

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

HIGHLIGHTS

- Revenue for the year ended 31 December 2024 amounted to RMB20,631.7 million, representing an increase of 16.2% compared to the year ended 31 December 2023.
- Profit for the year ended 31 December 2024 amounted to RMB747.9 million, representing an increase of 111.6% compared to the year ended 31 December 2023.
- Earnings per share for the year ended 31 December 2024 amounted to RMB0.35 (2023: RMB0.17).

The board (the “**Board**”) of directors (the “**Directors**”) of Billion Industrial Holdings Limited (the “**Company**”) is pleased to announce the consolidated results for the year ended 31 December 2024 of the Company and its subsidiaries (collectively the “**Group**”), together with comparative figures for the previous year, as follows:

CONSOLIDATED INCOME STATEMENT

		2024	2023
	<i>Note</i>	<i>RMB’000</i>	<i>RMB’000</i>
Revenue	2	20,631,678	17,755,491
Cost of sales		<u>(19,059,332)</u>	<u>(16,705,432)</u>
Gross profit		1,572,346	1,050,059
Other revenue	3	441,881	440,992
Other net gains and (losses)	4	(95)	(79,673)
Selling and distribution expenses		(279,109)	(234,077)
Administrative expenses		<u>(763,936)</u>	<u>(645,784)</u>
Profit from operations		971,087	531,517
Finance costs	5	<u>(132,486)</u>	<u>(120,184)</u>
Profit before tax	5	838,601	411,333
Income tax expenses	6	<u>(90,700)</u>	<u>(57,935)</u>
Profit for the year attributable to owners of the Company		<u>747,901</u>	<u>353,398</u>
Earnings per share	8		
Basic and diluted (RMB)		<u>0.35</u>	<u>0.17</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit for the year attributable to owners of the Company	747,901	353,398
Other comprehensive income:		
<i>Item that will not be reclassified to profit or loss</i>		
Translation of the Company's financial statements into presentation currency	2,804	2,052
<i>Item that may be reclassified subsequently to profit or loss</i>		
Exchange difference on consolidation	19,003	50,138
Total other comprehensive income for the year	21,807	52,190
Total comprehensive income for the year attributable to owners of the Company	769,708	405,588

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		2024	2023
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment		12,128,369	12,794,492
Intangible assets		4,468	5,834
Equity Investments – Designated FVOCI	9	35,820	–
Deposits and prepayments	11	141,336	174,742
		<u>12,309,993</u>	<u>12,975,068</u>
Current assets			
Inventories	10	5,314,738	4,474,770
Trade and other receivables	11	4,257,385	3,241,181
Financial assets at FVPL	12	15,791	32,386
Restricted bank deposits	13	6,089,347	5,386,905
Cash and cash equivalents	14	227,528	158,138
		<u>15,904,789</u>	<u>13,293,380</u>
Current liabilities			
Trade and other payables	15	15,810,267	14,729,736
Contract liabilities		302,764	343,554
Bank loans	16	501,852	417,078
Lease liabilities		879	873
Tax payables		111,780	58,550
		<u>16,727,542</u>	<u>15,549,791</u>
Net current liabilities		<u>(822,753)</u>	<u>(2,256,411)</u>
Total assets less current liabilities		<u>11,487,240</u>	<u>10,718,657</u>

		2024	2023
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities			
Bank loans	16	281,952	283,538
Lease liabilities		3,377	2,273
Deferred tax liabilities		212,318	201,586
		<u>497,647</u>	<u>487,397</u>
NET ASSETS		<u>10,989,593</u>	<u>10,231,260</u>
Capital and reserves			
Share capital		17,791	17,816
Reserves		10,971,802	10,213,444
TOTAL EQUITY		<u>10,989,593</u>	<u>10,231,260</u>

1. MATERIAL ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The functional currency of the Company is Hong Kong Dollars (“HK\$”). The consolidated financial statements are presented in Renminbi (“RMB”) as the functional currency of the Group’s major operating subsidiaries is RMB. All amounts have been rounded to the nearest thousand, unless otherwise stated.

A summary of the significant accounting policies adopted by the Group is set out below.

The measurement basis used in the preparation of the consolidated financial statements is historical cost except for financial assets at fair value through profit or loss (“FVPL”) and equity investments at fair value through other comprehensive income (“Equity Investments – Designated FVOCI”) which are stated at fair value.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2023 consolidated financial statements except for the adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current financial reporting period as detailed below.

Going concern

At 31 December 2024, the Group recorded net current liabilities of approximately RMB822,753,000 (2023: *approximately RMB2,256,411,000*). Based on the estimation of the future cash flows of the Group, after taking into account of (i) the bank balances and cash at 31 December 2024; and (ii) the confirmed and indicated credit commitments from financial institutions, the directors of the Company are of the opinion that the Group will have sufficient working capital to finance its normal operation and meet the obligation for its liabilities for the twelve months from the end of the reporting period of the consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Adoption of new/revised HKFRSs

The Group has applied, for the first time, the following new/revised HKFRSs:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HK Interpretation 5	Presentation of Financial Statements—Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

Amendments to HKAS 1: Classification of Liabilities as Current or Non-current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

Amendments to HKAS 1: Non-current Liabilities with Covenants

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the consolidated financial statements.

Amendments to HK Interpretation 5: Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

This interpretation is revised as a consequence of Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Amendments to HKAS 7 and HKFRS 7: Supplier Finance Arrangements

The amendments introduce new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

Amendments to HKFRS 16: Lease Liability in a Sale and Leaseback

The amendments require a seller-lessee to subsequently determine lease payments arising from a sale and leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The adoption of the above amendments does not have any significant impact on the consolidated financial statements.

2. REVENUE AND SEGMENT INFORMATION

The principal activities of the Group are manufacturing and sales of polyester filament yarns products, polyester products*, polyester industrial yarns products and ES fiber products. The Group has only one reportable operating segment. The Group's most senior executive management reviews the Group as a whole and internal reports including only revenue analysis by product types and no other discretionary information is prepared for resource allocation and performance assessment. Therefore, no operating segment information is presented.

Disaggregation of revenue

Revenue represents the sales value of goods supplied to customers (net of value-added tax, other sales tax and discounts). Disaggregation of revenue from contracts with customers by major products is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
<u>Disaggregated by major products lines</u>		
Polyester filament yarns products	8,902,208	8,712,597
Polyester products*	9,956,035	7,182,898
Polyester industrial yarns products	1,657,624	1,751,412
ES fiber products	115,811	108,584
	<u>20,631,678</u>	<u>17,755,491</u>
<u>Disaggregated by geographical location of customers</u>		
The People's Republic of China (the "PRC")	14,900,336	13,512,221
Vietnam	1,126,001	824,737
Others	4,605,341	3,418,533
	<u>20,631,678</u>	<u>17,755,491</u>

The Group's customer base is diversified. No individual customer had transactions which exceeded 10% of the Group's aggregate revenue for the years ended 31 December 2024 and 2023.

The timing of revenue recognition of all revenue from contracts with customers is at a point in time during the years ended 31 December 2024 and 2023.

* Polyester products represent BOPET thin films, polyester bottle chips, polyester films and wasted filament generated during the production process.

Geographical information

The following table sets out information about the geographical location of the Group's property, plant and equipment (including right-of-use assets), intangible assets and deposits and prepayments ("Specified Non-current Assets"). The geographical location of the Specified Non-current Assets is presented based on the physical location of the assets or the location of operation.

Location of the Specified Non-current Assets

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
The PRC	9,749,612	10,286,868
Vietnam	2,484,071	2,647,029
Hong Kong	40,490	41,171
	<u>12,274,173</u>	<u>12,975,068</u>

3. OTHER REVENUE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Bank interest income	187,027	209,975
Government grants (<i>Note</i>)	209,953	166,898
Sales of raw materials	43,741	59,630
Others	1,160	4,489
	<u>441,881</u>	<u>440,992</u>

Note:

In the opinion of the management of the Group, there were no unfulfilled conditions or contingencies relating to these grants during the years ended 31 December 2024 and 2023.

4. OTHER NET GAINS AND (LOSSES)

	2024 RMB'000	2023 RMB'000
Donation	(268)	(219)
Exchange loss, net	(36,374)	(43,100)
Gain (Loss) on disposal of property, plant and equipment, net	250	(387)
Unrealised gain on financial instruments at FVPL, net		
– Contracts for financial instruments at FVPL	4,220	2,911
Realised gain (loss) on financial instruments at FVPL, net		
– Other financial assets	–	91
– Contracts for financial instruments at FVPL	19,586	(30,647)
Others	12,491	(8,322)
	<u>(95)</u>	<u>(79,673)</u>

5. PROFIT BEFORE TAX

Profit before tax is arrived at after charging (crediting):

(a) Finance costs

	2024 RMB'000	2023 RMB'000
Interest on bank loans	22,938	36,949
Interest on lease liabilities	216	213
Other interest expenses	121,348	101,563
	<u>144,502</u>	<u>138,725</u>
Total finance costs	144,502	138,725
Less: Capitalised into construction in progress (Note (i))	(12,016)	(18,541)
	<u>132,486</u>	<u>120,184</u>

(b) Staff costs (including directors' emoluments)

	2024 RMB'000	2023 RMB'000
Salaries, wages, allowances and other benefits	565,758	561,007
Discretionary bonus	–	–
Contributions to defined contribution retirement plan (Note (ii))	23,574	24,384
	<u>589,332</u>	<u>585,391</u>

(c) Other items

	2024 RMB'000	2023 RMB'000
Amortisation of intangible assets (included in “Administrative expenses”)	1,366	1,544
Auditor’s remuneration		
– audit services	1,613	1,593
– non-audit services	355	351
Cost of inventories (<i>Note (iii)</i>)	19,059,332	16,705,432
Depreciation (included in “Cost of sales” and “Administrative expenses” as appropriate)		
– property, plant and equipment	807,763	753,545
– right-of-use assets	30,338	25,846
Loss allowance on trade receivables, net	274	8,812
Research and development costs (<i>Note (iv)</i>)	567,707	455,857

Notes:

- (i) The borrowing costs have been capitalised at a rate of 2.24% (2023: 2.57%) per annum for the year ended 31 December 2024.
- (ii) For the years ended 31 December 2024 and 2023, there were no forfeited contributions in respect of contribution previously made which were available to reduce the Group’s existing level of contributions to the relevant defined contribution retirement plans.
- (iii) For the year ended 31 December 2024, cost of inventories included approximately RMB1,141,397,000 (2023: approximately RMB1,077,255,000) relating to staff costs and depreciation, which were included in the respective amounts as disclosed above.
- (iv) For the year ended 31 December 2024, research and development costs included approximately RMB152,539,000 (2023: approximately RMB148,189,000) relating to staff costs and depreciation, which were included in the respective amounts as disclosed above.

6. INCOME TAX EXPENSES

	2024 RMB'000	2023 RMB'000
Current tax – Current year		
PRC Corporate Income Tax (“CIT”)	68,284	41,292
Vietnam CIT	9,150	–
Hong Kong Profits Tax	1,531	–
	78,965	41,292
Withholding tax		
Withholding tax on dividends	1,003	743
Deferred tax		
Origination and reversal of temporary differences	10,732	15,900
	90,700	57,935

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

Under the Laws of the PRC on CIT (the “PRC CIT Law”) and Implementation Regulation of the PRC CIT Law, the tax rate of the PRC subsidiaries is 25% for the years ended 31 December 2024 and 2023.

In accordance with the relevant PRC CIT Law, regulations and implementation guidance notes, the subsidiaries in the PRC, Fujian Billion Polymerization Fiber Technology Industrial Co., Ltd.* (福建百宏聚纖科技實業有限公司) (“Billion Fujian”) and Fujian Billion High-tech Material Industry Co., Ltd.* (福建百宏高新材料實業有限公司) (“Billion High-tech”) were approved to be the Advanced and New Technology Enterprise Status for a valid period of 3 years from 2021 to 2023 and is further extended from 2024 to 2026, and from 2023 to 2025, respectively, which entitles Billion Fujian and Billion High-tech to a reduced PRC CIT tax rate at 15% during the valid period.

For the year ended 31 December 2024, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime under which, the first HK\$2 million assessable profits arising from Hong Kong of qualifying entity of the Group, Billion Development (Hong Kong) Limited, were taxed at 8.25% and assessable profits arising from Hong Kong above HK\$2 million were taxed at 16.5%. Hong Kong Profits Tax has not been provided as the Group had no assessable profits for the year ended 31 December 2023.

From 1 January 2008, a non-resident enterprise without an establishment or a place of business in the PRC or which has an establishment or a place of business in the PRC but whose relevant income is not effectively connected with the establishment or place of business in the PRC, will be subject to a withholding tax at the rate of 10% (unless reduced by treaty) on various types of passive income such as dividends derived from sources within the PRC. Pursuant to the Sino-Hong Kong Double Tax Arrangement and the related regulations, a qualified Hong Kong tax resident may be liable for a reduced withholding tax rate of 5% on dividends from a PRC enterprise if the Hong Kong tax resident is the “beneficial owner” and holds 25% or more of the equity interest of the PRC enterprise. The Group had obtained the certificates of Hong Kong tax residents from the Inland Revenue Department of Hong Kong, which are effective until 2024. Withholding tax on dividend represents tax charged by the PRC tax authority on dividends distributed by the Group’s subsidiaries in the PRC for the years ended 31 December 2024 and 2023.

The standard corporate income tax rate in Vietnam is 17% of taxable profits for the first 10 years starting from the first period of operation (i.e. 2019-2028 for Billion Industrial (Viet Nam) Co., Ltd. (“Billion Vietnam”)) and 20% for the succeeding years. The provisions of the Investment Registration Certificate of Billion Vietnam, allow Billion Vietnam to be exempted from Vietnam CIT for 2 years starting from the first year it generates taxable profit and entitled to a 50% reduction in income tax for the 4 succeeding years. The above exemption and reduction are not applicable to other income. As Billion Vietnam generated taxable profit for the first year in 2021, Billion Vietnam is exempted from Vietnam CIT for the year ended 31 December 2021 and 2022 and 50% reduction in income tax until the year ending 31 December 2025. For the year ended 31 December 2023, Vietnam CIT has not been provided as Billion Vietnam incurred a loss for taxation purpose. For the year ended 31 December 2024, Vietnam CIT has been provided at 17% as Billion Vietnam generated taxable profit and is entitled to a 50% reduction in income tax.

* *The English translation of the name is for reference only.*

7. DIVIDENDS

The Board does not recommend the payment of any final dividend for the year ended 31 December 2024 (2023: Nil).

8. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit:		
Profit attributable to owners of the Company used for the purpose of basic earnings per share	<u>747,901</u>	<u>353,398</u>
	2024	2023
Number of shares:		
Issued ordinary shares at 1 January	2,118,658,000	2,118,986,000
Effect of shares repurchased and cancelled	<u>(1,061,284)</u>	<u>(163,463)</u>
Weighted average number of ordinary shares	<u>2,117,596,716</u>	<u>2,118,822,537</u>

There were no dilutive potential ordinary shares during the years ended 31 December 2024 and 2023, and therefore, diluted earnings per share is the same as the basic earnings per share.

9. EQUITY INVESTMENTS – DESIGNATED FVOCI

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Unlisted equity investment, at fair value	<u>35,820</u>	<u>—</u>

The unlisted equity investment represented the 1.56% of equity interests in a private entity incorporated and operated as a local bank in the PRC (the “Bank”) which has been acquired by the Group at cash consideration of approximately RMB35,820,000 during the year ended 31 December 2024. No dividends were received on this investment during the year ended 31 December 2024. The Group irrevocably designated the investment in the Bank as Equity Investments – Designated FVOCI since the Group intends to hold the investment for long-term strategic purposes and considers the accounting treatment applied provide more relevant information for the investment. At the end of the reporting period, the fair value of the Equity Investments – Designated FVOCI is determined by the directors of the Company based on recent transaction price that is not supported by observable market prices or rates, and therefore classified as level 3 under fair value hierarchy as defined in HKFRS 13 “Fair Value Measurement”.

10. INVENTORIES

	2024 RMB'000	2023 RMB'000
Raw materials	683,839	536,728
Work in progress	205,813	239,640
Finished goods	4,425,086	3,698,402
	<u>5,314,738</u>	<u>4,474,770</u>

11. TRADE AND OTHER RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade receivables from third parties	1,155,299	927,366
Less: Loss allowance	(28,121)	(27,849)
	<u>1,127,178</u>	<u>899,517</u>
Bills receivables from third parties	69,549	274,553
	<u>1,196,727</u>	<u>1,174,070</u>
Deposits and prepayments for acquisition of interests in leasehold land and property, plant and equipment	141,336	174,514
Prepayments on raw materials	2,421,264	1,585,068
Interest receivables	385,315	327,770
Value-added tax recoverable	206,097	79,715
Deposits, prepayments and other receivables	47,982	74,786
	<u>3,201,994</u>	<u>2,241,853</u>
Less: Non-current portion – deposits and prepayments	(141,336)	(174,742)
	<u>3,060,658</u>	<u>2,067,111</u>
	<u>4,257,385</u>	<u>3,241,181</u>

All of the trade and other receivables that are classified as current assets are expected to be recovered or recognised as expenses within one year.

At 31 December 2024, the Group had discounted bank acceptance bills totalling approximately RMB3,477,137,000 (2023: approximately RMB3,223,347,000) and endorsed bank acceptance bills totalling approximately RMB68,130,000 (2023: approximately RMB67,764,000), which are derecognised as financial assets (the “Derecognition”). These bank acceptance bills matured within one year from date of issue. The Group considered the issuing banks of the bills are of good credit quality and the non-settlement of these bills by the issuing banks on maturity is not probable. During the year ended 31 December 2024, the loss arising from the Derecognition was approximately RMB9,083,000 (2023: approximately RMB5,946,000).

Non-current portion of deposits and prepayments mainly represents deposits and prepayments for acquisition of interests in leasehold land and property, plant and equipment.

Current portion of deposits, prepayments and other receivables mainly represents prepayments on raw materials, interest receivables from deposits with banks and value-added tax recoverable.

Ageing analysis

At the end of the reporting period, the ageing analysis of trade receivables and bills receivables (which are included in “trade and other receivables”), based on the date of billing and net of loss allowance for ECL, is as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
Within 1 month	1,140,691	1,152,588
1 to 2 months	48,170	14,299
2 to 3 months	7,586	5,384
Over 3 months	280	1,799
	1,196,727	1,174,070

At 31 December 2024, trade receivables and bills receivables are due within 30 to 210 days (*2023: 30 to 210 days*) and 1 to 365 days (*2023: 1 to 365 days*), respectively, from the date of billing.

12. FINANCIAL ASSETS AT FVPL

Details of financial instruments represented by financial assets at FVPL are set out as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
Contracts for financial instruments at FVPL (<i>Note (i)</i>)	15,791	32,386

Notes:

- (i) At 31 December 2024, the Group had outstanding commodity futures contracts with underlying nominal values of approximately RMB203,472,000 (*2023: approximately RMB435,960,000*).
- (ii) At 31 December 2024, the Group had outstanding foreign currency forward contracts of approximately RMB98,562,000 (*2023: approximately RMB98,562,000*) entered into with a bank in the PRC. In the opinion of the Group's management, no significant realised and unrealised fair value gain or loss has been arising for the foreign currency forward contracts with reference to the quote from the bank.

13. RESTRICTED BANK DEPOSITS

The restricted bank deposits of approximately RMB221,120,000 (*2023: approximately RMB222,057,000*) and approximately RMB5,868,227,000 (*2023: approximately RMB5,164,848,000*) were pledged to the banks to secure certain bank loans (*Note 16*) and bills payables (*Note 15*), respectively.

14. CASH AND CASH EQUIVALENTS

	2024 RMB'000	2023 RMB'000
Bank balances and cash	<u>227,528</u>	<u>158,138</u>

At 31 December 2024, cash at bank balances were placed with banks in the PRC amounted to approximately RMB154,090,000 (2023: *approximately RMB86,968,000*). Remittance of funds out of the PRC is subject to the exchange restrictions imposed by the PRC government.

15. TRADE AND OTHER PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables	1,776,654	2,327,575
Bills payables	13,478,598	11,707,191
Other payables and accrued charges	218,456	316,593
Salaries and welfare payables	52,984	48,109
Interest payables	13,078	6,887
Equipment payables	59,003	27,301
Construction payables	36,733	108,970
Accrued land cost	5,024	4,453
Other tax payables	<u>169,737</u>	<u>182,657</u>
	<u>15,810,267</u>	<u>14,729,736</u>

All of the trade and other payables are expected to be settled within one year or repayable on demand.

At 31 December 2024, bills payables carry interest rate at 0.55% to 2.50% (2023: *0.90% to 2.65%*) per annum and certain bills payables were secured by restricted bank deposits (*Note 13*).

The Group is normally allowed with a credit term of 60 to 180 days by its suppliers. At the end of the reporting period, the ageing analysis of trade payables and bills payables (which are included in “trade and other payables”), based on the invoice date/issue date, is as follows:

	2024 RMB'000	2023 RMB'000
Within 3 months	7,502,733	5,458,446
More than 3 months but within 6 months	4,693,857	4,796,134
More than 6 months but within 1 year	3,032,934	3,711,238
More than 1 year	<u>25,728</u>	<u>68,948</u>
	<u>15,255,252</u>	<u>14,034,766</u>

16. BANK LOANS

At the end of the reporting period, the bank loans were repayable as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 year or on demand	501,852	417,078
After 1 year but within 2 years	281,952	2,467
After 2 years but within 5 years	—	281,071
	281,952	283,538
	783,804	700,616

At the end of the reporting period, the bank loans were secured as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Secured bank loans	783,804	700,616

At 31 December 2024, the secured bank loans are collectively secured by:

- (i) restricted bank deposits amounted to approximately RMB221,120,000 (2023: approximately RMB222,057,000) (Note 13);
- (ii) building held for own use with net carrying amount of approximately RMB40,490,000 (2023: approximately RMB40,919,000); and
- (iii) corporate guarantee given by the Billion Fujian and Billion High-tech (2023: Billion Fujian and Billion High-tech) to the extent of approximately RMB2,511,775,000 (2023: approximately RMB1,509,238,000).

The ranges of effective interest rates on the Group's bank loans are as follows:

	2024 %	2023 %
Fixed rate bank loans	2.00–2.80	2.00–2.55
Variable rate bank loans	5.98	5.58

17. CAPITAL COMMITMENTS

Capital commitments outstanding at 31 December 2024 and 2023 not provided, net of any deposits paid, for in the consolidated financial statements were as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Contracted for	<u>623,224</u>	<u>234,793</u>

18. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in this results announcement, the Group has following significant events after the reporting period:

On 20 January 2025, the Group approved a new investment plan for the establishment of production lines for polyamide. The investment plan will involve the establishment of a new subsidiary by Fujian Billion and an expected investment of approximately RMB2,395,730,000 over a period of three years from 2025 to 2027 (the “Proposed Investment”). The Company expects that the new manufacturing facilities will have an aggregate estimated production capacity of approximately 120,000 tons per year upon completion and to commence commercial production progressively starting from 2026. The Proposed Investment will include a budget for the purchase of land and construction of a new factory with a total construction area of approximately 230,500 square meters for approximately RMB373,810,000 in aggregate, purchases of production lines and other supporting devices for approximately RMB1,361,920,000 in aggregate, and reserve working capital of approximately RMB660,000,000 for operational purpose. Details of which are set out in the Company’s announcement dated 20 January 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

CHANGES IN MACRO-ECONOMIC ENVIRONMENT

In 2024, the impact of the novel coronavirus (the “COVID-19”), Russia-Ukraine and Israeli-Palestinian wars, global interest rate hikes, and the delicate moment in the Sino-US relation have had an impact on the global economic landscape. However, as the COVID-19 is over, together with policies implemented to boost consumption, the markets and industries started to gradually resume their business operation and production. The global economy began to show signs of recovery from the impacts of the epidemic. The impact of the pandemic on China economy was temporary and unable to change the promising prospect of China’s economy to expand stably in long term. From January 2024 to December 2024, the profit of industrial enterprises of larger scale exceeded RMB7.4 trillion, representing a year-on-year decrease by approximately 3.3%. In face of the adversely affected business activities in global trade, many countries around the world have been proposing or enhancing their economic stimulus policies to cope with economic downturn and rising unemployment brought by the epidemic. The progress of global stable recovery largely depends on the sustainability and effectiveness of various economic stimulus policies and the improvement of the world economic governance.

In addition, with improved fiscal and currency policy, global economy is expected to improve gradually by 2025, and China is striving for the stable economic development, which further helps the people’s access to services and goods, so as to stimulate consumption.

INDUSTRY REVIEW

The textile and apparel industry employs a large number of workers and plays an important role in ensuring the employment of residents, protecting the market players and stabilizing the supply chain of the industry chain. In 2024, China's textile industry faced an increasingly complicated external environment. The increasing risk points of the global economy and the domestic structural issues have brought impacts on the textile and apparel industry. Despite those adverse impacts, the development trend of China's macro economy will remain positive in long term due to its continuing effort to stabilize growth for the domestic macro-economic policies. In recent years, China's textile industry has seen the trend of growing export of textile machinery and chemical fibers with higher technology content and added value. Trade tensions may accelerate the adjustment of the industry. As the Chinese government promulgated various anti-epidemic support measures to ease the operating pressure of the textile enterprises, the textile industry will develop under the general keynote of seeking progress while maintaining stability.

With the order in economy and people's lives recovering and the proper support of government's policy to stimulate local consumption, the sales in domestic market of textile industry recovered in every quarter. With the progressively rebound of demands in overseas market, the enterprises in China textile industry already show a sign of stable restoration. According to the data from the National Bureau of Statistics of China, for the twelve months ended 31 December 2024, the total operating revenue and profit of the industrial enterprises of larger scale in the textile industry are approximately RMB2.4 trillion and RMB87 billion respectively. According to the data from the National Bureau of Statistics of China, the raw material price of textile products decreased by approximately 0.6% on a year-on-year basis from January 2024 to December 2024 in general.

BUSINESS REVIEW

With the mission of “providing eco-friendly products for the public, aspiring to be the world’s premier supplier of consumer product materials”, the Group implements the operation philosophy of “creating green products”. In order to achieve “technology innovation and improving competitive strength”, the Group persists in pursuing the technology innovation in a comprehensive approach addressing “Production, Learning, Research and Application”. The Group formulates the deepened reform proposal through technology improvement, technology innovation, product mix optimization and recruiting innovative talents, strives to research and develop new products and enhance product added value, and improves brand values and market competitiveness of the Company. As a “High Technology Enterprise” and the “Pilot Demonstration Enterprise of Intelligent Manufacturing in Fujian Province”, the Group is the first enterprise pioneering in the application of the full process intelligent automatic production in the industry. The Group leverages on the digitalization, networking and modularization of automatic equipment to keep on improving its products’ quality and production volume. During the epidemic, the Group showed great resilience to risks. Benefiting from technologies and equipment such as intelligent transformation, intelligent production, intelligent packaging and intelligent storage, our production was less impacted by the epidemic. The Group’s production lines of each workshop continued to run at full speed during the critical period of the first outbreak of the epidemic when manpower was largely limited. The capability of maintaining operation benefits from the automation, which proves that our forward-looking decision made years ago to carry out intelligent transformation, and also reinforces the Group’s determination towards further intelligent upgrade.

The Group attaches great importance to the introduction and cultivation of talents and has adopted the talent strategy of “recruiting employees with due care and connecting people with heart (招人留心、用人連心)” which attracts more talented individuals to join the business. We established a talents practice base in cooperation with Donghua University, and we have become an enterprise with excellent research and development talents. The Group has a research and development team, comprising a large number of senior technicians from all around the country, to develop new products under a market-oriented approach. The Group also has a sizable quality control team equipped with the world class testing facilities to ensure stringent product quality and personalized quality service.

The management team of the Group applied scientific management software to achieve networking and informatization of the management during the course of production, to allocate production among various products and to allocate equipment between production and research and development to maximize the utilization of production capacity. The scientific production management process enhanced the production efficiency of the Group, which enabled the Group to constantly launch new products on time targeting at market demand with a view to increasing the strengths of product differentiation. Our ES fiber project successfully commenced production on 27 June 2020. ES fiber is a kind of bicomponent skin-core structure composite fiber where the skin component has a low melting point and good flexibility and the core component has a high melting point and high strength. After heating, a portion of the skin component will be melted and bonded together, and the rest maintains the fiber properties while enjoying a low thermal shrinkage rate. It is particularly suitable for use in through air drying process to manufacture products such as sanitary materials, thermal filling materials and filtration materials. With respect to model selection and main equipment installation, our ES fiber project adopts German facilities. The excellent equipment largely ensures the Group's product innovation and technological innovation. The Group targets at the high-end customers to provide them with high-end customized products according to their demand, as a gradual process to enter into the international high-end market. Moving forward, the Group expects more promising prospects for the ES fiber business as to demand and application. High value-added products can generate higher profits, which will also consolidate the position of the Group in the industry.

The Group manufactures functional polyester thin films project of 255,000 tons in production site G on an annual basis, of which, 2 of the production lines focused on the production of polyester thin films, with an annual capacity of 70,000 tons, were duly put into production in December 2020. The project adopts international advanced polyester production process with 6 biaxially-oriented polyester thin films production lines of the latest model purchased from Dornier in Germany, equipped with the cutting machines in KAMPF of Germany, and 9 APET sheet production lines. By virtue of the automatic control in the whole process of production, the implementation of purification management in production workshops, and the smooth operation and stability of the equipment and the production lines, we can manufacture thin films of larger span, which can satisfy more customers' needs and ensure the quality of various products. Positioning at high-end functional polyester thin films market at home and abroad, the products can be mainly applied in the segments including soft packaging, composite printing, garments, safety and energy saving, cosmetics, food packaging, toys, electronic products including solar backplane, protective film and release film. Due to the prosperous market conditions in the thin films market this year and wide market potential, there have been advanced orders placed by our customers prior to the commencement of commercial production of the project. Relying on the entire supply chain platform of the Group and mature technology management team, the products will serve customers in all respects with a focus on high quality, high starting point and specialization. The production of the project will allow the Group to double the production capacity of its existing polyester thin films and APET sheet and strengthen its market position as a large polyester thin films manufacturer in China.

The Group also announced on 20 September 2022 that it will further invest approximately US\$73,900,000 in the development of a new production facility in Vietnam for polyester bottle chips. The expected annual production capacity is about 300,000 tons and it has been put into commercial production gradually in July 2023. In addition, the production line for polyester thin films established by the Group with a planned investment of approximately US\$320 million over a period of four years from 2020 to 2023 has been put into commercial production in November 2023. Upon the full completion, the additional polymerizing production capacity is 400,000 tons per year, which enables the additional polyester thin films to give their full play to reach the production capacity of 228,000 tons per year.

After more than one year of planning and construction, the manufacturing facilities of polyester industrial yarns, which has an annual production capacity of approximately 250,000 tons, commenced operation in July 2022. The Group has been committed to constructing its polyester industrial yarns products with the belief of “high quality, high starting point, specialization, and serving various fields”. The Group adopts world-class advanced polyester process in its production by introducing the latest high-speed spinning winder of Oerlikon Barmag (a German brand), which can produce a full range of products including ordinary high-strength, low-shrink, ultra-low-shrink, activated, anti-wicking and water-repellent, car seat belt wear resistant and special sewing thread and non-ferrous type, as complemented by the plied and twisted lines and twisting device to enrich the product structure. Meanwhile, the Group is equipped with the whole-process intelligent production and management from the latest intelligent winding, product inspection, packaging to storage, together with the optimized application of Oerlikon Barmag’s automation solution. The Group is also among the top ten polyester industrial yarns manufacturers in China. The project has led the Group to expand the business of polyester industrial yarns products, marking another milestone towards the whole industry chain layout of the Group. We gradually acquire expertise in the direction of customer flow, information flow and capital flow in the industry. Meanwhile, the Company continues to strengthen its publicity efforts to further enhance our reputation for polyester industrial yarns products, and proactively deepens understanding of customers’ needs for polyester industrial yarns prices, functions and services. The Group will continue to provide customers with high-end quality products and gradually take the lead in the market.

In addition, in view of the global development trend of synthetic fibers, by expanding the polyamide business, the Company can seize the growth opportunities in this market, increase the variety and capacity of the Group’s existing production projects, and strengthen the Group’s market position as one of the large-scale manufacturers in the PRC. We expect to invest approximately RMB2,395,730,000 during the three-year period from 2025 to 2027, and we estimate the total production capacity of the new facilities will be approximately 120,000 tons per annum, with gradual commencement of commercial production starting from 2026. Synthetic fibers has become one of the most widely used outdoor fabrics due to its superior characteristics, and it is estimated that the scale of the sports outdoor market in China will be close to RMB 600 billion.

The Group had signed a 5G new technology strategic cooperation with China Mobile, to jointly explore development opportunities in the 5G business sector by further leveraging the unique advantages of both parties. The Group's commissioning of 5G smart factories has eased the pressure caused by rising labor costs, improved production efficiency, and promoted high-quality development in digital, intelligent, and flexible aspects with reform and innovation. As the first 5G intelligent chemical factory in the chemical fiber industry in the country, the Group and China Mobile cooperate in the fields of intelligent manufacturing, 5G data acquisition and transmission, high-precision positioning, visual recognition, network security, etc., to expand 5G industrial Internet application scenarios and achieve mutual benefit and win-win results.

As a leading enterprise in Fujian Province, the Group has been dedicated to building the front-end platform for foreign economic and trading cooperation in recent years. In active response to the national call, the Group decided to invest in Vietnam to build a polyester factory as early as 2016. On 3 May 2020, the Group officially commenced the second project, i.e. the “polyester bottle chips project with an annual production capacity of 250,000 tons”, under phase I of the Group's investment in and construction of the “700,000-ton differentiated chemical fiber project” in Tay Ninh, Vietnam. The main product of the project is bottle grade chips suitable for making bottles for water such as mineral water and purified water. Coupled with the “polyester filament yarns and chips project with an annual production capacity of 200,000 tons”, which commenced operation in September 2019, the two projects under phase I of our investment in and construction of the “700,000-ton differentiated chemical fiber project” in Vietnam have completed construction. The Group targets to develop these projects to create a demonstration platform for China– Vietnam production capacity cooperation, marking a further great leap forward in the development of the Group. Leveraging on the geographical location of Vietnam and its huge market potential, the Group will continue to capitalize on its opportunities and utilize its strengths as a large-scale corporation to differentiate itself from the competitors and enter the textile and polyester bottle chips market in Vietnam.

The Group has always been highly valuing the importance of marketing channel expansion and customer services. The flexible sales strategies enable it to understand market situations in time, focus on customers' experience and timely communicate the feedback from customers to the technology and production center, in order to ensure the bilateral interaction and providing fast and efficient product aftersales services. While consolidating its market share in Fujian and Guangdong Provinces, the Group also strived to develop international markets and continued to improve its response to the market whilst expanding the emerging markets. According to the feedback of downstream users in the emerging markets, the Group made functional improvement and technology upgrade to its existing product lines with suitable marketing strategy, strengthened quality control on export products, and maintained cost advantages.

The Group's major subsidiaries, Billion Fujian and Billion High-tech have been awarded as high technology enterprises. During the year under review, the revenue from and the research and development expenses of the Group's differentiated products amounted to RMB11,021,919,000 and RMB567,495,000, representing 53.4% and 2.8% of the total revenue respectively. Our research and development focused on improving the product quality and production efficiency, as well as enhancing its innovative capability in all aspects from chemical fiber to textile fabrics. Such a high rate ensures our market competitiveness and is also a key factor contributing to the steady growth of the Group's sales. In addition, the Group owned 135 national patents registered in China and had applied for 184 national patents. Among all of the Group's patented products, 161 of them have already been applied to our products sold to customers. We remain confident in the short-and medium-term development as it continues to push ahead its innovative capability and intelligentization achievements, alongside with the application for patents in China, increasing national income, optimizing demographic structure and consumption upgrade.

FINANCIAL REVIEW

Operational performance

1. Revenue

Revenue of the Group in 2024 amounted to RMB20,631,678,000, representing an increase of 16.2% as compared to RMB17,755,491,000 in 2023. Revenue attributable to the sales of polyester filament yarns, the Group's main products, was RMB8,902,208,000 accounting for 43.1% of the total revenue. Revenue attributable to the sales of polyester products* was RMB9,956,035,000, accounting for 48.3% of the total revenue. The revenue of the new products ES fiber and polyester industrial yarns of the Group was RMB115,811,000 and RMB1,657,624,000, respectively, accounting for 0.6% and 8.0% of the total revenue, respectively. The revenue analysis of the various products is as follows:

Polyester filament yarns

The Group adopts melt-direct spinning differentiated chemical fiber production line which is technologically advanced by global standard, and possesses the leading spinning and texturing equipment and technology in the industry. The Group targets its polyester filament yarns products at the middle and high-end markets both domestically and abroad, a majority of which are differentiated products and have special physical features and functionalities, such as cotton-like fibers, protection against ultraviolet rays, moisture and sweat-absorption, flame-resistant, abrasion-resistant, super-soft, super-shining and antibacterial. These products are widely used in apparel, footwear and home furnishings and high-end fabrics and textiles for industry. The Group's product solutions have a clear positioning and are targeted at the mid to high-end market. In response to the needs of the target markets, the product plan designs are based on the production of differential Oerlikon fibers and functional fibers.

Revenue attributable to the sales of polyester filament yarns products for the year under review was RMB8,902,208,000, representing an increase of RMB189,611,000 or 2.2% as compared to RMB8,712,597,000 in 2023. The average selling price of polyester filament yarns in the year under review was RMB8,740 per ton, representing an increase of RMB137 or 1.6% as compared to RMB8,603 per ton in 2023.

* *Polyester products represent biaxially-oriented polyethylene terephthalate ("BOPET") thin films, polyester bottle chips, polyester films and wasted filament generated during the production process.*

Polyester products

The Group's polyester products can be widely used in various sectors including packaging, magnetic materials, imaging, industry, electronics and electrical appliances, with its principal products positioned at the middle and high-end markets both domestically and abroad. The Group re-engineered its polyester products production lines to conduct research and development on various categories of thin films products under different raw material formulae and various technological conditions. The Group introduced the production lines and research and development equipment with advanced international standards for BOPET thin films from Dornier in Germany, which mainly focuses on the production, research and development and sales of BOPET thin films. It has become one of the largest polyester thin films production enterprises in China. In addition, the commencement of production of the facility of Billion Vietnam has also expanded the production capacity of polyester products of the Group.

Revenue attributable to the sales of polyester products for the year under review was RMB9,956,035,000, representing an increase of RMB2,773,137,000 or 38.6% as compared to RMB7,182,898,000 in 2023. The average selling price of polyester products in the year under review was RMB6,704 per ton, representing a decrease of RMB74 or 1.1% as compared to RMB6,778 per ton in 2023. The sales volume of the Group's polyester products increased by 40.1% from 1,059,755 tons in 2023 to 1,485,129 tons during the year under review. The sales volume continued to record steady growth.

ES fiber and polyester industrial yarns

The Group's ES fiber is a new type of thermally bonded composite fiber. After heating, a portion of the skin component will be melted and bonded together enjoying a low thermal shrinkage rate. Fibers are interlinked to form a non-woven fabric without adhesives. Different heat treatment methods will produce non-woven fabrics with different effects. For example, the application of hot air bonding can produce fluffy non-woven fabrics, the application of hot rolling bonding can produce high strength non-woven fabrics, products of which are mainly used in disposable sanitary products. The prospects for ES fiber demand are becoming broader, and the broad demand potential for ES fibers in the future is expected to open up new sources of revenue growth for the Group. During the year under review, the revenue attributable to the sale of ES fiber products was RMB115,811,000, and the average selling price of the products was RMB9,110 per ton.

Different from the production process of polyester filament, polyester industrial yarns of the Group requires a solid phase polymerization device which can increase the viscosity through solid phase polycondensation. The tensile strength of such yarns is controlled by winding hot rolls industrial silk, and physical properties are controlled. Different strengths have different uses. Industrial silk products of the Group serve various fields with high quality, high starting point and specialization, including hoisting belts, conveyor belts, car seat belts, canvas, teslin, coated cloth, fire hoses, oil and water pipelines, geotextiles and so on. During the year under review, the revenue attributable to the sale of polyester industrial yarns products was RMB1,657,624,000, and the average selling price of the products was RMB7,558 per ton.

Breakdown of Revenue and Sales Volume (By Product)

	Revenue				Sales volume			
	2024		2023		2024		2023	
	<i>RMB'000</i>	<i>Percentage</i>	<i>RMB'000</i>	<i>Percentage</i>	<i>Tons</i>	<i>Percentage</i>	<i>Tons</i>	<i>Percentage</i>
Polyester filament yarns								
DTY	6,351,537	30.8%	6,175,801	34.8%	680,636	24.9%	675,400	29.2%
FDY	1,803,262	8.7%	1,871,331	10.5%	215,757	7.9%	229,162	9.9%
POY	209,734	1.0%	147,672	0.8%	30,750	1.1%	21,020	0.9%
Other polyester filament yarns products*	537,675	2.6%	517,793	3.0%	91,379	3.3%	87,164	3.8%
Sub-total	8,902,208	43.1%	8,712,597	49.1%	1,018,522	37.2%	1,012,746	43.8%
Polyester products								
BOPET thin films	3,957,581	19.2%	3,470,897	19.5%	562,099	20.6%	493,271	21.3%
Polyester bottle chips	4,758,701	23.1%	2,395,937	13.5%	719,531	26.3%	350,855	15.2%
Other polyester products**	1,239,753	6.0%	1,316,064	7.4%	203,499	7.4%	215,629	9.3%
Sub-total	9,956,035	48.3%	7,182,898	40.4%	1,485,129	54.3%	1,059,755	45.8%
ES fiber	115,811	0.6%	108,584	0.6%	12,713	0.5%	12,104	0.5%
Polyester industrial yarns								
	1,657,624	8.0%	1,751,412	9.9%	219,329	8.0%	229,566	9.9%
Total	20,631,678	100.0%	17,755,491	100.0%	2,735,693	100.0%	2,314,171	100.0%

* Other polyester filament yarns products represent polyethylene terephthalate (“PET”) chips and wasted filament generated during the production process.

** Other polyester products represent polyester chips, polyester films and wasted filament generated during the production process.

Sales by geographic region

The Group's overseas sales revenue increased from RMB4,243,270,000 in 2023 to RMB5,731,342,000 during the year under review or an increase of 35.1%. Consequentially, the percentage of overseas sales revenue increased from 23.9% in 2023 to 27.8% during the year under review, representing an increase of 3.9 percentage points. The stable development of the Group's overseas sales was not affected. In addition, the second project under phase I of the Group's investment in and construction of the "700,000-ton differentiated chemical fiber project" in Tay Ninh, Vietnam fully commenced production, which boosted the overall overseas sales of the Group. Approximately 72.2% of the Group's revenue was generated from domestic market sales, of which 46.3% was from sales to customers in Fujian Province and 13.1% to customers in the adjacent Guangdong Province. The textile manufacturing industries in these two provinces have been booming, resulting in a relatively strong demand for the Group's products.

Geographic Breakdown of Revenue

	2024		2023	
	<i>RMB'000</i>	<i>Percentage</i>	<i>RMB'000</i>	<i>Percentage</i>
Domestic sales				
Fujian Province	9,557,898	46.3%	8,615,788	48.6%
Guangdong Province	2,706,070	13.1%	2,259,849	12.7%
Other provinces	2,636,368	12.8%	2,636,584	14.8%
Overseas sales				
Vietnam	1,126,001	5.5%	824,737	4.6%
Others*	4,605,341	22.3%	3,418,533	19.3%
Total	20,631,678	100.0%	17,755,491	100.0%

* Overseas sales were mainly made to countries such as ASEAN countries, EU countries, Japan, South Korea, Central America and South America.

2. *Cost of Sales*

Cost of sales of the Group in 2024 was RMB19,059,332,000, representing an increase of 14.1% as compared to RMB16,705,432,000 in 2023. Such increase was mainly attributable to the increase in sales. The cost of sales for polyester filament yarns, the Group's main products, was RMB7,908,142,000, accounting for 41.6% of the total cost of sales. The cost of sales for polyester products was RMB9,449,115,000, accounting for 49.5% of total cost of sales. The cost of sales for ES fiber and polyester industrial yarns products was RMB113,104,000 and RMB1,588,971,000, accounting for 0.5% and 8.4% of total cost of sales.

Polyester filament yarns

Average cost of sales for polyester filament yarns decreased from RMB7,986 per ton in 2023 to RMB7,765 per ton during the year under review, representing a decrease of RMB221 or 2.8% per ton. The average price of raw materials for polyester filament yarns decreased from RMB6,174 per ton in 2023 to RMB6,003 per ton during the year under review, representing a decrease of RMB171 or 2.8% per ton. PTA and MEG, major raw materials for products of the Group, accounted for 72.0% of the total cost of sales and the prices of which were mainly affected by the price of their raw materials, i.e. crude oil.

Polyester products

Average cost of sales for polyester products decreased from RMB6,472 per ton in 2023 to RMB6,363 per ton during the year under review, representing a decrease of RMB109 or 1.7% per ton, which was mainly due to the decrease in the selling price of manufacturing cost of polyester products. In addition, the average price of raw materials for polyester thin films decreased from RMB5,596 per ton in 2023 to RMB5,583 per ton during the year under review, representing a decrease of RMB13 or 0.2% per ton.

ES fiber and polyester industrial yarns

Average cost of sales for ES fiber was RMB8,897 per ton, while the average price of raw materials for ES fiber was RMB6,816 per ton.

Average cost of sales for polyester industrial yarns was RMB7,244 per ton, while the average price of raw materials for polyester industrial yarns was RMB5,710 per ton.

Breakdown of Cost of Sales

	2024		2023	
	<i>RMB'000</i>	<i>Percentage</i>	<i>RMB'000</i>	<i>Percentage</i>
Polyester filament yarns				
Cost of raw materials				
PTA	4,327,473	22.8%	4,604,774	27.5%
MEG	1,364,519	7.2%	1,211,380	7.3%
POY and other raw materials	421,512	2.2%	436,685	2.7%
Sub-total	6,113,504	32.2%	6,252,839	37.5%
Manufacturing costs	1,794,613	9.4%	1,833,261	11.0%
Other costs	25	0.0%	1,602	0.0%
Sub-total	7,908,142	41.6%	8,087,702	48.5%
Polyester products				
Cost of raw materials				
PTA	6,088,813	31.9%	4,522,065	27.0%
MEG	1,889,919	9.9%	1,186,886	7.1%
Chips and other raw materials	311,862	1.6%	221,077	1.3%
Sub-total	8,290,594	43.4%	5,930,028	35.4%
Manufacturing costs	1,158,521	6.1%	927,874	5.6%
Other costs	—	0.0%	643	0.0%
Sub-total	9,449,115	49.5%	6,858,545	41.0%
ES fiber				
Cost of raw materials				
PTA	27,241	0.1%	28,966	0.2%
MEG	8,784	0.0%	7,708	0.0%
Other raw materials	50,624	0.3%	47,253	0.3%
Sub-total	86,649	0.4%	83,927	0.5%
Manufacturing costs	26,455	0.1%	28,557	0.2%
Other costs	—	0.0%	21	0.0%
Sub-total	113,104	0.5%	112,505	0.7%
Polyester industrial yarns				
Cost of raw materials				
PTA	919,368	4.8%	1,004,315	6.0%
MEG	300,246	1.6%	274,992	1.6%
Oil and other raw materials	32,915	0.2%	47,407	0.3%
Sub-total	1,252,529	6.6%	1,326,714	7.9%
Manufacturing costs	336,442	1.8%	319,561	1.9%
Other costs	—	0.0%	405	0.0%
Sub-total	1,588,971	8.4%	1,646,680	9.8%
Total	19,059,332	100.0%	16,705,432	100.0%

Analysis of Average Cost of Sales of Products Per Ton

	2024	Percentage	2023	Percentage
	RMB (per ton)		RMB (per ton)	
Polyester filament yarns				
Cost of raw materials				
PTA	4,249	54.7%	4,547	56.9%
MEG	1,340	17.3%	1,196	15.0%
POY and other raw materials	414	5.3%	431	5.4%
Sub-total	6,003	77.3%	6,174	77.3%
Manufacturing costs	1,762	22.7%	1,810	22.7%
Other costs	—	0.0%	2	0.0%
Sub-total	7,765	100.0%	7,986	100.0%
Polyester products				
Cost of raw materials				
PTA	4,100	64.4%	4,267	66.0%
MEG	1,273	20.0%	1,120	17.3%
Chips and other raw materials	210	3.3%	209	3.2%
Sub-total	5,583	87.7%	5,596	86.5%
Manufacturing costs	780	12.3%	875	13.5%
Other costs	—	0.0%	1	0.0%
Sub-total	6,363	100.0%	6,472	100.0%
ES fiber				
Cost of raw materials				
PTA	2,143	24.0%	2,393	25.7%
MEG	691	7.8%	637	6.9%
Other raw materials	3,982	44.8%	3,904	42.0%
Sub-total	6,816	76.6%	6,934	74.6%
Manufacturing costs	2,081	23.4%	2,359	25.4%
Other costs	—	0.0%	2	0.0%
Sub-total	8,897	100.0%	9,295	100.0%
Polyester industrial yarns				
Cost of raw materials				
PTA	4,192	57.8%	4,375	61.0%
MEG	1,369	18.9%	1,198	16.7%
Other raw materials	149	2.1%	207	2.9%
Sub-total	5,710	78.8%	5,780	80.6%
Manufacturing costs	1,534	21.2%	1,392	19.4%
Other costs	—	0.0%	1	0.0%
Sub-total	7,244	100.0%	7,173	100.0%
Total	6,967		7,219	

3. *Gross Profit*

Gross profit of the Group in 2024 was RMB1,572,346,000, representing an increase of RMB522,287,000 or 49.7% as compared to RMB1,050,059,000 in 2023. Average selling price of products decreased by RMB131 per ton or 1.7% from RMB7,673 per ton in 2023 to RMB7,542 per ton during the year under review, while average cost of products also decreased by RMB252 per ton or 3.5% from RMB7,219 per ton in 2023 to RMB6,967 per ton during the year under review. The average gross profit of products per ton increased from RMB454 in 2023 to RMB575 during the year under review. Gross profit margin increased by 1.7 percentage point from 5.9% in 2023 to 7.6% during the year under review.

Polyester filament yarns

Average selling price of polyester filament yarns increased by RMB137 per ton or 1.6% from RMB8,603 in 2023 to RMB8,740 during the year under review. The average gross profit of polyester filament yarns per ton increased from RMB617 in 2023 to RMB975 during the year under review. The gross profit margin increased by 4.0 percentage points from 7.2% in 2023 to 11.2% during the year under review.

Polyester products

Average selling price of polyester products decreased by RMB74 per ton or 1.1% from RMB6,778 per ton in 2023 to RMB6,704 per ton during the year under review. The average gross profit of polyester products per ton increased from RMB306 in 2023 to RMB341 during the year under review. The gross profit margin increased by 0.6 percentage points from 4.5% in 2023 to 5.1% during the year under review.

ES fiber and polyester industrial yarns

During the year under review, the average selling prices of the Group's new products ES fiber and polyester industrial yarns were RMB9,110 and RMB7,558, respectively. As the initial investment and the initial stage of market expansion, ES fiber recorded an average gross profit of RMB213 per ton, while the average gross profit of polyester industrial yarns per ton was RMB314.

During the year under review, there's an increase in the sales volume and sales of the Group as compared to the same period of last year even amid the enterprises in textile industry still face various difficulties including the impact of the loss in foreign trade orders and the intensifying international competition. But the development of textile industry progressively recovers as the pandemic has largely passed, while the country starts to issue different supporting policies with regard to the influence of pandemic to help mitigate the operating pressure of enterprises in textile industry and to ensure the overall steady progress and stable development of the enterprises. While the Group is constantly committed to expanding their shares in both domestic market and overseas market and its production capacity continued to expand as planned. Factors including the official production of ES fiber and polyester industrial yarns allow the stable growth in the sales volume and sales of the Group's products continue in 2024. As the textile industry is still well-founded, we remain confident in the medium and long-term development of the business.

Analysis of Gross Profit by Product

	2024		2023	
	<i>RMB'000</i>	<i>Percentage</i>	<i>RMB'000</i>	<i>Percentage</i>
Polyester filament yarns				
DTY	695,557	44.3%	400,933	38.2%
FDY	287,065	18.3%	217,419	20.7%
POY and other polyester filament yarns products*	11,444	0.7%	6,543	0.7%
Sub-total	994,066	63.3%	624,895	59.6%
Polyester products				
BOPET thin films	225,133	14.3%	106,924	10.2%
Polyester bottle chips	200,917	12.8%	128,730	12.2%
Other polyester products**	80,870	5.1%	88,699	8.4%
Sub-total	506,920	32.2%	324,353	30.8%
ES fiber	2,707	0.2%	(3,921)	(0.4%)
Polyester industrial yarns	68,653	4.3%	104,732	10.0%
Total	1,572,346	100.0%	1,050,059	100.0%

* Other polyester filament yarns products represent PET chips and wasted filament generated during the production process.

** Other polyester products represent polyester chips, polyester films and waste filament generated during the production process.

Breakdown of Average Product Selling Price, Cost and Gross Profit (per ton)

	2024	2023
	RMB	RMB
Polyester filament yarns		
Average selling price	8,740	8,603
Average cost of sales	<u>7,765</u>	<u>7,986</u>
Average gross profit	<u>975</u>	<u>617</u>
Average gross profit margin	<u>11.2%</u>	<u>7.2%</u>
Polyester products		
Average selling price	6,704	6,778
Average cost of sales	<u>6,363</u>	<u>6,472</u>
Average gross profit	<u>341</u>	<u>306</u>
Average gross profit margin	<u>5.1%</u>	<u>4.5%</u>
ES fiber		
Average selling price	9,110	8,971
Average cost of sales	<u>8,897</u>	<u>9,295</u>
Average gross profit/(loss)	<u>213</u>	<u>(324)</u>
Average gross profit/(loss) margin	<u>2.3%</u>	<u>(3.6%)</u>
Industrial yarns		
Average selling price	7,558	7,629
Average cost of sales	<u>7,244</u>	<u>7,173</u>
Average gross profit	<u>314</u>	<u>456</u>
Average gross profit margin	<u>4.1%</u>	<u>6.0%</u>

4. *Other revenue*

Other revenue of the Group in 2024 amounted to RMB441,881,000, representing an increase of 0.2% as compared to RMB440,992,000 in 2023. Other revenue included bank interest income, government grants and gains on sales of raw materials. During the year under review, other revenue remained stable.

5. *Other net gains and losses*

Other net losses of the Group in 2024 amounted to RMB95,000, representing a decrease of 99.9% as compared to RMB79,673,000 in 2023. Other net gains and losses mainly comprised the realised and unrealised net gains and losses on financial instruments at FVPL, donation expenses and the net exchange gain and loss. Such change was mainly attributable to the net decrease in realised contract losses on financial instruments at FVPL and the decrease in net exchange loss.

6. *Selling and distribution expenses*

Selling and distribution expenses of the Group in 2024 amounted to RMB279,109,000, representing an increase of 19.2% as compared to RMB234,077,000 in 2023. Selling and distribution expenses mainly comprised transportation costs, wages of our sales staffs, operating expenses and promotion expenses. Such increase was mainly due to the increase in transportation costs resulted from the increase in sales volume in other provinces outside Fujian Province and overseas during the period under review.

7. *Administrative expenses*

Administrative expenses of the Group in 2024 amounted to RMB763,936,000, increased by 18.3% as compared to RMB645,784,000 in 2023. Administrative expenses mainly comprised research and development costs, depreciation on office equipment, staff wages, general office expenses, professional and legal fees, etc. Such change was mainly due to the increase in research and development costs during the period under review.

8. *Finance costs*

Finance costs of the Group in 2024 amounted to RMB132,486,000, increased by 10.2% as compared to RMB120,184,000 in 2023. Such change was mainly due to increase in other interest expenses.

9. Income tax

Income tax of the Group in 2024 amounted to RMB90,700,000, increased by 56.6% as compared to RMB57,935,000 in 2023. Such change was mainly due to an increase in profit before income tax of the Group, and the withholding income tax for dividends that Billion Fujian is required to pay to Billion Development (Hong Kong) Limited.

Billion Fujian and Billion High-tech, major subsidiaries of the Group, were recognised as the Advanced and New Technology Enterprises and entitled to a preferential tax rate of 15% in 2024.

The standard corporate income tax rate in Vietnam is 17% of taxable profits for the first 10 years starting from the first period of operation (i.e. 2019-2028 for Billion Industrial (Viet Nam) Co., Ltd. (“Billion Vietnam”)) and 20% for the succeeding years. The provisions of the Investment Registration Certificate of Billion Vietnam, allow Billion Vietnam to be exempted from Vietnam CIT for 2 years starting from the first year it generates taxable profit and entitled to a 50% reduction in income tax for the 4 succeeding years. The above exemption and reduction are not applicable to other income. As Billion Vietnam generated taxable profit for the first year in 2021, Billion Vietnam is exempted from Vietnam CIT for the year ended 31 December 2021 and 2022 and 50% reduction in income tax until the year ending 31 December 2025. For the year ended 31 December 2023, Vietnam CIT has not been provided as Billion Vietnam incurred a loss for taxation purpose. For the year ended 31 December 2024, Vietnam CIT has been provided at 17% as Billion Vietnam generated taxable profit and is entitled to a 50% reduction in income tax.

10. Profit for the year

Profit of the Group in 2024 amounted to RMB747,901,000, increased by RMB394,503,000 or 111.6% as compared to RMB353,398,000 in 2023, while the net profit margin of 3.6% represented an increase of 1.6 percentage points as compared to 2.0% in 2023. Such increase was mainly due to a significant rise in total revenue resulting from an increase in the total sales volume of polyester filament yarns and polyester products compared to the same period last year.

Financial position

1. Liquidity and capital resources

As at 31 December 2024, cash and cash equivalents of the Group amounted to RMB227,528,000, increased by RMB69,390,000 or 43.9% as compared to RMB158,138,000 as at 31 December 2023. Such increase was mainly due to the increase in the Group’s revenue during the year under review.

During the year under review, net cash from operating activities amounted to RMB921,154,000, net cash outflow from investing activities amounted to RMB785,178,000 and net cash outflow from financing activities amounted to RMB66,948,000.

The Group satisfies its working capital needs mainly with cash inflows from operating activities. During the year under review, inventory turnover days were 94.0 days (2023: 92.7 days), an increase of 1.3 days as compared to the same period last year, which was about the same as last year. The trade and bills receivable turnover days were 21.0 days (2023: 25.1 days), representing a decrease of 4.1 days as compared to the same period last year, which was mainly due to the decrease in the discounting of trade receivables during the period. The trade and bills payable turnover days were 300.5 days (2023: 302.2 days), representing a decrease of 1.7 days as compared to the same period last year, which was about the same as last year.

As at 31 December 2024, the Group had capital commitments of RMB623,224,000, which were mainly used for the expansion of production capacity as well as development of the production line for polyester industrial yarns products in Jinjiang.

2. *Capital structure*

As at 31 December 2024, the total liabilities of the Group amounted to RMB17,225,189,000 whereas capital and reserves amounted to RMB10,989,593,000. The gearing ratio (total liabilities divided by total equity) was 156.7%. Total assets amounted to RMB28,214,782,000. The debt-to-assets ratio (total assets divided by total liabilities) was 1.64 times. Bank loans of the Group amounted to RMB783,804,000, of which RMB501,852,000 were repayable within one year, and RMB281,952,000 were repayable after one year. RMB783,804,000 of the bank borrowings were secured by properties and restricted bank deposits.

Significant investment held, and material acquisitions or disposals of subsidiaries

There were no other significant investments held, nor were there any material acquisitions or disposals of subsidiaries, associates or joint ventures during the year under review.

The Group will continue to seek opportunities in utilising its idle cash by investing in appropriate financial products. The Company's future plan in the coming year for other material investments and additions of capital assets is primarily related to the expansion of domestic production capacity as well as development of the Vietnam production business. The Company intends to finance such plan through internally generated funds and bank loans.

Charges on assets

Save as disclosed in this announcement, there was no other charge on Group's assets as of 31 December 2024.

Contingent liabilities

As at 31 December 2024, the Group did not have any contingent liabilities (2023: Nil).

Foreign currency risk

The exposure of the Group's transactional currency to foreign currency risk was minimal as most of the financial assets and liabilities held by group entities of the Group are denominated in the respective functional currency of the respective group entities.

The management monitors the related foreign currency risk exposure closely on daily basis and, pursuant to a written foreign currency hedging policy as approved by the management, the Group would only enter into foreign currency forward contracts should need to arise. At 31 December 2024, the Group had outstanding foreign currency forward contracts of approximately RMB98,562,000 (2023: RMB98,562,000). No significant realised and unrealised fair value gain or loss has been arising for the foreign currency forward contracts.

Employees and remuneration

As at 31 December 2024, the Group had a total of 9,238 employees. The remuneration for employees is determined in accordance with their performance, professional experience and the prevailing market conditions. The management reviews the Group's employee remuneration policy and arrangements on a regular basis. Apart from pension, the Group also grants discretionary bonus to certain employees as awards in accordance with individual performance.

BUSINESS OUTLOOK

As the improved fiscal and currency policy, the global economy is expected to continue to rebound in 2025, and China is striving for the stable economic development, which is more conducive to people's access to services and commodities to stimulate consumption in this way.

As the largest polyester filament yarns manufacturer in Southern China, the Group has always been focusing on technological innovation. It adopts the world advanced melt-direct spinning differentiated chemical fiber production line, and possesses the leading spinning and texturing equipment and technology in the industry. Benefiting from the economic cycle and the rise of the crude oil price, the price trend of polyester thin films of the Group continued to improve. In addition, the continuous launch of new products has driven up the price of the Group's products and coupled with our appropriate cost control, the Group's overall business has experienced steady growth.

The Billion Vietnam Polyester Filament Project, which has an iconic significance for the Group's expansion into emerging markets, was formally put into operation in September 2019, further expanding the Group's overseas markets. Furthermore, in view of the increasing consumption of polyester industrial yarns in the PRC in recent years, in particular, the accelerating expansion of the polyester industrial yarns market in Eastern China, the Group invested approximately US\$185 million to set up a production line for polyester industrial yarns products to expand this business. The total production capacity of the new manufacturing facilities will be approximately 250,000 tons per annum, and they had been gradually commenced commercial production.

The Group also announced on 20 September 2022 that it will further invest approximately US\$73,900,000 in the development of a new production facility in Vietnam for polyester bottle chips. The designed annual production capacity is about 300,000 tons. It has been put into commercial production in July 2023.

Polyester products consumption has been increasing in China in recent years, and China has become an important production base for polyester products worldwide. By expanding the existing polyester thin film business, the Company will be able to leverage its existing scale and expertise in manufacturing polyester products to enjoy the growth of this market. The Group currently has geographical, technological and cost advantages in the polyester thin film industry. At a time when the industry is still in the blue ocean stage, the future polyester thin film will remain an important performance growth driver of the Group. The production line for polyester thin films established by the Group with a planned investment of US\$320 million over a period of four years from 2020 to 2023 had been put into commercial production in November 2023. Upon the full completion, the additional polymerizing production capacity is 400,000 tons per year, which enables the additional polyester thin films to give their full play to reach the production capacity of 228,000 tons per year.

After the expansion plans for the polyester industrial yarns project and the polyester thin film project are completed, the size of the Group, and the sales volume and sales revenue of products will further increase. However, due to the impact of the lingering pandemic, there was some short-term impacts on the overall textile industry and the sales of the Group. However, as the textile industry is still well-founded, we remain confident in the medium and long-term development of the business.

In addition, in view of the global development trend of synthetic fibers, by expanding the polyamide business, the Company can seize the growth opportunities in this market, increase the variety and capacity of the Group's existing production projects, and strengthen the Group's market position as one of the large-scale manufacturers in the PRC. We expect to invest approximately RMB2,395,730,000 during the three-year period from 2025 to 2027, and we estimate the total production capacity of the new facilities will be approximately 120,000 tons per annum, with gradual commencement of commercial production starting from 2026. Synthetic fibers has become one of the most widely used outdoor fabrics due to its superior characteristics, and it is estimated that the scale of the sports outdoor market in China will be close to RMB 600 billion.

Dividend

The Board does not recommend the payment of any final dividend for the year ended 31 December 2024.

Closure of register of members

The register of members of the Company will be closed from Tuesday, 20 May 2025 to Friday, 23 May 2025 (both days inclusive) for the purpose of determining shareholders who are entitled to attend and vote at the forthcoming AGM. In order to qualify for attending and voting at the AGM, 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 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 19 May 2025.

Audit committee

The audit committee of the Company had reviewed, together with the management, the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended 31 December 2024. The audit committee of the Company has also met and discussed with the Group's external auditor regarding the Group's audit and financial reporting matters.

CORPORATE GOVERNANCE PRACTICE OF THE COMPANY

Recognizing the importance of a publicly listed company's responsibilities to enhance its transparency and accountability, the Group is committed to achieving high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Throughout the year ended 31 December 2024, the Company has complied with all the code provisions as set out in the CG Code.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with the CG Code and align with the latest developments.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code of conduct for securities transactions by the Directors. All the Directors confirmed, following specific enquiries by the Company, that they had complied with the required standard as set out in the Model Code during the year ended 31 December 2024.

The Company has also established written guidelines (the “**Employees Written Guidelines**”) on terms no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company. No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company during the year ended 31 December 2024. In case the Company is aware of any restricted period for dealings in the Company’s securities, the Company will notify its Directors and relevant employees in advance.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SHARES

During the year ended 31 December 2024, the Company bought back a total of 2,948,000 shares on the Stock Exchange. The 2,824,000 bought-back shares were cancelled during the year ended 31 December 2024, and the remaining 124,000 bought-back shares were cancelled subsequently in January 2025. The details of the bought-back shares are as follows:

Date	Number of shares bought back	Price per share or highest price paid per share (HK\$)	Lowest price paid per share (HK\$)	Aggregate price paid (HK\$)
January 2024	48,000	4.14	4.06	196,920
March 2024	10,000	4.30	4.30	43,000
April 2024	62,000	4.40	4.22	270,180
May 2024	6,000	4.35	4.35	26,100
June 2024	568,000	4.35	4.11	2,396,140
July 2024	820,000	4.30	4.15	3,482,060
August 2024	320,000	4.26	4.15	1,360,280
September 2024	178,000	4.25	4.00	752,920
October 2024	812,000	4.01	3.99	3,247,100
November 2024	22,000	4.59	4.48	99,880
December 2024	102,000	4.30	4.25	438,100
Total	2,948,000			12,312,680

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any other listed securities of the Company during the year ended 31 December 2024 (including sale of treasury shares (as defined under the Listing Rules)). As of December 31, 2024 the Company did not hold any treasury shares.

There have been no options, awards, convertible securities or similar rights or arrangements, issued or granted by the Group during the year ended 31 December 2024 and as at the date of this announcement.

SUFFICIENCY OF PUBLIC FLOAT

Rule 8.08(1)(a) of the Listing Rules requires that at least 25% of the total issued capital of an issuer must be held by the public at any time. Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed public float of not less than 25% of the Company's issued shares as required under the Listing Rules for the year ended 31 December 2024 and the subsequent period ended the date of this announcement.

SCOPE OF WORK PERFORMED BY FORVIS MAZARS CPA LIMITED (FORMERLY KNOWN AS MAZARS CPA LIMITED) ("FORVIS MAZARS")

The figures in respect of the consolidated income statement, the consolidated statement of comprehensive income and the consolidated statement of financial position of the Group and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Company's auditor, Forvis Mazars, Certified Public Accountants, to the amounts set out in the consolidated financial statements of the Group for the year ended 31 December 2024. The work performed by Forvis Mazars in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the Company's auditor on this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is also published on the Company's website (www.baihong.com) and the designated website of the Stock Exchange (www.hkexnews.hk). The annual report for the year ended 31 December 2024 containing all the information required by the Listing Rules will be despatched to the shareholders and available on the above websites in due course.

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

Hong Kong, 21 March 2025

As at the date of this announcement, the board of directors of the Company comprises Mr. Sze Tin Yau, Mr. Wu Jinbiao and Ms. Shi Haiyan 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.