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)

PROPOSED SHARE CONSOLIDATION

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The Board proposes implementing the Share Consolidation pursuant to which every two (2) issued and unissued Existing Shares of HK$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of HK$0.02 each.

The Share Consolidation is conditional upon, inter alia, the approval of Shareholders at the EGM. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation.

NO CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 2,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange will remain unchanged at 2,000 Consolidated Shares.

GENERAL

The circular containing, inter alia, further details of the Share Consolidation and a notice of the EGM will be dispatched to the Shareholders on or before Friday, 25 September 2026.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraphs headed "Conditions of the proposed Share Consolidation" below. Therefore, the Share Consolidation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposed to implement the Share Consolidation pursuant to which every two (2) issued and unissued Existing Shares of HK$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of HK$0.02 each.

Conditions of the proposed Share Consolidation

The Share Consolidation is conditional upon the following conditions:

(i) the passing of a special resolution to approve the Share Consolidation by the Shareholders at the EGM;

(ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares; and

(iii) compliance with the relevant procedures and requirements under the laws of the Cayman Islands and the Listing Rules to perform the Share Consolidation.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be Wednesday, 14 October 2026.

Effects of the proposed Share Consolidation

As at the date of this announcement, the authorized share capital of the Company is HK$100,000,000 divided into 10,000,000,000 Existing Shares with par value of HK$0.01 each.

Upon the Share Consolidation becoming effective and assuming that there are no changes on the authorized share capital of the Company from the date hereof until the effective date, the authorized share capital of the Company will become HK$100,000,000 divided into 5,000,000,000 Consolidated Shares with par value of HK$0.02 each.

As at the date of this announcement, 2,110,420,000 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no new Existing Shares will be issued or repurchased from the date hereof until the effective date, 1,055,210,000 Consolidated Shares will be in issue.

The Company does not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Shares.

Status of the Consolidated Shares

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

Listing Application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, upon the Share Consolidation becoming effective, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchanges other than the Stock Exchange, and at the time when the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal in is being or is proposed to be sought.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of existing share certificates held by such holder.

Arrangements for odd lot trading

To facilitate the trading of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm to provide a matching service, on a best-efforts basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular of the Company.

Holders of odd lots of Consolidated Shares should note that the matching of the sale and purchase of odd lots of Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of share certificates

Subject to the Share Consolidation having become effective, Shareholders may, during the period from 9:00 a.m. on Wednesday, 14 October 2026 to 4:30 p.m. on Friday, 20 November 2026 (both days inclusive), submit the existing share certificates in blue color for the Existing Shares to the Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the Consolidated Shares in purple color. Thereafter, existing share certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for Consolidated Shares at the expense of the Shareholders on payment of a fee of HK$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each existing share certificate cancelled or each new share certificate issued for Consolidated Shares (whichever is higher) but are not acceptable for delivery, trading and settlement purposes.

NO CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 2,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange will remain unchanged at 2,000 Consolidated Shares.

Based on the closing price of HK$5.71 per Existing Share (equivalent to the theoretical closing price of HK$11.42 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, (i) the value per board lot of 2,000 Existing Shares is HK$11,420; and (ii) the estimated value per board lot of 2,000 Consolidated Shares would be HK$22,840 assuming that the Share Consolidation becomes effective.

REASONS FOR THE PROPOSED SHARE CONSOLIDATION

The Group has been actively reviewing from different levels and ways to enrich the development strategy of corporate sustainability and optimization to create value. The Board considers that the Share Consolidation is in the best interests of the Company and the Shareholders as a whole. The principal reasons for the Share Consolidation are set out below:

Enhancement of Corporate Image and Broadening of the Investor Base

The Board is of the view that the expected upward adjustment in the trading price per Consolidated Share will elevate the Company's corporate image and profile in the capital markets and attract a broader range of investors. The Board believes that certain investors are sensitive to the trading price per share of a particular company as compared to the trading price per share of its industry competitors, which may include both institutional and professional investors. These investors would tend to consider, inter alia, whether the trading price per share (rather than the trading amount for each board lot) is at a reasonable or prescribed level relevant to other industry peers and not only the stability of the share price performance. The Board studied the trading price and the trading volume of the shares of a number of its industry competitors, which are listed on the A-share market in the PRC eligible for trading under the Shanghai Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. The shares of these companies had been consistently trading at a price per share that is above the Company's share price for a prolonged period. As such, the Board believes that those investors who are sensitive to the trading price per share of a particular company as compared to the trading price per share of its industry competitors, may initially filtered out or overlooked the Company before they further decide, based on other factors (aside from relative trading price), which company or companies in the same or similar industry sector to invest.

Accordingly, based on the closing price of HK$5.71 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the theoretical closing price of each Consolidated Share is HK$11.42 per Consolidated Share and is expected to be closer to the range of the trading price per share of the Company's industry peers. As at the date of this announcement, the last closing share price of the Company's industry peers ranged between approximately RMB13.38 (equivalent to approximately HK$15.65) to approximately RMB23.41 (equivalent to approximately HK$27.37). The Share Consolidation is therefore expected to make the Consolidated Shares more appealing to a broader spectrum of institutional and professional investors by creating a more positive corporate image in comparison with the Company's competitors as investors evaluate companies in the same or similar industries to assess their investment strategy, thereby diversifying and strengthening the Company's shareholder base and potentially enhancing the long-term liquidity of the Consolidated Shares and optimize the overall trading environment for the benefits of the Shareholders.

The Board is also of the view that the expected upward adjustment in the trading price per Consolidated Shares may help to address a potential issue that the fundamentals of the Company may be overlooked by certain financial institutions when assessing the credibility and reputation of the Company as compared to its industry competitors. In turn, this may help the Company to maintain flexibility in its financing options to support the need of its business development in the future.

Upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange will remain unchanged at 2,000 Consolidated Shares and it is expected that the trading amount of each board lot will increase. The Board is of the view that, generally, companies with a lower trading amount for each board lot are more prone to attract short-term speculators and tends to result in unnecessary fluctuations in their share prices. Conversely, a higher trading amount for each board lot may help attract other long-term investors and may be more beneficial to the Shareholders in the longer-run.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any concrete plan to conduct any fund raising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

Reduction in Proportionate Transaction Costs

The trading of the Shares on the Stock Exchange is subject to certain fixed minimum transaction costs, including minimum brokerage commissions, clearing fees, and other handling charges levied by securities brokers and financial institutions. The Board believes that the upward adjustment on the trading price per Consolidated Shares will effectively reduce the transaction costs for the Shareholders as a percentage of the total investment value of each trade, which can be relatively significant when the stock price is low as certain fees are calculated on a per-share basis.

The Board considers the Share Consolidation will not have any material adverse effect on the financial position of the Company, nor will it result in change in the relative rights of the Shareholders. Taking into account of the potential benefits and the insignificant amount of costs to be involved, the Board is of the view that the Share Consolidation is in the interests of the Company and its Shareholders.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation is set out below. The expected timetable is subject to the results of the EGM and satisfaction with the conditions of the Share Consolidation and therefore the dates are tentative only.

Event	Date and Time
Expected date of dispatch of circular, notice of the EGM and the form of proxy for the EGM	on or before Friday, 25 September 2026
Latest date and time for lodging transfer documents in order to qualify for attending and voting at EGM	4:30 p.m. on Tuesday, 6 October 2026
Closure of the register of members for the entitlement to attend and vote at the EGM	Wednesday, 7 October 2026 to Monday, 12 October 2026 (both days inclusive)

Event	**Date and Time**
Latest time for lodging proxy form	9:00 a.m. on Saturday, 10 October 2026
Record date for attendance and voting at the EGM	Monday, 12 October 2026
Expected date and time of the EGM	9:00 a.m. on Monday, 12 October 2026
Publication of announcement of voting results of the EGM	Monday, 12 October 2026
Register of members of the Company re-opens	Tuesday, 13 October 2026

The following events are conditional upon the fulfilment of the conditions for implementation of the Share Consolidation as set out in the section headed "Conditions of the Share Consolidation" above.

Event	**Date and Time**
Effective date of the Share Consolidation	Wednesday, 14 October 2026
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Wednesday, 14 October 2026
Dealing in the Consolidated Shares commences	9:00 a.m. on Wednesday, 14 October 2026
Original counter for trading in the Existing Shares in board lots of 2,000 Existing Shares temporarily closes	9:00 a.m. on Wednesday, 14 October 2026
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Wednesday, 14 October 2026
Original counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Thursday, 29 October 2026

Event	Date and Time
Parallel trading in the Consolidated Shares (in the form of new and existing share certificates) commences	9:00 a.m. on Thursday, 29 October 2026
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Thursday, 29 October 2026
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Wednesday, 18 November 2026
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares closes	4:10 p.m. on Wednesday, 18 November 2026
Parallel trading in the Consolidated Shares (in the form of new and existing share certificates) closes	4:10 p.m. on Wednesday, 18 November 2026
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	4:30 p.m. on Friday, 20 November 2026

The expected timetable set out above is subject to the result of relevant resolution of the EGM and is therefore only for indicative purposes. All times and dates in this announcement refer to Hong Kong local times and dates. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

The Share Consolidation is conditional upon, inter alia, the passing of a special resolution by the Shareholders at the EGM and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, inter alia, the Share Consolidation. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as none of the Shareholders or their associates would have a material interest in the Share Consolidation, no Shareholder is required to abstain from voting on the resolution relating to the proposed Share Consolidation.

A circular containing, inter alia, details of the Share Consolidation and the notice convening the EGM is expected to be dispatched to the Shareholders on or before Friday, 25 September 2026.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraphs headed "Conditions of the proposed Share Consolidation" above. Accordingly, the Share Consolidation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

Unless the context requires otherwise, the use of capitalized terms in this announcement shall have the following meanings:

"Board"	the board of Directors
"CCASS"	the Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system, which is established and operated by the HKSCC
"CCASS Operational Procedures"	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
"Company"	Billion Industrial Holdings Limited, a company incorporated under the laws of the Cayman Islands and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2299)
"Consolidated Share(s)"	ordinary share(s) of HK$0.02 each in the share capital of the Company immediately after the Share Consolidation becoming effective
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company convened to be held for the purpose of considering and, if thought fit, approving the proposed Share Consolidation
"Existing Shares"	ordinary share(s) of HK$0.01 each in the share capital of the Company prior to the Share Consolidation having become effective
"General Rules of CCASS"	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
"Group"	the Company and its subsidiaries

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, with its address at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
"Listing Committee"	the listing sub-committee of the Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Share(s)"	Existing Share(s) and/or Consolidated Share(s), as the case may be
"Share Consolidation"	the share consolidation of every two (2) issued and unissued Existing Shares into one (1) Consolidated Share
"Shareholder(s)"	holder(s) of the Share(s) or the Consolidated Share(s), as the case may be
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 11 September 2026

As at the date of this announcement, 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. Qiu Dahong as independent non-executive directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Listed Company Announcement" page of the Stock Exchange website at (www.hkexnews.hk) for at least seven days from the date of its posting and on the Company's website (http://www.baihong.com).