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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)

CHANGE OF AUDITOR

This announcement is made by Billion Industrial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

RESIGNATION OF AUDITOR

The board of directors of the Company (the “**Board**”) announces that KPMG has resigned as the auditor of the Company with effect from 18 December 2020. The circumstances leading to its resignation as stated in KPMG’s resignation letter were about certain outstanding areas and requests pending the Company’s input in KPMG’s review of the Group’s results for the six months ended 30 June 2020 (the “**Interim Review**”) in relation to certain transactions between the Group and a third party, and that the Company and KPMG could not reach a consensus on the audit fee for the year ending 31 December 2020.

The Company is fully prepared to comprehensively address the outstanding requests raised by KPMG in the Interim Review in the audit of the Group’s results for the financial year ending 31 December 2020, which is now to be carried out by the Company’s new auditor.

Save for the matters disclosed above, the Board is not aware of any other matters in relation to the resignation of KPMG which should be brought to the attention of the shareholders of the Company.

APPOINTMENT OF AUDITOR

Pursuant to Article 155 of the articles of association of the Company, the Board has the power to fill the vacancy in the office of auditor and to fix the remuneration of the auditor so appointed. The Board, with the recommendation from the Audit Committee, has resolved to appoint Moore Stephens CPA Limited (“**Moore Stephens**”) as the auditor of the Company with effect from 18 December 2020, to fill the vacancy following the resignation of KPMG and to hold office until the conclusion of the next annual general meeting of the Company. Accordingly, no extraordinary general meeting will be held for the said appointment of Moore Stephens.

By Order of the Board
Billion Industrial Holding Limited
Sze Tin Yau
Co-Chairman

Hong Kong, 18 December 2020

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.