
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in BeijingWest Industries International Limited, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited, Hong Kong Securities Clearing Company Limited and The Stock Exchange of Hong Kong Limited take no responsibilities for the contents of the Prospectus Documents, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

A copy of each of the Prospectus Documents, having attached thereto other document specified in the paragraph headed “12. Documents delivered to the Registrar of Companies in Hong Kong” in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents. The securities described in this Prospectus have not been registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the U.S. Securities Act and applicable state laws. There is no intention to register any portion of the Rights Shares or any securities described in this Prospectus in the United States or to conduct a public offering of securities in the United States.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and the distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this Prospectus comes should inform themselves of and observe any such restrictions. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States. The provision of this Prospectus to Shareholders in the United States and any other jurisdiction where distribution is restricted is for information purposes only and shall not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Rights Shares or to take up any entitlements to the Rights Shares in the United States or any other jurisdiction in which such an offer or solicitation is unlawful.



京西重工國際有限公司

BEIJINGWEST INDUSTRIES INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2339)

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

Financial adviser to the Company



YU MING INVESTMENT MANAGEMENT LIMITED
禹銘投資管理有限公司

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this Prospectus.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Thursday, 10 October 2024. The procedures for acceptance, payment and transfer of Rights Shares are set out on pages 11 to 12 of this Prospectus.

The Rights Issue is on a non-underwritten basis. There is no minimum subscription level and no minimum amount is required to be raised under the Rights Issue. Pursuant to the Company’s constitutional documents, the Companies Act, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue. The Rights Issue is subject to fulfilment of the conditions of the Rights Issue as set out in the section headed “Letter from the Board – Conditions of the Rights Issue” in this Prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:30 p.m. on Monday, 14 October 2024). None of the conditions to the Rights Issue can be waived. If the conditions of the Rights Issue are not fulfilled at or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

The Shares have been dealt in on ex-rights basis from Friday, 13 September 2024. Dealings in the Rights Shares in the nil-paid form will take place from Friday, 27 September 2024 to Monday, 7 October 2024 (both days inclusive). Any dealings in the Shares up to the date on which all conditions of the Rights Issue are fulfilled, and any Shareholder dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders or other persons contemplating any dealing in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

25 September 2024

NOTICE

The Rights Issue is on a non-underwritten basis. There is no minimum subscription level and no minimum amount is required to be raised under the Rights Issue. Pursuant to the Company's constitutional document, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue. The Rights Issue is subject to fulfilment of the conditions of the Rights Issue as set out in the section headed "Letter from the Board – Conditions of the Rights Issue" in this Prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:30 p.m. on Monday, 14 October 2024). If the conditions of the Rights Issue are not fulfilled or (where applicable) waived on or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

ANY SHAREHOLDER OR OTHER PERSON CONTEMPLATING TRANSFERRING, SELLING OR PURCHASING SHARES AND/OR RIGHTS SHARES IN THEIR NIL-PAID FORM IS ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES AND/OR NIL-PAID RIGHTS SHARES. ANY PERSON WHO IS IN ANY DOUBT ABOUT HIS/HER/ITS POSITION OR ANY ACTION TO BE TAKEN IS RECOMMENDED TO CONSULT HIS/HER/ITS OWN PROFESSIONAL ADVISER(S). ANY SHAREHOLDER OR OTHER PERSON DEALING IN THE SHARES OR IN THE NIL-PAID RIGHTS SHARES UP TO THE DATE ON WHICH ALL THE CONDITIONS TO WHICH THE RIGHTS ISSUE IS SUBJECT ARE FULFILLED WILL ACCORDINGLY BEAR THE RISK THAT THE RIGHTS ISSUE MAY NOT BECOME UNCONDITIONAL OR MAY NOT PROCEED.

EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING EXTENDED TO SHAREHOLDERS WITH REGISTERED ADDRESSES IN JURISDICTIONS OUTSIDE HONG KONG AND NEITHER IS THE RIGHTS ISSUE BEING EXTENDED TO INVESTORS WHO ARE LOCATED OR RESIDING IN ANY OF THE JURISDICTIONS OUTSIDE HONG KONG, UNLESS AN OFFER OF THE RIGHTS SHARES IN NIL-PAID AND/OR FULLY-PAID FORMS INTO SUCH JURISDICTIONS COULD LAWFULLY BE EXTENDED WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER LEGAL OR REGULATORY REQUIREMENTS OR THE OFFER IS EXTENDED IN RELIANCE ON ANY EXEMPTION OR WHERE COMPLIANCE IS NOT UNDULY BURDENSOME.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer, invitation or solicitation is unlawful. None of this Prospectus, the PAL(s) and EAF(s) will be registered or filed under the securities laws of any jurisdiction other than Hong Kong and none of the nil-paid Rights Shares, the fully-paid Rights Shares, this Prospectus, the PAL(s) and EAF(s) will qualify for distribution under any of the relevant securities laws of any of the jurisdictions outside Hong Kong (other than pursuant to any applicable exceptions as agreed by the Company). Accordingly, the nil-paid Rights Shares and the fully-paid Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any jurisdictions outside Hong Kong absent registration or qualification under the respective securities laws of such jurisdictions outside Hong Kong, or exemption from the registration or qualification requirement under applicable rules of such jurisdictions.

NOTICE

Each person acquiring the Rights Shares in nil-paid and/or fully-paid forms under the Rights Issue will be required to confirm, or be deemed by his or her or its acquisition of the Rights Shares in nil-paid and/or fully-paid forms to confirm, that he or she or it is aware of the restrictions on offers and sales of the Rights Shares in nil-paid and/or fully-paid forms described in this Prospectus.

FORWARD-LOOKING STATEMENTS

All statements in this Prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this Prospectus include, without limitation, statements in respect of the Group’s business strategies, service offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this Prospectus are based on the present expectations of the management of the Company about future events. The present expectations of the management of the Company reflect numerous assumptions regarding the Group’s strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group’s actual results could differ materially from those expressed or implied by forward-looking statements.

Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this Prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this Prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.

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DEFINITIONS

In this Prospectus, the following expressions have the meanings set out below unless the context requires otherwise:

“Announcement”	the announcement of the Company dated 22 August 2024 in relation to the Rights Issue
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“BWI HK”	BWI Company Limited (京西重工(香港)有限公司), the controlling shareholder of the Company
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Companies Act”	the Companies Act (as revised) of the Cayman Islands
“Company”	BeijingWest Industries International Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares

DEFINITIONS

“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Board, after making enquiries regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange, considers it necessary or expedient to exclude such Shareholders from the Rights Issue
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Intermediary”	in relation to a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the beneficial owner’s broker, custodian, nominee or other relevant person who is a CCASS participant or who has deposited the beneficial owner’s shares with a CCASS participant
“Last Trading Day”	Wednesday, 21 August 2024, being the last trading day of the Shares on the Stock Exchange before the release of the Announcement
“Latest Practicable Date”	19 September 2024, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information for inclusion in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 10 October 2024 (or such later time or date as may be determined by the Company), being the latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be used in connection with the Rights Issue in such form as the Company may approve
“Posting Date”	Wednesday, 25 September 2024

DEFINITIONS

“PRC”	the People’s Republic of China
“Prospectus”	this prospectus
“Prospectus Documents”	the Prospectus, the PAL(s) and the EAF(s)
“Qualifying Shareholder(s)”	Shareholder(s), other than the Excluded Shareholder(s), whose name(s) appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	Tuesday, 24 September 2024, the date by reference to which entitlements under the Rights Issue were determined
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the issue by way of rights on the basis of one (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price
“Rights Share(s)”	up to 287,169,534 new Share(s) proposed to be allotted and issued by the Company pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.168 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong
“%”	per cent

* For identification purposes only

EXPECTED TIMETABLE

All times and dates in this Prospectus refer to Hong Kong local times and dates. The expected timetable for the Rights Issue set out below and all dates and deadlines specified in this Prospectus are indicative only and may be amended by the Company. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

Event	Date
First day of dealing in nil-paid Rights Shares	Friday, 27 September 2024
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Wednesday, 2 October 2024
Last day of dealing in nil-paid Rights Shares	Monday, 7 October 2024
Latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares	4:00 p.m. on Thursday, 10 October 2024
Latest time for the Rights Issue to become unconditional	4:30 p.m. on Monday, 14 October 2024
Announcement of the allotment results of the Rights Issue	Friday, 18 October 2024
Despatch of refund cheques for wholly or partially unsuccessful excess applications	Monday, 21 October 2024
Despatch of share certificates of fully-paid Rights Shares	Monday, 21 October 2024
Dealings in fully-paid Rights Shares commence	9:00 a.m. on Tuesday, 22 October 2024

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares will not take place if there is a tropical cyclone warning signal number 8 or above, “extreme conditions” caused by super typhoons as announced by the Government of Hong Kong, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the “Expected timetable” above may be affected. The Company will notify the Shareholders by way of announcement of any change to the expected timetable as soon as practicable in such event.

LETTER FROM THE BOARD



京西重工國際有限公司
BEIJINGWEST INDUSTRIES INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2339)

Executive Directors:

Mr. Dong Xiaojie (*Chairman*)

Mr. Chang Ket Leong

Independent Non-executive Directors:

Mr. Wong Foreky

Mr. Lo, Gordon

Ms. Peng Fan

Registered office:

Cricket Square

Hutchins Drive

Grand Cayman KY1-1111

Cayman Islands

*Principal place of business
in Hong Kong:*

Rooms 1005–06, 10th Floor

Harcourt House

39 Gloucester Road

Wanchai, Hong Kong

25 September 2024

*To the Qualifying Shareholders and,
for information purposes only, the Excluded Shareholders*

Dear Sirs,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE
FOR EVERY TWO SHARES HELD ON THE RECORD DATE
ON A NON-UNDERWRITTEN BASIS**

INTRODUCTION

Reference is made to the Announcement whereby the Board announced that the Company proposed to implement the Rights Issue, on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date at the Subscription Price of HK\$0.168 per Rights Share, to raise up to approximately HK\$48.2 million (before deducting the professional fees and other related expenses) by issuing up to 287,169,534 Rights Shares to the Qualifying Shareholders. The Rights Issue is not underwritten and will not be extended to the Excluded Shareholders.

The purpose of this Prospectus is to provide you with, inter alia, (i) further details of the Rights Issue, including the procedures for acceptance of the Rights Shares provisionally allotted to you; (ii) financial information of the Group; (iii) unaudited pro forma financial information of the Group; and (iv) other information of the Group.

LETTER FROM THE BOARD

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	one (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK\$0.168 per Rights Share
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue on a per Rights Share basis)	:	Approximately HK\$0.162 per Rights Share
Number of existing Shares in issue as at the Latest Practicable Date	:	574,339,068 Shares
Number of Rights Shares to be issued under the Rights Issue	:	Up to 287,169,534 Rights Shares
Aggregate nominal value of the Rights Shares	:	Up to HK\$28,716,953
Total number of Shares in issue as enlarged by the allotment and issue of the Rights Shares (assuming that the Rights Issue is fully subscribed)	:	Up to 861,508,602 Shares (assuming no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Maximum funds to be raised (before expenses)	:	Up to approximately HK\$48.2 million (assuming all the Rights Shares are taken up)
Net proceeds of the Rights Issue	:	Up to approximately HK\$46.5 million (assuming all the Rights Shares are taken up)
Right of excess applications	:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional entitlements

As at the Latest Practicable Date, the Company had no outstanding derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into or confer any right to subscribe for Shares.

The 287,169,534 Rights Shares to be issued pursuant to the terms of the Rights Issue represent (i) 50% of the total number of issued Shares as at the Latest Practicable Date; and (ii) approximately 33.33% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares.

LETTER FROM THE BOARD

Subscription Price

The Subscription Price of HK\$0.168 per Rights Share is payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a premium of approximately 1.20% over the closing price of HK\$0.166 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 13.85% to the closing price of HK\$0.195 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 13.85% to the average of the closing prices of approximately HK\$0.195 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 15.58% to the average of the closing prices of approximately HK\$0.199 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 9.68% to the theoretical ex-rights price of approximately HK\$0.186 per Share based on the closing price of HK\$0.195 per Share as quoted on the Stock Exchange on the Last Trading Day and the number of Shares as enlarged by the Rights Shares; and
- (vi) a discount of approximately 88.72% to the net asset value of the Company of approximately HK\$1.49 per Share based on the audited consolidated net asset value of the Company of approximately HK\$853,934,000 as at 31 December 2023 and the 574,339,068 Shares in issue as at the Latest Practicable Date.

The Rights Issue will result in a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 4.62%, based on the theoretical diluted price of approximately HK\$0.186 per Share and the benchmarked price of approximately HK\$0.195 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.195 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.195 per Share).

The Subscription Price was determined with reference to the market price of the Shares, the prevailing market conditions and the reasons for and benefits of the Rights Issue as discussed in the paragraph headed “Reasons for and benefits of the Rights Issue and use of proceeds” below in this Prospectus.

LETTER FROM THE BOARD

The Company noted that the Subscription Price represents a discount of approximately 88.72% to the net asset value of the Company per Share as at 31 December 2023. However, as the Shares were traded at a deep discount to the net asset value of the Company between 83.96% and 87.11% in the past three months up to the Last Trading Day, the Company is of the view that the net asset value per Share may not be a meaningful reference to determine the Subscription Price.

The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company and apply for excess Rights Shares subject to the level of acceptance; and (iii) the Subscription Price was determined with reference to the market prices of the Shares and the prevailing market conditions.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) Shares in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. Any holding (or balance of holdings) of less than two (2) Shares will not entitle the holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the paragraph headed "Fractional entitlements of the Rights Shares" below.

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not being an Excluded Shareholder as at the close of business on the Record Date.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholders should note that their shareholdings in the Company will be diluted.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company.

LETTER FROM THE BOARD

For beneficial owners whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, if they wish to subscribe for the Rights Shares provisionally allotted to them, or sell their nil-paid Rights Shares or “split” their nil-paid Rights Shares by accepting part of their provisional allotment and selling/transferring the remaining part, they should contact their Intermediary and provide their Intermediary with instructions or make arrangements with their Intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for the Rights Shares which have been provisionally allotted to them in respect of the Shares in which they are beneficially interested. Such instructions and the relevant arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of their Intermediary in order to allow their Intermediary sufficient time to ensure that their instructions are given effect. The procedures for acceptance, transfer and/or “splitting” in these cases shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other applicable requirements of CCASS.

Excluded Shareholder(s)

The Prospectus Documents are not registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

According to the register of members of the Company as at the close of business on the Record Date, there were two Overseas Shareholders with registered addresses located in the United States, which held 140 Shares in aggregate, representing approximately 0.00002% of the issued share capital of the Company.

The Company notes the requirements specified in the notes to Rule 13.36(2)(a) of the Listing Rules, has made reasonable enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders, and has obtained advice from legal advisers in the United States. Having considered the circumstances, the Directors are of the view that it is necessary or expedient not to offer the Rights Shares (in their nil-paid and fully paid forms) to Overseas Shareholders with registered addresses in the United States after taking into consideration of the time and costs involved in the registration or filings of the Prospectus Documents and/or approval required by the relevant authorities in the United States and/or the additional steps the Company and/or Overseas Shareholders need to take to comply with the relevant legal or regulatory requirements therein.

Accordingly, any Shareholder(s) whose address(es) as shown on such register of members of the Company at the close of business on the Record Date is/are in the United States are regarded as Excluded Shareholders and excluded from the Rights Issue.

The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send copies of this Prospectus to the Excluded Shareholders for their information only, but will not send the PAL or EAF to them.

LETTER FROM THE BOARD

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid to the relevant Excluded Shareholders pro rata (but rounded down to the nearest dollar) to their shareholdings held on the Record Date in Hong Kong dollars, except that the Company will retain individual amounts of less than HK\$100 for its own benefit. Any unsold entitlement of Excluded Shareholder(s) to the Rights Shares, any Rights Shares created from the aggregation of fractions of the Rights Shares which cannot be sold and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares, will be made available for excess applications by Qualifying Shareholders under the EAF(s).

Procedures for acceptance and payment and/or transfer

Qualifying Shareholders should find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:00 p.m. on Thursday, 10 October 2024. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "TRICOR TRUST (HONG KONG) LIMITED – A/C NO.54" and crossed "Account Payee Only". It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Thursday, 10 October 2024, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or transfer part/all of their rights to more than one person, the original PAL must be surrendered for cancellation by no later than 4:30 p.m. on Wednesday, 2 October 2024 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

LETTER FROM THE BOARD

All cheques or cashier's orders accompanying completed PALs will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL together with a cheque or a cashier's order in payment for the Rights Shares applied for will constitute a warranty by such person that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. No actions have been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no persons receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply or subscribe for the Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone (including, without limitation, a nominee, agent and trustee) receiving the Prospectus Documents outside Hong Kong wishing to make on their behalf an application for the Rights Shares to satisfy themselves as to the observance of the laws and regulations of all relevant jurisdiction, including the obtaining of any governmental or other consents and observing other formalities, and to pay any taxes and duties and other amounts required to be paid in such jurisdiction in connection therewith. Completion and return of the PAL by anyone outside Hong Kong will constitute a warranty and representation by such person to the Company that all registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation. The Company reserves the right to refuse to accept any application or subscription for Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. If you are in any doubt as to your position, you should consult a professional adviser. The Company will send the Prospectus only (without the PAL and the EAF) to the Excluded Shareholders for their information only. No applications for the Rights Shares will be accepted from any person who is an Excluded Shareholder.

No receipts will be given in respect of any application monies received.

If any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" below is not fulfilled at or before 4:30 p.m. on Monday, 14 October 2024 (or such later time and/or date as the Company may determine), the Rights Issue will not proceed. Under such circumstances, the remittance received in respect of application for the Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Monday, 21 October 2024.

LETTER FROM THE BOARD

Fractional entitlements of the Rights Shares

In any event, fractions of the Rights Shares will not be provisionally allotted to any of the Qualifying Shareholders and the Company will not accept applications for any fractions of Rights Shares. Fractional entitlements will be rounded down to the nearest whole number of Rights Shares and sold by the Company in the open market if a premium (net of expenses) can be obtained, and the Company will keep the net proceeds for its own benefit. Any Rights Shares created from the aggregation of fractions of the Rights Shares which cannot be sold will be made available for excess application by the Qualifying Shareholders as described in the paragraph headed “Application for excess Rights Shares” below. No odd-lot matching services will be provided.

Application for excess Rights Shares

Qualifying Shareholders are entitled to apply for, by way of excess application:

- (i) any unsold entitlements to the Rights Shares which would have been provisionally allotted to the Excluded Shareholders;
- (ii) any unsold Rights Shares created by aggregating fractions of the Rights Shares; and
- (iii) any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise not subscribed for by renounees or transferees of nil-paid Rights Shares.

(i) to (iii) are collectively referred to as “**Untaken Rights**”.

Applications for excess Rights Shares may be made by completing an EAF and lodging the same with a separate remittance for the full amount payable for the excess Rights Shares being applied for. Pursuant to Rule 7.21(3)(a) of the Listing Rules, the Directors will allocate any excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (i) any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them as far as practicable on a pro-rata basis by reference to the number of excess Rights Shares applied for under each application;
- (ii) no references will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders;
- (iii) no preferences will be given to applications for topping up odd-lot holdings to whole lot holdings; and
- (iv) pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by any controlling Shareholder or its associates (the “**Relevant Shareholders**”), whether in their own names or through nominees.

LETTER FROM THE BOARD

The Company shall disregard the Relevant Shareholders' applications for excess Rights Shares to the extent that the total number of excess Rights Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares.

If the aggregate number of Rights Shares underlying the Untaken Rights is greater than the aggregate number of excess Rights Shares being applied for under EAFs, the Directors will allocate to each Qualifying Shareholder who applies for excess Rights Shares the actual number of excess Rights Shares being applied for.

The Company reserves the right to treat as invalid any application for the excess Rights Shares where it believes that such application would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

Investors whose Shares are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the Rights Issue, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, investors should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to beneficial owners individually.

Qualifying Shareholders who wish to apply for excess Rights Shares in addition to their provisional allotment must complete and sign an EAF and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar on or before 4:00 p.m. on Thursday, 10 October 2024. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "TRICOR TRUST (HONG KONG) LIMITED – A/C NO.55" and crossed "Account Payee Only".

If no excess Rights Shares are allotted to a Qualifying Shareholder who has applied for excess Rights Shares, the remittance tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full without interest by ordinary post to their registered address and at their own risk by the Registrar on or before Monday, 21 October 2024.

If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus application monies is also expected to be returned by refund cheque to that Qualifying Shareholder without interest by ordinary post to their registered address at their own risk by the Registrar on or before Monday, 21 October 2024.

All cheques or cashier's orders accompanying completed EAFs will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or a cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or cashier's order is dishonoured on first presentation.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable.

LETTER FROM THE BOARD

The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. Completion and return of the EAF together with a cheque or cashier's order in payment for the excess Rights Shares applied for will constitute a warranty and representation from such Qualifying Shareholder(s) to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any application thereunder, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation. The Company reserves the right to refuse to accept any application for excess Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. If you are in any doubt as to your position, you should consult a professional adviser.

No receipts will be given in respect of any application monies received.

If any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" below is not fulfilled at or before 4:30 p.m. on Monday, 14 October 2024 (or such later time and/or date as the Company may determine), the Rights Issue will not proceed. Under such circumstances, the remittance received in respect of application for excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Monday, 21 October 2024.

Status of the Rights Shares

The Rights Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid by the Company after the date of allotment and issue of the Rights Shares in their fully-paid form.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered addresses, at their own risk, on or before Monday, 21 October 2024.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Monday, 21 October 2024 by ordinary post to the applicants' registered addresses, at their own risk.

Application for listing of the Rights Shares

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms.

The board lot size of the nil-paid Rights Shares will be the same as that of the fully-paid Rights Shares, i.e. 2,000 Shares in one board lot.

LETTER FROM THE BOARD

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as may be determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

Conditions of the Rights Issue

The Rights Issue is conditional upon the fulfillment of each of the following conditions:

- (a) the electronic submission of the Prospectus Documents for authorisation by the Stock Exchange and registration by the Companies Registry of Hong Kong not later than the Posting Date;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Excluded Shareholders, if any, for information purpose only, on the Posting Date;
- (c) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in the Rights Shares in nil-paid and fully-paid forms by no later than the Business Day prior to the first day of their dealings; and

LETTER FROM THE BOARD

- (d) each condition to enable the Rights Shares in their nil-paid or fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day prior to the commencement of trading of the Rights Shares (in their nil paid and fully-paid forms, respectively) and no notification having been received by the Company from the HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused.

All conditions set out above cannot be waived. The Company shall use its reasonable endeavours to procure the fulfilment of the conditions above (to the extent it is within its power to do so), and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Rights Issue. If any of the above conditions is not satisfied at or prior to the respective time stipulated therein, the Rights Issue will not proceed.

As the proposed Rights Issue is subject to the above conditions, it may or may not proceed. Shareholders and public investors are advised to exercise caution in dealing in the securities of the Company. As at the Latest Practicable Date, none of the above conditions has been fulfilled.

Non-underwritten basis

Subject to the fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and the level of subscription of the excess Rights Shares. There is no minimum subscription level and no minimum amount is required to be raised under the Rights Issue. The Company has taken advice from the legal advisers of the Company and noted that there are no statutory requirements under the laws of the Cayman Islands and the laws of Hong Kong regarding minimum subscription levels in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, a Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code unless a waiver from the executive (as defined in the Takeovers Code) has been obtained. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the PAL or for excess Rights Shares under the EAF can be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules.

Undertaking of the Shareholders

As at the Latest Practicable Date, BWI HK, the controlling shareholder, has undertaken to the Company that it will subscribe for in full the Rights Shares to be provisionally allotted to it, and expressed to the Company its intention to apply for excess Rights Shares. As at the Latest Practicable Date, save for the above, the Board has not received any information or other undertakings from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in manufacturing, sale and trading of automotive parts and components and provision of technical services, with the core products being suspension products. The Group's automotive suspension products are mainly utilized on premium passenger vehicles, which are manufactured by its plants in Europe.

In view of the uncertainties in the economic and business environment of the global market, in particular Europe, caused by the geopolitical tensions (including but not limited to the Russian-Ukrainian war and the Israeli-Palestinian conflict), the Company considered it important to replenish the financial resources of the Group for its operation and development.

The Board considers that the Rights Issue, being pre-emptive in nature, is appropriate to raise fund as it would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up their respective rights entitlement, applying for excess Rights Shares, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability and acceptability).

The Board has considered other fund-raising alternatives, including debt financing, placing of new Shares and open offer. As debt financing would result in additional interest burden, in particular to the recent global interest rate hikes, and is subject to the Group's repayment obligations, the Board does not consider debt financing to be appropriate. For placing of new Shares, it would dilute the shareholding of the existing Shareholders while the Rights Issue will allow the Qualifying Shareholders to maintain their respective shareholdings in the Company on a pro rata basis and participate in the future development of the Company. As opposed to an open offer, rights issue has the benefit of enabling Shareholders to sell the nil-paid rights in the market.

Assuming that all Rights Shares to be issued under the Rights Issue have been taken up in full, the gross proceeds from the Rights Issue will be approximately HK\$48.2 million. The net proceeds from the Rights Issue (after deduction of estimated professional fees and other related expenses of approximately HK\$1.7 million) are estimated to be up to approximately HK\$46.5 million, which are intended to be applied within 12 months from the date of completion of the Rights Issue as follows:

- (a) 55% for the working capital of the production plants of the Group in Poland and Czech Republic (including remuneration of employees, purchase of raw materials and other expenses);
- (b) 25% for the working capital of the headquarters of the Company in Hong Kong (including remuneration of employees, rental expenses and professional fees); and
- (c) 20% for the working capital of the technical centres of the Group in Poland and France (including remuneration of the engineers).

In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilized in proportion to the above uses.

LETTER FROM THE BOARD

Based on the above, the Board considers that the Rights Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue (assuming all Shareholders have taken up their entitled Rights Shares); (iii) immediately after completion of the Rights Issue (assuming none of the Shareholders has taken up any entitled Rights Share other than BWI HK); and (iv) immediately after completion of the Rights Issue (assuming none of the Shareholders has taken up any entitled Rights Shares other than BWI HK and BWI HK has applied for all excess Rights Shares), for illustrative purposes only:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue (assuming all Shareholders have taken up their entitled Rights Shares)		Immediately after completion of the Rights Issue (assuming none of the Shareholders has taken up any entitled Rights Share other than BWI HK)		Immediately after completion of the Rights Issue (assuming none of the Shareholders has taken up any entitled Rights Shares other than BWI HK and BWI HK has applied for all excess Rights Shares)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
BWI HK ⁽¹⁾	301,842,572	52.5548%	452,763,858	52.5548%	452,763,858	62.4278%	589,012,106	68.3698%
Mr. Dong Xiaojie ⁽²⁾	2,000	0.0003%	3,000	0.0003%	2,000	0.0003%	2,000	0.0002%
Mr. Chang Ket Leong ⁽³⁾	2,000	0.0003%	3,000	0.0003%	2,000	0.0003%	2,000	0.0002%
Public Shareholders	272,492,496	47.4445%	408,738,744	47.4445%	272,492,496	37.5717%	272,492,496	31.6297%
Total	574,339,068	100%	861,508,602	100%	725,260,354	100%	861,508,602	100%

Notes:

- BWI HK is a wholly-owned subsidiary of BeijingWest Industries Co., Ltd.* (北京京西重工有限公司) (“**BWI**”). BWI is held as to 84.34% by BeijingWest Smart Mobility Zhangjiakou Automotive Electronics Co., Ltd.* (京西智行張家口汽車電子有限公司) (“**BWSM**”). The largest shareholder of BWSM is Zhangjiakou Industrial Investment Holding Group Co. Ltd.* (張家口產業投資控股集團有限公司) (“**Zhangjiakou Industrial Investment**”) (formerly known as Zhangjiakou Financial Holding Group Co., Ltd.* (張家口金融控股集團有限公司)) which directly and indirectly owned a total of approximately 62.89% equity interest in BWSM. The largest shareholder of Zhangjiakou Industrial Investment is Zhangjiakou Guokong Asset Management Group Co., Ltd.* (張家口國控資產管理集團有限公司) (“**Zhangjiakou Guokong**”) which indirectly held 48.13% interest in Zhangjiakou Industrial Investment. Zhangjiakou Guokong is a state-owned enterprise established in the PRC.
- Mr. Dong Xiaojie is an executive Director and the Chairman of the Board.
- Mr. Chang Ket Leong is an executive Director.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

The Company has not conducted any other fund raising exercise in the past twelve months immediately preceding the Latest Practicable Date.

LISTING RULES IMPLICATIONS

As the Rights Issue will not increase the total number of the issued share capital or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the Latest Practicable Date, and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not subject to minority Shareholders' approval pursuant to Rule 7.19A of the Listing Rules.

The Company has not conducted any rights issue, open offer or specific mandate placing within the 12-month period immediately preceding the Latest Practicable Date, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities within such 12-month period. The theoretical diluted price, the benchmarked price and theoretical dilution effect for the Rights Issue are approximately HK\$0.186 per Share, HK\$0.195 per Share and 4.62% respectively. The Rights Issue will not result in a theoretical dilution effect of 25% or more on its own. As such, the Rights Issue is in compliance with the theoretical dilution effect limit under Rule 7.27B of the Listing Rules.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. None of the conditions to the Rights Issue can be waived. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

The Shares have been dealt in on ex-rights basis from Friday, 13 September 2024. Dealings in the Rights Shares in the nil-paid form will take place from Friday, 27 September 2024 to Monday, 7 October 2024 (both days inclusive). Any dealings in the Shares up to the date on which all conditions of the Rights Issue are fulfilled, and any Shareholder dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders or other persons contemplating any dealing in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

Subject to the fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

By Order of the Board
BeijingWest Industries International Limited
Dong Xiaojie
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024 are disclosed in the annual reports of the Company for the years ended 31 December 2021, 2022 and 2023 and the interim report of the Company for the six months ended 30 June 2024. The said annual reports and interim report of the Company are published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.bwi-intl.com.hk):

- annual report of the Company for the year ended 31 December 2021 from pages 97 to 191 published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0421/2022042100561.pdf>);
- annual report of the Company for the year ended 31 December 2022 from pages 128 to 231 published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042701225.pdf>);
- annual report of the Company for the year ended 31 December 2023 from pages 129 to 239 published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042901568.pdf>); and
- interim report of the Company for the six months ended 30 June 2024 from pages 6 to 58 published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0919/2024091900417.pdf>).

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 July 2024, being the latest practicable date for the purpose of this statement of indebtedness, the Group had outstanding indebtedness of approximately HK\$280,865,000, being the lease liabilities:

Lease liabilities

As at 31 July 2024, the Group had lease liabilities of approximately HK\$280,865,000 which are classified as follows:

	<i>HK\$'000</i> (unaudited)
Current portion	39,584
Non-current portion	241,281
	<hr/>
	280,865
	<hr/> <hr/>

Save as aforesaid, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any loans or term loans, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and any liabilities under acceptances (other than normal trade bills), acceptance credits or hire purchase commitments, mortgages, charges, other material contingent liabilities or guarantees, as at 31 July 2024.

3. WORKING CAPITAL

The Directors, after due and careful considerations and after taking into account (i) the present internal financial resources available to the Group; (ii) the expected cash flows to be generated from the Group's operating activities; and (iii) the estimated net proceeds from the Rights Issue, are of the opinion that in the absence of unforeseeable circumstances, the working capital available to the Group is sufficient for its requirements for at least 12 months from the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, save as disclosed in the paragraph headed "Financial and Trading Prospect of the Group" below, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is principally engaged in manufacturing, sale and trading of automotive parts and components and provision of technical services, with the core products being suspension products. The Group's automotive suspension products are mainly utilized on premium passenger vehicles, which are manufactured by its plants in Europe.

For the year ended 31 December 2023, the Group recorded revenue of approximately HK\$2,709 million from manufacturing and sale of suspension products and provision of technical services, which increased by approximately 9.3% as compared to 2022. The increase in revenue for the year ended 31 December 2023 was mainly due to increase in the number of orders of suspension products in the plants in Poland and the Czech Republic. On the contrary, the plant in UK is affected by the closure, and has recorded a decrease in revenue. For the year ended 31 December 2023, the loss attributable to owners of the Company was approximately HK\$55.3 million (2022: HK\$4.9 million). The consolidated net assets of the Company as at 31 December 2023 was approximately HK\$853.9 million.

For the six months ended 30 June 2024 (the "**Current Interim Period**"), the Group recorded revenue of approximately HK\$1,447 million from manufacturing and sale of suspension products and provision of technical services (six months ended 30 June 2023 (the "**Last Interim Period**"): HK\$1,431 million). For the Current Interim Period, the loss attributable to the Shareholders was approximately HK\$51.6 million (Last Interim Period: profit of HK\$22.7 million). The consolidated net assets of the Company as at 30 June 2024 was approximately HK\$779.8 million.

The significant adverse changes in the results for the Current Interim Period was mainly due to the following reasons: (i) the Group had a net tax benefit of approximately HK\$28.8 million for the Last Interim Period, primarily attributed to the tax refund received by a Company's subsidiary for the years of 2019, 2020 and 2021 as well as its large income tax credit arising from adjustments of double tax deduction benefits for eligible research and development expenditures recognized in the Last Interim Period, whereas there were no such tax refund or large income tax credit in the Current Interim Period; and (ii) the Group incurred significant research and development expenditures in the Current Interim Period as a result of the Group's newly commenced automotive braking products, which required more research and development efforts at the initial stage of commencement, whereas no such new product development related expenditures were incurred in the Last Interim Period.

For the Current Interim Period, the geopolitical situation remained tense, with the Russian-Ukrainian war that has been on-going for over two years and last year's Israeli-Palestinian conflict showing no signs of easing. In the super election year of 2024, several high-caliber European countries such as the UK, France, Germany and such experienced party changes following their parliamentary elections. Coupled with the uncertain outcome of the president election of the United States by the end of this year, considerable uncertainty is expected for the future global political and economic landscape. As for the US interest rates, it was widely expected that the United States would soon turn around and cut rates, but such has yet to be realised. Whether businesses can benefit from the start of a rate-cutting cycle remains to be determined.

The customers of the Group are mainly premium passenger vehicle manufacturers, as such, the business of the Group largely depends on the performance of the automotive industry, especially in Europe. Passenger vehicle production in Europe in 2023 was approximately 14,988,000, which is a 12.6% increase as compared to 2022, but still a 17.5% decrease as compared to the pre-pandemic level of 2019, indicating that there is still further room for improvement for the recovery of the automotive industry in Europe. Additionally, according to the latest forecast of the International Monetary Fund, the eurozone will see a GDP growth of 1.5% in 2025, predicting a steady economic development in European regions, which also benefits the business stability of the Group.

The Group is actively reviewing its business operations for optimisation, such as completing the closure of the plant in Luton, UK last year to consolidate the Group's resources, increase capacity utilisation rate, and reduce major fixed expenses. After closing the plant in the UK, the Group currently relies heavily on the two plants in Poland and Czech Republic for production. During the period under review, the Group has established a research and development technical center for automotive braking products in Italy to support the Group's plan to start producing automotive braking products at the plant in Czech Republic. It is hoped that this will inject new momentum into the plant in Czech Republic and also add new points of growth to the Group's business.

The Group has accumulated extensive technical knowledge and developed a high degree of technical expertise with a consistent focus on research and development for many years. The Group believe that its technical expertise, the long-term relationship with different vehicle manufacturers, as well as the well-understanding of the requirements of the vehicle manufacturers will enable us to capture more market opportunities and develop products that meet the technical requirements of the vehicle manufacturers. It would be a strong support for the Group's long-term development.

The Group believes that the continuing investment on research and development as well as engineering activities is vitally significant for the Group to maintain and improve its leadership position in the industry. It would contribute greatly to the improvement of the Group's competitiveness over other competitors. Meanwhile, the automotive industry keeps evolving. To keep pace with its customers, the Group will endeavor to collaborate closely with the vehicle manufacturers and develop innovative solutions to better serve its customers.

The Group will aim to maintain a solid and healthy growth and development. Despite the continued pricing pressure from customers and the increase in commodity prices, the Group is capable of maintaining its gross profit margin at a reasonable level. While the future prospects remain challenging, the Group is confident that it will be able to maintain a sustainable business development in the long run. With a view to improve long-term profitability and shareholders' value, the Company will seriously evaluate and review the business of the Group, and optimize the business structure of the Group.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company (the “**Unaudited Pro Forma Financial Information**”) which has been prepared based on the notes set forth below to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group as at 30 June 2024 as if the Rights Issue had completed on 30 June 2024.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group upon the completion of the Rights Issue or at any future dates.

	Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024	Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2024	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share immediately after the completion of the Rights Issue
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000	HK\$ (Note 3)	HK\$ (Note 4)
Based on 287,169,534 Rights Shares to be issued at the Rights Subscription Price of HK\$0.168 per Rights Share	779,151	46,543	825,694	1.36	0.96

Notes:

1. The amount of unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 is based on the unaudited consolidated net assets of the Group attributable to the owners of the Company as at 30 June 2024 of approximately HK\$779,774,000 which is extracted from the Company's interim financial information for the six months ended 30 June 2024 with an adjustment for excluding the goodwill attributable to the owners of the Company as at 30 June 2024 of HK\$623,000.
2. The estimated net proceeds from the Rights Issue are based on 287,169,534 Rights Shares to be issued on the basis of one Rights Share for each two existing Shares at the subscription price of HK\$0.168 per Rights Share, after deduction of the estimated related expenses of approximately HK\$1,701,000 which is directly attributable to the Rights Issue to be incurred by the Company.
3. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2024 is calculated based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 of approximately HK\$779,151,000 and 574,339,068 Shares in issue as at 30 June 2024.
4. The unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company per Share immediately after completion of the Rights Issue is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 of approximately HK\$825,694,000 and 861,508,602 Shares in issue assuming the Rights Issue had been completed on 30 June 2024, which comprises (i) 574,339,068 Shares in issue as at 30 June 2024 before the Rights Issue and (ii) 287,169,534 Rights Shares to be issued under the Rights Issue.
5. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2024.

B. REPORT FROM THE REPORTING ACCOUNTANT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the text of a report on the unaudited pro forma financial information of the Group received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**To the Directors of BeijingWest Industries International Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of BeijingWest Industries International Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2024, and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages II-1 to II-2 of the Company’s prospectus dated 25 September 2024, in connection with the proposed rights issue by the Company (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the Group’s financial position as at 30 June 2024 as if the proposed rights issue had taken place at 30 June 2024. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s unaudited interim financial information for the six months ended 30 June 2024, on which a review report has been published.

Directors’ Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed rights issue at 30 June 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 25 September 2024

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

- (i) Share capital as at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
<u>2,000,000,000</u>	Shares of HK\$0.1 each	<u>200,000,000</u>
<i>Issued and fully paid up:</i>		<i>HK\$</i>
<u>574,339,068</u>	Shares of HK\$0.1 each	<u>57,433,906.8</u>

- (ii) Share capital upon the completion of the Rights Issue, assuming no changes in the number of Shares in issue before completion of the Rights Issue and all Qualifying Shareholders take up their respective allotment of Rights Shares in full

<i>Authorised:</i>		<i>HK\$</i>
<u>2,000,000,000</u>	Shares of HK\$0.1 each	<u>200,000,000</u>
<i>Issued and fully paid up:</i>		<i>HK\$</i>
574,339,068	Shares of HK\$0.1 each	57,433,906.8
<u>287,169,534</u>	Rights Shares of HK\$0.1 each	<u>28,716,953.4</u>
<u>861,508,602</u>		<u>86,150,860.2</u>

All the Rights Shares to be issued will rank *pari passu* in all respect with each other, including, in particular, as to dividends, voting rights and capital, and once issued and fully paid, with all the Shares in issue as at the date of allotment and issue of the Rights Shares.

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No parts of the share capital or any other securities of the Company are listed or dealt in on any stock exchange other than the Stock Exchange and no applications are being made or are currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange. As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, the Company had no outstanding derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into or confer any right to subscribe for Shares, and there was no capital of any member of the Group which is under option, or agreed conditionally or unconditionally to be put under option.

3. INTERESTS OF DIRECTORS

(a) *Interest in the shares, underlying shares and debentures of the Company and its associated companies*

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (i) were required to be 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 they were taken or deemed to have under such provision of the SFO); (ii) were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules, were as follows:

Name of Directors	Capacity in which the interests are held	Number of Shares held (long position)	Approximate percentage of the issued share capital of the Company
Mr. Dong Xiaojie	Beneficial owner	2,000	0.0003%
Mr. Chang Ket Leong	Beneficial owner	2,000	0.0003%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (i) were required to be 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 they were taken or deemed to have under such provision of the SFO); (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register of the Company referred to therein; or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) *Interests in contracts and assets*

As at the Latest Practicable Date, there were no contracts or arrangements subsisting in which a Director was materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which had been, since 31 December 2023, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

(c) *Interests in competing business*

Pursuant to Rule 8.10 of the Listing Rules, the following Directors have declared interests in the following businesses (other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or any member of the Group) which are considered to compete or are likely to compete, either directly, or indirectly, with the businesses of the Group as at the Latest Practicable Date:

Name of Director	Name of entity whose businesses are considered to compete or likely to compete with the businesses of the Group	Description of businesses of the entity which are considered to compete or likely to compete with the businesses of the Group	Nature of interest of the Director in the entity
Mr. Dong Xiaojie	BWSM, BWI, BWI HK	Sales and manufacturing of auto parts, machinery and equipment	Director
Mr. Chang Ket Leong	BWSM, BWI, BWI HK	Sales and manufacturing of auto parts, machinery and equipment	Director

Save as disclosed above, as at the Latest Practicable Date, none of the Directors (not being the independent non-executive Directors) had an interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

(d) Directors' service contracts

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which are not expiring or determinable by the Company within one year without payment of compensation, other than statutory compensation.

4. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors and chief executives of the Company, as at the Latest Practicable Date, the following persons (other than Directors and chief executives of the Company) had, or were deemed to have an interest or short position in the Shares and underlying Shares of the Company, which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity in which interests were held	Number of Shares/underlying Shares	Interests as to percentage of the issued share capital of the Company as at the Latest Practicable Date %
BWI HK ⁽¹⁾⁽⁴⁾	Beneficial owner	301,842,572	52.55%
BWI ⁽¹⁾⁽⁴⁾	Interests of controlled corporation	301,842,572	52.55%
BWSM ⁽¹⁾⁽⁴⁾	Interests of controlled corporation	301,842,572	52.55%
Zhangjiakou Industrial Investment ⁽²⁾⁽⁴⁾	Interests of controlled corporation	301,842,572	52.55%
Zhangjiakou Guokong ⁽³⁾⁽⁴⁾	Interests of controlled corporation	301,842,572	52.55%

Notes:

1. BWI HK was a wholly-owned subsidiary of BWI. More than one-third of the issued voting shares of BWI was held by BWSM, thus BWSM is deemed to be interested in the 301,842,572 shares of the Company held by BWI HK.
2. Zhangjiakou Industrial Investment is deemed to be interested in the 301,842,572 shares of the Company held by BWI HK as mentioned above as it holds more than one-third of the issued voting shares of BWSM.
3. Zhangjiakou Guokong is deemed to be interested in the 301,842,572 shares of the Company held by BWI HK as mentioned above as it holds more than one-third of the issued voting shares of Zhangjiakou Industrial Investment.
4. The interests held by BWI HK, BWI, BWSM, Zhangjiakou Industrial Investment and Zhangjiakou Guokong were the same block of shares of the Company.

5. LITIGATION

As at the Latest Practicable Date, there were no litigations or claims of material importance, as known to the Directors, pending or threatened against any member of the Group.

6. MATERIAL CONTRACTS

The Group did not enter into any contract which was or might be material (not being contract(s) entered into in the ordinary course of business carried on or intended to be carried on by the Group) during the two years preceding and up to the Latest Practicable Date.

7. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion, letter or advice which are contained in this Prospectus:

Name	Qualification
PricewaterhouseCoopers ("PwC")	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of Laws of Hong Kong)

- (a) PwC has given, and has not withdrawn, its written consent to the issue of this Prospectus with the inclusion of the references to its name and/or its opinion in the form and context in which they are included.
- (b) As at the Latest Practicable Date, PwC did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (c) As at the Latest Practicable Date, PwC did not have any interest, direct or indirect, in any asset which has been, since 31 December 2023, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or was proposed to be acquired or disposed of by or leased to any member of the Group.

8. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.bwi-intl.com.hk) for a period of 14 days from the date of this Prospectus:

- (a) the report prepared by PwC, Certified Public Accountants, Hong Kong, on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;
- (b) the written consent referred to in the paragraph headed “Expert and Consent” in this Appendix;
- (c) the annual reports of the Company for the years ended 31 December 2021, 2022 and 2023; and
- (d) the interim report of the Company for the six months ended 30 June 2024.

9. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered Office	Cricket Square Hutchins Drive P. O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Principal Place of Business in Hong Kong	Rooms 1005-06 10th Floor Harcourt House 39 Gloucester Road, Wanchai, Hong Kong
Authorised Representatives	Mr. Dong Xiaojie Mr. Leung Wai Hung
Company Secretary	Mr. Leung Wai Hung
Hong Kong Branch Share Registrar and Transfer Office	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal bankers	The Hongkong and Shanghai Banking Corporation Limited 1 Queen’s Road Central, Hong Kong Shanghai Pudong Development Bank Co., Ltd. Hong Kong Branch 30/F, One Hennessy 1 Hennessy Road, Wanchai, Hong Kong

Auditor/Reporting Accountant	PricewaterhouseCoopers <i>Certified Public Accountants Registered Public Interest Entity Auditor</i> 22nd Floor, Prince's Building Central Hong Kong
Legal Advisers to the Company in relation to the Rights Issue	Jia Yuan Law Office 7/F and 17/F 238 Dex Voeux Road Central Sheung Wan Hong Kong
Financial Adviser to the Company in relation to the Rights Issue	Yu Ming Investment Management Limited Room 1801 18th Floor Allied Kajima Building 138 Gloucester Road Wanchai Hong Kong

10. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Dong Xiaojie

Mr. Dong Xiaojie, aged 62, has been an executive Director and the Chairman of the Board since September 2022. Mr. Dong graduated from the Hebei Normal University, majoring in mathematics in 1984. He was the chairman of Hebei Shengyuan Asset Management Consulting Co., Ltd.* (河北盛元資產管理諮詢有限公司) for the period from April 2005 to October 2010, the chairman of Beijing Old Street Shengyuan Venture Capital Management Co., Ltd.* (北京老街盛元創業投資管理有限公司) for the period from April 2010 to September 2014. For the period from February 2015 to August 2016, Mr. Dong was a director of Robyn Hode Capital Limited. He is a director and the president of Zhangjiakou Industrial Investment from July 2016 to April 2024 (he is still a director of Zhangjiakou Industrial Investment at present), the chairman of BWSM since July 2022, the chairman of BWI from September 2022 to September 2023 (he is still a director of BWI at present), and a director of BWI HK since March 2023. From September 2014 to June 2024, he has been an independent non-executive director and the chairman of the remuneration committee of Orient Victory Smart Urban Services Holding Limited (now known as Gangyu Smart Urban Services Holding Limited), a Hong Kong listed company (stock code: 265).

Mr. Chang Ket Leong

Mr. Chang Ket Leong, aged 60, has been an executive Director since July 2023. Mr. Chang graduated from the Faculty of Mechanical Engineering of Universiti Teknologi Malaysia with a bachelor's degree in mechanical engineering (aeronautics). He also holds a master's degree in business administration from Heriot-Watt University. From October 1997 to June 2016, he worked with Autoliv Inc., the largest supplier of automotive safety systems in the world. At Autoliv Inc., Mr. Chang first served as Asia-Pacific regional procurement manager, and was later promoted to president of China Region, president of Asia Region, and global president of its passive suspension system division. He worked with BWI (Shanghai) Co. Ltd. as general manager from February 2020 to June 2023. Mr. Chang has also served as the chief executive officer of BWI since September 2022. Mr. Chang has extensive experience in the automotive parts industry and has professional knowledge on the Group's main product, namely the automotive suspension system. Mr. Chang has been as a director of BWSM and BWI since May 2023. He has also been as a director of BWI HK since July 2023.

Independent non-executive Directors***Mr. Wong Foreky***

Mr. Wong Foreky, aged 40, has been an independent non-executive Director since March 2024. Mr. Wong graduated from Queensland University of Technology in Australia with a bachelor's degree of business (accountancy). Mr. Wong has over 15 years of experience in corporate finance, financial advisory, insolvency and restructuring, forensic accounting, investigation and litigation support. Before founding Fortune Ark Restructuring Limited in 2024, Mr. Wong served as managing director at corporate finance and restructuring department at FTI Consulting (Hong Kong) Limited, a Hong Kong member of a multinational consulting firm listed on the New York Stock Exchange. Mr. Wong currently serves as a director of Fortune Ark Restructuring Limited, a fellow member of the Hong Kong Institute of Certified Public Accountants and specialist qualification in insolvency. He is also a CFA® charter holder.

Mr. Lo, Gordon

Mr. Lo, Gordon, aged 45, has been an independent non-executive Director since 1 July 2024. Mr. Lo graduated from the City University of Hong Kong with a bachelor's degree of business administration (accountancy). He also holds a master of science degree in investment management of Hong Kong University of Science and Technology. Mr. Lo is a fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. He has over 23 years of experience in audit, financial and taxation advisory services and worked in major international accounting firms, other Hong Kong listed company and also multinational companies. Mr. Lo currently serves as a chief financial officer of Donaco International Limited, a company listed on the Australian Securities Exchange (stock code: DNA).

Ms. Peng Fan

Ms. Peng Fan, aged 27, has been an independent non-executive Director since 1 July 2024. Ms. Peng graduated from the Hunan University of Arts and Science with a bachelor's degree in laws. She also holds a master's degree in laws from Guangxi University. For the period from July 2019 to November 2022, Ms. Peng was the investment manager of the investment empowerment office under the industrial investment department of the asset centre in the head office of Qian Hai Life Insurance Co., Ltd.* (前海人壽保險股份有限公司). She has served as a professional lawyer of Guangdong Shengdian Law Firm* (廣東晟典律師事務所) since November 2022. Ms. Peng has the qualification as a legal professional and a securities practitioner in the PRC. She has extensive experience in industrial investment and with rich legal knowledge.

Senior Management***Mr. Xi Jianpeng***

Mr. Xi Jianpeng, aged 33, has been the general manager of the Group since October 2023. Mr. Xi graduated from Northwest A&F University with a bachelor's degree in animal husbandry. He also holds a master's degree in engineering specialising in software engineering from Nankai University. Mr. Xi holds a securities investment fund qualification in the PRC. He was the senior manager of the human resources department of Jilin Zhonghai Hongyang Property Development Co., Ltd.* (吉林市中海宏洋房地產開發有限公司) for the period from July 2012 to February 2016. For the period from March 2016 to October 2022, he was the deputy general manager of the industrial investment department of the asset management centre in the head office of Qian Hai Life Insurance Co., Ltd.* (前海人壽保險股份有限公司). Moreover, Mr. Xi has served as the investment and financing vice president of BWI HK for the period from March 2023 to September 2023. Mr. Xi has extensive experience in business management and the investment field.

11. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, legal advisory fees, printing, registration, translation and accountancy charges, are estimated to be approximately HK\$1.7 million, which are payable by the Company.

12. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed "7. Expert and Consent" in this Appendix, have been delivered to the Registrar of Companies in Hong Kong for registration pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

13. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance thereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, so far as applicable.

14. MISCELLANEOUS

- (a) As at the Latest Practicable Date, the Directors were not aware of any restriction affecting the remittance of profit or repatriation of capital of the Group into Hong Kong from outside Hong Kong.
- (b) The business address of each of the Directors and senior management of the Company is at Rooms 1005-06, 10th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.
- (c) The company secretary of the Company is Mr. Leung Wai Hung, who is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.
- (d) The Prospectus Documents are prepared in both English and Chinese. In the event of inconsistency, the English texts shall prevail.