THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

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BILLION INDUSTRIAL HOLDINGS LIMITED
百宏實業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2299)

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

A notice convening an Annual General Meeting of the Company to be held at Unit 1501, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong on Friday, 15 May 2026 at 10:00 a.m. is set out on pages AGM-1 to AGM-4 of this circular.

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

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

16 April 2026

CONTENTS

Page

Definitions 1

Letter from the Board 3

1. Introduction 3
2. Re-election of Retiring Directors 4
3. General Mandates to Issue and Repurchase Shares 4
4. Final Dividend and Closure of Register of members 5
5. Procedures for Shareholders to Propose a Person for Election as a Director 6
6. Annual General Meeting and Proxy Arrangement 8
7. Recommendation 8

Appendix I – Details of the Directors proposed to be re-elected at the Annual General Meeting I-1

Appendix II – Explanatory statement on the Repurchase Mandate II-1

Notice of Annual General Meeting AGM-1

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

"Annual General Meeting"	an annual general meeting of the Company to be held at Unit 1501, Office Tower, Convention Plaza, No.1 Harbour Road, Wanchai, Hong Kong, on Friday, 15 May 2026 at 10:00 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of Annual General Meeting which is set out on pages AGM-1 to AGM-4 of this circular, or any adjournment thereof
"Articles of Association"	the articles of association of the Company as amended, supplemented or modified from time to time and currently in force
"Board"	the board of Directors
"Company"	Billion Industrial Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Issuance Mandate"	has the same meaning as defined in paragraph 3(b) of the letter from the Board which is set out on page 4 of this circular
"Latest Practicable Date"	9 April 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Repurchase Mandate"	has the same meaning as defined in paragraph 3(a) of the letter from the Board which is set out on page 4 of this circular
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended and supplemented from time to time

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

BILLION INDUSTRIAL HOLDINGS LIMITED
百宏實業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2299)

Executive Directors:
Mr. Sze Tin Yau *(Co-chairman)*
Mr. Wu Jinbiao
Ms. Shi Haiyan

Non-executive Director:
Mr. Zhang Shengbai *(Co-chairman)*

Independent Non-executive Directors:
Mr. Yu Wai Ming
Mr. Lin Jian Ming
Mr. Shih Chun Pi

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head Office and Principal Place of Business in Hong Kong:
Unit 1501, Office Tower
Convention Plaza
No. 1 Harbour Road
Wanchai
Hong Kong

16 April 2026

To the Shareholders

Dear Sir/Madam,

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

1. INTRODUCTION

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

2. RE-ELECTION OF RETIRING DIRECTORS

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

Pursuant to Articles 84(1), 84(2) and 83(3) of the Articles of Association, Ms. Shi Haiyan, Mr. Zhang Shengbai, Mr. Yu Wai Ming and Mr. Lin Jian Ming shall retire from office at the Annual General Meeting. Each of Ms. Shi Haiyan, Mr. Zhang Shengbai, Mr. Yu Wai Ming and Mr. Lin Jian Ming, being eligible, will offer himself/herself for re-election at the Annual General Meeting. Each of Mr. Yu Wai Ming and Mr. Lin Jian Ming has confirmed his independence with reference to the factors set out in Rule 3.13 of the Listing Rules.

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

3. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Pursuant to the resolutions passed by the Shareholders on 23 May 2025, general mandates were granted to the Directors to issue and repurchase Shares respectively, which would lapse upon the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required any applicable laws or by the articles of association of the Company to be held; and

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

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

(a) to exercise all powers of the Company to repurchase Shares on the Stock Exchange of up to 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting (the "**Repurchase Mandate**");

(b) to allot, issue or deal with additional Shares of up to 20% of the total number of issued Shares as at the date of passing of the proposed resolution contained in item 5 of the notice of the Annual General Meeting (the "**Issuance Mandate**"); and

(c) to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to the Repurchase Mandate.

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

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

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

(a) the conclusion of the Company's next Annual General Meeting; or

(b) the expiration of the period within which the Company is required by applicable law or the Articles of Association to hold its next annual general meeting; or

(c) when varied or revoked by an ordinary resolution of the Shareholders in a general meeting prior to the next Annual General Meeting of the Company.

4. FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

As stated in the announcement issued by the Company dated 16 March 2026 relating to the annual results of the Group for the year ended 31 December 2025, the Board recommended the payment of a final dividend of HK10.0 cents per Share for the year ended 31 December 2025 ("**Final Dividend**") to Shareholders whose names appear on the register of members of the Company on Friday, 22 May 2026. The proposed Final Dividend is subject to approval by the Shareholders at the Annual General Meeting and a resolution will be proposed to the Shareholders for voting at the Annual General Meeting. If the resolution for the proposed Final Dividend is passed at the Annual General Meeting, the proposed Final Dividend will be payable on or around Tuesday, 9 June 2026.

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 Share 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.

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

Article 85 of the Articles of Association provides that:

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

For the purpose of the Articles of Association:

(i) "Member" means a duly registered holder from time to time of the shares in the capital of the Company;

(ii) "Notice" means written notice unless otherwise specifically stated and as further defined in the Articles of Association; and

(iii) "Registration Office" means, in respect of any class of share capital, such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.

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

Required information of the candidate(s) nominated by Shareholders

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

a) full name and age;

b) positions held with the Company and its subsidiaries (if any);

c) experience including (i) other directorships held in the past three years in public companies of which the securities are listed on any securities market in Hong Kong and overseas, and (ii) other major appointments and professional qualifications;

d) current employment and such other information (which may include business experience and academic qualifications) of which Shareholders should be aware of, pertaining to the ability or integrity of the candidate;

e) length or proposed length of service with the Company;

f) relationships with any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company, or an appropriate negative statement;

g) interests in the Shares within the meaning of Part XV of SFO, or an appropriate negative statement;

h) a declaration made by the nominated candidate in respect of the information required to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules, or an appropriate negative statement to that effect where there is no information to be disclosed pursuant to any of such requirements nor there are any other matters relating to that nominated candidate's standing for election as a Director that should be brought to Shareholders' attention; and

i) contact details.

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

6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

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

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

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

7. RECOMMENDATION

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

The Directors consider that the proposed re-election of retiring Directors, the granting of the Repurchase Mandate and the Issuance Mandate, the extension of the Issuance Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Repurchase Mandate and the declaration of a final dividend are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

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

The following are details of the Directors who will be proposed to be re-elected at the Annual General Meeting:

(1) MS. SHI HAIYAN

Experience

Ms. Shi Haiyan (施海燕), aged 40, has over 6 years of experience in the textile industry, with more than 9 years specifically focused on polyester filament yarns industry. Ms. Shi graduated from Jiangnan University (江南大學) with a college degree (專科學歷) majoring in Business Administration in January 2020.

From March 2009 to July 2015, Ms. Shi served as a sales manager at Jinjiang Lishan Garment Co., Ltd.* (晉江力山製衣有限公司). In September 2015, she joined the Group and has since served as the deputy manager of the quality management department at Fujian Billion Polymerization Fiber Technology Industrial Co., Ltd.* (福建百宏聚纖科技實業有限公司), a wholly-owned subsidiary of the Group. She is responsible for overseeing the company's quality management system and ensuring that various departments operate in compliance with established standards and procedures. Ms. Shi's duties include identifying areas for improvement, developing and implementing rectification plans, and monitoring the progress and effectiveness of these initiatives. She also plays a key role in maintaining and updating the company's quality management system documentation and supervising the execution of technological processes, and was appointed as an executive director on 31 December, 2024. She retired as an executive Director and ceased to be a member of the nomination committee with effect from 23 May 2025. Ms. Shi Haiyan was subsequently re-appointed as an executive Director of the Company and as a member of the nomination committee with effect from 30 June 2025.

Length of service

Ms. Shi has entered into a letter of appointment in relation to her directorship with the Company for a period of three years commencing from 30 June 2025, subject to further renewal.

Relationships

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

Interests in shares

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

Director's remuneration

Ms. Shi as a Director, is entitled to receive an annual director's remuneration of RMB120,000 determined by the Board with reference to her experience, duties, responsibilities and the prevailing market rate.

Directorships

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

Others

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

(2) MR. ZHANG SHENGBAI

Experience

Mr. Zhang Shengbai (張勝柏), aged 50, has over 23 years of experience in the energy industry. He has been mainly engaged in the sales, investment, strategic planning and management of companies. He received a master degree in business administration from Southwest Jiaotong University* (西南交通大學) in 2002.

Mr. Zhang joined Chongqing China Energy Conservation Co., Ltd.* (重慶中節能實業有限責任公司) in March 2007 and was promoted as the chairman and general manager in January 2019. He has been the general manager of Hefei Shikai Bus Natural Gas Co., Ltd.* (合肥施凱公交天然氣有限公司) from September 2005 and since February 2015, he has become the chairman as well. He was also the head of the strategy department of New Hope Group Co., Ltd.* (新希望集團有限公司) from October 2003 to September 2005, the deputy head of the strategy department of D'Long International Strategic Investment Company* (德隆國際戰略投資公司) from January 2003 to October 2003, the deputy manager of the investment and development department of New Hope Agriculture Co., Ltd.* (新希望農業股份公司) from January 2001 to January 2003, the sales manager of Chengdu Tieshan Kegongmao Development Co., Ltd.* (成都鐵山科工貿實業開發公司) from July 2000 to January 2001, and an assistant engineer of The First Corporation of the Fourth Engineering Division of the Ministry of Railways* (鐵道部第四工程局一公司) from August 1997 to July 2000.

Length of service

Mr. Zhang has entered into a letter of appointment in relation to his directorship with the Company for an initial period of three years commencing from 18 May 2019, which may be terminated by Mr. Zhang by giving to the Company one month's prior notice in writing or by the Company at any time without giving any prior notice.

Relationships

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

Interests in shares

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

Director's remuneration

Mr. Zhang as a Director, is entitled to receive an annual director's remuneration of HK$500,000 determined by the Board with reference to his experience, duties and responsibilities with the Company.

Directorships

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

Others

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

(3) MR. YU WAI MING

Experience

Mr. Yu Wai Ming (余偉銘), aged 41, obtained a bachelor's degree in business administration (accounting) from The Hong Kong University of Science and Technology in 2006. Mr. Yu is a fellow member of the Hong Kong Institute of Certified Public Accountants. He has over 15 years of experience in professional accounting and corporate advisory services. In particular, he joined KPMG in July 2006 and was transferred to KPMG Huazhen LLP in November 2010. He was a senior manager when he left KPMG Huazhen LLP in April 2016. From May 2016 to February 2018, he was the director of investment of Zhangzhou Hengrun Investment Management Co., Ltd* (漳州市恒潤投資管理有限公司). In March 2018, he commenced CPA practicing business in his own name as Yu Wai Ming Certified Public Accountant. In addition, he is currently an executive director of Boer Power Holdings Limited, a company listed on the Stock Exchange (Stock Code: 1685).

Length of service

Mr. Yu has entered into a letter of appointment in relation to his directorship with the Company for a period of three years commencing from 11 January 2022, subject to further renewal.

Relationships

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

Interests in shares

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

Director's remuneration

Mr. Yu as a Director, is entitled to receive an annual director's remuneration of HK$120,000 determined by the Board with reference to his experience, duties, responsibilities and the prevailing market rate.

Directorships

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

Others

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

(4) MR. LIN JIAN MING

Experience

Mr. Lin Jian Ming(林建明), aged 62, served as an independent non-executive Director from 31 March 2013 to 27 December 2018 and a member of both the audit committee and the nomination committee of the Board from 19 March 2014 to 27 December 2018.

Mr. Lin has many years of experience in education and research. He was a graduate of Huaqiao University*(華僑大學). He was also a visiting scholar of the Chinese University of Hong Kong in 1995. He also received a doctorate degree from the Tianjin University*(天津大學) in 2002.

Mr. Lin is a professor and doctorial tutor of the Department of Materials Science and Engineering of Huaqiao University, and a director and researcher of the Institute of Materials Physical Chemistry of Huaqiao University. He is also a director of the Optical Society of Fujian*(福建省光學學會), a director of the Fujian Chemical Society*(福建省化學學會), and a deputy executive director of the Chemistry and Chemical Engineering Society of Quanzhou*(泉州市化學化工學會). He received the Youth Science and Technology Award*(青年科技獎) in Quanzhou in 2006.

Length of service

Mr. Lin has entered into a letter of appointment in relation to his directorship with the Company for an initial period of one year commencing from 18 May 2021, which may be terminated by Mr. Lin by giving to the Company one month's prior notice in writing or by the Company at any time without giving any prior notice.

Relationships

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

Interests in shares

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

Director's remuneration

Mr. Lin as a Director, is entitled to receive an annual director's remuneration of HK$91,000 determined by the Board with reference to his experience, duties and responsibilities with the Company.

Directorships

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

Others

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

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

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

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,111,072,000 Shares.

Subject to the passing of the ordinary resolution set out in item 4 of the notice of the Annual General Meeting in respect of the granting of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Directors would be authorized under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a maximum of 211,107,200 Shares, representing 10% of the total number of Shares in issue as at the Latest Practicable Date.

2. REASONS FOR SHARE REPURCHASE

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

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

3. FUNDING OF REPURCHASE

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

4. IMPACT OF REPURCHASE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2025) in the event that the Repurchase Mandate is to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. TAKEOVERS CODE

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

As at the Latest Practicable Date, to the best knowledge of the Directors, Kingom Power Limited ("**Kingom Power**") was entitled to exercise approximately 30.49% of voting rights in general meetings of the Company, and Hong Kong (Rong An) Investment Limited ("**Hong Kong Rong An**") was entitled to exercise approximately 36.96% of voting rights in general meetings of the Company.

In the event that the Directors should exercise in full the power to buy back Shares which is proposed to be granted pursuant to the Repurchase Mandate, the voting right of Mr. Sze Tin Yau and Kingom Power in the Company would increase to approximately 33.88% of the issued share capital of the Company, and the voting right of Hong Kong Rong An in the Company would increase to approximately 41.06%. Such exercise of the Repurchase Mandate in full to buy back the Shares will trigger an obligation on the part of each of Kingom Power and Hong Kong Rong An to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code. The Directors do not have any present intention to exercise the Repurchase Mandate to such an extent as will trigger such obligation under the Takeovers Code.

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

6. PUBLIC FLOAT

As at the Latest Practicable Date, there were 550,341,192 Shares, representing approximately 26.07% of the total issued share capital of the Company, held by the public. The public float of the Shares was in compliance with the minimum requirement of 25% as at the date of this circular.

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

7. GENERAL

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

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

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

8. MARKET PRICES OF SHARES

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

Month	**Highest**	**Lowest**
	HK$	*HK$*
April 2025	4.80	4.10
May 2025	4.65	4.17
June 2025	4.60	4.27
July 2025	4.55	4.22
August 2025	4.67	4.31
September 2025	4.40	4.16
October 2025	4.80	4.20
November 2025	4.98	4.60
December 2025	5.00	4.57
January 2026	5.00	4.56
February 2026	4.80	4.55
March 2026	4.79	4.45
April 2026 (up to the Latest Practicable Date)	4.79	5.11

9. REPURCHASE OF SHARES MADE BY THE COMPANY

The Company repurchased a total of 838,000 Shares on the Stock Exchange at an aggregate consideration of HK$3,779,760 during the six months prior to the Latest Practicable Date. The 724,000 repurchased shares had been cancelled as at the Latest Practicable Date. The 114,000 repurchased shares had not been cancelled as at the Latest Practicable Date. Particulars of the repurchases are as follows:

Date	Number of Shares repurchased	Purchase price per Share		Aggregate consideration paid
		Highest	Lowest	
		(HK$)	*(HK$)*	*(HK$)*
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
January 2026	74,000	4.88	4.58	348,320
March 2026	114,000	4.63	4.55	523,080
	838,000			3,779,760

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

BILLION INDUSTRIAL HOLDINGS LIMITED
百宏實業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2299)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the "**Meeting**") of Billion Industrial Holdings Limited (the "**Company**") will be held at Unit 1501, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong on Friday, 15 May 2026 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

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

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries, the reports of the directors of the Company (the "**Directors**") and the auditors of the Company for the year ended 31 December 2025.

2. To authorize the board of Directors (the "**Board**") to fix the remuneration of the Directors.

3. To re-appoint Forvis Mazars CPA Limited as auditors of the Company and to authorize the Board to fix their remuneration.

4. "**THAT**:

   (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the Directors to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in accordance with all applicable laws, rules and regulations;

   (b) the total number of shares of the Company to be purchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution and the said mandate shall be limited accordingly; and

(c) for the purposes of this resolution:

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

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; and

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting."

5. "**THAT**:

(a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the Directors during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;

(b) the mandate in paragraph (a) above shall authorize the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate number of shares of the Company allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:

(i) a Rights Issue (as defined below);

(ii) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company; and

(iii) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares;

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

(d) for the purposes of this resolution:

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

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required any applicable laws or by the articles of association of the Company to be held; and

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

"**Right Issue**" means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong applicable to the Company)."

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

SPECIAL RESOLUTIONS

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

7. To approve and declare a final dividend of HK10.0 cents per share for the year ended 31 December 2025 to the shareholders of the Company which shall be paid out of the share premium account of the Company.

8. To re-elect Ms. Shi Haiyan as an executive Director.

9. To re-elect Mr. Zhang Shengbai as a non-executive Director.

10. To re-elect Mr. Yu Wai Ming as an independent non-executive Director.

11. To re-elect Mr. Lin Jian Ming as an independent non-executive Director.

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

Hong Kong, 16 April 2026

Notes:

1. All resolutions at the Meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.

2. A member of the Company entitled to attend and vote at the Meeting may appoint another person as his proxy to attend and vote on his behalf. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.

3. In order to be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

4. The register of members of the Company will be closed from 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 Annual General Meeting. In order to qualify for attending and voting at the Annual General Meeting, all transfers accompanied by the relevant share certificate must be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 11 May 2026.

5. If Typhoon Signal No.8 or above, or "black" rainstorm warning is in effect any time after 8:00 a.m. and before the above time of the Meeting, the Meeting will be postponed. The Company will post an announcement on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.baihong.com) to notify the shareholders of the Company of the date, time and place of the rescheduled meeting.

As at the date of this notice, the Board 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.