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BILLION INDUSTRIAL HOLDINGS LIMITED

百宏實業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2299)

BUSINESS UPDATE FINANCIAL RESOURCES OF THE GROUP

FINANCIAL RESOURCES OF THE GROUP

Reference is made to the announcement of the Company dated 26 January 2017 (the “**Announcement**”). Unless otherwise stated, terms defined in the Announcement shall have the same meanings when used in this announcement.

To enable shareholders of the Company and potential investors to appreciate the financial resources of the Group, the Company announces that since the date of the Announcement,

1. the Group has placed restricted bank deposits with Industrial Bank Co., Ltd. on 21 March 2017, 22 March 2017 and 23 March 2017 in the principal amounts of RMB50,000,000, RMB50,000,000 and RMB500,000,000, respectively;
2. restricted bank deposits of the Group with Industrial Bank Co., Ltd. in the principal amount of RMB200,000,000 have matured on 14 February 2017;
3. CMB Wealth Management Products in the principal amount of RMB50,000,000 have been redeemed at maturity.

Accordingly, as at the date of this announcement, financial assets owned by the Company included the following:

	Amount <i>(RMB)</i>
Fixed deposits with maturity over three months with	
Fujian Jinjian Rural Commercial Bank (福建晉江農村商業銀行) ¹	150,000,000
Restricted Bank Deposits with Industrial Bank Co., Ltd. (興業銀行) ²	600,000,000
The CMB Wealth Management Products ³	300,000,000
CCB Wealth Management Product ⁴	<u>1,000,000,000</u>
 Total	 <u><u>2,050,000,000</u></u>

Notes:

1. The fixed deposits bear interest rates ranging from 4.25% to 4.30% per annum and are expected to expire on 27 June 2017 (RMB10,000,000), 10 October 2017 (RMB90,000,000) and 13 October 2017 (RMB50,000,000), respectively. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Fujian Jinjian Rural Commercial Bank and its ultimate beneficial owners are Independent Third Parties.
2. The restricted bank deposits bear interest rate ranging from 4.55% to 4.59% per annum and are expected to mature on 20 April 2017 (RMB50,000,000) and on 21 April 2017 (RMB50,000,000) and ranging from 4.18% to 4.22% per annum and are expected to mature on 21 June 2017 (RMB500,000,000). To the best of the Directors' knowledge, information and benefit having made all reasonable enquiry, Industrial Bank Co., Ltd. and its ultimate beneficial owners are Independent Third Parties.
3. The CMB Wealth Management Products were established on 30 March 2015 (RMB50,000,000), 27 October 2016 (RMB100,000,000), 22 December 2016 (RMB50,000,000) and 5 January 2017 (RMB100,000,000) with a maturity date of 30 March 2025, 20 April 2017, 22 November 2017 and 6 July 2017, respectively with expected annualized return of 3.56%, 3.45%, 4.10% and 4.20%, respectively as at the date of subscription. The Company plans to redeem these subscriptions within one year from the respective date of each subscriptions. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, China Merchants Bank and its ultimate beneficial owners are Independent Third Parties.

4. The CCB Wealth Management Products were established on 29 April 2016 (RMB750,000,000), 7 December 2016 (RMB150,000,000) and 9 December 2016 (RMB100,000,000), with a maturity date of 28 April 2026, 6 December 2017 and 7 December 2017, respectively with expected annualized return of 3.85% as at the date of subscription. The Company plans to redeem these subscriptions within one year from the respective date of each subscriptions. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, China Construction Bank and its ultimate beneficial owners are Independent Third Parties.

By Order of the Board of
Billion Industrial Holdings Limited
Sze Tin Yau
Chairman

Hong Kong, 23 March 2017

As at the date of this announcement, the Board comprises Mr. Sze Tin Yau, Mr. Wu Jinbiao, Mr. Wang Li and Mr. Liu Jingui as executive directors, Mr. Zeng Wu and Mr. Wu Zhongqin as non-executive directors and Mr. Chan Shek Chi, Mr. Ma Yuliang and Mr. Lin Jian Ming as independent non-executive directors.