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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)

INSIDE INFORMATION
EXPECTED LOSS POSITION FOR THE YEAR ENDED
31 DECEMBER 2021

This announcement is made by BeijingWest Industries International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**Inside Information Provisions**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the Board’s preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 (the “**Management Accounts**”) and other information currently available to the Board, it is expected that the Group will record a loss attributable to the owners of the Company of not less than approximately HK\$8,500,000 for the year ended 31 December 2021, which is less than the loss attributable to the owners of the Company for the year ended 31 December 2020 of approximately HK\$51,544,000.

The expected decrease in loss for 2021 is mainly due to the following factors:

1. Various countries in Europe imposed containment and mitigation measures in the second quarter of 2020 following the worldwide outbreak of novel coronavirus (COVID-19) pandemic (the “**Pandemic**”), which led to disruption and temporary suspension of the operations of the Group’s plants in the United Kingdom, Poland and the Czech Republic. In 2021, the plants of the Group returned to normal operations, and there was not any recurrence of the COVID-19-related temporary suspension for the plants of the Group. Meanwhile, production orders of the Group from the major customers have been recovering in early 2021, resulting in

an increase in revenue of the Group for the year ended 31 December 2021.

2. Due to the Pandemic, the demand for semiconductors soared in 2020 as consumers rushed to purchase household appliances and home office gadgets during the Pandemic, which resulted in a global shortage of semiconductors. This presented challenges and production disruptions for a wide range of industries worldwide, including the automotive industry. In 2021, the automotive industry gradually emerged a significant shortage of semiconductors, which forced many automobile manufacturers announcing to cut production for 2021. Thus, the revenue of the Group was partially offset by the shortage of semiconductors in the automotive industry.

The Group's final results for the year ended 31 December 2021 are still under review and subject to audit by the auditor of the Company as well as approval of the audit committee of the Company and the Board at the respective meetings to be held in late March 2022. The final results announcement of the Group for the year ended 31 December 2021 will be published by the end of March 2022.

Reference is made to the announcements of the Company dated 9 September 2020, 24 December 2020, 21 May 2021, 24 May 2021, 21 June 2021, 21 July 2021, 20 August 2021, 20 September 2021, 21 October 2021, 26 October 2021, 26 November 2021, 28 December 2021, 28 January 2022 and 28 February 2022 (the "**Announcements**") in relation to, among other things, the Potential Transaction (as defined in the Announcements).

The expected loss position included in this announcement ("**Expected Loss Position**") is being released during an offer period under The Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**") and constitutes a profit forecast under Rule 10 of Takeovers Code. It has to be reported on by the Company's financial advisers and auditors or accountants in accordance with Rule 10.4 of the Takeovers Code.

However, in view of the requirement of timely disclosure of inside information under Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions, the Company is required to issue this announcement as soon as practicable, and given the time constraints, the Company has genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code at the same time when the announcement is released.

Under Rule 10.4 of the Takeovers Code, if the Expected Loss Position is published first in an announcement, it must be repeated in full, together with the reports from the Company's financial advisers and auditors or accountants on the said profit forecast, in the next document to be sent to the shareholders of the Company (the "**Shareholders' Document**"). However, if the audited annual results announcement of the Company for the year ended 31 December 2021 which fall within the ambit of Rule 10.9 of the Takeovers Code has been published by the time of release of the

next Shareholders' Document and the relevant results together with the notes to the financial statements are included in the next Shareholders' Document, the requirements to report on the Expected Loss Position under Rule 10.4 of the Takeovers Code will no longer apply.

The Expected Loss Position has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Expected Loss Position in assessing the merits and demerits of the Potential Transaction.

Shareholders and potential Investors of the Company are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisors.

By Order of the Board
BeijingWest Industries International Limited
Zhao Jiuliang
Chairman

18 March 2022

As at the date of this announcement, the Board comprises Mr. Zhao Jiuliang (Chairman), Mr. Chen Zhouping (Managing Director), Mr. Li Zhi (Non-executive Director), Mr. Tam King Ching, Kenny (Independent Non-executive Director), Mr. Yip Kin Man, Raymond (Independent Non-executive Director) and Mr. Chan Pat Lam (Independent Non-executive Director).

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.