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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)**

### **FURTHER INVESTMENT IN OVERSEAS POLYESTER BOTTLE CHIPS BUSINESS IN VIETNAM**

#### **INTRODUCTION**

Reference is made to the announcements of Billion Industrial Holdings Limited (the “**Company**”) dated 14 September 2016, 19 January 2017 and 24 July 2017 (the “**Announcements**”). Unless otherwise stated, terms defined in the Announcements shall have the same meanings when used in this announcement.

As disclosed in the Announcements, the Group decided to invest in Vietnam to build a polyester factory in 2016. As of the date of this announcement, the Group’s annual production capacity of polyester bottle chips in Vietnam is 250,000 tons.

#### **FURTHER INVESTMENT IN OVERSEAS POLYESTER BOTTLE CHIPS BUSINESS IN VIETNAM**

The Board is pleased to announce that further to the above, it has approved a further investment of approximately US\$73,900,000 in the development of a new production facility in Vietnam for polyester bottle chips (the “**Further Investment**”). The Further Investment will include purchase of land of a gross floor area of approximately 200,000 square meters, purchase of equipment for manufacturing of polyester bottle chips, and construction of new factory with a total construction area of approximately 14,000 square meters with an expected annual production capacity of approximately 300,000 tons.

The Company expect that the new manufacturing facilities for the polyester bottle chips production business will be put into commercial production gradually from June 2023.

As of the date of this announcement, the Group has not entered into any legally binding agreement in relation to the Further Investment. The Company will make further announcement(s) and will comply with the applicable provisions under the Listing Rules in relation to the Further Investment if and when appropriate.

## REASONS FOR THE NEW INVESTMENT

The Board considers that the development of a new polyester bottle chips production facility in Vietnam will benefit the Group and generate good financial returns, primarily because (i) Vietnam's advantageous location in the region provides convenient conditions for procurement and transportation of raw and auxiliary materials; (ii) a huge market space exists in neighbouring markets; and (iii) the polyester bottle chips markets are expanding and the Group may capture the growing market demand through the Further Investment.

Taking into account the abovementioned factors, the Board is of the view that the Further Investment is in the interests of the Company and the shareholders of the Company as a whole. The new investment will be funded by funds generated from bank borrowing, operations and internal resources of the Company.

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

Hong Kong, 20 September 2022

*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. Yu Wai Ming, Mr. Lin Jian Ming and Mr. Shih Chun Pi as independent non-executive directors.*