

PARTS AND COMPONENTS SUPPLY AGREEMENT

THIS AGREEMENT is dated 7th day of November 2019.

BETWEEN:

- (1) **BEIJINGWEST INDUSTRIES INTERNATIONAL LIMITED**, a company incorporated in the Cayman Islands whose registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and having its principal place of business in Hong Kong at Rooms 1005-06, 10th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong (the “**Company**”); and
- (2) **BEIJINGWEST INDUSTRIES CO., LTD.** (北京京西重工有限公司), a company incorporated in the People’s Republic of China whose registered address is at No. 85 Pu’an Road, Doudian Town, Fangshan District, Beijing, 102402, the People’s Republic of China (“**BWI**”).

BACKGROUND

- (A) The Group (as defined below) have been supplying auto parts and components to BWI and/or its associates.
- (B) As BWI is the controlling shareholder of the Company, it is a connected person of the Company for the purpose of the Listing Rules (as defined below) and the Transactions as stipulated in (A) above constitute continuing connected transactions for the Company.
- (C) The parties hereto agreed to enter into this Agreement to record the terms of such continuing connected transactions.

NOW IT IS HEREBY AGREED as follows:-

1. INTERPRETATION

1.1 In this Agreement unless the context otherwise requires:-

- (a) the following expressions shall have the following meanings:

<u>Expression</u>	<u>Meaning</u>
“ Annual Cap(s) ”	the maximum aggregate annual value of a Transaction as set out in this Agreement;
“ associate ”	as defined in the Listing Rules;

“ continuing connected transaction ”	as defined in the Listing Rules;
“ cost ”	the costs incurred by the Company (including the Group) for the supply of auto parts and components, including automobile controlled and passive suspension products, and prototypes, to BWI and/or its associates under this Agreement;
“ Group ”	the Company and its subsidiaries from time to time;
“ Hong Kong ”	Hong Kong Special Administrative Region of the People’s Republic of China;
“ independent shareholders ”	as defined in the Listing Rules;
“ Listing Rules ”	the Rules Governing the Listing of Securities on the Stock Exchange;
“ Stock Exchange ”	The Stock Exchange of Hong Kong Limited;
“ subsidiary ”	as defined in the Listing Rules; and
“ Transaction(s) ”	the supply of auto parts and components by the Group to BWI and/or its associates as set out in Clause 3.

- (b) references to Clauses and the Schedule are to clauses of and the schedule to this Agreement; and
- (c) words importing the singular include the plural and vice versa, words importing a gender include every gender and references to persons include individuals, firms, bodies corporate or unincorporate.

1.2 Headings are for reference only and shall not affect the interpretation of this Agreement.

2. CONDITIONS PRECEDENT

2.1 The obligations in this Agreement are conditional upon the independent shareholders of the Company having approved the transactions contemplated under this Agreement, if it is so required under the Listing Rules.

2.2 If the condition precedent set out in Clause 2.1, where applicable, is not satisfied on or before 31 March 2020 (or such other date as the parties may agree in writing), this Agreement shall forthwith determine and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of this Agreement.

3. THE TRANSACTIONS AND ANNUAL CAPS

- 3.1 The parties agree that the Group will supply auto parts and components, including automobile controlled and passive suspension products, and prototypes to BWI and/or its associates (the “Sales”) subject to the Annual Caps set out in Clause 3.3 below.
- 3.2 The basis of determining the prices for the Transactions is in accordance with the cost plus approach at margins within the range or no less favourable to the margins of the other products of the Group supplied to independent third party customers for the prior financial year, and the pricing policies for continuing connected transactions of the Group.
- 3.3 The respective Annual Caps in respect of the Transactions shall not exceed the following amounts:

For the financial year ending 31 December	Sales HK\$' million
2020	23.5
2021	86.9
2022	212.1

If for any reason that any of the Annual Caps is exceeded and the Company would need to re-comply with the requirements of the Listing Rules in respect of the Transactions, BWI undertakes to co-operate with the Company on any such re-compliance requirements.

- 3.4 Payments for the Transactions under this Agreement shall be on the second day of the third month following the shipment of the products, which is based on normal commercial terms that are no less favourable to the Company than those available to independent third parties.
- 3.5 This Agreement shall take effect on 1 January 2020 or the date on which the condition in Clause 2.1 is satisfied, whichever is later.

4. WARRANTIES AND UNDERTAKINGS

- 4.1 Each of the parties to this Agreement represents, warrants and undertakes to each other that:
- (a) it is properly incorporated, registered and validly existing under the laws of its place of incorporation;
 - (b) it has taken all necessary action to authorise the signing, delivery and performance of this Agreement; and
 - (c) it has power, and has obtained the necessary approvals (other than those as referred to in the conditions precedent in Clause 2 above), to enter into and perform its obligations under this Agreement and can do so without the consent of any other person.

- 4.2 In consideration of the Company agreeing to enter into the Transactions with BWI, BWI undertakes to the Company that, for so long as the shares of the Company are listed on the Stock Exchange, it will provide the Company, its auditors, independent non-executive directors or independent financial advisers (as the case may be) with full access to its relevant records and such other information that it has about the Transactions as may be required for the purpose of fulfilling the Company's disclosure, reporting or other obligations under the Listing Rules, or otherwise as may be required by the Stock Exchange.

5. **FURTHER ASSURANCE**

Each party undertakes to the other that it shall do all such acts and things and execute all such deeds and documents as may be necessary or desirable to carry into effect or to give legal effect to the provisions of this Agreement and the transactions hereby contemplated.

6. **MISCELLANEOUS**

- 6.1 This Agreement has a fixed term of three financial years ending on 31 December 2022.
- 6.2 This Agreement shall be binding on and ensure for the benefit of the successors and permitted assigns of each of the parties but shall not be assignable by any party unless with the prior written consent of the other party.
- 6.3 Any remedy conferred on any party hereto for breach of this Agreement shall be in addition and without prejudice to all other rights and remedies available to it and the exercise of or failure to exercise any remedy shall not constitute a waiver by such party of any of its rights or remedies.
- 6.4 This Agreement shall supersede all and any previous agreements or arrangements between the parties hereto relating to any matter referred to in this Agreement and all or any such previous agreements or arrangements (if any) shall cease and determine with effect from the effective date of this Agreement.
- 6.5 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect, the remaining provisions hereof shall in no way be affected or impaired thereby.

7. **NOTICES**

Any notice required or permitted to be given by or under this Agreement may be given to the party in question by delivering it to, or by sending it in a prepaid envelope by registered mail to, the party concerned at its address shown in this Agreement or to such other address as the party concerned may have notified to the other party in accordance with this Clause and any such notice shall be deemed to be served when the same would

first be received at the address of the party to whom it is addressed in the normal course of such method of delivery.

8. GOVERNING LAW

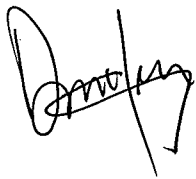
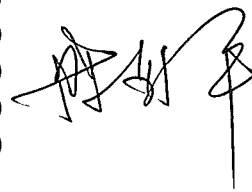
This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong and each party hereby submits to the non-exclusive jurisdiction of the courts of Hong Kong as regards any claim or matter arising under this Agreement.

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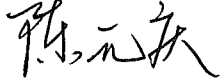
IN WITNESS whereof this Agreement has been entered into the day and year first above written.

SIGNED by CHEN Zhouping
for and on behalf of
**BEIJINGWEST INDUSTRIES
INTERNATIONAL LIMITED**
in the presence of : -
Cheng Chun Shing


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SIGNED by JIANG Yunan
for and on behalf of
BEIJINGWEST INDUSTRIES CO., LTD.
in the presence of : -
Chen Yuanqing



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