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## **BILLION INDUSTRIAL HOLDINGS LIMITED**

**百宏實業控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2299)**

### **QUARTERLY UPDATE ON SUSPENSION OF TRADING**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Billion Industrial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 and Rule 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 31 March 2021 and 15 June 2021 (collectively, the “**Announcements**”) in relation to, among others, (i) delay in publication of the 2020 Annual Results and despatch of the 2020 Annual Report; (ii) adjournment of Board meeting; (iii) suspension of trading; and (iv) Resumption Guidance. Unless otherwise stated, the capitalised terms used herein shall have the same meaning as defined in the Announcements.

#### **UPDATE ON PROGRESS OF RESUMPTION**

As disclosed in the announcement of the Company dated 15 June 2021, the Stock Exchange has set out the following Resumption Guidance for the Company:

- a) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- b) conduct an appropriate independent investigation into the Audit Issues, announce the investigation findings, assess and announce the impact on the Company’s business operation and financial position and take appropriate remedial actions;
- c) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet obligations under the Listing Rules;

- d) demonstrate that there is no reasonable regulatory concern about management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence;
- e) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and
- f) announce all material information for the Company's Shareholders and investors to appraise the Company's position.

Pursuant to Rule 13.24A of the Listing Rules, the Board wishes to update the Shareholders and potential investors of the Company on the progress of the Company's fulfilment of the Resumption Guidance as at the date of this announcement which is summarised below.

### **Update on Independent Investigation and Independent Internal Control Review**

The Company has identified a qualified accounting firm who may be engaged to conduct an independent investigation into the Audit Issues and an independent internal control review in an effort to fulfil the Resumption Guidance. The Company held a meeting with this qualified accounting firm, together with the current auditor of the Company, Mazars CPA Limited, in relation to the scope and procedures of the independent investigation and the independent internal control. As at the date of this announcement, the Company is in the process of considering the terms of the engagement of this qualified accounting firm, including their fee proposals, and will endeavour to finalize the engagement of this qualified accounting firm (or other suitable professional advisers, if appropriate) as soon as practicable. The Company will make further announcement(s) to update the Shareholders and potential Investors on the progress of such engagement and the progress and findings of the independent investigation and the independent internal control review in due course.

### **Outstanding financial results**

As disclosed in the announcement of the Company dated 15 June 2021, the publication of the 2020 Annual Results and the despatch of the 2020 Annual Report were delayed, pending the completion of the audit. The finalisation and publication of the 2020 Annual Results and the despatch of the 2020 Annual Report continue to be delayed as additional time is required to complete the audit. The Company will make further announcement(s) to update the Shareholders and potential investors on the date of publication of the 2020 Annual Results and the date of despatch of the 2020 Annual Report.

## **BUSINESS UPDATE**

The Group is principally engaged in the business of production and sales of polyester filament yarns, polyester products, polyester industrial yarns and ES fibers. The Directors wish to point out that, notwithstanding the suspension of trading, the Group is still carrying on its business operations as usual to the extent possible under the adverse effect brought by the novel coronavirus epidemic. The Board will continue to assess and monitor the impact of the novel coronavirus epidemic and the suspension of trading on the operation and financial performance of the Company. The Company will take appropriate measures as necessary and make further announcement(s) as and when appropriate.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Thursday, 1 April 2021 and will remain suspended until further notice.

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

By order of the Board  
**Billion Industrial Holdings Limited**  
**Sze Tian Yau**  
*Co-Chairman*

Hong Kong, 30 June 2021

*As at the date of this announcement, the Board comprises Mr. Sze Tin Yau and Mr. Wu Jinbiao as executive directors, Mr. Zhang Shengbai as non-executive director and Mr. Chan Shek Chi, Mr. Lin Jian Ming and Mr. Shih Chun Pi as independent non-executive directors.*