the H shares whose transfers have not been registered shall deposit all transfer documents accompanied by the relevant share certificates at the Company's H share registrar, Computershare Hong Kong Investor Services Limited not later than 4:30 p.m. on Thursday, 27 June 2019 (Hong Kong time) for registration.
2. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 6 August 2019 to Sunday, 11 August 2019, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, holders of the H shares whose transfers have not been registered shall deposit all transfer documents accompanied by the relevant share certificates at the Company's H share registrar, Computershare Hong Kong Investor Services Limited not later than 4:30 p.m. on Monday, 5 August 2019 (Hong Kong time) for registration. Subject to the approval by the shareholders of the Company at the AGM, the final dividend is expected to be paid on or before Friday, 20 September 2019 to the shareholders whose names appear on the registers of members of the Company on Sunday, 11 August 2019.
3. A shareholder entitled to attend and vote at the AGM 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.
4. 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 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.
5. 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 at the Company's principal place of business in the PRC (for holders of the Domestic Shares) or at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of the H Shares), not less than 24 hours before the time fixed for the meeting (i.e. not later than 10:30 a.m. on Sunday, 28 July 2019 (Hong Kong time)).
6. 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 AGM.
7. Shareholders who intend to attend the AGM in person or by proxy should return the reply slip to the Secretariat of the Board at the Company's principal place of business in the PRC (for holders of the Domestic Shares) or to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of the H Shares) on or before Tuesday, 9 July 2019 by hand, by post or by fax.
8. 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 and reply slip:

17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Telephone No.: (+852) 2862 8555

Facsimile No.: (+852) 2865 0990

NOTICE OF THE ANNUAL GENERAL MEETING

9. 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@hbys.com.cn
10. 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.
11. The AGM is expected to be concluded within half a day. Shareholders (in person or by proxy) attending the AGM are responsible for their own transportation and accommodation expenses.
12. Shareholders or their proxies shall produce their identification documents for inspection when attending the AGM.

As at the date of this notice, the executive directors of the Company are Mr. Zhang Haijun, Mr. Zhang Ligang, Mr. Wu Jinyu, Mr. Zhang Chao, Mr. Zhang Lihuan and Ms. Fan Xiulan; the independent non-executive directors of the Company are Mr. Jip Ki Chi, Mr. Wang Qi and Mr. Zhang Ligu.