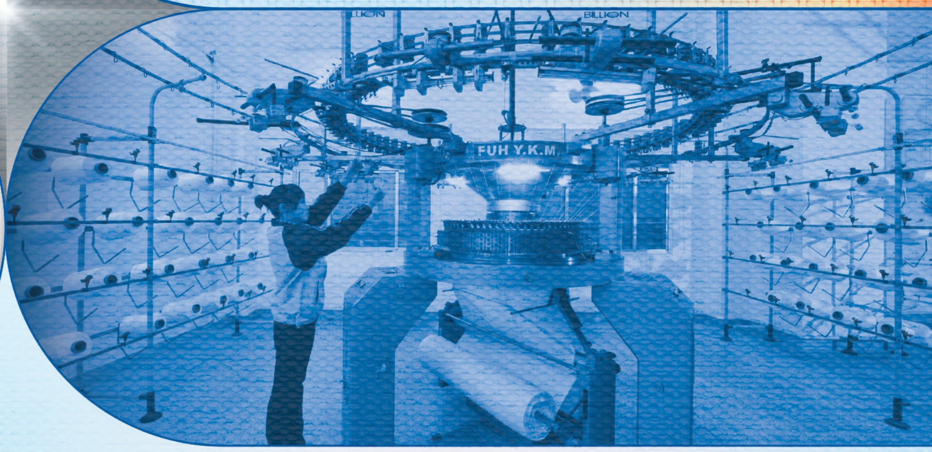
百宏實業控股有限公司
BILLION INDUSTRIAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)
Stock Code 股份代號: 2299

2026
INTERIM REPORT
中 期 報 告



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Company Profile

Mission

We aspire to become the world's premier supplier of consumer products materials, providing eco-friendly products for the public

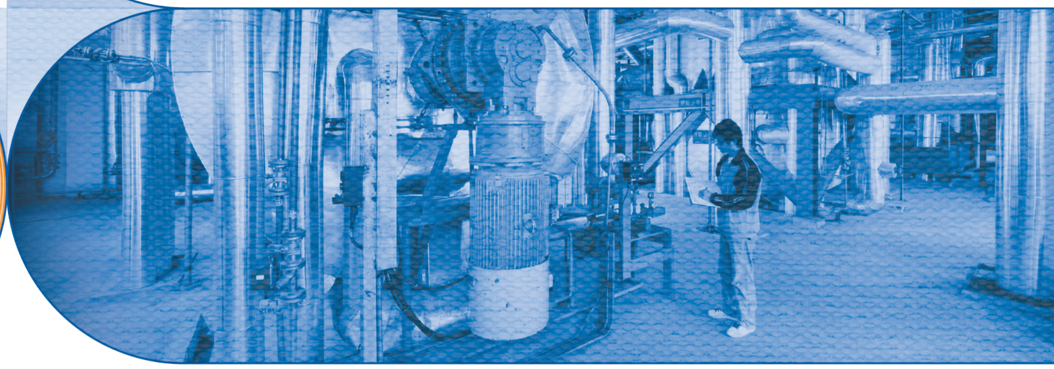
Billion Industrial Holdings Limited (the "**Company**" or "**Billion**", together with its subsidiaries, the "**Group**"), is one of the largest developers and manufacturers of polyester filament yarns in the People's Republic of China (the "**PRC**"). The polyester filament yarns products of the Group are positioned at middle and high-end markets in the PRC and overseas. Its main products are drawn textured yarn ("**DTY**"), fully drawn yarn ("**FDY**"), and partially oriented yarn ("**POY**"), a majority of which 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 the production of high-end fabrics and textiles for various consumer products, including apparel, footwear and home furnishings. Billion was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 18 May 2011.

As of 30 June 2026, the Group's designed capacity of domestic polyester filament yarns was 2,726,400 tons, of which the designed capacity of FDY and POY was 1,005,000 tons per year, while that of DTY was 711,400 tons per year. The combined designed capacity for DTY, FDY and POY was 1,716,400 tons per year, which made it the largest differentiated chemical fiber production base in Fujian Province.

As of 30 June 2026, the Group's designed capacity for domestic polymer products was 910,000 tons per year, of which, the designed capacity biaxially-oriented polyethylene terephthalate ("**BOPET**") thin films was 702,500 tons per year, and the Group was a large enterprise in manufacturing polyester thin films in China. The Group introduced the production lines and research and development equipment with advanced international standards for BOPET thin films from Dornier in Germany, for which the products are positioned at the high-end functional polyester thin films market in the PRC and applying in the segments including soft packaging, composite printing, electronic appliances, garments, safety and energy saving. The purification workshop management is implemented for production workshops, meeting the stringent environmental requirements for producing different polyester products. Also, the Group is vigorously developing new environmentally friendly polyester thin film products which can be applied in various segments.

In order to further expand overseas markets, the Group has established Billion Industrial (Viet Nam) Co., Ltd. ("**Billion Vietnam**") in Vietnam, so as to develop the overseas polyester bottle chip business. We also set up the polyester filament yarns production facility and the polyester, POY and FDY production facilities in Vietnam. As of 30 June 2026, the designed capacity of Billion Vietnam of polyester filament yarns was 554,300 tons per year, of which, the designed capacity of FDY and POY was 184,000 tons per year, and that of DTY was 170,300

Company Profile



tons per year. The combined designed capacity for DTY, FDY and POY was 354,300 tons per year. The Group 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. The designed capacity for polyester bottle chip was 550,000 tons per year, marking a milestone during the Group's journey in exploring the emerging markets.

In addition, 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 yarn products to expand this business. The new manufacturing facilities have a total production capacity of approximately 250,000 tons per annum, and have commenced commercial production since 17 July 2020.

In recent years, the consumption of polyester thin films in China has been increasing. As a large polyester thin film manufacturer in China, by expanding the existing polyester thin film business, the Company will be able to enjoy the growth of this market with its existing scale and expertise in the manufacturing of polyester thin films. In this regard, 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 full 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.

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 will be approximately 120,000 tons per annum, with gradual commencement of commercial production starting from the second half of 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.

Corporate Information

Board of Directors

Executive Directors

Mr. Sze Tin Yau *(Co-chairman)*
Mr. Wu Jinbiao
(Chief executive officer)
Ms. Shi Haiyan

Non-executive Director

Mr. Zhang Shengbai
(Co-chairman)

Independent Non-executive Directors

Mr. Yu Wai Ming
(Lead independent non-executive director)
Mr. Shih Chun Pi *(Passed away on 30 April 2026)*
Mr. Lin Jian Ming
Mr. Qiu Dahong *(Appointed with effect from 3 August 2026)*

Board Committees

Audit Committee

Mr. Yu Wai Ming *(Chairman)*
Mr. Shih Chun Pi *(Passed away on 30 April 2026)*
Mr. Lin Jian Ming
Mr. Qiu Dahong *(Appointed with effect from 3 August 2026)*

Remuneration Committee

Mr. Yu Wai Ming *(Chairman)*
Mr. Sze Tin Yau
Mr. Lin Jian Ming

Nomination Committee

Mr. Sze Tin Yau *(Chairman)*
Mr. Yu Wai Ming
Mr. Shih Chun Pi *(Passed away on 30 April 2026)*
Ms. Shi Haiyan
Mr. Lin Jian Ming
Mr. Qiu Dahong *(Appointed with effect from 3 August 2026)*

Corporate Governance Committee

Mr. Sze Tin Yau *(Chairman)*
Mr. Wu Jinbiao

Company Secretary

Mr. Law Hoi Ching

Authorised Representatives

Mr. Sze Tin Yau
Mr. Law Hoi Ching

Registered Office

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

Head Office and Principal Place of Business

Hong Kong:

Unit 1501, Office Tower
Convention Plaza
No. 1 Harbour Road
Wanchai
Hong Kong

PRC:

Fenglin Industrial Zone
Longhu Town
Jinjiang City
Fujian
PRC

Vietnam:

Lot 43-16, Road N14,
PhuocDong Industrial Park,
Go Dau District
Tay Ninh Province, Vietnam

Legal Advisers

Morgan, Lewis & Bockius

Auditors

Forvis Mazars CPA Limited
Certified Public Accountants, Hong Kong
Public Interest Entity Auditor, Hong Kong

Principal Share Registrar and Transfer Office

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3
Building D, P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

Hong Kong Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Principal Bankers

China Construction Bank Corporation
Industrial Bank Co., Ltd.
Agricultural Bank of China Holdings Limited

Company Website

www.baihong.com

Stock Code

2299

Financial Highlights

	For the six months ended 30 June		
	2026	2025	Change
	RMB'000	RMB'000	
Operational Results			
Revenue	**12,712,159**	9,484,707	34.0%
Gross profit	**1,617,200**	804,363	101.1%
Profit from operations	**1,166,400**	495,838	135.2%
Profit for the period	**985,320**	376,692	161.6%

	As at 30 June		
	2026	2025	Change
	RMB'000	RMB'000	
Financial Position			
Non-current assets	**12,926,417**	12,095,217	6.9%
Non-current liabilities	**255,041**	312,976	(18.5%)
Current assets	**13,205,983**	16,290,593	(18.9%)
Current liabilities	**13,677,883**	16,781,440	(18.5%)
Net current liabilities	**471,900**	490,847	(3.9%)
Total equity	**12,199,476**	11,291,394	8.0%
Earnings per Share (RMB)	**0.47**	0.18	
Interim dividend (HK Cent) *(Note 4)*	**11.00**	–	
Key Ratio Analysis			
Gross profit margin	**12.7%**	8.5%	
Operating profit margin	**9.2%**	5.2%	
Net profit margin	**7.8%**	4.0%	
Return on equity *(Note 1)*	**8.1%**	3.3%	
Current ratio *(Note 2)*	**96.5%**	97.1%	
Gearing ratio *(Note 3)*	**114.2%**	151.4%	

Notes:

1: Return on equity: Profit for the period divided by total equity

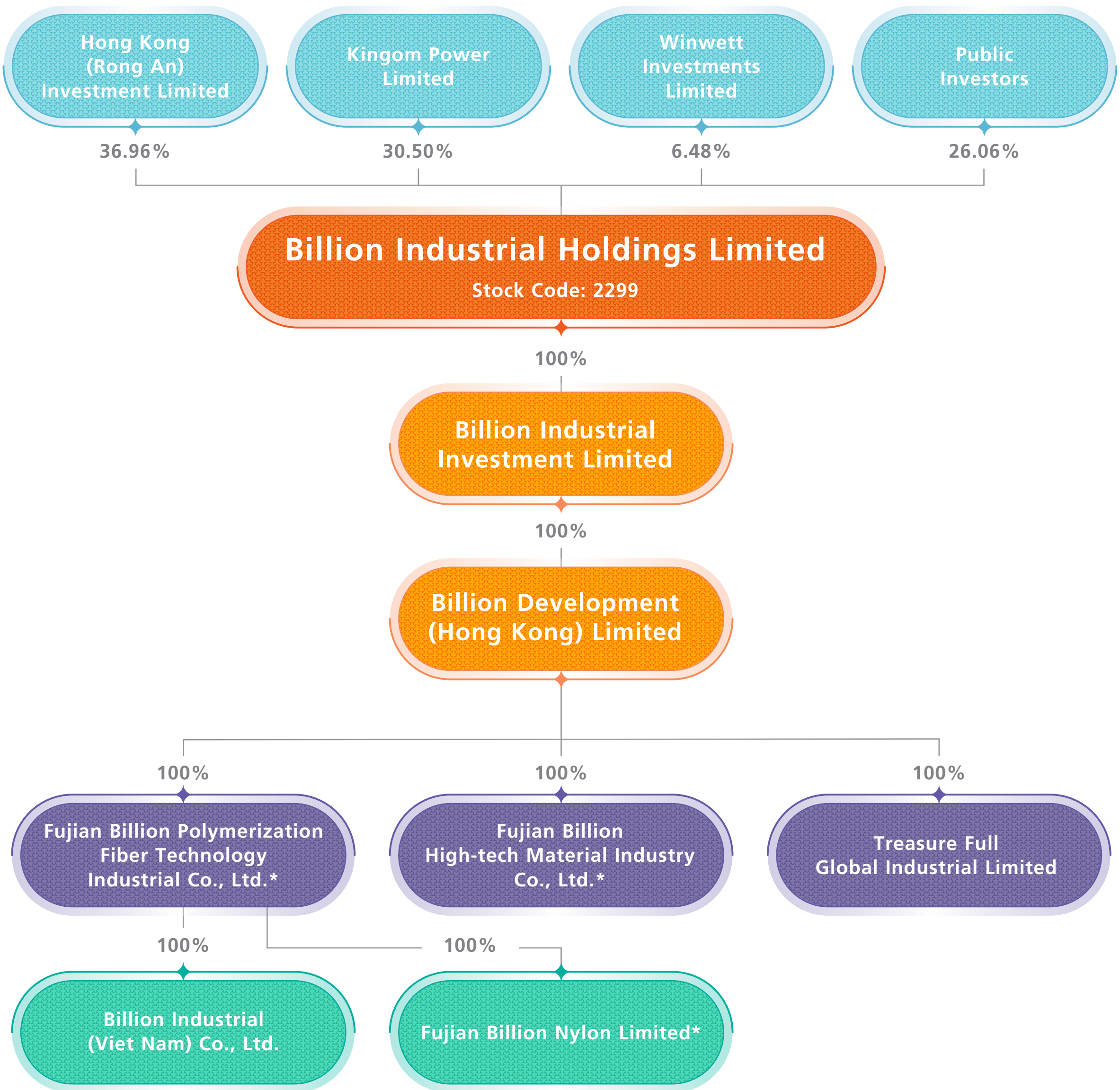
2: Current ratio: Current assets divided by current liabilities

3: Gearing ratio: Total liabilities divided by total equity

4: The interim dividend of HK11.00 cents per share in cash will be paid on 22 October 2026.

Company Structure

As at 30 June 2026



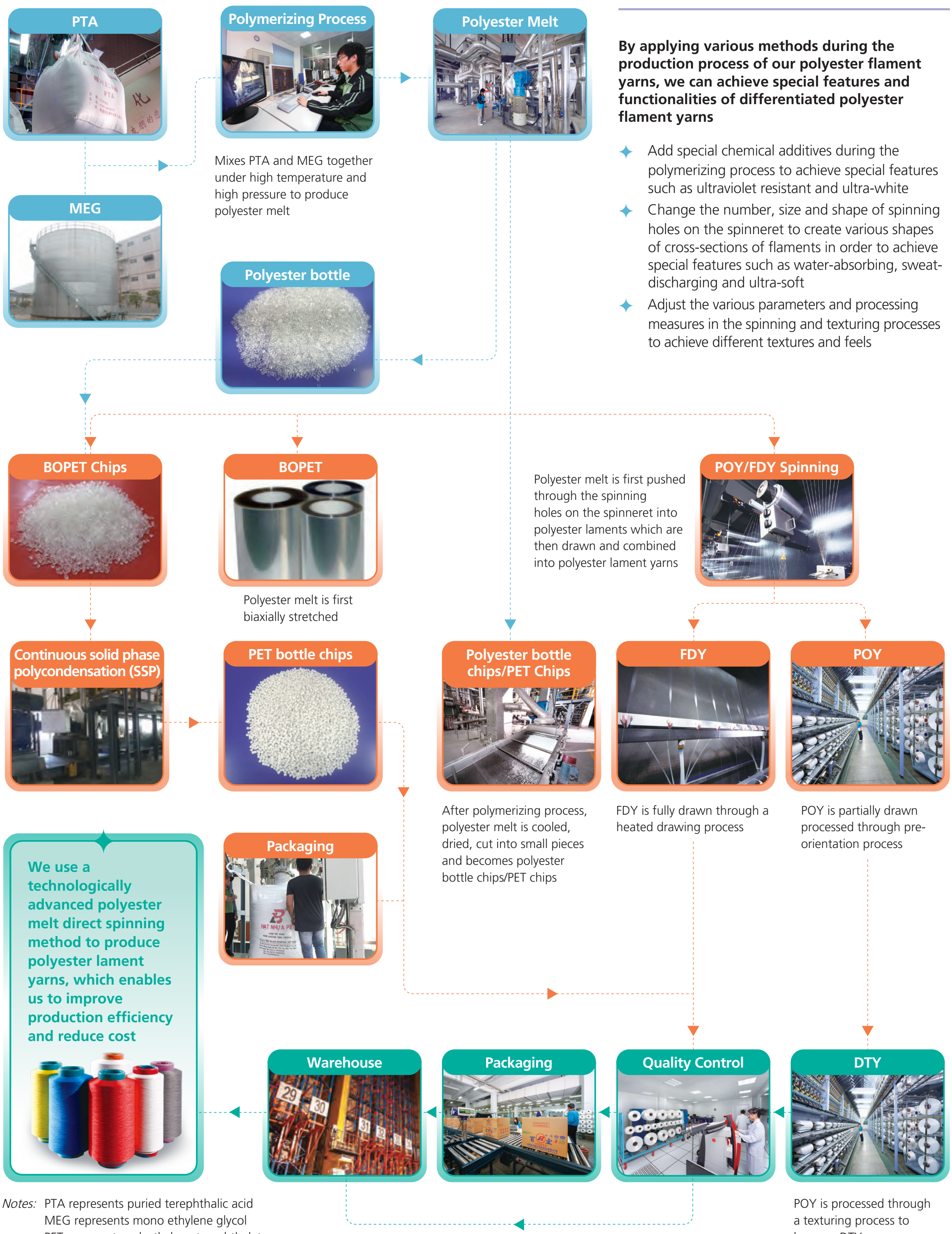
		Place of incorporation	Place of operation
Note: Billion Industrial Holdings Limited	:	Cayman Islands	Hong Kong
Billion Industrial Investment Limited	:	British Virgin Islands	Hong Kong
Billion Development (Hong Kong) Limited	:	Hong Kong	Hong Kong
Fujian Billion Polymerization Fiber Technology Industrial Co., Ltd.*	:	PRC	Fujian, PRC
Fujian Billion High-tech Material Industry Co., Ltd.*	:	PRC	Fujian, PRC
Treasure Full Global Industrial Limited	:	British Virgin Islands	Hong Kong
Billion Industrial (Viet Nam) Co., Ltd.	:	Vietnam	Vietnam
Fujian Billion Nylon Limited*	:	PRC	Fujian, PRC

* *For identification purposes only*

Production Processes of Polyester Filament Yarns & Polyester Thin Films

By applying various methods during the production process of our polyester flament yarns, we can achieve special features and functionalities of differentiated polyester flament yarns

- Add special chemical additives during the polymerizing process to achieve special features such as ultraviolet resistant and ultra-white
- Change the number, size and shape of spinning holes on the spinneret to create various shapes of cross-sections of flaments in order to achieve special features such as water-absorbing, sweat-discharging and ultra-soft
- Adjust the various parameters and processing measures in the spinning and texturing processes to achieve different textures and feels



Notes: PTA represents puried terephthalic acid
MEG represents mono ethylene glycol
PET represents polyethylene terephthalate
BOPET represents biaxially-oriented polyethylene terephthalate

Production Sites

Production Site A and B

Situated in the Fenglin Industrial Zone, Longhu Town, Jinjiang City, Fujian Province, PRC

Production Site C and D

Located at Jinnan Industrial Zone, approximately two kilometers away from the production site in Fenglin Industrial Zone

Production Site E

Located at Jinnan Industrial Zone, approximately two kilometers away from the production site in Fenglin Industrial Zone

Designed capacity (as at 30 June 2026):

FDY+POY	: 1,189,000 tons per year	BOPET Chips	: 550,000 tons per year
DTY	: 881,700 tons per year	ES fiber	: 14,500 tons per year
BOPET	: 702,500 tons per year	Polyester industrial yarns	: 250,000 tons per year

Vietnam Production Site

Situated in the Phuoc Dong Industrial Park, Phuoc Dong Commune, Go Dau District, Tay Ninh Province, Vietnam

CHANGES IN MACRO-ECONOMIC ENVIRONMENT

In 2026, the Russia-Ukraine, Israeli-Palestinian and US-Iran wars, global interest rate hikes, and the delicate moment in the Sino-US relation have had an impact on the global economic landscape. The impact on China's economy was temporary and unable to change the promising prospect of China's economy to expand stably in the long term. In face of the adversely affected business activities in global trade, many countries around the world have been proposing or enhancing their economic stimulus policies to cope with economic downturn and rising unemployment. 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 support from fiscal and currency policy, 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 2026, 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.

Management Discussion and Analysis

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 has formulated 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. Benefiting from technologies and equipment such as intelligent transformation, intelligent production, intelligent packaging and intelligent storage, the Group's production lines of each workshop run at full speed. 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 our 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 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 the 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 6 biaxially-oriented polyester thin films production lines of the latest model purchased from Dornier in Germany, equipped with the cutting machines in KAMPF of Germany, and 9 APET sheet production lines. By virtue of the automatic control in the whole process of production, the implementation of purification management in production workshops, and the smooth operation and stability of the equipment and the production lines, we can manufacture thin films of larger span, which can satisfy more customers' needs and ensure the quality of various products. Positioning at high-end functional polyester thin films 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.

Management Discussion and Analysis

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

As a leading enterprise in Fujian, 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 products of the project are 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 aims to develop these projects to create a demonstration platform for China-Vietnam production capacity cooperation, marking a further great leap forward for 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 utilise 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 interaction and provide 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 strategies, 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, 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**") have been awarded as High and New Technology Enterprise Status. During the period under review, the revenue from and the research and development expenses of the Group's differentiated products amounted to RMB8,026,540,000 and RMB379,165,000, representing 63.1% and 3.0% of the total revenue respectively. The Group's 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. The Group remains confident in the medium-term and long-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.

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

FINANCIAL REVIEW

Operational Performance

1. Revenue

Total revenue of the Group for the period under review amounted to RMB12,712,159,000 (for the first half of 2025: RMB9,484,707,000), representing an increase of 34.0% as compared to the same period last year. Revenue attributable to the sales of polyester filament yarns, the Group's main products, was RMB4,697,627,000, accounting for 37.0% of the total revenue. Revenue attributable to the sales of polyester products* was RMB6,737,319,000, accounting for 53.0% of the total revenue. Revenue attributable to the sales of ES fiber and polyester industrial yarns was RMB81,582,000 and RMB1,195,631,000, accounting for 0.6% and 9.4% of the total revenue, respectively. The revenue analysis of the Group's various products is as follows:

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

Polyester filament yarns

The Group adopts a melt-direct spinning differentiated chemical fiber production line which is technologically advanced by global standards, and possesses the leading spinning and texturing equipment and technology in the industry. The Group's polyester filament yarns products are positioned 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 has a clear positioning of its product solutions which target at the mid to high-end markets. 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 period under review was RMB4,697,627,000, representing an increase of RMB1,297,654,000 or 38.2% as compared to RMB3,399,973,000 in the first half of 2025. The average selling price of polyester filament yarns in the period under review was RMB8,414 per ton, representing an increase of RMB196 or 2.4% as compared to RMB8,218 per ton in the first half of 2025.

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. The Group 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 period under review was RMB6,737,319,000, representing an increase of RMB1,683,181,000 or 33.3% as compared to RMB5,054,138,000 in the first half of 2025. The average selling price of polyester products in the period under review was RMB6,793 per ton, representing an increase of RMB661 or 10.8% as compared to RMB6,132 per ton in the first half of 2025. The sales volume of the Group's polyester products during the period under review increased from 824,171 tons in the first half of 2025 to 991,821 tons during the period under review or an increase of 20.3%.

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 period under review, the revenue attributable to the sale of ES fiber products was RMB81,582,000, and the average selling price of the products was RMB9,567 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 period under review, the revenue attributable to the sale of polyester industrial yarns products was RMB1,195,631,000, and the average selling price of the products was RMB8,339 per ton.

Breakdown of Revenue and Sales Volume (By Product)

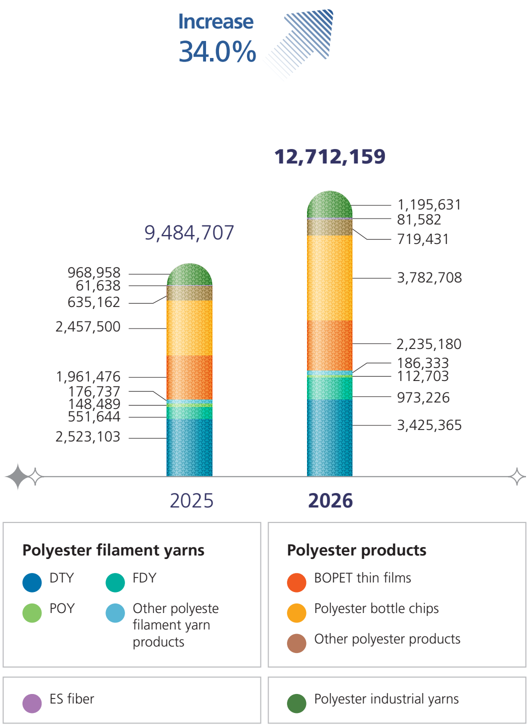
	Revenue For the six months ended 30 June				Sales volume For the six months ended 30 June			
	2026		2025		**2026**		2025	
	RMB'000	**Percentage**	RMB'000	Percentage	**Tons**	**Percentage**	Tons	Percentage
Polyester filament yarns								
DTY	**3,425,365**	**26.9%**	2,523,103	26.6%	**380,516**	**22.3%**	283,359	20.6%
FDY	**973,226**	**7.7%**	551,644	5.8%	**128,009**	**7.5%**	71,405	5.2%
POY	**112,703**	**0.9%**	148,489	1.6%	**17,070**	**1.0%**	23,779	1.7%
Other polyester filament yarns products*	**186,333**	**1.5%**	176,737	1.9%	**32,688**	**2.0%**	35,186	2.6%
Sub-total	**4,697,627**	**37.0%**	3,399,973	35.9%	**558,283**	**32.8%**	413,729	30.1%
Polyester products								
BOPET thin films	**2,235,180**	**17.6%**	1,961,476	20.7%	**311,942**	**18.3%**	284,565	20.7%
Polyester bottle chips	**3,782,708**	**29.7%**	2,457,500	25.9%	**541,158**	**31.8%**	405,548	29.5%
Other polyester products**	**719,431**	**5.7%**	635,162	6.7%	**138,721**	**8.2%**	134,058	9.7%
Sub-total	**6,737,319**	**53.0%**	5,054,138	53.3%	**991,821**	**58.3%**	824,171	59.9%
ES fiber	**81,582**	**0.6%**	61,638	0.6%	**8,527**	**0.5%**	6,661	0.5%
Polyester industrial yarns	**1,195,631**	**9.4%**	968,958	10.2%	**143,374**	**8.4%**	130,572	9.5%
Total	**12,712,159**	**100.0%**	9,484,707	100.0%	**1,702,005**	**100.0%**	1,375,133	100.0%

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

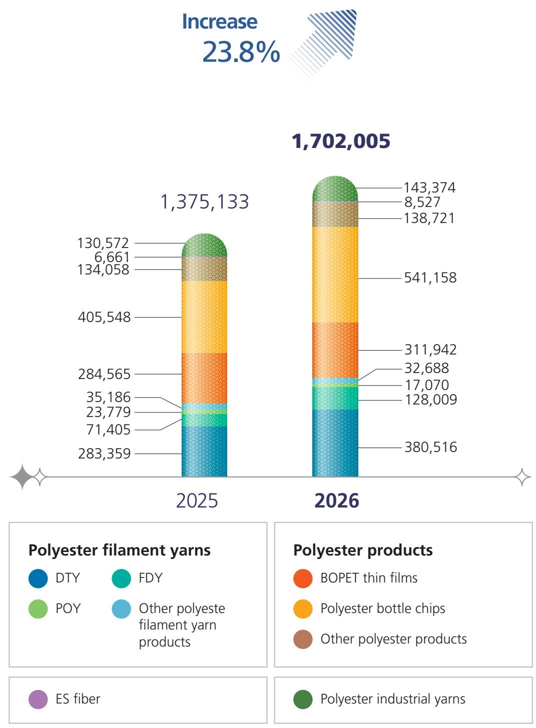
** *Other polyester products represent polyester chips, polyester films and wasted filament generated during the production process.*

Management Discussion and Analysis

Revenue
(RMB'000)



Sales Volume
(Ton)



Sales by geographic region

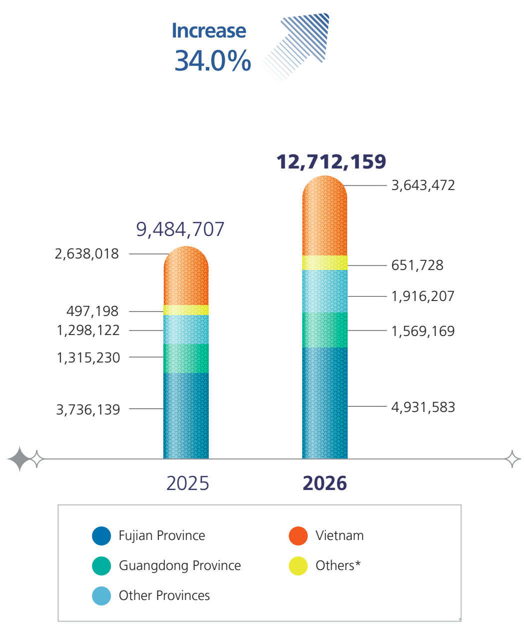
The Group's overseas sales revenue increased from RMB3,135,216,000 in the first half of 2025 to RMB4,295,200,000 during the period under review or an increase of 37.0%. Consequentially, the percentage of overseas sales revenue also increased from 33.0% in the first half of 2025 to 33.8% during the period under review, representing an increase of 0.8 percentage point. The Vietnam project continued to drive the growth of overseas business. Approximately 66.2% of the Group's revenue was generated from domestic market sales, of which 38.8% was from sales to customers in Fujian Province and 12.3% to customers in the adjacent Guangdong Province. The textile manufacturing industries in these two provinces have been booming, resulting in a relatively strong demand for the Group's products.

Geographic Breakdown of Revenue

	For the six months ended 30 June			
	2026		2025	
	RMB'000	**Percentage**	RMB'000	Percentage
Domestic sales				
Fujian Province	**4,931,583**	**38.8%**	3,736,139	39.4%
Guangdong Province	**1,569,169**	**12.3%**	1,315,230	13.9%
Other Provinces	**1,916,207**	**15.1%**	1,298,122	13.7%
Overseas sales				
Vietnam	**651,728**	**5.1%**	497,198	5.2%
Others*	**3,643,472**	**28.7%**	2,638,018	27.8%
Total	**12,712,159**	**100.0%**	9,484,707	100.0%

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

Geographic Breakdown of Revenue
(RMB'000)



2. *Cost of Sales*

Cost of sales of the Group for the period under review was RMB11,094,959,000, representing an increase of 27.8% as compared to the cost of sales of RMB8,680,344,000 in the first half of 2025. The cost of sales for polyester filament yarns was RMB4,113,296,000, accounting for 37.1% of the total cost of sales. The cost of sales for polyester products was RMB5,919,134,000, accounting for 53.4% of total cost of sales. The cost of sales for ES fiber and polyester industrial yarns was RMB70,175,000 and RMB992,354,000, accounting for 0.6% and 8.9% of total cost of sales, respectively.

Polyester filament yarns

Average cost of sales for polyester filament yarns increased from RMB7,326 per ton in the first half of 2025 to RMB7,368 per ton during the period under review, representing an increase of RMB42 or 0.6% per ton. The average price of raw materials for polyester filament yarns increased from RMB5,549 per ton in the first half of 2025 to RMB5,706 per ton during the period under review, representing an increase of RMB157 or 2.8% per ton. PTA and MEG, major raw materials for products of the Group, accounted for 72.1% of the total cost of sales of polyester filament yarns and the price of which was directly affected by the price of their raw material, i.e. crude oil.

Polyester products

Average cost of sales for polyester products increased from RMB5,701 per ton in the first half of 2025 to RMB5,968 per ton during the period under review, representing an increase of RMB267 or 4.7% per ton. The average price of raw materials for polyester products increased from RMB4,933 per ton in the first half of 2025 to RMB5,233 per ton during the period under review, representing an increase of RMB300 or 6.1% per ton.

ES fiber and polyester industrial yarns

Average cost of sales for ES fiber was RMB8,230 per ton, while the average price of raw materials for ES fiber was RMB6,414 per ton. Average cost of sales for polyester industrial yarns was RMB6,921 per ton, while the average price of raw materials for polyester industrial yarns was RMB5,620 per ton.

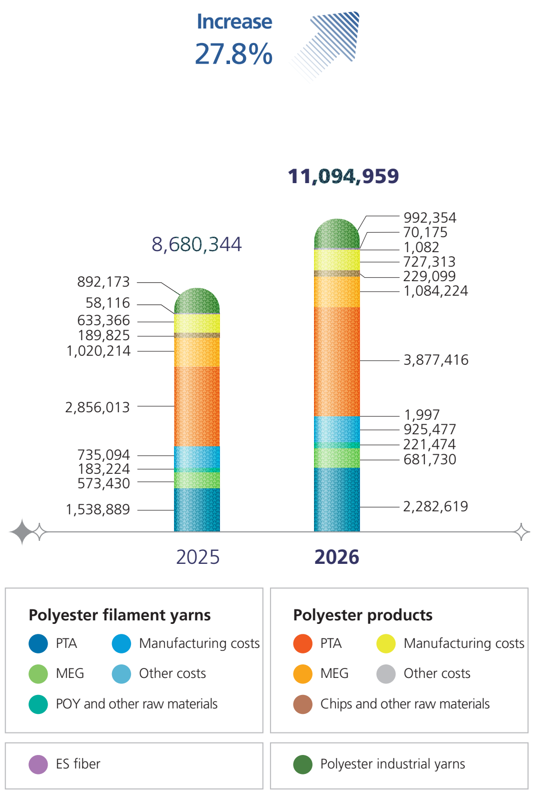
Breakdown of Cost of Sales

	For the six months ended 30 June			
	2026		2025	
	RMB'000	**Percentage**	RMB'000	Percentage
Polyester filament yarns				
Cost of raw materials				
PTA	**2,282,618**	**20.6%**	1,538,889	17.7%
MEG	**681,730**	**6.1%**	573,430	6.6%
POY and other raw materials	**221,474**	**2.0%**	183,224	2.1%
Sub-total	**3,185,822**	**28.7%**	2,295,543	26.4%
Manufacturing costs	**925,477**	**8.4%**	735,094	8.5%
Other costs	**1,997**	**0.0%**	–	0.0%
Sub-total	**4,113,296**	**37.1%**	3,030,637	34.9%
Polyester products				
Cost of raw materials				
PTA	**3,877,416**	**34.9%**	2,856,013	32.8%
MEG	**1,084,224**	**9.8%**	1,020,214	11.8%
Chips and other raw materials	**229,099**	**2.1%**	189,825	2.2%
Sub-total	**5,190,739**	**46.8%**	4,066,052	46.8%
Manufacturing costs	**727,313**	**6.6%**	633,366	7.3%
Other costs	**1,082**	**0.0%**	–	0.0%
Sub-total	**5,919,134**	**53.4%**	4,699,418	54.1%

Management Discussion and Analysis

	For the six months ended 30 June			
	2026		2025	
	RMB'000	**Percentage**	RMB'000	Percentage
ES fiber				
Cost of raw materials				
PTA	**17,252**	**0.2%**	12,826	0.1%
MEG	**5,227**	**0.0%**	4,902	0.1%
Other raw materials	**32,215**	**0.3%**	27,078	0.3%
Sub-total	**54,694**	**0.5%**	44,806	0.5%
Manufacturing costs	**15,445**	**0.1%**	13,310	0.2%
Other costs	**36**	**0.0%**	–	0.0%
Sub-total	**70,175**	**0.6%**	58,116	0.7%
Polyester industrial yarns				
Cost of raw materials				
PTA	**604,814**	**5.5%**	477,984	5.5%
MEG	**180,428**	**1.6%**	178,504	2.1%
Oil and other raw materials	**20,616**	**0.2%**	19,381	0.2%
Sub-total	**805,858**	**7.3%**	675,869	7.8%
Manufacturing costs	**185,892**	**1.6%**	216,304	2.5%
Other costs	**604**	**0.0%**	–	0.0%
Sub-total	**992,354**	**8.9%**	892,173	10.3%
Total	**11,094,959**	**100.0%**	8,680,344	100.0%

Breakdown of Cost of Sales
(RMB'000)



3. *Gross Profit*

Gross profit of the Group for the period under review was RMB1,617,200,000, which increased by RMB812,837,000, representing an increase of 101.1% as compared to RMB804,363,000 in the first half of 2025. Sales volume of the Group during the period under review increased by 326,872 tons, representing an increase of 23.8% as compared to that in the first half of 2025. Average selling price of products per ton increased by an average of RMB572 per ton, representing an increase of 8.3% from RMB6,897 per ton in the first half of 2025 to RMB7,469 per ton during the period under review, while average cost of products per ton also increased by an average of RMB207 per ton, representing an increase of 3.3% from RMB6,312 per ton in the first half of 2025 to RMB6,519 per ton during the period under review. Therefore, the average gross profit of products per ton increased from RMB585 in the first half of 2025 to RMB950 during the period under review. Gross profit margin increased by 4.2 percentage points from 8.5% in the first half of 2025 to 12.7% during the period under review.

Polyester filament yarns

Average selling price of polyester filament yarns products increased by an average of RMB196 per ton, representing an increase of 2.4% from RMB8,218 in the first half of 2025 to RMB8,414 during the period under review. The average gross profit of polyester filament yarns products per ton increased from RMB892 in the first half of 2025 to RMB1,046 during the period under review. The gross profit margin increased by 1.5 percentage points from 10.9% in the first half of 2025 to 12.4% during the period under review.

Polyester products

Average selling price of polyester products per ton increased by an average of RMB661 per ton, representing an increase of 10.8% from RMB6,132 per ton in the first half of 2025 to RMB6,793 per ton during the period under review. The average gross profit of polyester products per ton increased from RMB431 in the first half of 2025 to RMB825 during the period under review. The gross profit margin increased by 5.1 percentage points from 7.0% in the first half of 2025 to 12.1% during the period under review.

ES fiber and polyester industrial yarns

Average selling prices of ES fiber and polyester industrial yarns were RMB9,567 and RMB8,339 respectively, while ES fiber recorded an average gross profit of RMB1,337 per ton and polyester industrial yarns an average gross profit of RMB1,418 per ton.

During the period under review, the Group's overall gross profit and gross profit margin increased significantly. This was primarily due to the Group's ongoing research and development of new functional products, improvements in product quality, the continued recovery of industry conditions and the rising oil prices, which drove an increase in product gross margins. These factors led to a substantial increase in total sales, thereby driving a significant increase in total revenue.

Analysis of gross profit by product

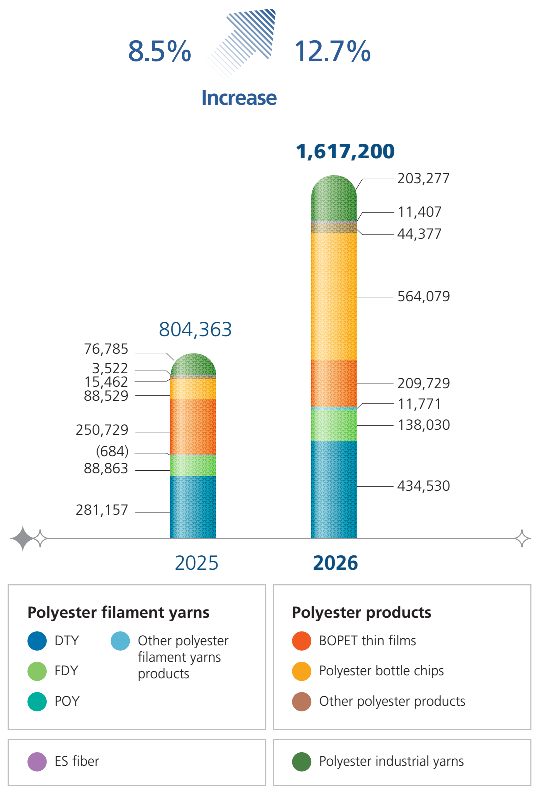
	For the six months ended 30 June			
	2026		2025	
	RMB'000	**Percentage**	RMB'000	Percentage
Polyester filament yarns				
DTY	**434,530**	**26.9%**	281,157	35.0%
FDY	**138,030**	**8.5%**	88,863	11.1%
POY and other polyester filament yarns products*	**11,771**	**0.7%**	(684)	(0.1%)
Sub-total	**584,331**	**36.1%**	369,336	46.0%
Polyester products				
BOPET thin films	**209,729**	**13.0%**	250,729	31.2%
Polyester bottle chips	**564,079**	**34.9%**	88,529	11.0%
Other polyester products**	**44,377**	**2.7%**	15,462	1.9%
Sub-total	**818,185**	**50.6%**	354,720	44.1%
ES fiber	**11,407**	**0.7%**	3,522	0.4%
Polyester industrial yarns	**203,277**	**12.6%**	76,785	9.5%
Total	**1,617,200**	**100.0%**	804,363	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 wasted filament generated during the production process.*

Management Discussion and Analysis

Gross Profit and Gross Profit Margin
(RMB'000)



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

	For the six months ended 30 June	
	2026	2025
	RMB	RMB
Polyester filament yarns		
Average selling price	**8,414**	8,218
Average cost of sales	**7,368**	7,326
Average gross profit	**1,046**	892
Average gross profit margin	**12.4%**	10.9%
Polyester products		
Average selling price	**6,793**	6,132
Average cost of sales	**5,968**	5,701
Average gross profit	**825**	431
Average gross profit margin	**12.1%**	7.0%
ES fiber		
Average selling price	**9,567**	9,254
Average cost of sales	**8,230**	8,725
Average gross profit	**1,337**	529
Average gross profit margin	**14.0%**	5.7%
Industrial yarns		
Average selling price	**8,339**	7,421
Average cost of sales	**6,921**	6,833
Average gross profit	**1,418**	588
Average gross profit margin	**17.0%**	7.9%

4. *Other revenue*

Other revenue of the Group for the period under review amounted to RMB190,273,000 representing an increase of 33.0% as compared to RMB143,015,000 in the first half of 2025. Other revenue included bank interest income, government grants and gains on sales of raw materials. Such change was mainly attributable to an increase in government grants and gains on sales of raw materials.

5. *Other net gains and losses*

Other net gains of the Group during the period under review amounted to RMB13,730,000 (in the first half of 2025: other net losses amounted to RMB3,493,000), representing a decrease in net losses of 493.1%. Other net gains and losses mainly comprised the realised and unrealised gains and losses on financial instruments at FVPL, donation expenses and net exchange gain and loss. Such change was mainly attributable to an increase in realised gain on contracts for financial instruments at FVPL, net.

6. *Selling and distribution expenses*

Selling and distribution expenses of the Group for the period under review amounted to RMB149,426,000, representing an increase of 18.6% as compared to RMB126,009,000 in the first half of 2025. Selling and distribution expenses mainly comprised transportation costs, wages of our sales staffs, operating expenses and promotion expenses. Such increase was mainly due to the increase in relevant transportation costs resulted from the increase in sales in other provinces outside Fujian Province and overseas during the period under review.

7. *Administrative expenses*

Administrative expenses of the Group for the period under review amounted to RMB505,377,000, representing an increase of 56.9% as compared to RMB322,038,000 in the first half of 2025. Administrative expenses mainly comprised research and development costs, depreciation on office equipment, staff wages, general office expenses, professional and legal fees etc. Such change was mainly due to the increase in research and development expenses during the period under review.

8. *Finance costs*

Finance costs of the Group for the period under review amounted to RMB33,886,000, representing a decrease of 48.8% as compared to RMB66,178,000 in the first half of 2025. Such change was mainly due to a decrease in bank loan interest and other interest expense.

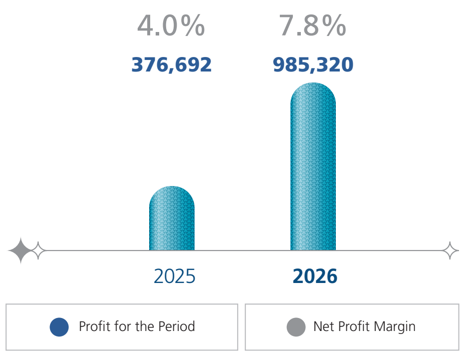
9. *Income tax*

Income tax of the Group for the period under review amounted to RMB147,194,000, representing an increase by 177.9% as compared to RMB52,968,000 in the first half of 2025, which was in line with the growth in profit.

10. *Profit for the period*

Profit of the Group for the period under review amounted to RMB985,320,000, representing an increase by RMB608,628,000 or 161.6% as compared to RMB376,692,000 in the first half of 2025. Such increase was mainly attributable to increase in oil prices, which expanded product gross margins and led to a significant increase in our total amount of sales, which contributed to the significant increase in our total revenue.

Profit for the Period and Net Profit Margin
(RMB'000)



Financial position

1. *Liquidity and capital resources*

As at 30 June 2026, cash and bank balances of the Group amounted to RMB254,404,000, representing a decrease by RMB104,512,000 or 29.1% as compared to RMB358,916,000 as at 31 December 2025.

During the period under review, net cash from operating activities amounted to RMB2,770,849,000. Net cash used in investing activities amounted to RMB836,509,000, which mainly comprised the capital expenditure of RMB699,488,000 and the net increase of restricted bank deposit placement of RMB238,514,000. Net cash used in financing activities amounted to RMB2,041,943,000, which mainly comprised repayment of bank loans of RMB4,359,432,000 and proceeds from new bank loans of RMB2,557,830,000 during the period.

During the period under review, inventory turnover days were 83.4 days (in the first half of 2025: 116.3 days), representing a decrease of 32.9 days as compared to the same period last year. The trade receivable turnover days were 17.7 days (in the first half of 2025: 18.8 days), representing a decrease of 1.1 day as compared to the same period last year. The trade payable turnover days were 214.7 days (in the first half of 2025: 196.7 days), representing an increase of 18.0 days as compared to the same period last year.

As at 30 June 2026, the Group had capital commitments of RMB1,391,723,000, which were mainly used for the expansion of domestic production capacity as well as the Vietnam project.

2. Capital Structure

As at 30 June 2026, the total liabilities of the Group amounted to RMB13,932,924,000, whereas capital and reserves amounted to RMB12,199,476,000. The gearing ratio (total liabilities divided by total equity) was 114.2%. Total assets amounted to RMB26,132,400,000. The debt-to-assets ratio (total assets divided by total liabilities) was 1.88 times. Bank loans of the Group amounted to RMB290,002,000, of which RMB290,002,000 were repayable within one year. RMB290,002,000 of the bank borrowings were secured by properties and restricted bank deposits.

Significant investment held, and material acquisitions or disposals of subsidiaries

Save for those disclosed in this interim report, there were no other significant investments held by the Group, nor were there any material acquisitions or disposals of subsidiaries during the period under review.

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

Charges on assets

Save as disclosed in this report, there was no other charge on Group's assets as of 30 June 2026 (31 December 2025: Nil).

Contingent liabilities

As at 30 June 2026, the Group did not have any contingent liabilities (31 December 2025: Nil).

Foreign currency risk

The exposure of the Group's transactional currency to foreign currency risk was not significant, 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.

Certain financial assets and financial liabilities of the Group are denominated in RMB, which is different from the functional currency of the respective group entities.

The management monitors the related foreign currency risk exposure closely on daily basis and, pursuant to a written foreign currency hedging policy as approved by the management, the Group would only enter into foreign currency forward contracts should need to arise. At 30 June 2026, the Group had significant outstanding foreign currency forward contracts of approximately RMB146,992,000 (31 December 2025: 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 30 June 2026, the Group had a total of 9,647 employees. The remuneration for employees is determined in accordance with their performance, professional experience and the prevailing market conditions. The management reviews the Group's employee remuneration policy and arrangements on a regular basis. Apart from pension, the Group also grants discretionary bonus to certain employees as awards in accordance with individual performance.

BUSINESS OUTLOOK

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

The Billion Vietnam Polyester Filament Project, which has an iconic significance for the Group's expansion into emerging markets, was formally put into operation in September 2019, further expanding the Group's overseas markets. Furthermore, in view of the increasing consumption of polyester industrial yarns in the PRC in recent years, in particular, the accelerating expansion of the polyester industrial yarns market in Eastern China, the Group invested approximately US$185,000,000 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$320,000,000 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. 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 the second half of 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.

Unaudited Condensed Consolidated Income Statement

	Note	Six months ended 30 June **2026** **RMB'000** **(unaudited)**	 2025 RMB'000 (unaudited)
Revenue	*3*	**12,712,159**	9,484,707
Cost of sales		**(11,094,959)**	(8,680,344)
Gross profit		**1,617,200**	804,363
Other revenue	*4*	**190,273**	143,015
Other net gains (losses)	*5*	**13,730**	(3,493)
Selling and distribution expenses		**(149,426)**	(126,009)
Administrative expenses		**(505,377)**	(322,038)
Profit from operations		**1,166,400**	495,838
Finance costs	*6*	**(33,886)**	(66,178)
Profit before tax	*6*	**1,132,514**	429,660
Income tax expenses	*7*	**(147,194)**	(52,968)
Profit for the period attributable to owners of the Company		**985,320**	376,692
Earnings per share			
Basic and diluted (RMB)	*9*	**0.47**	0.18

Unaudited Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period attributable to owners of the Company	**985,320**	376,692
Other comprehensive loss for the period:		
Item that will not be reclassified to profit or loss		
Translation of the Company's financial statements into presentation currency	**(6,599)**	(1,858)
Item that may be reclassified subsequently to profit or loss		
Exchange difference on consolidation	**(91,847)**	(71,637)
Total other comprehensive loss for the period	**(98,446)**	(73,495)
Total comprehensive income for the period attributable to owners of the Company	**886,874**	303,197

Unaudited Condensed Consolidated Statement of Financial Position

	Note	**At 30 June 2026 RMB'000 (unaudited)**	At 31 December 2025 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	*10*	**12,234,530**	11,762,885
Intangible assets		**3,704**	4,364
Equity Investments – Designated FVOCI		**35,820**	35,820
Deposits and prepayments	*12*	**153,363**	294,492
Time deposits with original maturity of more than three months	*15*	**499,000**	499,000
		12,926,417	12,596,561
Current assets			
Inventories	*11*	**4,429,666**	5,706,249
Trade and other receivables	*12*	**3,377,456**	2,013,724
Financial assets at FVPL	*13*	**5,761**	65,503
Restricted bank deposits	*14*	**5,138,696**	4,900,192
Cash and bank balances		**254,404**	358,916
		13,205,983	13,044,584
Current liabilities			
Trade and other payables	*16*	**12,901,792**	11,462,230
Contract liabilities		**334,728**	271,039
Bank loans	*17*	**290,002**	2,091,636
Lease liabilities	*18*	**326**	321
Tax payable		**151,035**	64,227
		13,677,883	13,889,453
Net current liabilities		**(471,900)**	(844,869)
Total assets less current liabilities		**12,454,517**	11,751,692

Unaudited Condensed Consolidated Statement of Financial Position

	Note	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Non-current liabilities			
Lease liabilities	*18*	**2,462**	2,695
Deferred tax liabilities		**225,837**	224,270
Deferred income		**26,742**	21,933
		255,041	248,898
NET ASSETS		**12,199,476**	11,502,794
Capital and reserves			
Share capital	*19*	**17,750**	17,764
Reserves		**12,181,726**	11,485,030
TOTAL EQUITY		**12,199,476**	11,502,794

The unaudited condensed consolidated financial statements on pages 34 to 61 were approved and authorised for issue by the Board of Directors on 17 August 2026 and signed on its behalf by

Sze Tin Yau
Director

Wu Jinbiao
Director

Unaudited Condensed Consolidated Statement of Changes in Equity

		Reserves							
	Share capital RMB'000	**Share premium** RMB'000	**Capital redemption reserve** RMB'000	**Statutory reserve** RMB'000	**Capital reserve** RMB'000	**Exchange reserve** RMB'000	**Retained profits** RMB'000	**Total reserves** RMB'000	**Total equity** RMB'000
At 1 January 2025 (audited)	17,791	60,346	1,542	1,010,581	1,805,631	(122,012)	8,215,714	10,971,802	10,989,593
Profit for the period	–	–	–	–	–	–	376,692	376,692	376,692
Other comprehensive loss:									
Item that will not be reclassified to profit or loss									
Translation of the Company's financial statements into presentation currency	–	–	–	–	–	(1,858)	–	(1,858)	(1,858)
Item that may be reclassified subsequently to profit or loss									
Exchange difference on consolidation	–	–	–	–	–	(71,637)	–	(71,637)	(71,637)
Total other comprehensive loss	–	–	–	–	–	(73,495)	–	(73,495)	(73,495)
Total comprehensive income for the period	–	–	–	–	–	(73,495)	376,692	303,197	303,197
Transactions with owners:									
Contributions and distributions									
Purchase and cancellation of own shares *(Note 19(b))*									
– par value paid	(3)	–	–	–	–	–	–	–	(3)
– premium paid	–	(1,393)	–	–	–	–	–	(1,393)	(1,393)
– transfer between reserves	–	(3)	3	–	–	–	–	–	–
Appropriation to statutory reserve	–	–	–	(7)	–	–	7	–	–
Total transactions with owners	(3)	(1,396)	3	(7)	–	–	7	(1,393)	(1,396)
At 30 June 2025 (unaudited)	17,788	58,950	1,545	1,010,574	1,805,631	(195,507)	8,592,413	11,273,606	11,291,394

Unaudited Condensed Consolidated Statement of Changes in Equity

		Reserves							
	Share capital RMB'000	Share premium RMB'000	Capital redemption reserve RMB'000	Statutory reserve RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	Retained profits RMB'000	Total reserves RMB'000	Total equity RMB'000
At 1 January 2026 (audited)	17,764	47,142	1,569	1,071,156	1,805,631	(238,803)	8,798,335	11,485,030	11,502,794
Profit for the period	–	–	–	–	–	–	985,320	985,320	985,320
Other comprehensive loss:									
Item that will not be reclassified to profit or loss									
Translation of the Company's financial statements into presentation currency	–	–	–	–	–	(6,599)	–	(6,599)	(6,599)
Item that may be reclassified subsequently to profit or loss									
Exchange difference on consolidation	–	–	–	–	–	(91,847)	–	(91,847)	(91,847)
Total other comprehensive loss	–	–	–	–	–	(98,446)	–	(98,446)	(98,446)
Total comprehensive income for the period	–	–	–	–	–	(98,446)	985,320	886,874	886,874
Transactions with owners:									
Contributions and distributions									
Purchase and cancellation of own shares *(Note 19(b))*									
– par value paid	(14)	–	–	–	–	–	–	–	(14)
– premium paid	–	(6,628)	–	–	–	–	–	(6,628)	(6,628)
– transfer between reserves	–	(14)	14	–	–	–	–	–	–
Dividend paid in respect of 2025	–	–	–	–	–	–	(183,550)	(183,550)	(183,550)
Appropriation to statutory reserve	–	–	–	(381)	–	–	381	–	–
Total transactions with owners	(14)	(6,642)	14	(381)	–	–	(183,169)	(190,178)	(190,192)
At 30 June 2026 (unaudited)	17,750	40,500	1,583	1,070,775	1,805,631	(337,249)	9,600,486	12,181,726	12,199,476

Unaudited Condensed Consolidated Cash Flow Statement

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Operating activities		
Cash generated from (used in) operations	**2,829,227**	(2,841,823)
Income tax paid	**(58,378)**	(83,642)
Net cash from (used in) operating activities	**2,770,849**	(2,925,465)
Investing activities		
Purchase of property, plant and equipment and intangible assets	**(7,920)**	(9,942)
Expenditure on construction in progress	**(691,568)**	(243,504)
Net proceeds from disposal of wealth management products	**50,000**	–
Withdrawal of restricted bank deposits	**728,496**	1,243,524
Placement of restricted bank deposits	**(967,010)**	(166,330)
Dividends received from Equity investments - Designated FVOCI	**689**	–
Other cash flows arising from investing activities	**50,804**	125,594
Net cash (used in) from investing activities	**(836,509)**	949,342
Financing activities		
Capital element of lease rentals paid	**(159)**	(438)
Interest element of lease rentals paid	**(67)**	(96)
Payment for repurchase of shares	**(6,642)**	(1,396)
Proceeds from new bank loans	**2,557,830**	4,889,853
Repayment of bank loans	**(4,359,432)**	(1,935,206)
Dividends paid to shareholders	**(183,550)**	–
Other cash flows used in financing activities	**(49,923)**	(57,975)
Net cash (used in) from financing activities	**(2,041,943)**	2,894,742
Net (decrease) increase in cash and cash equivalents	**(107,603)**	918,619
Cash and cash equivalents at the beginning of the reporting period	**358,916**	227,528
Effect of foreign exchange rate changes, net	**3,091**	2,051
Cash and cash equivalents at the end of the reporting period, represented by bank balances and cash	**254,404**	1,148,198

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

1. GENERAL INFORMATION

Billion Industrial Holdings Limited (the "**Company**", together with its subsidiaries collectively referred to as the "**Group**") was incorporated in Cayman Islands on 25 November 2010, as an exempted company with limited liability under the Company Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 18 May 2011. The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of the interim report.

The Company is an investment holding company and its subsidiaries are principally engaged in manufacturing and sales of polyester filament yarns products, polyester products*, polyester industrial yarns products and ES fiber products.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2026 (the "**Interim Financial Statements**") have been prepared in accordance with Hong Kong Accounting Standards ("**HKASs**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The Interim Financial Statements have been prepared on historical cost basis 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 Interim 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.

The preparation of the Interim Financial Statements in conformity with HKAS 34 requires the management of the Group to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a period to date basis. Actual results may differ from these estimates.

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2025, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, HKASs and Interpretations issued by the HKICPA. They shall be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2025 (the "**2025 Annual Financial Statements**").

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

2. BASIS OF PREPARATION (CONTINUED)

The accounting policies and methods of computation applied in the preparation of the Interim Financial Statements are consistent with those applied in preparing the 2025 Annual Financial Statements except for the adoption of the new/revised HKFRS Accounting Standards, HKASs and Interpretations which are relevant to the Group (hereinafter collectively referred to as the "**new/revised HKFRS Accounting Standards**") as detailed below which are effective for current period.

Going Concern

At 30 June 2026, the Group recorded net current liabilities of approximately RMB471,900,000. Based on the estimation of the future cash flows of the Group, after taking into account of (i) the bank and cash balances at 30 June 2026; 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 unaudited condensed consolidated financial statements. Accordingly, the unaudited condensed consolidated financial statements have been prepared on a going concern basis.

Adoption of new/revised HKFRS Accounting Standards

In the current period, the Group has adopted, for the first time, the following new/revised HKFRS Accounting Standards issued by the HKICPA, which are effective for the current period.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Annual Improvements to HKFRS Accounting Standards	Volume 11
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity

The adoption of the above amendments does not have any significant impact on the Interim Financial Statements.

At the date of authorisation of the Interim Financial Statements, the HKICPA has issued a number of new/revised HKFRS Accounting Standards that are not yet effective for the current period, which the Group has not early adopted.

HKFRS 18 "Presentation and Disclosure in Financial Statements"

HKFRS 18 "Presentation and Disclosure in Financial Statements", which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 "Presentation of Financial Statements". HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of HKFRS 18 may affect the presentation of the consolidated income statement, the consolidated statement of comprehensive income and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

Except for the above, the management of the Company does not anticipate that the adoption of the new/revised HKFRS Accounting Standards in future periods will have any material impact on the financial performance and financial position of the Group.

3. REVENUE AND SEGMENT INFORMATION

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

Disaggregation of revenue

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products lines		
Polyester filament yarns products	**4,697,627**	3,399,973
Polyester products*	**6,737,319**	5,054,138
Polyester industrial yarns products	**1,195,631**	968,958
ES fiber products	**81,582**	61,638
	12,712,159	9,484,707
Disaggregated by geographical location of customers		
The People's Republic of China (the "**PRC**")	**8,416,959**	6,349,491
Vietnam	**651,728**	497,198
Others	**3,643,472**	2,638,018
	12,712,159	9,484,707

The Group's customer base is diversified. No individual customer had transactions which exceeded 10% of the Group's aggregate revenue for the six months ended 30 June 2026 and 2025.

The timing of revenue recognition of all revenue from contracts with customers is at a point in time during the six months ended 30 June 2026 and 2025.

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

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

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

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
The PRC	**10,295,067**	9,806,255
Vietnam	**2,043,221**	2,217,272
Hong Kong	**36,132**	38,214
	12,374,420	12,061,741

4. OTHER REVENUE

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Bank interest income	**75,545**	90,472
Government grants *(Note)*	**87,204**	32,667
Sales of raw materials	**25,481**	18,428
Dividend from Equity Investments		
– Designated FVOCI	**689**	1,378
Interest from unlisted wealth management products	**380**	–
Others	**974**	70
	190,273	143,015

Note:

In the opinion of the management of the Group, there were no unfulfilled conditions or contingencies relating to the grants during the six months ended 30 June 2026 and 2025.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

5. OTHER NET GAINS (LOSSES)

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Donations	**(154)**	(87)
Exchange (loss) gain, net	**(19,559)**	9,729
(Loss) Gain on disposal of property, plant and equipment, net	**(86)**	115
Unrealised (loss) gain on contracts for financial instruments at FVPL, net	**(192)**	862
Realised gain (loss) on contracts for financial instruments at FVPL, net	**25,124**	(16,681)
Others	**8,597**	2,569
	13,730	(3,493)

6. PROFIT BEFORE TAX

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

(a) Finance costs

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest on bank loans	**15,552**	28,245
Interest on lease liabilities	**67**	96
Other interest expenses	**19,562**	38,245
Total finance costs	**35,181**	66,586
Less: Capitalised into construction in progress *(Note (i))*	**(1,295)**	(408)
	33,886	66,178

6. PROFIT BEFORE TAX (CONTINUED)

(b) Staff costs (including directors' emoluments)

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Salaries, wages, allowances and other benefits	**291,303**	259,583
Discretionary bonus	**–**	–
Contributions to defined contribution retirement plans *(Note (ii))*	**15,012**	12,406
	306,315	271,989

(c) Other items

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Amortisation of intangible assets (included in "**Administrative expenses**")	**838**	707
Auditors' remuneration	**176**	184
Cost of inventories *(Note (iii))*	**11,094,959**	8,680,344
Depreciation (included in "**Cost of sales**" and "**Administrative expenses**", as appropriate)		
– property, plant and equipment	**401,708**	403,815
– right-of-use assets	**13,929**	27,723
Provision for (Reversal of provision for) loss allowance on trade receivables, net	**2,551**	(6,553)
Research and development costs *(Note (iv))*	**379,165**	239,631

Notes:

(i) The borrowing costs have been capitalised at a rate of 2.14% *(six months ended 30 June 2025: 2.24%)* per annum for the six months ended 30 June 2026.

(ii) For the six months ended 30 June 2026 and 2025, 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 six months ended 30 June 2026, cost of inventories included approximately RMB713,842,000 *(six months ended 30 June 2025: approximately RMB607,308,000)* relating to staff costs and depreciation, which were included in the respective amounts as disclosed above.

(iv) For the six months ended 30 June 2026, research and development costs included approximately RMB80,825,000 *(six months ended 30 June 2025: approximately RMB77,515,000)* relating to staff costs and depreciation, which were included in the respective amounts as disclosed above.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

7. INCOME TAX EXPENSES

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax		
PRC Corporate Income Tax ("**CIT**")		
Current period	**111,007**	46,343
Vietnam CIT		
Current period	**29,091**	2,467
Over-provision in prior year	**–**	(3,267)
Withholding tax		
Withholding tax on dividends	**–**	1,002
Deferred tax		
Origination and reversal of temporary differences	**7,096**	6,423
	147,194	52,968

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 "**CIT Law**") and Implementation Regulation of the CIT Law, the tax rate of the PRC subsidiaries is 25% for the six months ended 30 June 2026 and 2025.

In accordance with the relevant 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 as the Group had no assessable profits for the six months ended 30 June 2026 and 2025.

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

7. INCOME TAX EXPENSES (CONTINUED)

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 2026. 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 six months ended 30 June 2026 and 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.

In 2025, Billion Vietnam has obtained the Supporting Industry Products Certificate issued by Vietnam's Ministry of Industry and Trade which allows profit from FDY and DTY products of Billion Vietnam to be exempted from Vietnam CIT for 2 years starting from the first year it generates taxable profit and entitled to a 50% reduction in income tax for the next 8 succeeding years. As Billion Vietnam generated taxable profit from FDY and DTY products for the first year in 2024 under the Supporting Industry Products Certificate, Billion Vietnam is exempted from Vietnam CIT for profits from FDY and DTY products for the years ended 31 December 2024 and 2025, and 50% reduction in income tax until the year ending 31 December 2033.

For the six months ended 30 June 2026 and 2025, Vietnam CIT has been provided at 17% as Billion Vietnam generated taxable profit on product lines other than FDY and DTY as mentioned above and is entitled to a 50% reduction in income tax.

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 unaudited condensed financial statements for the six months ended 30 June 2026 and 2025.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

8. DIVIDENDS

Interim dividend in respect of 2026 of HK$0.11 per ordinary share *(six months ended 30 June 2025: Nil)* is declared by the Board of Directors on 17 August 2026.

The final dividend in respect of 2025 of HK$0.10 per ordinary share is approved by the Board of Directors and paid as appropriation of reserves of RMB183,550,053 (equivalent to HK$211,081,400) during the reporting period.

9. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit:		
Profit attributable to owners of the Company used for the purpose of basic earnings per share	**985,320**	376,692

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Number of shares:		
Issued ordinary shares at 1 January	**2,112,452,000**	2,115,676,000
Effect of shares repurchased and cancelled *(Note 19(b))*	**(1,252,110)**	(169,602)
Weighted average number of ordinary shares	**2,111,199,890**	2,115,506,398

There were no dilutive potential ordinary shares during the six months ended 30 June 2026 and 2025, and therefore, diluted earnings per share is the same as the basic earnings per share.

10. PROPERTY, PLANT AND EQUIPMENT

(a) Other property, plant and equipment

	Six months ended 30 June 2026 RMB'000 (unaudited)	Year ended 31 December 2025 RMB'000 (audited)
At the beginning of the reporting period	**9,984,813**	10,520,582
Exchange adjustments	**(67,752)**	(117,254)
Additions	**73**	15
Transfer from construction in progress *(Note 10(b))*	**38,028**	389,102
Disposals	**(232)**	(567)
Depreciation charge	**(401,708)**	(807,065)
At the end of the reporting period	**9,553,222**	9,984,813

(b) Construction in progress

	Six months ended 30 June 2026 RMB'000 (unaudited)	Year ended 31 December 2025 RMB'000 (audited)
At the beginning of the reporting period	**709,758**	518,864
Exchange adjustments	**(849)**	(1,474)
Additions	**951,170**	585,387
Disposals	**(1,114)**	(3,917)
Transfer to other property, plant and equipment *(Note 10(a))*	**(38,028)**	(389,102)
At the end of the reporting period	**1,620,937**	709,758

(c) Right-of-use assets

The analysis of the net book value of the Group's right-of-use assets by class of underlying assets is as follows:

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Included in "Property, plant and equipment":		
Interests in leasehold land held for own use	**1,059,552**	1,067,346
Buildings leased for own use	**819**	968
	1,060,371	1,068,314

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

11. INVENTORIES

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Raw materials	**620,568**	535,064
Work in progress	**227,959**	185,520
Finished goods	**3,581,139**	4,985,665
	4,429,666	5,706,249

12. TRADE AND OTHER RECEIVABLES

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Trade receivables from third parties	**1,721,846**	688,854
Less: Loss allowance	**(30,634)**	(28,104)
	1,691,212	660,750
Bills receivables from third parties	**69,799**	48,940
	1,761,011	709,690
Deposits, prepayments and other receivables	**1,769,808**	1,598,526
	3,530,819	2,308,216
Less: Non-current portion of deposits and prepayments	**(153,363)**	(294,492)
	3,377,456	2,013,724

12. TRADE AND OTHER RECEIVABLES (Continued)

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 30 June 2026, the Group had discounted bank acceptance bills totalling approximately RMB3,446,052,000 (*31 December 2025: approximately RMB3,253,058,000*) and endorsed bank acceptance bills totalling approximately RMB50,345,000 (*31 December 2025: approximately RMB72,552,000*), which are derecognised as financial assets (the "**Derecognition**"). These bank acceptance bills matured within one year from date of issue. The Group considered that 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 six months ended 30 June 2026, the loss arising from the Derecognition was approximately RMB11,210,000 *(31 December 2025: approximately RMB5,318,000)*.

Non-current portion of deposits and prepayments mainly represents deposits and prepayment 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 ("**ECL**"), is as follows:

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Within 1 month	**1,722,327**	657,611
1 to 2 months	**22,238**	6,050
2 to 3 months	**1,225**	1,259
Over 3 months	**15,221**	44,770
	1,761,011	709,690

At 30 June 2026, trade receivables and bills receivables are due within 30 to 210 days *(31 December 2025: 30 to 210 days)* and 1 to 365 days *(31 December 2025: 1 to 365 days)*, respectively, from the date of billing.

13. FINANCIAL ASSETS AT FVPL

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

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Unlisted wealth management products	**—**	50,000
Contracts for financial instruments at FVPL	**5,761**	15,503
	5,761	65,503

The following table presents the fair value of the Group's financial assets at FVPL measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair Value Measurement.

		Fair value measurements At 30 June 2026 (unaudited) using		
	Fair value at 30 June 2026 RMB'000	**Quoted prices in active market for identified underlying items (Level 1) RMB'000**	**Significant other observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**
Recurring fair value measurement				
Contracts for financial instruments at FVPL	**5,761**	**5,761**	**–**	**–**

13. FINANCIAL ASSETS AT FVPL (Continued)

	Fair value at 31 December 2025 RMB'000	Fair value measurements At 31 December 2025 (audited) using Quoted prices in active market for identified underlying items (Level 1) RMB'000	Significant other observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000
Recurring fair value measurement				
Unlisted wealth management products	50,000	–	50,000	–
Contracts for financial instruments at FVPL	15,503	15,503	–	–

At 30 June 2026 and 31 December 2025, the fair values of the contracts for financial instruments at FVPL are determined by reference to the prices quoted by the financial institutions.

At 31 December 2025, the fair values of wealth management products are the estimated amounts that the Group would receive to sell wealth management products at the end of the reporting period, taking into account the expected interest rate which is the most significant input.

14. RESTRICTED BANK DEPOSITS

At 30 June 2026, the restricted bank deposits of approximately RMB78,932,000 (*31 December 2025: approximately RMB223,113,000*) and approximately RMB5,059,764,000 (*31 December 2025: approximately RMB4,677,079,000*) were pledged to the banks to secure certain bank loans *(Note 17)* and bills payables *(Note 16)*, respectively.

15. TIME DEPOSITS WITH ORIGINAL MATURITY OF MORE THAN THREE MONTHS

At 30 June 2026, time deposits of approximately RMB499,000,000 *(31 December 2025: approximately RMB499,000,000)*, with annual interest rates ranging from 2.15% to 2.20% *(31 December 2025: 2.15% to 2.20%)*, are made for various periods from 3 to 5 years *(31 December 2025: 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.

16. TRADE AND OTHER PAYABLES

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Trade payables	**1,428,792**	1,385,059
Bills payables	**10,744,462**	9,484,665
Other payables and accrued charges	**291,791**	272,180
Salaries and welfare payables	**56,867**	51,022
Interest payables	**6,621**	21,432
Equipment payables	**161,632**	75,044
Construction payables	**60,567**	29,578
Accrued land cost	**10,314**	5,956
Other tax payables	**140,746**	137,294
	12,901,792	11,462,230

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

Certain bills payables are secured by restricted bank deposits at the end of each reporting period *(Note 14)*.

The Group normally is allowed 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:

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Within 3 months	**6,508,664**	4,423,187
More than 3 months but within 6 months	**1,541,896**	3,531,528
More than 6 months but within 1 year	**4,111,733**	2,908,006
More than 1 year	**10,961**	7,003
	12,173,254	10,869,724

17. BANK LOANS

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

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Within 1 year or on demand	**290,002**	2,091,636

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

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Secured bank loans	**290,002**	2,091,636

At 30 June 2026, the secured bank loans are collectively secured by:

(i) restricted bank deposits amounted to approximately RMB78,932,000 *(31 December 2025: approximately RMB223,113,000)*; and

(ii) building held for own use amounted to approximately RMB36,114,000 *(31 December 2025: approximately RMB38,201,000)*.

(iii) corporate guarantee given by Billion Fujian and Billion High-tech to the extent of approximately RMB3,862,237,000 *(31 December 2025: approximately RMB2,581,710,000)*.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

17. BANK LOANS (Continued)

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

	At 30 June 2026 % (unaudited)	At 31 December 2025 % (audited)
Fixed rate bank loans	**1.50 – 2.40**	1.50 – 2.55
Variable rate bank loans	**4.69**	4.71

18. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the reporting period:

	At 30 June 2026		At 31 December 2025	
	Present value of the minimum lease payments RMB'000 (unaudited)	**Total minimum lease payments RMB'000 (unaudited)**	Present value of the minimum lease payments RMB'000 (audited)	Total minimum lease payments RMB'000 (audited)
Within 1 year	**326**	**450**	321	455
After 1 year but within 2 years	**260**	**368**	334	455
After 2 years but within 5 years	**442**	**810**	490	786
After 5 years	**1,760**	**3,180**	1,871	3,478
	2,462	**4,358**	2,695	4,719
	2,788	**4,808**	3,016	5,174
Less: Future finance charges		**(2,020)**		(2,158)
Present value of lease liabilities		**2,788**		3,016

At 30 June 2026, the weighted average of the incremental borrowing rates for the lease liabilities of the Group was approximately 4.47% *(31 December 2025: approximately 4.47%)* per annum.

19. SHARE CAPITAL

(a) Authorised and issued share capital

	Par value HK$	Number of shares	Nominal value of ordinary shares HK$
Authorised:			
At 1 January 2025,			
31 December 2025 (audited) and			
30 June 2026 (unaudited)	0.01	10,000,000,000	100,000,000

	Par value HK$	Number of shares	Nominal value of ordinary shares HK$	 RMB
Issued and fully paid:				
At 1 January 2025	0.01	2,115,676,000	21,156,760	17,791,619
Repurchase and cancellation of shares	0.01	(3,224,000)	(32,240)	(27,112)
At 31 December 2025 and 1 January 2026 (audited)	0.01	2,112,452,000	21,124,520	17,764,507
Repurchase and cancellation of shares *(Note 19 (b))*	0.01	(1,638,000)	(16,380)	(13,775)
At 30 June 2026 (unaudited)	**0.01**	**2,110,814,000**	**21,108,140**	**17,750,732**

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

19. SHARE CAPITAL (CONTINUED)

(b) Purchase and cancellation of own shares

Month/Year of repurchase	Number of shares	Highest price paid per share HK$	Lowest price paid per share HK$	Aggregate price paid RMB'000
September 2025	656,000	4.40	4.17	2,584
October 2025	456,000	4.70	4.22	1,823
November 2025	108,000	4.92	4.61	471
December 2025	86,000	5.00	4.57	366
Repurchased during the year ended 31 December 2025 and cancelled during the reporting period	1,306,000			5,244
January 2026	74,000	4.88	4.58	321
March 2026	114,000	4.63	4.55	462
April 2026	102,000	4.90	4.80	435
May 2026	42,000	4.99	4.82	180
Repurchased and cancelled during the reporting period	332,000			1,398
May 2026	118,000	5.00	4.85	507
June 2026	212,000	5.60	4.90	945
Repurchased during the six months ended 30 June 2026 and cancelled subsequent to the reporting period	330,000			1,452
Total	1,968,000			8,094

19. SHARE CAPITAL (CONTINUED)

(b) Purchase and cancellation of own shares (Continued)

Pursuant to section 37(3) of the Companies Law of the Cayman Islands, 1,638,000 shares, of which 1,306,000 and 332,000 shares were repurchased during the year ended 31 December 2025 and the six months ended 30 June 2026, respectively, were cancelled during the six months ended 30 June 2026. The remaining 330,000 shares repurchased during the six months ended 30 June 2026 were cancelled subsequent to the reporting period. Accordingly, the issued share capital of the Company was reduced by the nominal value of 1,638,000 shares. Pursuant to section 37(4) of the Companies Law of the Cayman Islands, an amount equivalent to the par value of the shares cancelled of HK$16,380 (equivalent to approximately RMB14,000) was transferred from share premium to the capital redemption reserve during the six months ended 30 June 2026. The premium for the repurchase of 1,638,000 shares of approximately HK$7,316,000 (equivalent to approximately RMB6,628,000) were charged to share premium for the six months ended 30 June 2026. The premium for remaining 330,000 shares of approximately HK$1,664,000 (equivalent to approximately RMB1,449,000) were charged to share premium subsequent to the reporting period.

20. CAPITAL COMMITMENTS

Capital commitments outstanding at the end of the reporting period not provided, net of any deposits paid, for in the Interim Financial Statements were as follows:

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Authorised but not contracted for property, plant and equipment	**7,321**	—
Contracted for property, plant and equipment	**1,384,402**	1,582,865
	1,391,723	1,582,865

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For the six months ended 30 June 2026

21. MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the directors of the Company and certain of the highest paid employees, is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Salaries, wages, allowances and benefits in kind	**2,715**	2,703
Discretionary bonus	**–**	–
Retirement scheme contributions	**30**	31
	2,745	2,734

(b) Transactions with related parties

Other than otherwise disclosed, the Group had no significant related party transactions for the six months ended 30 June 2026 and 2025.

INTERIM DIVIDEND

The board ("**Board**") of directors ("**Directors**") of the Company resolved to declare an interim dividend of HK11.00 cents per share in cash for the six months ended 30 June 2026 (2025 interim dividend: nil). The dividend will be paid on 22 October 2026 to those shareholders whose names appear on the Company's register of member on 28 September 2026.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 23 September 2026 to Monday, 28 September 2026, both days inclusive, during which no transfer of shares will be made. In order to qualify for the interim dividend, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m., on Tuesday, 22 September 2026.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and/or the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register required to be kept by the Company under Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), are as follows:

(a) Long position in ordinary shares of the Company

Name of Director	Nature of interest	Number of ordinary shares interested	Percentage of the Company's issued share capital (3)
Mr. Sze Tin Yau(1)	Interest in controlled corporation	643,720,000	30.50%
Mr. Wu Jinbiao(2)	Interest in controlled corporation	136,820,000	6.48%

Notes:

(1) Mr. Sze Tin Yau owned 100% of the issued shares of Kingom Power Limited ("**Kingom Power**"), which directly owned 643,720,000 shares of the Company. Accordingly, Mr. Sze Tin Yau was deemed to be interested in all the shares of the Company owned by Kingom Power by virtue of the SFO.

(2) Mr. Wu Jinbiao owned 100% of the issued shares of Winwett Investments Limited, which directly owned 136,820,000 shares of the Company. Accordingly, Mr. Wu Jinbiao was deemed to be interested in all the shares of the Company owned by Winwett investments Limited by virtue of the SFO.

(3) Base on a total of 2,110,814,000 issued shares of the Company as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them has taken or deemed to have taken under the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange. At no time had the Company or any of its holding company or subsidiaries participated in any arrangements to enable the Directors or chief executive (including their spouses or children under the age of eighteen) of the Company to acquire any interests and short positions of shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, so far as is known to the Directors, the following persons (other than a Director or chief executive of the Company) had or were deemed or taken to have an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO:

Name of substantial shareholder	Capacity	Number of ordinary shares interested	Percentage of the Company's issued share capital [d]
Hong Kong (Rong An) Investment Limited ("**Hong Kong Rong An**")	Beneficial owner	780,190,808	36.96%
CECEP Chongqing Industry Co., Ltd. ("**CECEP Chongqing**")[a]	Interest in controlled corporation	780,190,808	36.96%
CECEP Energy Conservation Technology Co., Ltd. ("**CECEP Technology**")[b]	Interest in controlled corporation	780,190,808	36.96%
China Energy Conservation and Environmental Protection Group ("**CECEP**")[c]	Interest in controlled corporation	780,190,808	36.96%

Name of substantial shareholder	Capacity	Number of ordinary shares interested	Percentage of the Company's issued share capital [d]
Kingom Power Limited	Beneficial owner	643,720,000	30.50%
Winwett Investments Limited	Beneficial owner	136,820,000	6.48%
Mr. Huang Shaorong	Beneficial owner	19,425,000	0.92%
	Interest in controlled corporation	188,532,000	8.93%
Ever Luxuriant Global Trading Limited	Beneficial owner	188,532,000	8.93%
Mr. Lin Haibin	Beneficial owner	27,723,000	1.31%
	Nominee for another person (other than a bare trustee)	166,706,000	7.90%
Haibin International Investments Limited	Beneficial owner	170,140,000	8.06%
Export – Import Bank of China	Person having a security interest in shares	300,000,000	14.21%

Notes:

(a) CECEP Chongqing owned 100% of the issued share capital of Hong Kong Rong An, therefore, was thus deemed to be interested in all shares of the Company that Hong Kong Rong An was interested in under the SFO.

(b) CECEP Chongqing was a non-wholly-owned subsidiary of CECEP Technology. CECEP Technology was therefore deemed to be interested in all shares of the Company that CECEP Chongqing was interested in under the SFO.

(c) CECEP Technology was a wholly-owned subsidiary of CECEP. CECEP was therefore deemed to be interested in all shares of the Company that CECEP Technology was interested in under the SFO.

(d) Base on a total of 2,110,814,000 issued shares of the Company as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, so far as is known to the Directors, there is no other person (other than the Director or chief executive of the Company) who has interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

General Information

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

During the six months ended 30 June 2026, the Company bought back a total of 662,000 shares on the Stock Exchange. 332,000 bought-back shares were cancelled during the six months ended 30 June 2026 and 330,000 bought-back shares were cancelled subsequently in July 2026. The details of the bought-back shares are as follows:

Date	Number of shares bought back	Price per share or highest price paid per share (HK$)	Lowest price paid per share (HK$)	Aggregate price paid (HK$)
January	74,000	4.88	4.58	348,320
March	114,000	4.63	4.55	523,080
April	102,000	4.90	4.80	495,060
May	160,000	5.00	4.82	784,300
June	212,000	5.60	4.90	1,082,920
Total	**662,000**	**5.60**	**4.55**	**3,233,680**

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any other listed securities (including sale of treasury shares) of the Company during the six months ended 30 June 2026. As at 30 June 2026, 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 six months ended 30 June 2026 and as at the date of this interim report.

CHANGES IN DIRECTORS' INFORMATION

Changes in the information of Directors since the publication of the annual report of the Company for the year ended 31 December 2025 and up to the six months ended 30 June 2026, which are required to be disclosed under Rule 13.51B(1) of the Listing Rules are set out below:

- Mr. Shih Chun Pi, an independent non-executive director of the Company, a member of the audit committee and nomination committee of the Company, passed away on 30 April 2026.

- Mr. Qiu Dahong has been appointed as an independent non-executive director of the Company, a member of the audit committee and nomination committee of the Company, with effect from 3 August 2026.

There is no other information in respect of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Share schemes

During the six months ended 30 June 2026, the Company did not have any share option scheme or share award scheme.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the period of the six months ended 30 June 2026, the Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") set out in Appendix C3 of the Listing Rules as the code of conduct regarding directors' securities transactions. Having made specific enquiry of all the Directors, the Company has confirmed with all Directors that they had complied with the required standard set out in the Model Code throughout the six months ended 30 June 2026.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rules 3.21 and 3.22 of Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control system of the Group. The Audit Committee comprises three members: Mr. Yu Wai Ming, Mr. Lin Jian Ming and Mr. Qiu Dahong. All of them are independent non-executive Directors. The chairman of the Audit Committee is Mr. Yu Wai Ming. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed with the management of the Company on financial reporting matters including a review of the unaudited interim financial information of the Group for the six months ended 30 June 2026.

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