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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

- Revenue for the year ended 31 December 2025 amounted to RMB18,049.2 million, representing a decrease of 12.5% compared to the year ended 31 December 2024.
- Profit for the year ended 31 December 2025 amounted to RMB643.2 million, representing a decrease of 14.0% compared to the year ended 31 December 2024.
- Earnings per share for the year ended 31 December 2025 amounted to RMB0.30 (2024: RMB0.35).
- A final dividend of HK10.0 cents per share is proposed for 2025, full year dividend amount of HK10.0 cents per share.

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 2025 of the Company and its subsidiaries (collectively the “**Group**”), together with comparative figures for the previous year, as follows:

CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	2025 RMB’000	2024 RMB’000
Revenue	2	18,049,176	20,631,678
Cost of sales		<u>(16,612,741)</u>	<u>(19,059,332)</u>
Gross profit		1,436,435	1,572,346
Other revenue	3	319,552	441,881
Other net losses	4	(28,341)	(95)
Selling and distribution expenses		(231,022)	(279,109)
Administrative expenses		<u>(675,845)</u>	<u>(763,936)</u>
Profit from operations		820,779	971,087
Finance costs	5	<u>(108,515)</u>	<u>(132,486)</u>
Profit before tax	5	712,264	838,601
Income tax expenses	6	<u>(69,068)</u>	<u>(90,700)</u>
Profit for the year attributable to owners of the Company		<u>643,196</u>	<u>747,901</u>
Earnings per share	8		
Basic and diluted (RMB)		<u>0.30</u>	<u>0.35</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit for the year attributable to owners of the Company	643,196	747,901
Other comprehensive (loss) income:		
<i>Item that will not be reclassified to profit or loss</i>		
Translation of the Company's financial statements into presentation currency	(2,868)	2,804
<i>Item that may be reclassified subsequently to profit or loss</i>		
Exchange difference on consolidation	(113,923)	19,003
Total other comprehensive (loss) income for the year	(116,791)	21,807
Total comprehensive income for the year attributable to owners of the Company	526,405	769,708

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		11,762,885	12,128,369
Intangible assets		4,364	4,468
Equity Investments – Designated FVOCI	<i>9</i>	35,820	35,820
Deposits and prepayments	<i>11</i>	294,492	141,336
Time deposits with original maturity of more than three months	<i>14</i>	499,000	–
		<u>12,596,561</u>	<u>12,309,993</u>
Current assets			
Inventories	<i>10</i>	5,706,249	5,314,738
Trade and other receivables	<i>11</i>	2,013,724	4,257,385
Financial assets at FVPL	<i>12</i>	65,503	15,791
Restricted bank deposits	<i>13</i>	4,900,192	6,089,347
Cash and bank balances	<i>14</i>	358,916	227,528
		<u>13,044,584</u>	<u>15,904,789</u>
Current liabilities			
Trade and other payables	<i>15</i>	11,462,230	15,810,267
Contract liabilities		271,039	302,764
Bank loans	<i>16</i>	2,091,636	501,852
Lease liabilities		321	879
Tax payables		64,227	111,780
		<u>13,889,453</u>	<u>16,727,542</u>
Net current liabilities		<u>(844,869)</u>	<u>(822,753)</u>
Total assets less current liabilities		<u>11,751,692</u>	<u>11,487,240</u>

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
Non-current liabilities			
Bank loans	<i>16</i>	–	281,952
Lease liabilities		2,695	3,377
Deferred tax liabilities		224,270	212,318
Deferred income		21,933	–
		<u>248,898</u>	<u>497,647</u>
NET ASSETS		<u>11,502,794</u>	<u>10,989,593</u>
Capital and reserves			
Share capital		17,764	17,791
Reserves		11,485,030	10,971,802
TOTAL EQUITY		<u>11,502,794</u>	<u>10,989,593</u>

1. MATERIAL ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (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 2024 consolidated financial statements except for the adoption of the new/revised HKFRS Accounting Standards that are relevant to the Group and effective from the current financial reporting period as detailed below.

Going concern

At 31 December 2025, the Group recorded net current liabilities of approximately RMB844,869,000 (2024: approximately RMB822,753,000). 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 2025; 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 HKFRS Accounting Standards

The Group has applied, for the first time, the following revised HKFRS Accounting Standard that is relevant to the Group:

Amendments to HKAS 21

Lack of Exchangeability

Amendments to HKAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

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 are 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:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
<u>Disaggregated by major product lines</u>		
Polyester filament yarns products	6,878,052	8,902,208
Polyester products*	9,143,696	9,956,035
Polyester industrial yarns products	1,884,157	1,657,624
ES fiber products	143,271	115,811
	18,049,176	20,631,678
<u>Disaggregated by geographical location of customers</u>		
The People's Republic of China (the "PRC")	12,968,294	14,900,336
Vietnam	1,058,963	1,126,001
Others	4,021,919	4,605,341
	18,049,176	20,631,678

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 2025 and 2024.

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

The timing of revenue recognition of all revenue from contracts with customers is at a point in time during the years ended 31 December 2025 and 2024.

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

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
The PRC	9,806,255	9,749,612
Vietnam	2,217,272	2,484,071
Hong Kong	38,214	40,490
	<u>12,061,741</u>	<u>12,274,173</u>

3. OTHER REVENUE

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Bank interest income	177,505	187,027
Dividend from Equity Investments – Designated FVOCI (<i>Note 9</i>)	1,378	–
Interest from unlisted wealth management products	216	–
Government grants (<i>Note</i>)	103,162	209,953
Sales of raw materials	33,956	43,741
Others	3,335	1,160
	<u>319,552</u>	<u>441,881</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 2025 and 2024.

4. OTHER NET LOSSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Donation	(129)	(268)
Exchange gain (loss), net	8,318	(36,374)
Gain on early termination of leases	108	—
(Loss) Gain on disposal of property, plant and equipment, net	(24)	250
Unrealised gain on contracts for financial instruments at FVPL, net	3,606	4,220
Realised (loss) gain on contracts for financial instruments at FVPL, net	(34,297)	19,586
Others	(5,923)	12,491
	<u>(28,341)</u>	<u>(95)</u>

5. PROFIT BEFORE TAX

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

(a) Finance costs

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank loans	56,769	22,938
Interest on lease liabilities	148	216
Other interest expenses	55,333	121,348
	<u>112,250</u>	<u>144,502</u>
Less: Capitalised into construction in progress (<i>Note (i)</i>)	(3,735)	(12,016)
	<u>108,515</u>	<u>132,486</u>

(b) Staff costs (including directors' emoluments)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Salaries, wages, allowances and other benefits	662,716	654,118
Discretionary bonus	—	—
Contributions to defined contribution retirement plan (<i>Note (ii)</i>)	27,707	30,876
	<u>690,423</u>	<u>684,994</u>

(c) Other items

	2025 RMB'000	2024 RMB'000
Amortisation of intangible assets (included in “Administrative expenses”)	1,533	1,366
Auditor’s remuneration		
– audit services	1,667	1,613
– non-audit services	357	355
Cost of inventories (<i>Note (iii)</i>)	16,612,741	19,059,332
Depreciation (included in “Cost of sales” and “Administrative expenses” as appropriate)		
– property, plant and equipment	807,065	807,763
– right-of-use assets	36,025	30,338
Loss allowance on trade receivables, net	16	274
Research and development costs (<i>Note (iv)</i>)	467,198	567,707
	<u>16,612,741</u>	<u>19,059,332</u>

Notes:

- (i) The borrowing costs have been capitalised at a rate of 2.20% (2024: 2.24%) per annum for the year ended 31 December 2025.
- (ii) For the years ended 31 December 2025 and 2024, 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 2025, cost of inventories included approximately RMB1,188,639,000 (2024: approximately RMB1,141,397,000) relating to staff costs and depreciation, which were included in the respective amounts as disclosed above.
- (iv) For the year ended 31 December 2025, research and development costs included approximately RMB159,620,000 (2024: approximately RMB152,539,000) relating to staff costs and depreciation, which were included in the respective amounts as disclosed above.

6. INCOME TAX EXPENSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
PRC Corporate Income Tax (“CIT”)		
Current year	56,299	68,284
Vietnam CIT		
Current year	2,572	9,150
Over-provision in prior year	(3,224)	—
Hong Kong Profits tax		
Current year	—	1,531
Over-provision in prior year	(281)	—
	<u>55,366</u>	<u>78,965</u>
Withholding tax		
Withholding tax on dividends	1,750	1,003
Deferred tax		
Origination and reversal of temporary differences	<u>11,952</u>	<u>10,732</u>
	<u><u>69,068</u></u>	<u><u>90,700</u></u>

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 2025 and 2024.

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 2025 to 2027, and from 2024 to 2026, respectively, which entitles Billion Fujian and Billion High-tech to a reduced PRC CIT tax rate at 15% during the valid period.

Hong Kong Profits Tax has not been provided for the year ended 31 December 2025 as the Group incurred a loss for taxation purpose in Hong Kong. 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 (“Billion Development”), were taxed at 8.25% and assessable profits arising from Hong Kong above HK\$2 million were taxed at 16.5%.

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 2025. 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 2025 and 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. According to the provisions of the Investment Registration Certificate of Billion Vietnam, Billion Vietnam is 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 years ended 31 December 2021 and 2022 and 50% reduction in income tax until the year ending 31 December 2026. For the years ended 31 December 2025 and 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.*

The Group is within the scope of the Global Anti-Base Erosion Model Rules (“Pillar Two Model Rules”) published by the Organisation for Economic Co-operation and Development (“OECD”). The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. The subsidiaries of the Group in Vietnam and Hong Kong operates in jurisdictions that has enacted legislation implementing the Pillar Two Model Rules published by the OECD. Based on the Group’s assessment with reference to the most recent operational and financial information available for the relevant subsidiaries, the effective tax rates determined in accordance with the Pillar Two Model Rules for the relevant jurisdictions is below the 15% global minimum tax rate. Notwithstanding this, the management of the Group expects the application of the Pillar Two Model Rules would have no significant impact on the Group’s consolidated financial statements.

7. DIVIDENDS

The final dividend in respect of 2025 of HK\$0.10 per ordinary share is proposed by the Board after the reporting period. The proposed final dividend will be accounted for as an appropriation of reserves in the year ending 31 December 2026 if it is approved by the Company’s shareholders at the forthcoming annual general meeting. The Directors of the Company do not recommend the payment of a dividend for the year ended 31 December 2024.

8. EARNINGS PER SHARE

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit:		
Profit attributable to owners of the Company used for the purpose of basic earnings per share	<u>643,196</u>	<u>747,901</u>
	2025	2024
Number of shares:		
Issued ordinary shares at 1 January	2,115,676,000	2,118,658,000
Effect of shares repurchased and cancelled	<u>(1,599,041)</u>	<u>(1,061,284)</u>
Weighted average number of ordinary shares	<u>2,114,076,959</u>	<u>2,117,596,716</u>

There were no dilutive potential ordinary shares during the years ended 31 December 2025 and 2024, and therefore, diluted earnings per share is the same as the basic earnings per share.

9. EQUITY INVESTMENTS – DESIGNATED FVOCI

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Unlisted equity investment, at fair value	<u>35,820</u>	<u>35,820</u>

The unlisted equity investment represented the 1.56% of equity interests in a local bank incorporated and operated in Jinjiang, Quanzhou in Fujian Province in the PRC (the “Bank”), which was acquired by the Group at cash consideration of approximately RMB35,820,000 in 2024. Dividends of approximately RMB1,378,000 (2024: Nil) were received on this investment during the year ended 31 December 2025. 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 31 December 2025, the fair value of the Equity Investments – Designated FVOCI is determined by the management of the Group using the adjusted market approach with key input of discount of 23.5% for lack of marketability with reference to the valuation report prepared by an independent professional valuer, and therefore it is classified as level 3 under fair value hierarchy as defined in HKFRS 13 “Fair Value Measurement”. At 31 December 2024, the fair value of the Equity Investments – Designated FVOCI is determined by the management of the Group based on recent transaction price that is not supported by observable market prices or rates, and therefore it is classified as level 3 under fair value hierarchy as defined in HKFRS 13 “Fair Value Measurement”. The change in valuation technique from the recent transaction price to the adjusted market approach in the current reporting period is due to the lack of arm’s length transactions occurring during the year, resulting in the recent transaction price no longer being considered a reliable input for fair value measurement. The management of the Group considered that there is no significant change in fair value as at 31 December 2025 and 2024.

10. INVENTORIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Raw materials	535,064	683,839
Work in progress	185,520	205,813
Finished goods	<u>4,985,665</u>	<u>4,425,086</u>
	<u>5,706,249</u>	<u>5,314,738</u>

11. TRADE AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables from third parties	688,854	1,155,299
Less: Loss allowance	<u>(28,104)</u>	<u>(28,121)</u>
	660,750	1,127,178
Bills receivables from third parties	<u>48,940</u>	<u>69,549</u>
	709,690	1,196,727
Deposits and prepayments for acquisition of interests in leasehold land and property, plant and equipment	294,492	141,336
Prepayments on raw materials	682,233	2,421,264
Interest receivables	420,007	385,315
Value-added tax recoverable	136,164	206,097
Deposits, prepayments and other receivables	<u>65,630</u>	<u>47,982</u>
	1,598,526	3,201,994
Less: Non-current portion – deposits and prepayments	<u>(294,492)</u>	<u>(141,336)</u>
	1,304,034	3,060,658
	<u><u>2,013,724</u></u>	<u><u>4,257,385</u></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 2025, the Group had discounted bank acceptance bills totalling approximately RMB3,253,058,000 (2024: approximately RMB3,477,137,000) and endorsed bank acceptance bills totalling approximately RMB72,552,000 (2024: approximately RMB68,130,000), 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 2025, the loss arising from the Derecognition was approximately RMB5,318,000 (2024: approximately RMB9,083,000).

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 expected credit losses, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 month	657,611	1,140,691
1 to 2 months	6,050	48,170
2 to 3 months	1,259	7,586
Over 3 months	44,770	280
	<u>709,690</u>	<u>1,196,727</u>

At 31 December 2025, trade receivables and bills receivables are due within 30 to 210 days (2024: 30 to 210 days) and 1 to 365 days (2024: 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:

	2025 RMB'000	2024 RMB'000
Unlisted wealth management products (Note (i))	50,000	–
Contracts for financial instruments at FVPL (Note (ii))	15,503	15,791
	<u>65,503</u>	<u>15,791</u>

Notes:

- (i) At 31 December 2025, the Group invested in unlisted wealth management products issued by a bank in the PRC with the aggregate principal amount of RMB50,000,000 (2024: Nil). These unlisted wealth management products comprised of listed and unlisted debt securities, funds and other financial products. There are no fixed or determined returns of the wealth management products and the returns of principal are not guaranteed.
- (ii) At 31 December 2025, the Group had outstanding commodity futures contracts, which will be matured within one year, with underlying nominal values of approximately RMB199,481,000 (2024: approximately RMB203,472,000).
- (iii) At 31 December 2025, the Group has outstanding foreign currency forward contracts of approximately RMB98,562,000 (2024: approximately RMB98,562,000), which will be matured in August and September 2026, entered into 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 RMB223,113,000 (2024: approximately RMB221,120,000) and approximately RMB4,677,079,000 (2024: approximately RMB5,868,227,000) were pledged to the banks to secure certain bank loans (Note 16) and bills payables (Note 15), respectively.

14. TIME DEPOSITS AND CASH AND BANK BALANCES

At 31 December 2025, cash at bank which were placed with banks in the PRC and Vietnam amounted to approximately RMB270,844,000 (2024: approximately RMB154,090,000) and approximately RMB72,328,000 (2024: approximately RMB62,416,000), respectively.

At 31 December 2025, time deposits of approximately RMB499,000,000 (2024: Nil), with annual interest rates ranging from 2.15% to 2.20%, are made for various periods from 3 to 5 years depending on the expected cash requirements of the Group at the respective deposit rates. All time deposits were denominated in RMB.

Remittance of funds out of the PRC and Vietnam are subject to the exchange restrictions imposed by the PRC and Vietnam governments.

15. TRADE AND OTHER PAYABLES

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	1,385,059	1,776,654
Bills payables	9,484,665	13,478,598
Other payables and accrued charges	272,180	218,456
Salaries and welfare payables	51,022	52,984
Interest payables	21,432	13,078
Equipment payables	75,044	59,003
Construction payables	29,578	36,733
Accrued land cost	5,956	5,024
Other tax payables	137,294	169,737
	<u>11,462,230</u>	<u>15,810,267</u>

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

At 31 December 2025, bills payables carry interest rate at 0.50% to 1.60% (2024: 0.55% to 2.50%) 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:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	4,423,187	7,502,733
More than 3 months but within 6 months	3,531,528	4,693,857
More than 6 months but within 1 year	2,908,006	3,032,934
More than 1 year	7,003	25,728
	<u>10,869,724</u>	<u>15,255,252</u>

16. BANK LOANS

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

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year or on demand	2,091,636	501,852
After 1 year but within 2 years	–	281,952
	<u>2,091,636</u>	<u>783,804</u>

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

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Secured bank loans	<u>2,091,636</u>	<u>783,804</u>

At 31 December 2025, the secured bank loans are collectively secured by:

- (i) restricted bank deposits amounted to approximately RMB223,113,000 (2024: approximately RMB221,120,000) (Note 13);
- (ii) building held for own use with net carrying amount of approximately RMB38,201,000 (2024: approximately RMB40,490,000); and
- (iii) corporate guarantee given by Billion Fujian and Billion High-tech (2024: Billion Fujian and Billion High-tech) to the extent of approximately RMB2,581,710,000 (2024: approximately RMB2,511,775,000).

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

	2025	2024
	%	%
Fixed rate bank loans	1.50 – 2.55	2.00 – 2.80
Variable rate bank loans	4.71	5.98

17. CAPITAL COMMITMENTS

Capital commitments outstanding at 31 December 2025 and 2024 not provided, net of any deposits paid, for in the consolidated financial statements were as follows:

	2025	2024
	RMB'000	RMB'000
Contracted for property, plant and equipment	1,582,865	623,224

MANAGEMENT DISCUSSION AND ANALYSIS

CHANGES IN MACRO-ECONOMIC ENVIRONMENT

In 2025, 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 operations and production. The global economy began to show signs of recovery from the impacts of the epidemic. From January 2025 to December 2025, the profit of industrial enterprises of larger scale were approximately RMB7.4 trillion, representing a year-on-year increase by approximately 0.6%. 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. 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, the global economy is expected to improve gradually by 2026, 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 2025, 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 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 2025, the total operating revenue and profit of the industrial enterprises of larger scale in the textile industry were approximately RMB2.2 trillion and RMB73.8 billion respectively. According to the data from the National Bureau of Statistics of China, the raw material price of textile products decreased by approximately 0.1% on a year-on-year basis from January 2025 to December 2025 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 attaches importance to and 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 scientific and technological 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 environment-friendly 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 six 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 and sheet 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 products of the Group, 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 (commonly known as: nylon) 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 upon completion will be approximately 120,000 tons per annum, with gradual commencement of commercial production starting from 2026. Synthetic fibers have 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 RMB600 billion.

The Group had signed a 5G new technology strategic cooperation agreement 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 safety and quality control on export products, and maintained cost advantages.

As one of the leading chemical fiber producers in China, the Group is primarily engaged in the research and development, production and sale of new polyester materials, civil silk, industrial yarn, polyester film, polyester bottle chips and ES fiber. Featuring special physical properties 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 Company has become the largest polyester production base in South China.

The Company attaches great importance to the construction of green factories, focusing on energy conservation, emission reduction and environmental protection. It always adheres to the simultaneous implementation of source control and end treatment, and has achieved certain results in aspects such as green management, energy conservation and low-carbon initiatives, environmental protection and green technological innovation. We emphasize greening and beautification to build garden-style factories and establish green factories through green ecology. We are committed to maintaining extensive greenery throughout our factory site and, within our means, proactively assist in caring for surrounding trees outside our factory site. This truly enables the Company to achieve the vision of “views of greenery from windows, gardens from doorways, and shade along pathways”, delivering a green response for “carbon neutrality” through practical actions. The Company has dedicated personnel to manage its greening and landscaping, and has formulated rules and regulations regarding enterprise greening. This provides workers with a pleasant and elegant environment, while also helping to reduce the impact of workshop noise and exhaust gas on the surroundings. As a result, the Company was awarded the title of “National Green Factory” for 2025.

In addition, through years of dedicated effort, the Group has established a nationally leading smart factory for the melt direct spinning of polyester industrial yarn. The smart factory features with production process simulation and optimization; model-based advanced control of production stages such as spinning; smart online quality inspection; smart logistics and warehousing; factory interconnection network architecture and information models; automatic collection and visualization of production process data; integration of on-site data with production management systems; and dynamic cost and quality tracking systems. It has achieved the intelligent optimization of the enterprise’s operations, management and decision-making, and satisfies the intelligent requirements for all stages of polyester industrial yarn product design, processing, manufacturing, testing and logistics in fields like automotive safety, marine engineering and oil exploration, and overcomes the shortcomings in online product quality inspection. As a result, the Group has enhanced the processing system for functional and differentiated products, while improving labor productivity, product quality, new product R&D capabilities, and energy utilization efficiency.

Through the implementation of the project, customized and large-scale replication can be carried out in domestic chemical fiber enterprises, especially those producing polyester filament through melt direct spinning. The achievements of the automated storage and retrieval system have been applied and promoted within domestic chemical fiber enterprises, exerting a leading and exemplary effect on enhancing the intelligence level of the industry as a whole. The new intelligent manufacturing model for polyester filament through melt direct spinning, which can be promoted and applied within the industry, has played a crucial role in driving the industry's transformation and upgrading, and has a certain degree of influence and driving effect on the entire industry. It is of significant demonstrative importance for enhancing the level of intelligent chemical fiber production in China. Accordingly, the Group was selected by the Ministry of Industry and Information Technology as a National Excellence-level Smart Factory for 2025.

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 RMB10,671,462,000 and RMB466,848,000, representing 59.1% and 2.6% 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 142 national patents registered in China and had applied for 188 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 2025 amounted to RMB18,049,176,000, representing a decrease of 12.5% as compared to RMB20,631,678,000 in 2024. Revenue attributable to the sales of polyester filament yarns, the Group's main products, was RMB6,878,052,000, accounting for 38.1% of the total revenue. Revenue attributable to the sales of polyester products* was RMB9,143,696,000, accounting for 50.7% of the total revenue. The revenue of the ES fiber and polyester industrial yarns of the Group was RMB143,271,000 and RMB1,884,157,000, respectively, accounting for 0.8% and 10.4% of the total revenue, respectively. The revenue analysis of the various products of the Group is as follows:

Polyester filament yarns

The Group adopts a 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 RMB6,878,052,000, representing a decrease of RMB2,024,156,000 or 22.7% as compared to RMB8,902,208,000 in 2024. The average selling price of polyester filament yarns in the year under review was RMB8,025 per ton, representing a decrease of RMB715 or 8.2% as compared to RMB8,740 per ton in 2024.

* *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 RMB9,143,696,000, representing a decrease of RMB812,339,000 or 8.2% as compared to RMB9,956,035,000 in 2024. The average selling price of polyester products in the year under review was RMB6,018 per ton, representing a decrease of RMB686 or 10.2% as compared to RMB6,704 per ton in 2024. The sales volume of the Group's polyester products increased by 2.3% from 1,485,129 tons in 2024 to 1,519,447 tons during the year under review.

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. During the year under review, the revenue attributable to the sale of ES fiber products was RMB143,271,000, and the average selling price of the products was RMB9,155 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 RMB1,884,157,000, and the average selling price of the products was RMB7,399 per ton.

Revenue and Sales Volume Analysis (By Product)

	Revenue				Sales volume			
	2025		2024		2025		2024	
	RMB'000	Percentage	RMB'000	Percentage	Tons	Percentage	Tons	Percentage
Polyester filament yarns								
DTY	5,065,596	28.1%	6,351,537	30.8%	582,839	22.0%	680,636	24.9%
FDY	1,125,826	6.2%	1,803,262	8.7%	151,181	5.7%	215,757	7.9%
POY	362,534	2.0%	209,734	1.0%	58,363	2.2%	30,750	1.1%
Other polyester filament yarns products*	324,096	1.8%	537,675	2.6%	64,728	2.5%	91,379	3.3%
Sub-total	6,878,052	38.1%	8,902,208	43.1%	857,111	32.4%	1,018,522	37.2%
Polyester products								
BOPET thin films	4,125,066	22.9%	3,957,581	19.2%	618,353	23.3%	562,099	20.6%
Polyester bottle chips	3,722,172	20.6%	4,758,701	23.1%	631,769	23.9%	719,531	26.3%
Other polyester products**	1,296,458	7.2%	1,239,753	6.0%	269,325	10.2%	203,499	7.4%
Sub-total	9,143,696	50.7%	9,956,035	48.3%	1,519,447	57.4%	1,485,129	54.3%
ES fiber	143,271	0.8%	115,811	0.6%	15,649	0.6%	12,713	0.5%
Polyester industrial yarns	1,884,157	10.4%	1,657,624	8.0%	254,643	9.6%	219,329	8.0%
Total	18,049,176	100.0%	20,631,678	100.0%	2,646,850	100.0%	2,735,693	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 decreased from RMB5,731,342,000 in 2024 to RMB5,080,882,000 during the year under review or a decrease of 11.3%. Consequentially, the percentage of overseas sales revenue increased from 27.8% in 2024 to 28.2% during the year under review, representing an increase of 0.4 percentage point, and the regional distribution of overseas sales during the year was similar to that in 2024. Approximately 71.8% of the Group's revenue was generated from domestic market sales, of which 42.6% was from sales to customers in Fujian Province and 14.8% to customers in the adjacent Guangdong Province. While maintaining its domestic market share and position in both Fujian and Guangdong Provinces, the Group continued to expand into other provincial and municipal markets, where it provided customized product development services to its customers and developed strategic partnerships.

Geographic Revenue Disaggregation

	2025		2024	
	<i>RMB'000</i>	<i>Percentage</i>	<i>RMB'000</i>	<i>Percentage</i>
Domestic sales				
Fujian Province	7,690,830	42.6%	9,557,898	46.3%
Guangdong Province	2,680,210	14.8%	2,706,070	13.1%
Other provinces	2,597,254	14.4%	2,636,368	12.8%
Overseas sales				
Vietnam	1,058,963	5.9%	1,126,001	5.5%
Others*	4,021,919	22.3%	4,605,341	22.3%
Total	18,049,176	100.0%	20,631,678	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 2025 was RMB16,612,741,000, representing a decrease of 12.8% as compared to RMB19,059,332,000 in 2024. The cost of sales for polyester filament yarns, the Group's main products, was RMB6,258,193,000, accounting for 37.7% of the total cost of sales. The cost of sales for polyester products was RMB8,524,018,000, accounting for 51.3% of total cost of sales. The cost of sales for ES fiber and polyester industrial yarns products was RMB132,146,000 and RMB1,698,384,000, accounting for 0.8% and 10.2% of total cost of sales, respectively.

Polyester filament yarns

Average cost of sales for polyester filament yarns decreased from RMB7,765 per ton in 2024 to RMB7,302 per ton during the year under review, representing a decrease of RMB463 or 6.0% per ton. The average price of raw materials for polyester filament yarns decreased from RMB6,003 per ton in 2024 to RMB5,502 per ton during the year under review, representing a decrease of RMB501 or 8.3% per ton. PTA and MEG, major raw materials for products of the Group, accounted for 69.0% of the total cost of sales for polyester filament yarns 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 RMB6,363 per ton in 2024 to RMB5,610 per ton during the year under review, representing a decrease of RMB753 or 11.8% per ton. The average price of raw materials for polyester products decreased from RMB5,583 per ton in 2024 to RMB4,850 per ton during the year under review, representing a decrease of RMB733 or 13.1% per ton.

ES fiber and polyester industrial yarns

Average cost of sales for ES fiber was RMB8,444 per ton, while the average price of raw materials for ES fiber was RMB6,569 per ton.

Average cost of sales for polyester industrial yarns was RMB6,669 per ton, while the average price of raw materials for polyester industrial yarns was RMB5,096 per ton.

Cost of Sales Analysis

	2025		2024	
	RMB '000	Percentage	RMB '000	Percentage
Polyester filament yarns				
Cost of raw materials				
PTA	3,150,429	19.0%	4,327,473	22.8%
MEG	1,164,940	7.0%	1,364,519	7.2%
POY and other raw materials	400,249	2.4%	421,512	2.2%
Sub-total	4,715,618	28.4%	6,113,504	32.2%
Manufacturing costs	1,542,575	9.3%	1,794,613	9.4%
Other costs	—	0.0%	25	0.0%
Sub-total	6,258,193	37.7%	7,908,142	41.6%
Polyester products				
Cost of raw materials				
PTA	5,184,052	31.2%	6,088,813	31.9%
MEG	1,846,350	11.1%	1,889,919	9.9%
Chips and other raw materials	339,255	2.1%	311,862	1.6%
Sub-total	7,369,657	44.4%	8,290,594	43.4%
Manufacturing costs	1,154,361	6.9%	1,158,521	6.1%
Other costs	—	0.0%	—	0.0%
Sub-total	8,524,018	51.3%	9,449,115	49.5%
ES fiber				
Cost of raw materials				
PTA	28,385	0.1%	27,241	0.1%
MEG	10,734	0.1%	8,784	0.0%
Other raw materials	63,682	0.4%	50,624	0.3%
Sub-total	102,801	0.6%	86,649	0.4%
Manufacturing costs	29,345	0.2%	26,455	0.1%
Other costs	—	0.0%	—	0.0%
Sub-total	132,146	0.8%	113,104	0.5%
Polyester industrial yarns				
Cost of raw materials				
PTA	919,351	5.5%	919,368	4.8%
MEG	339,716	2.1%	300,246	1.6%
Oil and other raw materials	38,817	0.2%	32,915	0.2%
Sub-total	1,297,884	7.8%	1,252,529	6.6%
Manufacturing costs	400,500	2.4%	336,442	1.8%
Other costs	—	0.0%	—	0.0%
Sub-total	1,698,384	10.2%	1,588,971	8.4%
Total	16,612,741	100.0%	19,059,332	100.0%

Average Cost of Sales of Products Per Ton Analysis

	2025		2024	
	<i>RMB'000</i> <i>(per ton)</i>	<i>Percentage</i>	<i>RMB'000</i> <i>(per ton)</i>	<i>Percentage</i>
Polyester filament yarns				
Cost of raw materials				
PTA	3,676	50.3%	4,249	54.7%
MEG	1,359	18.6%	1,340	17.3%
POY and other raw materials	467	6.4%	414	5.3%
Sub-total	5,502	75.3%	6,003	77.3%
Manufacturing costs	1,800	24.7%	1,762	22.7%
Other costs	—	0.0%	—	0.0%
Sub-total	7,302	100.0%	7,765	100.0%
Polyester products				
Cost of raw materials				
PTA	3,412	60.8%	4,100	64.4%
MEG	1,215	21.7%	1,273	20.0%
Chips and other raw materials	223	4.0%	210	3.3%
Sub-total	4,850	86.5%	5,583	87.7%
Manufacturing costs	760	13.5%	780	12.3%
Other costs	—	0.0%	—	0.0%
Sub-total	5,610	100.0%	6,363	100.0%
ES fiber				
Cost of raw materials				
PTA	1,814	21.5%	2,143	24.0%
MEG	686	8.1%	691	7.8%
Other raw materials	4,069	48.2%	3,982	44.8%
Sub-total	6,569	77.8%	6,816	76.6%
Manufacturing costs	1,875	22.2%	2,081	23.4%
Other costs	—	0.0%	—	0.0%
Sub-total	8,444	100.0%	8,897	100.0%
Polyester industrial yarns				
Cost of raw materials				
PTA	3,610	54.1%	4,192	57.8%
MEG	1,334	20.0%	1,369	18.9%
Other raw materials	152	2.3%	149	2.1%
Sub-total	5,096	76.4%	5,710	78.8%
Manufacturing costs	1,573	23.6%	1,534	21.2%
Other costs	—	0.0%	—	0.0%
Sub-total	6,669	100.0%	7,244	100.0%
Total	6,276		6,967	

3. *Gross Profit*

Gross profit of the Group in 2025 was RMB1,436,435,000, representing a decrease of RMB135,911,000 or 8.6% as compared to RMB1,572,346,000 in 2024. Average selling price of products decreased by RMB723 per ton or 9.6% from RMB7,542 per ton in 2024 to RMB6,819 per ton during the year under review, while average cost of products decreased by RMB691 per ton or 9.9% from RMB6,967 per ton in 2024 to RMB6,276 per ton during the year under review. The average gross profit of products per ton decreased from RMB575 in 2024 to RMB543 during the year under review. Gross profit margin increased by 0.4 percentage point from 7.6% in 2024 to 8.0% during the year under review.

Polyester filament yarns

Average selling price of polyester filament yarns decreased by RMB715 per ton or 8.2% from RMB8,740 per ton in 2024 to RMB8,025 per ton during the year under review. The average gross profit of polyester filament yarns per ton decreased from RMB975 in 2024 to RMB723 during the year under review. The gross profit margin decreased by 2.2 percentage points from 11.2% in 2024 to 9.0% during the year under review.

Polyester products

Average selling price of polyester products decreased by RMB686 per ton or 10.2% from RMB6,704 per ton in 2024 to RMB6,018 per ton during the year under review. The average gross profit of polyester products per ton increased from RMB341 in 2024 to RMB408 during the year under review. The gross profit margin increased by 1.7 percentage points from 5.1% in 2024 to 6.8% during the year under review.

ES fiber and polyester industrial yarns

During the year under review, the average selling prices of the Group's ES fiber and polyester industrial yarns were RMB9,155 and RMB7,399, respectively. ES fiber recorded an average gross profit of RMB711 per ton, while the average gross profit of polyester industrial yarns per ton was RMB730.

During the year under review, there was a decrease in the sales volume and sales of the Group as compared to the same period last year. The prices of main raw materials, PTA and MEG, declined due to the sharp drop in crude oil prices, which in turn led to lower product prices. Meanwhile, demand came under pressure from macroeconomic factors, such as the imposition of additional tariffs by the United States. Competition in the downstream market for chemical fiber products was intense, and the operating conditions of textile customers also placed the Group under a degree of pressure. Despite short-term challenges, the Group remains committed to expanding its domestic and overseas markets and is steadily expanding its production scale as planned. As the textile industry is still well-founded, we remain confident in the medium and long-term development of the business.

Gross Profit by Product Analysis

	2025		2024	
	<i>RMB'000</i>	<i>Percentage</i>	<i>RMB'000</i>	<i>Percentage</i>
Polyester filament yarns				
DTY	470,738	32.8%	695,557	44.3%
FDY	151,656	10.6%	287,065	18.3%
POY and other polyester filament yarns products*	(2,535)	(0.2%)	11,444	0.7%
Sub-total	619,859	43.2%	994,066	63.3%
Polyester products				
BOPET thin films	480,225	33.4%	225,133	14.3%
Polyester bottle chips	115,903	8.1%	200,917	12.8%
Other polyester products**	23,550	1.6%	80,870	5.1%
Sub-total	619,678	43.1%	506,920	32.2%
ES fiber	11,125	0.8%	2,707	0.2%
Polyester industrial yarns	185,773	12.9%	68,653	4.3%
Total	1,436,435	100.0%	1,572,346	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.

Average Selling Price, Cost and Gross Profit Disaggregation (per ton)

	2025 RMB	2024 RMB
Polyester filament yarns		
Average selling price	8,025	8,740
Average cost of sales	<u>7,302</u>	<u>7,765</u>
Average gross profit	<u>723</u>	<u>975</u>
Average gross profit margin	<u>9.0%</u>	<u>11.2%</u>
Polyester products		
Average selling price	6,018	6,704
Average cost of sales	<u>5,610</u>	<u>6,363</u>
Average gross profit	<u>408</u>	<u>341</u>
Average gross profit margin	<u>6.8%</u>	<u>5.1%</u>
ES fiber		
Average selling price	9,155	9,110
Average cost of sales	<u>8,444</u>	<u>8,897</u>
Average gross profit	<u>711</u>	<u>213</u>
Average gross profit margin	<u>7.8%</u>	<u>2.3%</u>
Industrial yarns		
Average selling price	7,399	7,558
Average cost of sales	<u>6,669</u>	<u>7,244</u>
Average gross profit	<u>730</u>	<u>314</u>
Average gross profit margin	<u>9.9%</u>	<u>4.1%</u>

4. Other revenue

Other revenue of the Group in 2025 amounted to RMB319,552,000, representing a decrease of 27.7% as compared to RMB441,881,000 in 2024. Other revenue included bank interest income, government grants and gains on sales of raw materials. During the year under review, such decrease was due to a reduction in government grants.

5. Other net losses

Other net losses of the Group in 2025 amounted to RMB28,341,000 (other net losses in 2024 amounted to RMB95,000). 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. During the year under review, such change was mainly attributable to an increase in realised loss on financial instruments at FVPL and net exchange gain.

6. Selling and distribution expenses

Selling and distribution expenses of the Group in 2025 amounted to RMB231,022,000, representing a decrease of 17.2% as compared to RMB279,109,000 in 2024. Selling and distribution expenses mainly comprised transportation costs, wages of our sales staffs, operating expenses and promotion expenses. Such decrease was mainly due to the decrease in related transportation costs and miscellaneous expenses resulted from the decrease in sales volume during the period.

7. Administrative expenses

Administrative expenses of the Group in 2025 amounted to RMB675,845,000, decreased by 11.5% as compared to RMB763,936,000 in 2024. 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 decrease in research and development costs during the period under review.

8. Finance costs

Finance costs of the Group in 2025 amounted to RMB108,515,000, decreased by 18.1% as compared to RMB132,486,000 in 2024. Such change was mainly due to the decrease in the other interest expenses.

9. *Income tax*

Income tax of the Group in 2025 amounted to RMB69,068,000, decreased by 23.9% as compared to RMB90,700,000 in 2024. Such change was mainly due to a decrease in profit before tax.

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 CIT rate of 15% in 2025.

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. According to the provisions of the Investment Registration Certificate of Billion Vietnam, Billion Vietnam is 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 years ended 31 December 2021 and 2022, and 50% reduction in income tax until the year ending 31 December 2026. For the years ended 31 December 2025 and 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 for the year of the Group in 2025 amounted to RMB643,196,000, decreased by RMB104,705,000 or 14.0% as compared to RMB747,901,000 in 2024, while the net profit margin of 3.6%, which was the same as the net profit margin of 3.6% in 2024.

Financial position

1. *Liquidity and capital resources*

As at 31 December 2025, cash and cash equivalents of the Group amounted to RMB358,916,000, increased by RMB131,388,000 or 57.7% as compared to RMB227,528,000 as at 31 December 2024. Such increase was mainly due to the increase in bank loans by the Group during the year under review.

During the year under review, net cash used in operating activities amounted to RMB1,095,469,000, net cash inflow from investing activities amounted to RMB32,807,000 and net cash inflow from financing activities amounted to RMB1,190,474,000.

The Group satisfies its working capital needs mainly with cash inflows from operating activities. During the year under review, inventory turnover days were 121.1 days (2024: 94.0 days), an increase of 27.1 days as compared to the same period last year, which was mainly due to the increase in inventories by the Group for sales activities in the second half of the year. The trade and bills receivable turnover days were 19.3 days (2024: 21.0 days), representing a decrease of 1.7 days as compared to the same period last year. The trade and bills payable turnover days were 227.1 days (2024: 300.5 days), representing a decrease of 73.4 days as compared to the same period last year, which mainly due to the sound relationship the Group maintained with the suppliers.

As at 31 December 2025, the Group had capital commitments of RMB1,582,865,000, 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 2025, the total liabilities of the Group amounted to RMB14,138,351,000 whereas capital and reserves amounted to RMB11,502,794,000. The gearing ratio (total liabilities divided by total equity) was 122.9%. Total assets amounted to RMB25,641,145,000. The debt-to-assets ratio (total assets divided by total liabilities) was 1.81 times. Bank loans of the Group amounted to RMB2,091,636,000, of which RMB2,091,636,000 were repayable within one year. RMB2,091,636,000 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 at 31 December 2025.

Contingent liabilities

As at 31 December 2025, the Group did not have any contingent liabilities (2024: 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 a 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 2025, the Group had significant outstanding foreign currency forward contracts of approximately RMB98,562,000 (2024: 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 2025, the Group had a total of 9,022 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 one of the leading chemical fiber producers in China, the Group is primarily engaged in the research and development, production and sale of new polyester materials, civil silk, industrial yarn, polyester film, polyester bottle chips and ES fiber. Featuring special physical properties 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 Company has become the largest polyester production base in South China.

The Company attaches great importance to the construction of green factories, focusing on energy conservation, emission reduction and environmental protection. It always adheres to the simultaneous implementation of source control and end treatment, and has achieved certain results in aspects such as green management, energy conservation and low-carbon initiatives, environmental protection and green technological innovation. We emphasize greening and beautification to build garden-style factories and establish green factories through green ecology. We are committed to maintaining extensive greenery throughout our factory site and, within our means, proactively assist in caring for surrounding trees outside our factory site. This truly enables the Company to achieve the vision of “views of greenery from windows, gardens from doorways, and shade along pathways”, delivering a green response for “carbon neutrality” through practical actions. The Company has dedicated personnel to manage its greening and landscaping, and has formulated rules and regulations regarding enterprise greening. This provides workers with a pleasant and elegant environment, while also helping to reduce the impact of workshop noise and exhaust gas on the surroundings. As a result, the Company was awarded the title of “National Green Factory” for 2025.

In addition, through years of dedicated effort, the Group has established a nationally leading smart factory for the melt direct spinning of polyester industrial yarn. The smart factory features with production process simulation and optimization; model-based advanced control of production stages such as spinning; smart online quality inspection; smart logistics and warehousing; factory interconnection network architecture and information models; automatic collection and visualization of production process data; integration of on-site data with production management systems; and dynamic cost and quality tracking systems. It has achieved the intelligent optimization of the enterprise’s operations, management and decision-making, and satisfied the intelligent requirements for all stages of polyester industrial yarn product design, processing, manufacturing, testing and logistics in fields like automotive safety, marine engineering and oil exploration, and overcome the shortcomings in online product quality inspection. As a result, the Group has enhanced the processing system for functional and differentiated products, while improving labor productivity, product quality, new product R&D capabilities, and energy utilization efficiency.

Through the implementation of the project, customized and large-scale replication can be carried out in domestic chemical fiber enterprises, especially those producing polyester filament through melt direct spinning. The achievements of the automated storage and retrieval system have been applied and promoted within domestic chemical fiber enterprises, exerting a leading and exemplary effect on enhancing the intelligence level of the industry as a whole. The new intelligent manufacturing model for polyester filament through melt direct spinning, which can be promoted and applied within the industry, has played a crucial role in driving the industry's transformation and upgrading, and has a certain degree of influence and driving effect on the entire industry. It is of significant demonstrative importance for enhancing the level of intelligent chemical fiber production in China. Accordingly, the Group was selected by the Ministry of Industry and Information Technology as a National Excellence-level Smart Factory for 2025.

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 approximately 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 (commonly known as: nylon) 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 upon completion will be approximately 120,000 tons per annum, with gradual commencement of commercial production starting from 2026. Synthetic fibers have 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 RMB600 billion.

DIVIDEND

The Board has recommended the payment of a final dividend of HK10.0 cents per share of the Company for the year ended 31 December 2025. The proposed final dividend, if approved by the shareholders at the annual general meeting, will be paid to the shareholders whose names appear on the register of members of the Company on 22 May 2026.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 12 May 2026 to Friday, 15 May 2026 (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 certificates 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, 11 May 2026.

Further, the register of members of the Company will be closed from Thursday, 21 May 2026 to Friday, 22 May 2026 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong 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 Wednesday, 20 May 2026.

Subject to shareholders' approval of the proposed final dividend at the AGM, the relevant dividends will be paid on Tuesday, 9 June 2026, to shareholders whose names appear on the register of members of the Company on Friday, 22 May 2026.

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 2025. 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 2025, the Company has complied with all the code provisions as set out in the CG Code.

Following the retirement of Ms. Shi Haiyan on 23 May 2025, the Board comprised six Directors, all of whom were male. Pursuant to Rule 13.92 of the Listing Rules, diversity is not considered to be achieved for a single gender board. Following the appointment of Ms. Shi Haiyan on 30 June 2025, there is at least a Director of a different gender on the Board and hence the Company is in compliance with Rule 13.92 of the Listing Rules.

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 2025.

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 2025. 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 2025, the Company bought back a total of 4,406,000 shares on the Stock Exchange. The 3,100,000 bought-back shares were cancelled during the year ended 31 December 2025, and the remaining 1,306,000 bought-back shares were cancelled subsequently in January 2026. The details of the bought-back shares are as follows:

Date	Number of bought-back shares	Price per share or highest price paid per share (HK\$)	Lowest price paid per share (HK\$)	Aggregate price paid (HK\$)
January 2025	6,000	4.35	4.35	26,100
March 2025	42,000	4.38	4.20	178,360
April 2025	130,000	4.60	4.10	548,780
May 2025	106,000	4.70	4.17	467,880
June 2025	900,000	4.60	4.27	4,044,860
July 2025	1,916,000	4.50	4.25	8,613,740
September 2025	656,000	4.40	4.17	2,829,980
October 2025	456,000	4.70	4.22	1,991,040
November 2025	108,000	4.92	4.61	515,220
December 2025	86,000	5.00	4.57	402,100
Total	4,406,000			19,618,060

The purchase of the Company's shares during the year ended 31 December 2025 was effected by the Directors, pursuant to the mandate from shareholders received at the last annual general meeting, with a view to benefiting the shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group. 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 2025 (including sale of treasury shares (as defined under the Listing Rules)). As of 31 December 2025, 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 2025 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 2025 and the subsequent period ended the date of this announcement.

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

The figures in respect of the consolidated income statement of the Group, the consolidated statement of comprehensive income of the Group and the consolidated statement of financial position of the Group and the related notes thereto for the year ended 31 December 2025 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 2025. 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 2025 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, 16 March 2026

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.