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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 a 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 Billion Industrial Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS
AND
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
PROCEDURES FOR SHAREHOLDERS
TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an Annual General Meeting of the Company to be held at Unit 1501, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong on Thursday, 25 May 2023 at 10:00 a.m. is set out on pages AGM-1 to AGM-4 of this circular.

A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.baihong.com>).

Whether or not you are able to attend the Annual General Meeting, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish and in such event, the form of proxy will be deemed to be revoked.

26 April 2023

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DEFINITIONS

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

“Annual General Meeting”	an annual general meeting of the Company to be held at Unit 1501, Office Tower, Convention Plaza, No.1 Harbour Road, Wanchai, Hong Kong, on Thursday, 25 May 2023 at 10:00 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of Annual General Meeting which is set out on pages AGM-1 to AGM-4 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company as amended, supplemented or modified from time to time and currently in force
“Board”	the board of Directors
“Company”	Billion Industrial Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuance Mandate”	has the same meaning as defined in paragraph 3(b) of the letter from the Board which is set out on page 4 of this circular
“Latest Practicable Date”	17 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	has the same meaning as defined in paragraph 3(a) of the letter from the Board which is set out on page 4 of this circular
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended and supplemented from time to time

DEFINITIONS

“Shares(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
“%”	per cent
“*”	for identification purposes only

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Sze Tin Yau (*Co-chairman*)

Mr. Wu Jinbiao

Non-executive Director:

Mr. Zhang Shengbai (*Co-chairman*)

Independent Non-executive Directors:

Mr. Yu Wai Ming

Mr. Lin Jian Ming

Mr. Shih Chun Pi

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head Office and Principal Place of
Business in Hong Kong:*

Unit 1501, Office Tower

Convention Plaza

No. 1 Harbour Road

Wanchai

Hong Kong

26 April 2023

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS
AND
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
PROCEDURES FOR SHAREHOLDERS
TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting for (i) re-election of retiring Directors; (ii) the granting of the Repurchase Mandate to the Directors; (iii) the granting of the Issuance Mandate to the Directors; and (iv) the extension of the Issuance Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Repurchase Mandate.

LETTER FROM THE BOARD

2. RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board comprised Mr. Sze Tin Yau and Mr. Wu Jinbiao, as executive Directors, Mr. Zhang Shengbai as non-executive Director and Mr. Yu Wai Ming, Mr. Lin Jian Ming and Mr. Shih Chun Pi as independent non-executive Directors.

Pursuant to Articles 84(1), 84(2) and 83(3) of the Articles of Association, Mr. Sze Tin Yau, Mr. Wu Jinbiao and Mr. Shih Chun Pi shall retire from office at the Annual General Meeting. Each of Mr. Sze Tin Yau, Mr. Wu Jinbiao and Mr. Shih Chun Pi, being eligible, will offer himself for re-election at the Annual General Meeting.

Details of the Directors proposed to be re-elected are set out in Appendix I to this circular.

3. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Pursuant to the resolutions passed by the Shareholders on 26 May 2022, general mandates were granted to the Directors to issue and repurchase Shares respectively, which would lapse upon the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required any applicable laws or by the articles of association of the Company to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

Ordinary resolutions will be proposed to the Shareholders to consider, and, if thought fit, pass as ordinary resolutions of the Company at the Annual General Meeting regarding the granting of new general mandates to the Directors:

- (a) to exercise all powers of the Company to repurchase Shares on the Stock Exchange of up to 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting (the “**Repurchase Mandate**”);
- (b) to allot, issue or deal with additional Shares of up to 20% of the total number of issued Shares as at the date of passing of the proposed resolution contained in item 5 of the notice of the Annual General Meeting (the “**Issuance Mandate**”); and
- (c) to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to the Repurchase Mandate.

With reference to the Repurchase Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or allot or issue any new Shares pursuant thereto.

LETTER FROM THE BOARD

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for the Shareholders to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate is set out in Appendix II to this circular.

Each of the Repurchase Mandate and Issuance Mandate will expire at the earliest of:

- (a) the conclusion of the Company's next Annual General Meeting; or
- (b) the expiration of the period within which the Company is required by applicable law or the Articles of Association to hold its next annual general meeting; or
- (c) when varied or revoked by an ordinary resolution of the Shareholders in a general meeting prior to the next Annual General Meeting of the Company.

4. PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

Article 85 of the Articles of Association provides that:

“No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

For the purpose of the Articles of Association:

- (i) “Member” means a duly registered holder from time to time of the shares in the capital of the Company;
- (ii) “Notice” means written notice unless otherwise specifically stated and as further defined in the Articles of Association; and
- (iii) “Registration Office” means, in respect of any class of share capital, such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.

LETTER FROM THE BOARD

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director, the following documents must be validly served at the Company's head office in Hong Kong at Unit 1501, Office Tower Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong, including (i) his/her notice of intention to propose a resolution at the general meeting; and (ii) a notice signed by the nominated candidate of the candidate's willingness to be appointed together with (a) that candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules and such other information, as set out in the below heading "Required information of the candidate(s) nominated by Shareholders", and (b) the candidate's written consent to the publication of his/her personal data.

Required information of the candidate(s) nominated by Shareholders

In order to enable Shareholders to make an informed decision on their election of Directors, the above described notice of intention to propose a resolution by a Shareholder should be accompanied by the following information of the nominated candidate(s):

- a) full name and age;
- b) positions held with the Company and its subsidiaries (if any);
- c) experience including (i) other directorships held in the past three years in public companies of which the securities are listed on any securities market in Hong Kong and overseas, and (ii) other major appointments and professional qualifications;
- d) current employment and such other information (which may include business experience and academic qualifications) of which Shareholders should be aware of, pertaining to the ability or integrity of the candidate;
- e) length or proposed length of service with the Company;
- f) relationships with any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company, or an appropriate negative statement;
- g) interests in the Shares within the meaning of Part XV of SFO, or an appropriate negative statement;
- h) a declaration made by the nominated candidate in respect of the information required to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules, or an appropriate negative statement to that effect where there is no information to be disclosed pursuant to any of such requirements nor there are any other matters relating to that nominated candidate's standing for election as a Director that should be brought to Shareholders' attention; and
- i) contact details.

The Shareholder proposing the candidate will be required to read out aloud the proposed resolution at the general meeting.

LETTER FROM THE BOARD

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages AGM-1 to AGM-4 of this circular.

Pursuant to the Listing Rules and the Articles of Association, any vote of the Shareholders at a general meeting must be taken by poll, except where the chairman of the Annual General Meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands, in accordance with the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.baihong.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish and in such event, the form of proxy will be deemed to be revoked.

6. RECOMMENDATION

At the Annual General Meeting, resolutions will be proposed for the Shareholders to approve, among other things, (i) the re-election of the retiring Directors; (ii) the grant of the Repurchase Mandate to the Directors; (iii) the grant of the Issuance Mandate to the Directors; and (iv) the extension of the Issuance Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Repurchase Mandate.

The Directors consider that the proposed re-election of retiring Directors, the granting of the Repurchase Mandate and the Issuance Mandate, and the extension of the Issuance Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Repurchase Mandate 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 Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
Billion Industrial Holdings Limited
Sze Tin Yau
Co-chairman

Save as disclosed herein, Mr. Sze does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As at the Latest Practicable Date and pursuant to Part XV of the SFO, Mr. Sze was deemed to be interested in 643,720,000 Shares, representing approximately 30.38% of the issued share capital of the Company.

Director's remuneration

Mr. Sze, as a Director, is entitled to receive an annual director's remuneration of HK\$1,380,000 which was determined by the Board with reference to his experience, duties, responsibilities and the prevailing market rate.

Directorships

Saved as disclosed herein, Mr. Sze held no other directorships in listed companies in the last three years.

Others

Mr. Sze does not have any information which is required to be disclosed under Rules 13.51(2)(h)-(v) of the Listing Rules. Save as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

(2) MR. WU JINBIAO**Experience**

Mr. Wu Jinbiao, aged 60, is an executive Director, the chief executive officer of the Company, a co-founder of the Group and a director of Billion Fujian and Billion Hightech. Mr. Wu is also a member of the corporate governance committee of the Board. Mr. Wu has approximately 35 years of experience in the differentiated polyester filament yarns industry and is primarily responsible for the daily operations of the Group. Prior to establishing the Group in 2003, Mr. Wu was also a founder and shareholder of Billion H.K. and has been a director of Billion H.K. since its incorporation in 1996. He was the deputy general manager of Fujian Jinjiang Yuhua Garment Industrial Co., Ltd.* (福建晉江裕華服裝實業有限公司) from May 1985 to April 2000 and was the executive director and general manager of Fujian Baikai Textile Chemical Fiber Industry Co., Ltd* (福建百凱紡織化纖實業有限公司) from May 2000 to October 2003. Mr. Wu was elected and appointed as a member of the 11th session of the Standing Committee of the Chinese People's Political Consultative Conference of Jinjiang City* (晉江市政協委員會常委) and a committee member of the Political Consultative Conference of Quanzhou City, Fujian Province* (福建省泉州市政協委員會委員). He was recognised as an Advanced Individual of Textile Industry of Fujian Province* (福建省紡織工業先進個人) on 26 February 2007. Mr. Wu is also the honorary president of Jinjiang City Charity Federation* (晉江市慈善總會榮譽會長). Mr. Wu joined the Company in November 2010.

Length of service

Mr. Wu has entered into a service contract in relation to his directorship with the Company for a period of three years commencing on 18 May 2011, which is automatically renewable upon expiration.

Relationships

Save for being the sole shareholder of Winwett Investments Limited which holds 6.46% of the issued share capital of the Company and brother-in-law of Mr. Sze Tin Yau, an executive Director, a co-chairman and a substantial shareholder of the Company, Mr. Wu does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in shares

As at the Latest Practicable Date and pursuant to Part XV of SFO, Mr. Wu was deemed to be interested in 136,820,000 Shares, representing 6.46% of the issued share capital of the Company.

Director's remuneration

Mr. Wu as a Director, is entitled to receive an annual director's remuneration of HK\$1,320,000 which was determined by the Board with reference to prevailing market rate.

Directorships

Saved as disclosed above, Mr. Wu held no other directorships in listed public companies in the last three years.

Others

Mr. Wu does not have any information which is required to be disclosed under Rules 13.51(2)(h)-(v) of the Listing Rules. Save as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

(3) MR. SHIH CHUN PI**Experience**

Mr. Shih Chun Pi (施純筆), aged 66, was appointed as an independent non-executive Director on 28 December 2018. Mr. Shih is also a member of both the Audit Committee and the Nomination Committee of the Board. Mr. Shih has over 42 year of experience in the textile industry. He has been mainly engaged in the production technology, sales promotion and management in the textile industry, spreading his experience across fabric production, technology development, as well as supply chain management and sales market development of the garment factory. He is also adept in production planning and production operation model of the textile industry.

Mr. Shih was the deputy general manager of a textile company Hong Kong Fen Hong Limited* (香港汾泓有限公司) from October 2011 to May 2018, the sales manager of Hong Kong Ming Feng Textile Factory* (香港明豐製衣廠) from October 1992 to September 2011, the assistant plant manager of Hong Kong Gee Cheung Knitting Factory Limited* (香港志祥針織有限公司) from November 1986 to September 1992 and a technician of Hong Kong Da Xing Textile Factory Limited* (香港大興織造公司) from November 1978 to October 1985. Before his relocation to Hong Kong in November 1978, he worked as a technician in Fujian Jinjiang Xinghua Textile Co., Ltd* (福建晉江市興華針織實業有限公司) from November 1974 to October 1978.

Length of service

Mr. Shih has entered into a letter of appointment in relation to his directorship with the Company for a period of three years commencing from 28 December 2018, subject to further renewal.

Relationships

Save as disclosed above, Mr. Shih does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in shares

As at the Latest Practicable Date and pursuant to Part XV of SFO, Mr. Shih was not interested in any Shares.

Director's remuneration

Mr. Shih as a Director, is entitled to receive an annual director's remuneration of HK\$50,700 determined by the Board with reference to his experience, duties, responsibilities and the prevailing market rate.

Directorships

Save as disclosed above, Mr. Shih held no other directorships in listed companies in the last three years.

Others

Mr. Shih does not have any information which is required to be disclosed under Rules 13.51(2)(h)-(v) of the Listing Rules. Save as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

* *The English translation of the name is for reference only. The official name of the entity is in Chinese.*

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,118,986,000 Shares.

Subject to the passing of the ordinary resolution set out in item 4 of the notice of the Annual General Meeting in respect of the granting of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Directors would be authorized under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a maximum of 211,898,600 Shares, representing 10% of the total number of Shares in issue as at the Latest Practicable Date.

2. REASONS FOR SHARE REPURCHASE

Although the Directors have no present intention of exercising the Repurchase Mandate, they believe that the granting of the Repurchase Mandate is in the best interests of the Company and the Shareholders.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association, the laws of the Cayman Islands, the Listing Rules and any other applicable laws, as the case may be.

4. IMPACT OF REPURCHASE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2022) in the event that the Repurchase Mandate is to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, to the best knowledge of the Directors, Kingom Power Limited ("**Kingom Power**") was entitled to exercise approximately 30.38% of voting rights in general meetings of the Company, and Hong Kong (Rong An) Investment Limited ("**Hong Kong Rong An**") was entitled to exercise approximately 37.02% of voting rights in general meetings of the Company.

In the event that the Directors should exercise in full the power to buy back Shares which is proposed to be granted pursuant to the Repurchase Mandate, the voting right of Mr. Sze Tin Yau and Kingom Power in the Company would increase to approximately 33.75% of the issued share capital of the Company, and the voting right of Hong Kong Rong An in the Company would increase to approximately 41.13%. Such exercise of the Repurchase Mandate in full to buy back the Shares will trigger an obligation on the part of each of Kingom Power and Hong Kong Rong An to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code. The Directors do not have any present intention to exercise the Repurchase Mandate to such an extent as will trigger such obligation under the Takeovers Code.

The Directors will not exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

6. PUBLIC FLOAT

As at the Latest Practicable Date, there were 554,019,192 Shares, representing approximately 26.15% of the total issued share capital of the Company, held by the public. The public float of the Shares was in compliance with the minimum requirement of 25% as at the date of this circular.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a decrease in the public float of the Company or the number of Shares in the hands of the public failing below the prescribed minimum percentage of 25%.

7. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) has any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell Shares to the Company, or that they have undertaken not to sell any of the Shares held by them to the Company, in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Repurchase Mandate in accordance with the Articles of Association, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

8. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares had traded on the Stock Exchange during each of the previous 12 months from the Latest Practicable Date were as follows:

Month	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
April 2022	5.48	4.66
May 2022	5.18	4.75
June 2022	4.99	4.60
July 2022	5.20	4.65
August 2022	4.93	4.70
September 2022	5.25	4.60
October 2022	5.20	4.75
November 2022	4.98	4.55
December 2022	4.56	3.70
January 2023	4.30	3.95
February 2023	4.10	3.76
March 2023	3.90	3.75
April 2023 (up to the Latest Practicable Date)	4.18	3.88

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

9. REPURCHASE OF SHARES MADE BY THE COMPANY

The Company repurchased a total of 42,000 Shares on the Stock Exchange at an aggregate consideration of HK\$164,160 during the six months prior to the Latest Practicable Date. All the repurchased shares have yet been cancelled at the Latest Practicable Date. Particulars of the repurchases are as follows:

Date	Number of Shares repurchased	Purchase price per Share		Aggregate consideration paid (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
24 March 2023	10,000	3.76	3.76	37,600
31 March 2023	2,000	3.88	3.88	7,760
4 April 2023	14,000	3.89	3.88	54,360
6 April 2023	8,000	4.02	4.02	32,160
11 April 2023	4,000	4.02	4.02	16,080
17 April 2023	4,000	4.05	4.05	16,200
	<u>42,000</u>			<u>164,160</u>

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months prior to the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of Billion Industrial Holdings Limited (the “**Company**”) will be held at Unit 1501, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong on Thursday, 25 May 2023 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries, the reports of the directors of the Company (the “**Directors**”) and the auditors of the Company for the year ended 31 December 2022.
2. To authorize the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
3. To re-appoint Mazars as auditors of the Company and to authorize the Board to fix their remuneration.
4. “**THAT:**
 - (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the Directors to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in accordance with all applicable laws, rules and regulations;
 - (b) the total number of shares of the Company to be purchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution and the said mandate shall be limited accordingly; and

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- (c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

5. **“THAT:**

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the Directors during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorize the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) any scrip dividend scheme or similar arrangement providing for the allotment and issue 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; and
 - (iii) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares;

shall not exceed 20% of the total number of issued shares of the Company on the date of the passing of this resolution and the said mandate shall be limited accordingly; and

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(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required any applicable laws or by the articles of association of the Company to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“**Right 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 in any territory outside Hong Kong applicable to the Company).”

6. “**THAT** conditional upon the passing of resolutions set out in items 4 and 5 of the notice convening the Meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate number of shares purchased by the Company pursuant to the mandate referred to in resolution set out in item 4 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company in issue on the date of the passing of this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTIONS

To consider and, if thought fit, pass with or without amendments, the following resolutions as special resolutions of the Company:

7. To re-elect Mr. Sze Tin Yau as an executive Director.
8. To re-elect Mr. Wu Jinbiao as an executive Director.
9. To re-elect Mr. Shih Chun Pi as an independent non-executive Director.

By order of the Board
Billion Industrial Holdings Limited
Sze Tin Yau
Co-chairman

Hong Kong, 26 April 2023

Notes:

1. All resolutions at the Meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
2. A member of the Company entitled to attend and vote at the Meeting may appoint another person as his proxy to attend and vote on his behalf. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed from Monday, 22 May 2023 to Thursday, 25 May 2023 (both days inclusive) for the purpose of determining shareholders who are entitled to attend and vote at the Annual General Meeting. In order to qualify for attending and voting at the Annual General Meeting, all transfers accompanied by the relevant share certificate must be lodged with the Company’s share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 19 May 2023.

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