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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)

CONTINUING CONNECTED TRANSACTIONS

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References are made to the 2022 Announcement and the 2022 Circular, in relation to, among others, the Existing Mutual Technical Services Agreement, the Existing Parts and Components Purchase Agreement, the Existing Parts and Components Supply Agreement, the Existing Patent License Agreement and the transactions contemplated thereunder.

As the Existing Mutual Technical Services Agreement, the Existing Parts and Components Purchase Agreement, the Existing Parts and Components Supply Agreement and the Existing Patent License Agreement will expire on 31 December 2025, and the Group will continue to carry out the transactions contemplated thereunder after 31 December 2025. On 10 November 2025, the Group entered into (a) the Mutual Technical Services Agreement, (b) the Parts and Components Supply Agreement, (c) the Parts and Components Purchase Agreement, and (d) the Patent License Agreement with BWI Group.

LISTING RULES IMPLICATIONS

As at the date of this announcement, BWI Group is deemed to be interested in approximately 61.75% of the issued share capital of the Company. Therefore, it is the controlling shareholder and a connected person of the Company. Accordingly, the transactions contemplated under the abovementioned agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules regarding the annual caps of each of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement are more than 5%, the Mutual Technical Services Agreement and the Parts and Components Supply Agreement are subject to the reporting, announcement, circular, the Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules regarding the annual caps of each of the Parts and Components Purchase Agreement and the Patent License Agreement are less than 5%, the Parts and Components Purchase Agreement and the Patent License Agreement are exempt from the circular and shareholders' approval requirements but are still subject to reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

GENERAL

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the terms of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement and the annual caps of the transactions contemplated thereunder.

Rainbow Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement and the annual caps of the transactions contemplated thereunder.

A circular containing, among other things, (i) further information on the Mutual Technical Services Agreement and the Parts and Components Supply Agreement; (ii) the recommendations of the Independent Board Committee to the Independent Shareholders on the terms and the annual caps of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the terms and the annual cap amounts of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement; and (iv) the notice convening the EGM, will be dispatched to the Shareholders on or before 1 December 2025.

CONTINUING CONNECTED TRANSACTIONS

References are made to the 2022 Announcement and the 2022 Circular, in relation to, among others, the Existing Mutual Technical Services Agreement, the Existing Parts and Components Purchase Agreement, the Existing Parts and Components Supply Agreement, the Existing Patent License Agreement and the transactions contemplated thereunder.

As the Existing Mutual Technical Services Agreement, the Existing Parts and Components Purchase Agreement, the Existing Parts and Components Supply Agreement and the Existing Patent License Agreement will expire on 31 December 2025, and the Group will continue to carry out the transactions contemplated thereunder after 31 December 2025, on 10 November 2025, the Group entered into (a) the Mutual Technical Services Agreement, (b) the Parts and Components Supply Agreement, (c) the Parts and Components Purchase Agreement, and (d) the Patent License Agreement with BWI Group.

A. Mutual Technical Services Agreement

Effective date: 1 January 2026

Parties: The Company
BWI Group

BWI Group is a controlling shareholder and a connected person of the Company.

Subject: BWI Group and/or its associates will provide technical services to the Group (the “**BWI Group Services**”) and the Group will provide technical services to BWI Group and/or its associates (the “**Company Services**”). The technical services comprise (i) engineering services and (ii) manufacturing and administrative services. The engineering services include advanced development engineering services and applications engineering services. Advanced development engineering services refer to the engineering services that demonstrate the feasibility of technologies to be applied to future products or manufacturing process, prove the ability to reliably design the process and product features needed for potential customer programs, and include technologies that are not embedded in any existing products. Applications engineering services refer to the services provided to the manufacturing plant to make the automotive parts produced in the manufacturing plant usable and applicable to end customers in local market by calibrating the standard part products according to specific customers’ requirements and local market requirements. The manufacturing and administrative services refer primarily to quality control, production management, logistic monitoring, human resources, information technology, finance, taxation, legal, sales and marketing services, etc.

Cap Amount: The cap amount of the BWI Group Services and the Company Services for each of the three financial years ending 31 December 2028 will be as follows:

	FY2026	FY2027	FY2028
	<i>HK\$'</i>	<i>HK\$'</i>	<i>HK\$'</i>
	<i>million</i>	<i>million</i>	<i>million</i>
Cap amount for the BWI Group Services	138.8	166.6	199.9
Cap amount for the Company Services	195.9	235.1	282.1

In determining the above annual cap amounts, the Company has taken into consideration (i) the historical transaction amount; (ii) the projected volume of technical services to be provided; and (iii) allowing a buffer to cater for any unexpected increases in demand and fluctuations in foreign currency exchange rates during the term of the Mutual Technical Services Agreement.

Term: The Mutual Technical Services Agreement has a fixed term of three financial years ending on 31 December 2028.

Price: The technical services fee payable under the Mutual Technical Services Agreement will be calculated on the basis of cost plus 5% for engineering services and cost plus 3% for manufacturing and administrative services which were determined by the parties after arm's length negotiations with reference to a study conducted by an independent third party consultant commissioned by the Company based on the Organisation for Economic Co-operation and Development ("**OECD**") Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (the "**OECD Guidelines**"). The OECD Guidelines set out the principles for establishing arm's length transfer prices for goods, services, technical assistance, trademarks, or other assets that are transferred or licensed between related or controlled parties and are endorsed by the member states of OECD (which include France, Germany, Italy, Luxembourg, Poland, the Czech Republic and the United Kingdom) and the tax authorities of the United States. The technical service fees fall within the inter-quartile range of cost plus mark-up of comparable companies and are consistent with the arm's length principle of the OECD Guidelines.

Payment Terms: Terms of payments for the continuing connected transactions under the Mutual Technical Services Agreement will be on the second day of the second month following the provision of the services, which is based on normal commercial terms that are no less favorable to the Company than those available to/from independent third parties.

Condition: The Mutual Technical Services Agreement is subject to approval by the Independent Shareholders.

If the above condition cannot be satisfied on or before 31 March 2026 or such other date the parties may agree in writing, the Mutual Technical Services Agreement shall forthwith terminate and the parties shall cease to have any rights or benefits or be under any obligations under the Mutual Technical Services Agreement.

Reasons for the entering into of the Mutual Technical Services Agreement

On 19 October 2022, the Company and BWI Beijing entered into the Existing Mutual Technical Services Agreement in respect of the provision of technical services from BWI Beijing to the Group (the “**BWI Beijing Services**”) and the Company Services for a fixed term of three financial years ending 31 December 2025. The cap amounts of the transactions contemplated under the Existing Mutual Technical Services Agreement for the three financial years ending 31 December 2025 are as follows:

	FY2023	FY2024	FY2025
	<i>HK\$' million</i>	<i>HK\$' million</i>	<i>HK\$' million</i>
Cap amount for the BWI Beijing Services	137.9	165.5	198.6
Cap amount for the Company Services	165.1	198.1	237.7

The actual amount of the transactions took place under the Existing Mutual Technical Services Agreement for FY2023, FY2024 and for the six months ended 30 June 2025 are as follows:

	FY2023	FY2024	For the six months ended 30 June 2025
	<i>HK\$' million</i>	<i>HK\$' million</i>	<i>HK\$' million</i>
Actual amount for the BWI Beijing Services	100.9	197.9	24.1 ¹
Actual amount for the Company Services	125.4	177.9	93.2 ²

Note:

1. The amount represents the BWI Beijing Services provided in respect of the Group's auto parts products of approximately HK\$24.1 million for the six months ended 30 June 2025. For illustrative purpose only, the annualised amount calculated based on the historical transaction amount for the six months ended 30 June 2025 was HK\$48.3 million. The decrease in the annualised amount as compared to the actual transaction amount in FY2024 and FY2023 was due to tightened cost controls and a significant reduction in research and development expenses for new projects during the six months ended 30 June 2025.
2. The amount represents the Company Services provided to BWI Group of approximately HK\$93.2 million for the six months ended 30 June 2025. For illustrative purpose only, the annualised amount calculated based on the historical transaction amount for the six months ended 30 June 2025 was HK\$186.5 million.

Details of the Existing Mutual Technical Services Agreement were disclosed in the 2022 Circular and the Existing Mutual Technical Services Agreement was approved by the independent shareholders of the Company at the extraordinary general meeting held on 13 December 2022. As the Existing Mutual Technical Services Agreement will expire on 31 December 2025, the Company entered into the Mutual Technical Services Agreement with BWI Group for a fixed term of three financial years ending 31 December 2028.

The Group and BWI Group and/or its associates have been providing technical services to each other in the past for the reason that each of the Group and BWI Group and/or its associates possesses different technologies and expertise for a variety of product families that can be used by the other for providing a workable product solution to customers. The arrangement for the mutual provision of technical services would allow both parties to save and pool their resources in providing a total solution to their customers. Therefore, the Mutual Technical Services Agreement is entered into to facilitate the continued provision of technical services between BWI Group and/or its associates and the Group.

The reasons for entering into of the Mutual Technical Services Agreement with BWI Group instead of BWI Beijing as in the Existing Mutual Technical Services Agreement are as follows: (a) on 19 September 2022, BWI Group acquired from Shougang Group 55.45% equity interest in BWI Beijing by virtue of an equity transfer agreement between BWI Group and Shougang Group dated 5 September 2022 and became a controlling shareholder of BWI Beijing as a result, and (b) the Company anticipates that the Group will have transactions contemplated under the Mutual Technical Services Agreement with subsidiaries of BWI Group in addition to subsidiaries of BWI Beijing. Therefore the Company proposed to enter into the Mutual Technical Services Agreement with BWI Group to cater for the anticipated expansion of scope of transactions contemplated thereunder going forward.

The Directors believe that the Mutual Technical Services Agreement would be beneficial to the Group for the following reasons:

- (i) the technical services being provided under the Mutual Technical Services Agreement will be in the normal and ordinary course of business of the Group; and
- (ii) the Mutual Technical Services Agreement will be conducted under arm's length basis, on normal commercial terms, and at competitive prices.

Since the applicable ratios under the Listing Rules in respect of the annual caps for the Mutual Technical Services Agreement are more than 5%, the transactions under the Mutual Technical Services Agreement are subject to the reporting, announcement, circular, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

B. Parts and Components Supply Agreement

Effective date: 1 January 2026

Parties: The Company
BWI Group

BWI Group is a controlling shareholder and a connected person of the Company.

Subject: The Group will supply auto parts and components, including automobile controlled and passive suspension products, brake products and prototypes to BWI Group and/or its associates (the "Sales").

Cap Amount: The cap amount of the Sales for each of the three financial years ending 31 December 2028 will be as follows:

	FY2026	FY2027	FY2028
	<i>HK\$'</i>	<i>HK\$'</i>	<i>HK\$'</i>
	<i>million</i>	<i>million</i>	<i>million</i>
Cap amount for the Sales	200.4	220.4	242.5

In determining the above annual cap amounts, the Company has taken into consideration (i) the historical transaction amount; (ii) the projected increase in sales to BWI Group and its associates, and (iii) allowing a buffer to cater for any unanticipated surge in demand and fluctuations in foreign currency exchange rates during the term of the Parts and Components Supply Agreement.

Term: The Parts and Components Supply Agreement has a fixed term of three financial years ending on 31 December 2028.

Price: The basis of determining the prices for the Sales is in accordance with the cost plus approach as the products are unique and tailor-made and there does not exist a prevailing market price for such products. The terms of the Parts and Components Supply Agreement were concluded after arm's length negotiations and were based on normal commercial terms in the parties' ordinary course of business. The margins for the Sales depend on the products and size of orders and was generally between approximately 5% to 20%. The Company may supply parts and components with margin over 20%, if required. As the products are unique and tailor-made, the margins are set within the range or no less favourable to the margins of the other products of the Group supplied to independent third party customers.

In order to ensure the margins for the sales are within the range or no less favourable to the margins of the other products of the Group, taking into account the quality and specifications of the product and order of comparable quantities, the Group's pricing policies for continuing connected transactions will be followed such that the margin of the product for a particular order will be compared against the historical margins of other products supplied by the Group to independent third party customers for the prior financial year (which will be updated annually) before finalisation of the relevant quotation.

Payment Terms: Payments for the continuing connected transactions under the Parts and Components Supply Agreement will be on the second day of the third month following the shipment of the products, which is based on normal commercial terms that are no less favorable to the Group than those available to independent third parties.

Condition: The Parts and Components Supply Agreement is subject to approval by the Independent Shareholders.

If the above condition cannot be satisfied on or before 31 March 2026 or such other date the parties may agree in writing, the Parts and Components Supply Agreement shall forthwith terminate and the parties shall cease to have any rights or benefits or be under any obligations under the Parts and Components Supply Agreement.

Reasons for the entering into of the Parts and Components Supply Agreement

On 19 October 2022, the Company and BWI Beijing entered into the Existing Parts and Components Supply Agreement in respect of the Sales for a fixed term of three financial years ending 31 December 2025. The cap amount of the transactions contemplated under the Existing Parts and Components Supply Agreement for the three financial years ending 31 December 2025 are as follows:

	FY2023	FY2024	FY2025
	<i>HK\$' million</i>	<i>HK\$' million</i>	<i>HK\$' million</i>
Cap amount for the Sales	246.2	272.4	319.6

The actual amount of the transactions took place under the Existing Parts and Components Supply Agreement for FY2023, FY2024 and for the six months ended 30 June 2025 are as follows:

	FY2023	FY2024	For the six months ended 30 June 2025
	<i>HK\$' million</i>	<i>HK\$' million</i>	<i>HK\$' million</i>
Actual amount for the Sales	172.9	235.0	69.3 ¹

Note:

1. The amount represents the Sales of approximately HK\$69.3 million for the six months ended 30 June 2025. For illustrative purpose only, the annualised amount calculated based on the historical transaction amount for the six months ended 30 June 2025 was HK\$138.6 million.

As the Existing Parts and Components Supply Agreement will expire on 31 December 2025, the Company entered into the Parts and Components Supply Agreement with BWI Group for a fixed term of three financial years ending 31 December 2028.

The Group has been supplying auto parts and components to BWI Beijing and/or its associates in the past. It is expected that the supply arrangement will continue and the Parts and Components Supply Agreement is entered into to facilitate the continued supply of auto parts and components from the Group to BWI Group and/or its associates.

The reasons for entering into of the Parts and Components Supply Agreement with BWI Group instead of BWI Beijing as in the Existing Parts and Components Supply Agreement are as follows: (a) on 19 September 2022, BWI Group acquired from Shougang Group 55.45% equity interest in BWI Beijing by virtue of an equity transfer agreement between BWI Group and Shougang Group dated 5 September 2022 and became a controlling shareholder of BWI Beijing as a result, and (b) the Company anticipates that the Group will have transactions contemplated under the Parts and Components Supply Agreement with subsidiaries of BWI Group in addition to subsidiaries of BWI Beijing. Therefore the Company proposed to enter into the Parts and Components Supply Agreement with BWI Group to cater for the anticipated expansion of scope of transactions contemplated thereunder going forward.

The Directors believe that the Parts and Components Supply Agreement would be beneficial to the Group for the following reasons:

- (i) the Sales will be carried out in the normal and ordinary course of business of the Group;
- (ii) the Sales will be conducted under arm's length basis, on normal commercial terms, and at competitive prices which are no less favourable to the Group than that of transactions with independent third parties; and
- (iii) the Sales will provide a stable stream of revenue for the Group.

Since the applicable ratios under the Listing Rules in respect of the annual caps for the Parts and Components Supply Agreement are more than 5%, the transactions under the Parts and Components Supply Agreement are subject to the reporting, announcement, circular, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

C. Parts and Components Purchase Agreement

Effective date: 1 January 2026

Parties: The Company
BWI Group

BWI Group is a controlling shareholder and a connected person of the Company.

Subject: The Group will purchase auto parts and components from BWI Group and/or its associates (the "**Purchases**").

Cap Amount: The cap amount of the Purchases for each of the three financial years ending 31 December 2028 will be as follows:

	FY2026	FY2027	FY2028
	<i>HK\$'</i>	<i>HK\$'</i>	<i>HK\$'</i>
	<i>million</i>	<i>million</i>	<i>million</i>
Cap amount for the Purchases	10.0	10.0	10.0

In determining the above annual cap amounts, the Company has taken into consideration (i) the historical transaction amount; (ii) the projected demand for auto parts and components by the Group from BWI Group and/or its associates; and (iii) allowing a buffer to cater for any unanticipated surge in demand and fluctuations in foreign currency exchange rates during the term of the Parts and Components Purchase Agreement.

Term: The Parts and Components Purchase Agreement has a fixed term of three financial years ending 31 December 2028.

Price: The basis of determining the prices of the Purchases by the Group will be in accordance with the following principle:

- (i) by reference to the prevailing market prices of the same or substantially similar products, taking into account of the prices of the same or substantially similar products with comparable order quantities and quality offered by other suppliers; and on terms which are no less favorable to the Group than prevailing market practices; or
- (ii) if (i) above is not applicable, by reference to the average price of similar products previously supplied or provided by a party, and on no less favorable terms comparable to those offered by the relevant party to independent third parties; and on normal commercial terms comparable to those received from independent third parties in respect of the same or substantially similar products with comparable order quantities.

Payment Terms: The payment terms for the Purchases will be on normal commercial terms which will be no less favorable to the Group than those available from independent third parties.

Reasons for entering into of the Parts and Components Purchase Agreement

On 19 October 2022, the Company and BWI Beijing entered into the Existing Parts and Components Purchase Agreement in respect of the Purchases for a fixed term of three financial years ending 31 December 2025. The cap amount of the transactions contemplated under the Existing Parts and Components Purchase Agreement for the three financial years ending 31 December 2025 are as follows:

	FY2023 <i>HK\$' million</i>	FY2024 <i>HK\$' million</i>	FY2025 <i>HK\$' million</i>
Cap amount for the Purchases	10.0	10.0	10.0

The actual amount of the transactions took place under the Existing Parts and Components Purchase Agreement for FY2023, FY2024 and for the six months ended 30 June 2025 are as follows:

	FY2023 <i>HK\$' million</i>	FY2024 <i>HK\$' million</i>	For the six months ended 30 June 2025 <i>HK\$' million</i>
Actual amount for the Purchases	4.2	4.8	4.4

As the Existing Parts and Components Purchase Agreement will expire on 31 December 2025, the Company entered into the Parts and Components Purchase Agreement with BWI Group for a fixed term of three financial years ending 31 December 2028.

The Group has been purchasing auto parts and components from BWI Beijing and/or its associates in the past. It is expected that the purchase arrangement will continue and the Parts and Components Purchase Agreement is entered into to facilitate the continued purchase of auto parts and components by the Group from BWI Group and/or its associates.

The reasons for entering into of the Parts and Components Purchase Agreement with BWI Group instead of BWI Beijing as in the Existing Parts and Components Purchase Agreement are as follows: (a) on 19 September 2022, BWI Group acquired from Shougang Group 55.45% equity interest in BWI Beijing by virtue of an equity transfer agreement between BWI Group and Shougang Group dated 5 September 2022 and became a controlling shareholder of BWI Beijing as a result, and (b) the Company anticipates that the Group will have transactions contemplated under the Parts and Components Purchase Agreement with subsidiaries of BWI Group in addition to subsidiaries of BWI Beijing. Therefore the Company proposed to enter into the Parts and Components Purchase Agreement with BWI Group to cater for the anticipated expansion of scope of transactions contemplated thereunder going forward.

The Directors believe that the Parts and Components Purchase Agreement would be beneficial to the Group for the following reasons:

- (i) the Purchases will be carried out in the normal and ordinary course of business of the Group;
- (ii) the Purchases will be conducted under arm's length basis, on normal commercial terms, and at competitive prices which are no less favourable to the Group than that of transactions with independent third parties; and
- (iii) the Purchases will provide a stable supply of auto parts and components for the Group.

Since the applicable ratios under the Listing Rules in respect of the annual caps for the Parts and Components Purchase Agreement are less than 5%, the transactions under the Parts and Components Purchase Agreement are exempt from the circular and Independent Shareholders' approval requirements under the Listing Rules but are still subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

D. Patent License Agreement

Effective date: 1 January 2026

Parties: BWI Group
The Company

BWI Group is a controlling shareholder and a connected person of the Company.

Subject: BWI Group will procure its wholly owned subsidiaries which are the registered holders of certain patents (the “**Patents**”) related to automobile controlled and passive suspension products to grant to the Group a non-exclusive and non-transferrable license to use the Patents in the Group’s manufacturing operations.

Cap Amount: The cap amounts of the license fee payable by the Company under the Patent License Agreement to BWI Group for each of the three financial years ending 31 December 2028 will be as follows:

	FY2026	FY2027	FY2028
	<i>HK\$’</i>	<i>HK\$’</i>	<i>HK\$’</i>
	<i>million</i>	<i>million</i>	<i>million</i>
Cap amount for the license fee for the Patents	13.5	13.5	13.5

In determining the above annual cap amounts, the Company has taken into consideration (i) the historical sales revenue; (ii) the projected sales of the Group; and (iii) a buffer to cater for any unexpected increase in sales and fluctuations in foreign currency exchange rates during the term of the Patent License Agreement.

Term: The Patent License Agreement has a fixed term of three financial years ending on 31 December 2028.

License Fee: the Company will pay an annual license fee representing 0.5% of the net sales of the licensed products of the Group, which are the products manufactured by the Group using the Patents. The net sales will be the total invoiced amount of licensed products less any sales allowances, customer discounts, and refunds for licensed products that are damaged or returned.

Payment Terms: The license fee under the Patent License Agreement will be payable 45 days after receiving the relevant invoice.

Reasons for entering into of the Patent License Agreement

On 19 October 2022, the Company and BWI Beijing entered into the Existing Patent License Agreement in respect of the Patents for a fixed term of three financial years ending 31 December 2025. The cap amount of the transactions contemplated under the Existing Patent License Agreement for each of the three financial years ending 31 December 2025 are as follows:

	FY2023	FY2024	FY2025
	<i>HK\$' million</i>	<i>HK\$' million</i>	<i>HK\$' million</i>
Cap amount for the license fee for the Patents	13.5	13.5	13.5

The actual amount of the transactions took place under the Existing Patent License Agreement for FY2023, FY2024 and for the six months ended 30 June 2025 are as follows:

	FY2023	FY2024	For the six months ended 30 June 2025
	<i>HK\$' million</i>	<i>HK\$' million</i>	<i>HK\$' million</i>
Actual amount for the license fee for the Patents	8.0	–	–

As the Existing Patent License Agreement will expire on 31 December 2025, the Company entered into the Patent License Agreement with BWI Group for a fixed term of three financial years ending 31 December 2028. The Group has been using the Patents for its manufacturing operation and the license will enable the Group to continue to use the Patents which could maintain and strengthen the competitive position of the Group in the automotive market.

The reasons for entering into of the Patent License Agreement with BWI Group instead of BWI Beijing as in the Existing Patent License Agreement are as follows: (a) on 19 September 2022, BWI Group acquired from Shougang Group 55.45% equity interest in BWI Beijing by virtue of an equity transfer agreement between BWI Group and Shougang Group dated 5 September 2022 and became a controlling shareholder of BWI Beijing as a result, and (b) the Company anticipates that the Group will have transactions contemplated under the Patent License Agreement with subsidiaries of BWI Group in addition to subsidiaries of BWI Beijing. Therefore the Company proposed to enter into the Patent License Agreement with BWI Group to cater for the anticipated expansion of scope of transactions contemplated thereunder going forward.

Since the applicable percentage ratios under the Listing Rules in respect of the annual caps for the Patent License Agreement are less than 5%, the transactions under the Patent License Agreement are exempt from the circular and Independent Shareholders' approval requirements under the Listing Rules but are still subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

INTERNAL CONTROL MEASURES

In accordance with the Listing Rules, the Group will at all times comply with Rule 14A.34 and Rules 14A.51 to 14A.59 of the Listing Rules. In order to safeguard the overall interests of the Company and the Shareholders, the Company has adopted the following internal control measures in order to regulate the Group's continuing connected transactions:

- (i) the finance department of the Group will conduct monthly verifications to ensure that the prices charged for the purchase/sale of services/parts and components under the Agreements are in compliance with the terms of the Agreements and the local tax reporting regulations and that the transactions are fair and reasonable;
- (ii) the finance department of the Group will conduct monthly reviews and monitoring of the continuing connected transactions between the Group and BWI Group and/or its associates to ensure that the pricing mechanism and the proposed annual caps are in compliance with the terms of the Agreements. If the actual transaction amount reaches 80% of the proposed annual caps of the relevant continuing connected transactions at any time or if the finance department expects that the relevant business operations will expand and may use up a substantial part of the annual caps in short run, the matter shall promptly be escalated to the Board for determining appropriate measures, the Board will assess if there is a need to revise the existing annual caps, and if so, revise the annual caps in accordance with the relevant internal procedures of the Company and re-comply with the requirements under the Listing Rules. If it is contemplated that the relevant annual cap will be exceeded as a result of entering into any continuing connection transaction, such transaction will not be entered into until the Company has complied with the relevant requirements under the Listing Rules;
- (iii) the Board will continue to periodically review the Company's internal control systems at least annually, including internal control measures on continuing connected transactions, and their effectiveness;
- (iv) the independent non-executive Directors shall, and the Company shall engage its external auditors to, conduct annual review of the continuing connected transactions and the relevant annual cap in accordance with the requirements of the Listing Rules; and
- (v) the Company will arrange trainings for its employees on a regular basis, including the business operation, finance, and company secretarial departments, to strengthen their familiarity of the Listing Rules and enhance their awareness of the compliance with the relevant internal control procedures relating to the Group's continuing connected transactions.

GENERAL

The Group is principally engaged in the manufacturing, sale and trading of automotive parts and components, as well as provision of technical services in Europe. As at the date of this announcement, BWI Group is deemed to be interested as to approximately 61.75% of the issued share capital of the Company and is the controlling shareholder of the Company. Accordingly, BWI Group is a connected person of the Company and the transactions between the Group and BWI Group and/or its associates under the Mutual Technical Services Agreement, the Parts and Components Supply Agreement, the Parts and Components Purchase Agreement and the Patent License Agreement constitute continuing connected transactions for the Company under the Listing Rules.

Other than the business of the Group, BWI Group and BWI Beijing Group are principally engaged in the production and sale of vehicle parts and components in North America, the PRC and Mexico. BWI Beijing was established under the laws of the PRC with limited liability on 23 March 2009. BWI Group was established under the laws of the PRC with limited liability on 20 July 2022.

As at the date of this announcement, BWI Beijing is held as to 84.34% by BWI Group. The largest shareholder of BWI Group 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 indirectly owns a total of approximately 55.02% equity interest in BWI Group. Zhangjiakou Industrial Investment is 48.13% indirectly held by Zhangjiakou Guokong Asset Management Group Co., Ltd.* (張家口國控資產管理集團有限公司) (“**Zhangjiakou Guokong**”). Zhangjiakou Guokong is a state-owned enterprise established in the PRC on 20 June 2017 which is supervised by the State-owned Assets Supervision and Administration Commission of the People’s Government of Zhangjiakou Municipality (張家口市人民政府國有資產監督管理委員會). As set out in the website of Zhangjiakou Industrial Investment, its operations are primarily related to equity investment, asset management, financial services and industrial development.

At the Board meeting held to approve, inter alia, the Mutual Technical Services Agreement, the Parts and Components Supply Agreement, the Parts and Components Purchase Agreement and the Patent License Agreement, Mr. Dong Xiaojie, Mr. Liu Xihe and Dr. Xi Jianpeng, by virtue of their connection with BWI Group and its associates, abstained from voting in respect of the resolutions proposed to approve such transactions. The remaining Directors (other than the independent non-executive Directors who will form their view after considering the advice from the Independent Financial Adviser) presented at the Board meeting for approving the Mutual Technical Services Agreement, the Parts and Components Supply Agreement, the Parts and Components Purchase Agreement and the Patent License Agreement are of the view that the terms of each of the abovementioned agreements are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

As the applicable percentage ratios under the Listing Rules in respect of the annual caps of each of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement are more than 5%, the Mutual Technical Services Agreement and the Parts and Components Supply Agreement are subject to the reporting, announcement, circular, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the annual caps of each of the Parts and Components Purchase Agreement and the Patent License Agreement are less than 5%, the Parts and Components Purchase Agreement and the Patent License Agreement are exempt from the circular and Independent Shareholders' approval requirements but are still subject to reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the terms of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement and the annual caps of the transactions contemplated thereunder.

Rainbow Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement and the annual caps of the transactions contemplated thereunder.

EXTRAORDINARY GENERAL MEETING

An EGM will be convened at which ordinary resolutions will be proposed to consider and, if thought fit, approve the Mutual Technical Services Agreement and the Parts and Components Supply Agreement and the annual cap amounts of the transactions contemplated thereunder.

BWI Group and its associates will abstain from voting for the resolutions to be proposed at the EGM to approve the Mutual Technical Services Agreement and the Parts and Components Supply Agreement and the annual cap amounts of the transactions contemplated thereunder on a vote by way of poll.

A circular containing, among others, (i) further information on the Mutual Technical Services Agreement and the Parts and Components Supply Agreement, (ii) the recommendations of the Independent Board Committee to the Independent Shareholders on the terms and the annual caps of each of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement, (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the terms and the annual cap amounts of each of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement; and (iv) the notice of the EGM will be dispatched to the Shareholders on or before 1 December 2025.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“2022 Announcement”	the announcement of the Company dated 19 October 2022 in relation to, among others, the Existing Mutual Technical Services Agreement, the Existing Parts and Components Purchase Agreement, the Existing Parts and Components Supply Agreement, the Existing Patent License Agreement and the transactions contemplated thereunder
“2022 Circular”	the circular of the Company dated 17 November 2022 in relation to, among others, the Existing Mutual Technical Services Agreement, the Existing Parts and Components Purchase Agreement, the Existing Parts and Components Supply Agreement, the Existing Patent License Agreement and the transactions contemplated thereunder
“Agreements”	the Mutual Technical Services Agreement, the Parts and Components Supply Agreement, the Parts and Components Purchase Agreement, and the Patent License Agreement
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BWI Beijing”	BWI (Beijing) Limited* (京西智行(北京)汽車電子科技有 限公司), a company incorporated in the PRC, a controlling shareholder of the Company, where BWI Beijing is a non-wholly owned subsidiary of BWI Group
“BWI Beijing Group”	BWI Beijing and its subsidiaries (other than the Group) from time to time
“BWI Group”	BWI Group Limited* (張家口京西智行科技集團有限公司), incorporated in the PRC, a controlling shareholder of the Company and BWI Beijing

“Company”	BeijingWest Industries International Limited (京西重工國際有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened or any adjournment thereof to approve the Mutual Technical Services Agreement and the Parts and Components Supply Agreement and the annual caps in relation thereto, or any adjournment thereof
“Existing Mutual Technical Services Agreement”	the mutual technical services agreement entered into between the Company and BWI Beijing on 19 October 2022
“Existing Parts and Components Purchase Agreement”	the parts and components purchase agreement entered into between the Company and BWI Beijing on 19 October 2022
“Existing Parts and Components Supply Agreement”	the parts and components supply agreement entered into between the Company and BWI Beijing on 19 October 2022
“Existing Patent License Agreement”	the patent license agreement entered into between the Company and BWI Beijing on 19 October 2022
“FY2022”	for the year ended 31 December 2022
“FY2023”	for the year ended 31 December 2023
“FY2024”	for the year ended 31 December 2024
“FY2025”	for the year ending 31 December 2025
“FY2026”	for the year ending 31 December 2026
“FY2027”	for the year ending 31 December 2027

“FY2028”	for the year ending 31 December 2028
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of the terms of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement and the annual caps of the transactions contemplated thereunder
“Independent Financial Adviser” or “Rainbow Capital”	Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement and the annual caps of the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders other than BWI Group and its associates and/or BWI Beijing Group and its associates (as the case may be)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mutual Technical Services Agreement”	the master agreement dated 10 November 2025 entered into between the Company and BWI Group in relation to the mutual provision of technical services
“Parts and Components Purchase Agreement”	the agreement dated 10 November 2025 entered into between the Company and BWI Group in relation to the purchase of auto parts and components by the Group from BWI Group and/or its associates

“Parts and Components Supply Agreement”	the agreement dated 10 November 2025 entered into between the Company and BWI Group in relation to the supply of auto parts and components by the Group to BWI Group and/or its associates
“Patent License Agreement”	the agreement dated 10 November 2025 entered into between BWI Group and the Company in relation to the license of certain patents to the Group
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Shareholders”	holders of the ordinary shares of HK\$0.1 each in the capital of the Company
“Shougang Group”	Shougang Group Co., Ltd., a company incorporated in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

* *For identification purpose only*

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

10 November 2025

As at the date of this announcement, the Board comprises Mr. Dong Xiaojie (Chairman), Mr. Liu Xihe (Executive Director), Dr. Xi Jianpeng (Executive Director), Mr. Wong Foreky (Independent Non-executive Director), Mr. Lo, Gordon (Independent Non-executive Director) and Ms. Peng Fan (Independent Non-executive Director).