THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer 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 this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

BWI INTERNATIONAL

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)

(1) CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE;
(2) SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE;
(3) CONNECTED TRANSACTION INVOLVING ISSUANCE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE;
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial adviser to the Company

YU MING INVESTMENT MANAGEMENT LIMITED
禹 銘 投 資 管 理 有 限 公 司

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

ALTUS CAPITAL LIMITED

A notice of EGM of BeijingWest Industries International Limited to be held at 11:00 a.m. on Friday, 9 January 2026 at Boardroom 3-4, M/F., Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong is set out on pages EGM-1 to EGM-4 of this circular. Whether or not you are able to attend the meeting, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable and in any event not later than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the meeting, or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting (as the case may be) should you so wish.

19 December 2025

CONTENTS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Bondholder(s)"	holder(s) of the Convertible Bonds
"business day(s)"	any day(s) except Saturday, Sunday or public holiday on which banks are open in Hong Kong to the general public for business
"CB Subscription"	the subscription of the Convertible Bonds in the principal amount of HK$409,388,887 by the Subscriber A on the terms and subject to the conditions of the CB Subscription Agreement
"CB Subscription Agreement"	the conditional subscription agreement dated 16 November 2025 entered into between the Company and the Subscriber A in relation to the subscription of the Convertible Bonds
"Certificate"	the certificate to be issued by the Company to the Subscriber A in respect of the Convertible Bonds
"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
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Connected Subscriptions"	collectively, the Connected Subscription A and the Connected Subscription B
"Connected Subscription A"	subscription of the Connected Subscription Shares A by the Subscriber A pursuant to the Subscription Agreement A
"Connected Subscription Agreements"	collectively, the Subscription Agreement A and the Subscription Agreement B
"Connected Subscription B"	subscription of the Connected Subscription Shares B by the Subscriber B pursuant to the Subscription Agreement B
"Connected Subscription Price"	HK$0.704 per Connected Subscription Share

"Connected Subscription Share(s)"	collectively, the Connected Subscription Shares A and the Connected Subscription Shares B
"Connected Subscription Shares A"	236,914,866 new Shares to be allotted and issued to the Subscriber A pursuant to the Subscription Agreement A
"Connected Subscription Shares B"	64,613,145 new Shares to be allotted and issued to the Subscriber B pursuant to the Subscription Agreement B
"controlling shareholder"	has the same meaning as ascribed to it under the Listing Rules
"Conversion Notice"	the conversion notice to be completed, executed and submitted by the Bondholder pursuant to the CB Subscription Agreement in the event of the conversion of the Convertible Bonds by the Bondholder
"Conversion Period"	the period during which the Convertible Bonds may be converted into the Conversion Shares, commencing on the date falling three months after the date of issue of the Convertible Bonds and up to five business days before the Maturity Date
"Conversion Price"	the price per Conversion Share at which the principal amount of the Convertible Bonds may be converted into Shares, being HK$0.704 per Conversion Share, subject to adjustments
"Conversion Shares"	the new Share(s) to be allotted and issued by the Company upon the exercise by the Bondholder of the conversion rights attaching to the Convertible Bonds
"Convertible Bonds"	the 360 day zero interest Convertible Bonds in the principal amount of HK$409,388,887 proposed to be issued by the Company under the CB Subscription Agreement
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be held at 11:00 a.m. on Friday, 9 January 2026 at Boardroom 3-4, M/F., Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong or any adjournment thereof (as the case may be)
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Board Committee"	an independent Board committee comprising all independent non-executive Directors, which has been formed to advise the Independent Shareholders on the Connected Subscription Agreements, the CB Subscription Agreement and the transactions contemplated thereunder
"Independent Financial Adviser" or "Altus"	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Connected Subscription Agreements, the CB Subscription Agreement and the transactions contemplated thereunder
"Independent Shareholder(s)"	the Shareholder(s) who are not required to abstain from voting in respect of the ordinary resolutions proposed for approval at the EGM pursuant to the Listing Rules
"Independent Third Party(ies)"	individual(s) or company(ies) who or which as far as the Directors are aware after having made all reasonable enquiries is/are not connected with the Company and its connected persons
"Last Trading Date"	13 November 2025, being the last full trading day of the Shares on the Stock Exchange immediately prior to the signing of the Connected Subscription Agreements, the Subscription Agreements and the CB Subscription Agreement
"Latest Practicable Date"	17 December 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange and any amendments thereto
"Long Stop Date"	31 May 2026
"Maturity Date"	the 360th day from the date of issue of the Convertible Bonds (or if such date is not a business day, the next business day)
"Minimum Denomination"	the minimum denomination of the Convertible Bonds for the purposes of registration, holding, transfer, conversion or redemption, being HK$100,000

"PRC"	the People's Republic of China but excluding, for the purpose of this circular, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"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
"Specific Mandate"	the specific mandate to be sought from (i) the Independent Shareholders at the EGM to grant the authority to the Board for the allotment and issue of the Connected Subscription Shares and the Conversion Shares; and (ii) the Shareholders at the EGM to grant the authority to the Board for the allotment and issue of the Subscription Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber A" or "BWI HK"	BWI Company Limited (京西重工(香港)有限公司), the controlling shareholder of the Company
"Subscriber B"	Mr. Liu Xihe, an executive Director of the Company
"Subscriber C"	Ms. Xu Anpan, an Independent Third Party
"Subscriber D"	Ms. Yao Lianfang, an Independent Third Party
"Subscriptions"	collectively, the Subscription C and the Subscription D
"Subscription Agreements"	collectively, the Subscription Agreement C and the Subscription Agreement D
"Subscription Agreement A"	a conditional subscription agreement entered into between the Company and the Subscriber A on 16 November 2025 in respect of the subscription of the Connected Subscription Shares A by the Subscriber A
"Subscription Agreement B"	a conditional subscription agreement entered into between the Company and the Subscriber B on 16 November 2025 in respect of the subscription of the Connected Subscription Shares B by the Subscriber B
"Subscription Agreement C"	a conditional subscription agreement entered into between the Company and the Subscriber C on 16 November 2025 in respect of the subscription of the Subscription Shares C by the Subscriber C

"Subscription Agreement D"	a conditional subscription agreement entered into between the Company and the Subscriber D on 16 November 2025 in respect of the subscription of the Subscription Shares D by the Subscriber D
"Subscription C"	subscription of the Subscription Shares C by the Subscriber C pursuant to the Subscription Agreement C
"Subscription D"	subscription of the Subscription Shares D by the Subscriber D pursuant to the Subscription Agreement D
"Subscription Price"	HK$0.704 per Subscription Share
"Subscription Share(s)"	collectively, the Subscription Shares C and the Subscription Shares D
"Subscription Shares C"	64,613,145 new Shares to be allotted and issued to the Subscriber C pursuant to the Subscription Agreement C
"Subscription Shares D"	64,613,145 new Shares to be allotted and issued to the Subscriber D pursuant to the Subscription Agreement D
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Takeovers Code"	the Code on Takeovers and Mergers
"%"	per cent.

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)

Directors:
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)
Ms. Peng Fan
(Independent Non-executive Director)

Registered Office:
Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong:
Rooms 304-305, 3rd Floor
Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

19 December 2025

To the Shareholders

Dear Sir or Madam,

(1) CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE; (2) SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE; (3) CONNECTED TRANSACTION INVOLVING ISSUANCE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE; AND (4) NOTICE OF EXTRAORDINARY GENERAL MEETING

(1) INTRODUCTION

The purpose of this circular is to provide the Shareholders with details regarding (1) connected transaction involving subscription of Connected Subscription Shares under the Specific Mandate; (2) subscription of Subscription Shares under the Specific Mandate; (3) connected transaction involving issuance of Convertible Bonds under the Specific Mandate, and to give the Shareholders notice of the EGM. Such proposals will be dealt with at the EGM.

(2) CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

On 16 November 2025, the Company entered into (i) the Subscription Agreement A with the Subscriber A, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber A has conditionally agreed to subscribe for 236,914,866 Connected Subscription Shares at the subscription price of HK$0.704 per Connected Subscription Share for a total consideration of HK$166,788,065.66; and (ii) the Subscription Agreement B with the Subscriber B, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber B has conditionally agreed to subscribe for 64,613,145 Connected Subscription Shares at the subscription price of HK$0.704 per Connected Subscription Share for a total consideration of HK$45,487,654.08.

The principal terms of the Connected Subscription Agreements are set out as follows.

The Subscription Agreement A

Date

16 November 2025

Parties

(i) the Company as issuer; and

(ii) the Subscriber A as subscriber.

As at the Latest Practicable Date, the Subscriber A is the controlling shareholder of the Company which held 532,001,553 Shares, representing approximately 61.75% of the total number of the issued Shares. As such, the Subscriber A is a connected person of the Company under Chapter 14A of the Listing Rules.

Connected Subscription A

Pursuant to the Subscription Agreement A, the Subscriber A has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 236,914,866 Connected Subscription Shares at the Connected Subscription Price of HK$0.704 per Connected Subscription Share for a total consideration of HK$166,788,065.66.

Connected Subscription Shares A represent (i) approximately 27.50% of the total number of the issued Shares as at the Latest Practicable Date; and (ii) approximately 18.33% of the total number of the issued Shares as enlarged by the allotment and issue of the Connected Subscription Shares and the Subscription Shares in aggregate, subject to completion of the Connected Subscriptions and the Subscriptions and assuming there will be no other changes in the total number of the issued Shares between the Latest Practicable Date and the date of completion of the Connected Subscriptions and the Subscriptions. The nominal value of the Connected Subscription Shares A is HK$23,691,486.60.

The Subscription Agreement B

Date

16 November 2025

Parties

(i) the Company as issuer; and

(ii) the Subscriber B as subscriber.

The parties to the Subscription Agreement B agree that the Subscriber B may choose to establish a limited liability company as its nominee for the Connected Subscription B, and the nominee shall assume all rights and obligations arising from the Subscription Agreement B and the Connected Subscription B.

As at the Latest Practicable Date, the Subscriber B is an executive Director. As such, the Subscriber B is a connected person of the Company under Chapter 14A of the Listing Rules.

Connected Subscription B

Pursuant to the Subscription Agreement B, the Subscriber B has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 64,613,145 Connected Subscription Shares at the Connected Subscription Price of HK$0.704 per Connected Subscription Share for a total consideration of HK$45,487,654.08.

Connected Subscription Shares B represent (i) approximately 7.50% of the total number of the issued Shares as at the Latest Practicable Date; and (ii) approximately 5.00% of the total number of the issued Shares as enlarged by the allotment and issue of the Connected Subscription Shares and the Subscription Shares in aggregate, subject to completion of the Connected Subscriptions and the Subscriptions and assuming there will be no other changes in the total number of the issued Shares between the Latest Practicable Date and the date of completion of the Connected Subscriptions and the Subscriptions. The nominal value of the Connected Subscription Shares B is HK$6,461,314.50.

Conditions precedent to the completion of the Connected Subscriptions

Completion of the Connected Subscriptions shall be subject to the following conditions precedent being fulfilled (or waived, where applicable) on or before the Long Stop Date:

(a) the passing of the resolution(s) at the EGM by the Independent Shareholders to approve the Connected Subscription Agreements and the transactions contemplated thereunder, including the grant of the relevant Specific Mandate to allot and issue the Connected Subscription Shares;

(b) the Listing Committee having granted the approval for the listing of, and permission to deal in, the Connected Subscription Shares and such approval and permission not subsequently revoked or withdrawn prior to completion of the Connected Subscriptions;

(c) all other necessary consents, approvals, reports and filings pursuant to the Listing Rules and applicable laws for the consummation of the transactions contemplated under the Connected Subscription Agreements having been obtained by the Company, the Subscriber A (for the Subscription Agreement A) and the Subscriber B (for the Subscription Agreement B);

(d) all representations, warranties and undertakings made by the Company remaining true and accurate in all material respects and not misleading in any material respect; and

(e) all representations, warranties and undertakings made by the Subscriber A (for the Subscription Agreement A) and the Subscriber B (for the Subscription Agreement B) remaining true and accurate in all material respects and not misleading in any material respect.

Completion of the Connected Subscriptions is not inter-conditional upon each other, or upon the Subscriptions or the CB Subscription.

The Subscriber A and the Subscriber B can by notice in writing to the Company waive the condition precedent (d) set out above. If the above conditions precedent are not fulfilled (or waived, as the case may be) on or before 4:00 p.m. on or prior to the Long Stop Date and the parties fail to agree on an extension, the Connected Subscription Agreements shall terminate and neither party thereunder shall be liable to the other party or have any claim against the other party for damages, compensation or otherwise save and except any liability for antecedent breaches of either party which shall remain in full force and effect. As at the Latest Practicable Date, none of the conditions precedent have been fulfilled or waived.

Completion of the Connected Subscriptions

Completion of the Connected Subscriptions shall take place within seven business days after the date on which all the conditions precedent set out above are satisfied (or waived, as the case may be), or such other day as may be agreed in writing between the Company and the Subscriber A (for the Subscription Agreement A) or the Subscriber B (for the Subscription Agreement B).

At completion of the Connected Subscriptions, the Subscriber A and the Subscriber B shall pay to the Company cash consideration of HK$166,788,065.66 and HK$45,487,654.08 under the Connected Subscription Agreements, respectively, for the subscription of the Connected Subscription Shares, and the Company shall issue and allot the Connected Subscription Shares to the Subscriber A and the Subscriber B.

The Connected Subscription Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought at the EGM. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Connected Subscription Shares.

(3) SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

On 16 November 2025, the Company entered into (i) the Subscription Agreement C with the Subscriber C, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber C has conditionally agreed to subscribe for 64,613,145 Subscription Shares at the subscription price of HK$0.704 per Subscription Share for a total consideration of HK$45,487,654.08; and (ii) the Subscription Agreement D with the Subscriber D, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber D has conditionally agreed to subscribe for 64,613,145 Subscription Shares at the subscription price of HK$0.704 per Subscription Share for a total consideration of HK$45,487,654.08.

The principal terms of the Subscription Agreements are set out as follows.

The Subscription Agreement C

Date

16 November 2025

Parties

(i) the Company as issuer; and

(ii) the Subscriber C as subscriber.

The parties to the Subscription Agreement C agree that the Subscriber C may choose to establish a limited liability company as its nominee for the Subscription C, and the nominee shall assume all rights and obligations arising from the Subscription Agreement C and the Subscription C.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscriber C is an Independent Third Party as at the Latest Practicable Date.

Subscription C

Pursuant to the Subscription Agreement C, the Subscriber C has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 64,613,145 Subscription Shares at the Subscription Price of HK$0.704 per Subscription Share for a total consideration of HK$45,487,654.08.

Subscription Shares C represent (i) approximately 7.50% of the total number of the issued Shares as at the Latest Practicable Date; and (ii) approximately 5.00% of the total number of the issued Shares as enlarged by the allotment and issue of the Connected Subscription Shares and the Subscription Shares in aggregate, subject to completion of the Connected Subscriptions and the Subscriptions and assuming there will be no other changes in the total number of the issued Shares between the Latest Practicable Date and the date of completion of the Connected Subscriptions and the Subscriptions. The nominal value of the Subscription Shares C is HK$6,461,314.50.

The Subscription Agreement D

Date

16 November 2025

Parties

(i) the Company as issuer; and

(ii) the Subscriber D as subscriber.

The parties to the Subscription Agreement D agree that the Subscriber D may choose to establish a limited liability company as its nominee for the Subscription D, and the nominee shall assume all rights and obligations arising from the Subscription Agreement D and the Subscription D.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscriber D is an Independent Third Party as at the Latest Practicable Date.

Subscription D

Pursuant to the Subscription Agreement D, the Subscriber D has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 64,613,145 Subscription Shares at the Subscription Price of HK$0.704 per Subscription Share for a total consideration of HK$45,487,654.08.

Subscription Shares D represent (i) approximately 7.50% of the total number of the issued Shares as at the Latest Practicable Date; and (ii) approximately 5.00% of the total number of the issued Shares as enlarged by the allotment and issue of the Connected Subscription Shares and the Subscription Shares in aggregate, subject to completion of the Connected Subscriptions and the Subscriptions and assuming there will be no other changes in the total number of the issued Shares between the Latest Practicable Date and the date of completion of the Connected Subscriptions and the Subscriptions. The nominal value of the Subscription Shares D is HK$6,461,314.50.

Conditions precedent to the completion of the Subscriptions

Completion of the Subscriptions shall be subject to the following conditions precedent being fulfilled (or waived, where applicable) on or before the Long Stop Date:

(a) the passing of the resolution(s) at the EGM by the Shareholders to approve the Subscription Agreements and the transactions contemplated thereunder, including the grant of the relevant Specific Mandate to allot and issue the Subscription Shares;

(b) the Listing Committee having granted the approval for the listing of, and permission to deal in, the Subscription Shares and such approval and permission not subsequently revoked or withdrawn prior to completion of the Subscriptions;

(c) all other necessary consents, approvals, reports and filings pursuant to the Listing Rules and applicable laws for the consummation of the transactions contemplated under the Subscription Agreements having been obtained by the Company, the Subscriber C (for the Subscription Agreement C) and the Subscriber D (for the Subscription Agreement D);

(d) all representations, warranties and undertakings made by the Company remaining true and accurate in all material respects and not misleading in any material respect; and

(e) all representations, warranties and undertakings made by the Subscriber C (for the Subscription Agreement C) and the Subscriber D (for the Subscription Agreement D) remaining true and accurate in all material respects and not misleading in any material respect.

Completion of the Subscriptions is not inter-conditional upon each other, or upon the Connected Subscriptions or the CB Subscription.

The Subscriber C and the Subscriber D can by notice in writing to the Company waive the condition precedent (d) set out above. If the above conditions precedent are not fulfilled (or waived, as the case may be) on or before 4:00 p.m. on or prior to the Long Stop Date and the parties fail to agree on an extension, the Subscription Agreements shall terminate and neither party thereunder shall be liable to the other party or have any claim against the other party for damages, compensation or otherwise save and except any liability for antecedent breaches of either party which shall remain in full force and effect. As at the Latest Practicable Date, none of the conditions precedent have been fulfilled or waived.

Completion of the Subscriptions

Completion of the Subscriptions shall take place within seven business days after the date on which all the conditions precedent set out above are satisfied (or waived, as the case may be), or such other day as may be agreed in writing between the Company and the Subscriber C (for the Subscription Agreement C) or the Subscriber D (for the Subscription Agreement D).

At completion of the Subscriptions, the Subscriber C and the Subscriber D shall pay to the Company cash consideration of HK$45,487,654.08 and HK$45,487,654.08 under the Subscription Agreements, respectively, for the subscription of the Subscription Shares, and the Company shall issue and allot the Subscription Shares to the Subscriber C and the Subscriber D.

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought at the EGM. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

CONNECTED SUBSCRIPTION PRICE AND SUBSCRIPTION PRICE

The Connected Subscription Price of HK$0.704 per Connected Subscription Share and the Subscription Price of HK$0.704 per Subscription Share represent:

(i) a discount of approximately 34.21% to the closing price of HK$1.07 per Share as quoted on the Stock Exchange on the Last Trading Date;

(ii) a discount of approximately 20.00% to the average closing prices of HK$0.88 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date;

(iii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules), represented by a discount of approximately 11.40% of the theoretical diluted price of approximately HK$0.95 per Share to the benchmarked price of HK$1.07 per Share as defined under Rule 7.27B of the Listing Rules; and

(iv) a cumulative theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) (the aggregation effect of the Connected Subscriptions, the Subscriptions and the CB Subscription) represented by a discount of approximately 18.48% of the cumulative theoretical diluted price of approximately HK$0.87 per Share to the benchmarked price of HK$1.07 per Share as defined under Rule 7.27B of the Listing Rules.

Taking into account the expenses of the Connected Subscriptions and the Subscriptions in the amount of approximately HK$1.1 million, the net price of each of the Connected Subscription Share and the Subscription Share is approximately HK$0.701.

The respective subscription price was arrived at after arm's length negotiations between the Company and each of the Subscriber A, the Subscriber B, the Subscriber C and the Subscriber D with reference to the market prices of the Shares in the past three months, the thin trading liquidity of the Shares, the historical financial performance of the Group and the reasons for and benefits of the Connected Subscriptions and the Subscriptions as set out in the section headed "REASONS FOR AND BENEFITS OF THE CONNECTED SUBSCRIPTIONS, THE SUBSCRIPTIONS AND THE CB SUBSCRIPTION" below.

The Directors consider that the Connected Subscription Price and the Subscription Price are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

RANKING OF THE CONNECTED SUBSCRIPTION SHARES AND THE SUBSCRIPTION SHARES

The Connected Subscription Shares and the Subscription Shares shall rank, upon issue, pari passu in all respects among themselves and with the Shares in issue, and shall be freely transferable, free and clear of all liens, encumbrances, security interests or claims of third parties and will not be subject to any pre-emptive or similar rights or calls for further payments.

(4) CONNECTED TRANSACTION INVOLVING ISSUANCE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

On 16 November 2025, the Company and the Subscriber A entered into the CB Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and the Subscriber A has conditionally agreed to subscribe for, the Convertible Bonds in the principal amount of HK$409,388,887.

The CB Subscription Agreement

The principal terms of the CB Subscription Agreement are set out as follows.

Date

16 November 2025

Parties

(i) the Company as issuer; and

(ii) the Subscriber A as subscriber.

As at the Latest Practicable Date, the Subscriber A is the controlling shareholder of the Company which held 532,001,553 Shares, representing approximately 61.75% of the total number of issued Shares. As such, the Subscriber A is a connected person of the Company under Chapter 14A of the Listing Rules.

Conditions precedent to the completion of the CB Subscription

Completion of the CB Subscription shall be subject to the following conditions precedent being fulfilled (or waived, where applicable) on or before the Long Stop Date:

(a) the passing of the resolution(s) at the EGM by the Independent Shareholders to approve the CB Subscription Agreement and the transactions contemplated thereunder, including the grant of the relevant Specific Mandate to allot and issue the Conversion Shares;

(b) the Listing Committee having granted the approval (either unconditionally or subject to conditions to which neither the Company nor the Subscriber A shall reasonably object) for the listing of, and permission to deal in, the Conversion Shares to be issued upon the exercise of the conversion rights attached to the Convertible Bonds;

(c) all other necessary consents, approvals, reports and filings pursuant to the Listing Rules and applicable laws for the consummation of the transactions contemplated under the CB Subscription Agreement having been obtained by the Company and the Subscriber A;

(d) all representations, warranties and undertakings made by the Company remaining true and accurate in all material respects and not misleading in any material respect; and

(e) all representations, warranties and undertakings made by the Subscriber A remaining true and accurate in all material respects and not misleading in any material respect.

Completion of the CB Subscription is not conditional upon the Connected Subscriptions or the Subscriptions.

The Subscriber A may at any time by notice in writing to the Company waive the condition precedent (d) set out above, and the Company may at any time by notice in writing to the Subscriber A waive the condition precedent (e) set out above. If the above conditions have not been fulfilled or waived (as the case may be) before the Long Stop Date, the parties may extend the completion date to a later date or terminate the CB Subscription Agreement. As at the Latest Practicable Date, none of the conditions precedent have been fulfilled or waived.

Completion of the CB Subscription

Completion of the CB Subscription shall take place within seven business days after the date on which all the conditions precedent set out above are satisfied (or waived, as the case may be), or such other day as may be agreed in writing between the Company and the Subscriber A.

The Convertible Bonds

The principal terms of the Convertible Bonds to be issued under the CB Subscription Agreement are set out as follows.

Principal Amount	HK$409,388,887
Interest	The Convertible Bonds shall not bear any interest.
Maturity Date	The 360th day from the date of issue of the Convertible Bonds (or if such date is not a business day, the next business day).
Early Redemption	The Bondholder may not request early redemption of the Convertible Bonds in any event. During any time from the beginning of the Conversion Period to the Maturity Date, the Company may redeem all or part of the Convertible Bonds in multiples of the Minimum Denomination. Any redeemed bonds or portions thereof shall be automatically cancelled.
Conversion Period	The period commencing on the date falling three months after the date of issue of the Convertible Bonds and up to five business days before the Maturity Date.

Conversion Rights

The Bondholder will have the right to convert the whole or part of the principal amount of the Convertible Bonds held by it into Conversion Shares at any time during the Conversion Period in amounts of not less than a whole multiple of the Minimum Denomination on each conversion by delivering a Conversion Notice to the Company and the Certificate, provided that the conversion rights shall only be exercised to the extent that such exercise will not:

(a) cause the Company to be unable to meet the minimum public float requirements under the Rule 8.08 of the Listing Rules;

(b) result in change of control (as defined under the Takeovers Code) of the Company; or

(c) result in the Bondholder and all other persons acting in concert with it jointly controlling or being interested in, directly or indirectly, such percentage of the voting rights of the Company as would trigger a mandatory general offer as may be specified from time to time under the Takeovers Code.

Conversion Price

Initially HK$0.704 per Conversion Share, subject to adjustments.

The Conversion Price of HK$0.704 per Conversion Share represents:

(a) a discount of approximately 34.21% to the closing price of HK$1.07 per Share as quoted on the Stock Exchange on the Last Trading Date;

(b) a discount of approximately 20.00% to the average closing prices of HK$0.88 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date;

(c) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules), represented by a discount of approximately 13.78% of the theoretical diluted price of approximately HK$0.92 per Share to the benchmarked price of HK$1.07 per Share as defined under Rule 7.27B of the Listing Rules; and

(d) a cumulative theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) (the aggregation effect of the Connected Subscriptions, Subscriptions and the CB Subscription) represented by a discount of approximately 18.48% of the cumulative theoretical diluted price of approximately HK$0.87 per Share to the benchmarked price of HK$1.07 per Share as defined under Rule 7.27B of the Listing Rules.

Taking into account the expenses of the CB Subscription in the amount of approximately HK$1.1 million, the net price of each of the Conversion Share is approximately HK$0.702.

The Conversion Price was arrived at after arm's length negotiations between the Company and the Subscriber A with reference to the market prices of the Shares in the past three months, the thin trading liquidity of the Shares, the historical financial performance of the Group and the reasons for and benefits of the CB Subscription as set out in the section headed "REASONS FOR AND BENEFITS OF THE CONNECTED SUBSCRIPTIONS, THE SUBSCRIPTIONS AND THE CB SUBSCRIPTION" below.

Adjustment to Conversion Price

The Conversion Price shall from time to time be adjusted in accordance with the relevant provisions under the terms and conditions of the CB Subscription Agreement upon occurrence of the following events:

(a) in the event of an alteration of the nominal amount of the Shares by reason of consolidation, subdivision or reclassification, the Conversion Price in force immediately prior to the alteration shall be multiplied by the revised nominal amount and then divided by the original nominal amount;

(b) in the event of an issue of Shares credited as fully paid to Shareholders by way of capitalization of profits or reserves (including any share premium account or capital redemption reserve), the Conversion Price in force immediately prior to the issue shall be multiplied by a fraction of which the numerator is the aggregate nominal amount of the Shares issued and fully paid prior to the issue and the denominator is the aggregate nominal amount of the Shares after the issue;

(c) in the event of a capital distribution (including distributions in cash or specie) to Shareholders being made by the Company or rights being granted to such Shareholders to acquire assets of the Group in cash, the Conversion Price in force immediately prior to such distribution or grant shall be multiplied by the following fraction:

$$\frac{A\text{-}B}{A}$$

where,

A= the market price on the date on which the capital distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) the date immediately preceding the date of the capital distribution or, as the case may be, of the grant (i.e. the average closing price over five consecutive trading days); and

B= the fair market value on the day of such announcement or (as the case may require) the immediately preceding day, as determined in good faith by the then appointed independent financial adviser of the portion of the capital distribution or of such rights which is attributable to one Share, provided that:

(aa) if in the opinion of the relevant independent financial adviser, the use of the fair market value as aforesaid produces a result which is significantly unfair, it may instead determine (and in such event the above formula shall be construed as if B meant) the amount of the said market price which should properly be attributed to the value of the capital distribution or rights; and

(bb) the provisions of this paragraph (c) shall not apply in relation to the issue of Shares paid out of profits or reserves and Shares issued in lieu of cash dividends;

(d) in the event of offering to the Shareholders the right to subscribe for new Shares, or granting the Shareholders any options or warrants to subscribe for new Shares, at a price which is less than 80% of the market price per Share at the date of the announcement of the terms of the offer or grant, the Conversion Price in force immediately before the date of the announcement shall be multiplied by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares that could be purchased at the market price using the aggregate of the amount (if any) payable for the rights, options or warrants and the amount payable for the total number of new Shares and the denominator is the number of Shares in issue immediately before the date of such announcement plus the total number of Shares issued through rights issue or included in the options or warrants;

(e) in the event of an issue being made wholly for cash of securities which can be convertible into or exchangeable for or carry rights of subscription for new Shares, and the relevant consideration per new Share initially receivable is less than 80% of the market price at the date of the announcement of the terms of issue of such securities, the Conversion Price in force immediately prior to the issue shall be multiplied by a fraction of which the numerator is the number of Shares in issue immediately before the date of the issue plus the number of Shares that could be purchased at the market price (calculated based on the total effective consideration receivable by the Company from the issue of the securities) and the denominator is the number of Shares in issue immediately before the date of the issue plus the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities (calculated based on the initial conversion or exchange rate or subscription price);

(f) in the event that modification of the rights of conversion, exchange or subscription attaching to any such securities mentioned in (e) above arises, so that the total effective consideration per new Share initially receivable is less than 80% of the market price at the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price in force immediately prior to such modification shall be multiplied by a fraction of which the numerator is the number of Shares in issue immediately before the date of such modification plus the number of Shares that could be purchased at the market price (based on the total effective consideration receivable for the securities issued at the modified conversion or exchange price) and the denominator is the number of Shares in issue immediately before the date of such modification plus the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price. A right of conversion or exchange or subscription shall not be deemed as modification as mentioned in this clause if such modification of conversion, exchange or subscription rights merely reflects equity or capitalization issues and other events normally giving rise to modification of conversion or exchange terms;

For the purposes of paragraphs (e) and (f) above, the "total effective consideration" receivable for the securities issued shall be deemed to be the consideration receivable by the Company for the issue of any such securities plus the additional minimum consideration (if any) receivable by the Company upon (and assuming) the conversion or exchange of such securities or the exercise of such subscription rights, and the effective consideration initially receivable for each security shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue; and

(g) in the event of an issue of Shares being made wholly for cash at a price per Share which is less than 80% of the market price per Share on the date of the announcement of the terms of issue of such Shares, the Conversion Price in force immediately before the date of such announcement shall be multiplied by a fraction of which the numerator is the number of Shares in issue on the day preceding the date of such announcement plus the number of Shares that could be purchased at the market price using the aggregate amount payable for the issue and the denominator is the number of Shares in issue on the day preceding the date of such announcement plus the number of Shares so issued.

Conversion Shares

Based on the initial Conversion Price of HK$0.704 per Conversion Share, an aggregate of 581,518,305 Conversion Shares will be allotted and issued by the Company upon the exercise in full of the conversion rights attaching to the Convertible Bonds, representing:

(a) approximately 67.50% of the total number of the issued Shares as at the Latest Practicable Date;

(b) approximately 40.30% of the total number of the issued Shares as enlarged by the issue of the Conversion Shares, assuming there is no other change in the issued share capital of the Company between the Latest Practicable Date and the full conversion of the Convertible Bonds; and

(c) approximately 31.03% of the total number of the issued Shares as enlarged by the issue of the Conversion Shares, the Connected Subscription Shares and the Subscription Shares assuming there is no other change in the issued share capital of the Company between the Latest Practicable Date and the full conversion of the Convertible Bonds.

Transferability

The Convertible Bonds may be assigned in whole or in part (being an authorised denomination) to other transferee with prior consent of the Company, provided that no Convertible Bonds shall be transferred to (a) any connected person (as defined in the Listing Rules) of the Company; or (b) any person who is engaged in any competing business with the Company.

Event of Default

The Bondholder may give notice to the Company that the Convertible Bonds is immediately due and repayable if:

(a) the Company fails to pay the principal of the Convertible Bonds when due in accordance with the terms of the CB Subscription Agreement, then unless such non-payment is solely due to administrative or technical error and payment is made within seven days of the due date thereof;

(b) the Company defaults in performance or observance or compliance with any of its other obligations set out in the CB Subscription Agreement which default is incapable of remedy or, if capable of remedy, is not in the reasonable opinion of the Bondholder remedied within 14 days after notice of such default being given to the Company by the Bondholder;

(c) any present or future indebtedness of the Company for or in respect of any bonds, debentures, notes or similar instruments of indebtedness or any other monies borrowed or raised becomes due and payable prior to its stated maturity date otherwise than at the option of the Company, or is not paid when due or as the case may be, within any applicable grace period and the amount of such indebtedness exceeds the equivalent of HK$10,000,000;

(d) a security holder takes possession or a receiver, manager or other similar officer is appointed to take possession of the whole or any material part of the business, property, assets or revenues of the Company;

(e) the Company becomes insolvent or the Company initiates or consents to proceedings relating to itself under any applicable bankruptcy, reorganisation or insolvency law or scheme of arrangement while insolvent and such proceedings are not discharged or stayed within a period of 30 days (or such longer period as the Bondholder may consider appropriate);

(f) an order of court is made or an effective resolution of Shareholders is passed for the winding-up of the Company or the Company ceases or threatens to cease carrying on all or substantially all or a material part of its business or operations;

(g) a moratorium is agreed or declared in respect of any indebtedness of the Company or any governmental authority or agency seizes, compulsorily purchases, expropriates or nationalizes all or a substantial part of the assets of the Company;

(h) all or any part of the property, assets or revenues of the Company is levied, seized and sued out and is not discharged or stayed within 45 days (or such longer period as the Bondholder may consider appropriate in relation to the event concerned and confirm so in writing);

(i) proceedings are initiated (that is, issued and served) against the Company under any applicable bankruptcy, reorganisation or insolvency law or scheme of arrangement while insolvent and such proceedings are not discharged or stayed within a period of 60 days (or such longer period as the Bondholder may consider appropriate and confirm so in writing);

(j) any warranties given by the Company under the CB Subscription Agreement is found or proved to be incorrect or misleading in any material respect when made or deemed to be made, or there is a material breach by the Company of any warranties or obligation under the CB Subscription Agreement;

(k) any action, condition or matter (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations under the Convertible Bonds; (ii) to ensure that those obligations are legally binding and enforceable; and (iii) to make the Convertible Bonds admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done by the requisite time or, if in the opinion of the Bondholder such situation is remediable, within 30 days of the time when the Company becomes (or ought reasonably to have become) aware of the same; or

(l) it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under the Convertible Bonds.

Voting The Bondholder shall not be entitled to attend or vote at any meetings of the Company by reason only of it being the Bondholder.

Listing No application will be made for the listing of the Convertible Bonds. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares.

Ranking of the Conversion Shares The Conversion Shares will rank pari passu and carry the same rights in all respects with the Shares in issue as at the date of conversion.

REASONS FOR AND BENEFITS OF THE CONNECTED SUBSCRIPTIONS, THE SUBSCRIPTIONS AND THE CB SUBSCRIPTION

The Group is principally engaged in manufacture, sales 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 utilised on premium passenger vehicles, which are manufactured by its plants in Europe.

The Directors note that the car manufacturing industry is navigating a period of significant disruption. While the Group's focus on the European premium passenger vehicle market provides a degree of insulation from the intense, PRC-driven price competition in the budget and electric vehicle segments, this premium market faces its own severe pressures.

The slowdown in battery electric vehicle ("**BEV**") adoption – due partly to the high upfront purchase cost, high electricity cost, and partly to the withdrawal of government subsidies in some key markets – has not led to a simple extension of the status quo. Instead, high electric vehicle development costs and fragmented consumer demand have forced the Group's premium clients to adopt a flexible, multi-powertrain strategy, simultaneously offering electric, hybrid, and traditional internal combustion engine ("**ICE**") models.

This market dynamic presents a core challenge as although these vehicles share certain similar components, their braking and suspension systems must be engineered for each powertrain's specific requirements. Some auto components have to be refined constantly to meet clients' specifications, comply with changing environmental standards, and reduce pollution. The Group must continue to support this extended ICE age alongside the growth of new technologies, presenting both complex challenges and strategic opportunities in component design, manufacturing and technical services. With the reintroduction of subsidies in some countries in Europe next year, the Directors expect there will be recovery in the BEV market too. The Group plans to construct 15 to 20 new production lines of its suspension products and upgrade its existing production lines of its suspension products to cater for the production needs of the Group.

The Group's need for additional financial resources stems from this strategic fragmentation and steady growth of the automotive market. The Directors do not foresee a simple, linear transition from ICE to BEV; rather, the market's demand for ICE, hybrid, and EV components creates a surge in operational complexity and cost. This requires the Group to make significant parallel investments, leading to increased demands on research and development, the need for more flexible production lines, and enhanced production capacity. Furthermore, the market dynamic places immediate pressure on the Group's working capital to support a more complex inventory mix of raw materials and sub-components. It is equally important to retain the Group's talents at home and aboard. Therefore, it is imperative for the Group to replenish its financial resources to fund (i) investment in research and development; (ii) capital expenditures for the expansion of the Group's production plant in Poland; (iii) capital expenditures to upgrade production lines in the Group's production plant in Poland; (iv) the associated working capital for the enhanced capacity and inventory; and (v) working capital for operation of the Group's technical centres in Poland, Italy and France and headquarters in Hong Kong.

The Board considers the proposed Connected Subscriptions, the Subscriptions and the CB Subscription to be the most appropriate means of raising additional capital. This approach is deemed (i) more practicable and direct given the current volatile and uncertain global market conditions; and (ii) less costly, imposing a minimal financial burden compared to traditional bank borrowings, particularly given that the Convertible Bonds do not bear any interest.

The Directors consider that the terms of the Connected Subscription Agreements, the Subscription Agreements and the CB Subscription Agreement to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The gross proceeds of the Connected Subscriptions, the Subscriptions and the CB Subscription are expected to be approximately HK$712.6 million in aggregate. After deducting related fees and expenses, the net proceeds of the Connected Subscriptions, the Subscriptions and the CB Subscription will amount to approximately HK$710.4 million. The Company intends to apply the net proceeds in the following manner:

	Usage	Expected timeline of utilization
1	Approximately HK$284.2 million for the construction and upgrade of production lines at the production plants of the Group in Poland (including approximately HK$136.5 million for the construction of new production lines and approximately HK$147.7 million for the upgrade of the existing production lines)	By 31 December 2028
2	Approximately HK$213.1 million for the working capital of the production plants of the Group in Poland (including approximately HK$127.9 million for purchase of raw materials and approximately HK$85.2 million for other operating expenses)	By 31 December 2026
3	Approximately HK$177.6 million for the working capital of the technical centres in Poland, Italy and France (including approximately HK$124.3 million for remuneration of engineers and approximately HK$53.3 million for costs of production of prototype)	By 31 December 2028
4	Approximately HK$35.5 million for the working capital of the headquarters of the Company in Hong Kong (including approximately HK$16.0 million for remuneration of employees, approximately HK$16.0 million for professional fees and approximately HK$3.5 million for other operation expenses)	By 31 December 2028

The Company currently estimates that the net proceeds from the Connected Subscriptions, the Subscriptions and the CB Subscription could satisfy the financial needs of the Group in the short run. The Company has no current intention to conduct further capital fundraising activities in the next twelve months.

OTHER FUND-RAISING METHODS

The Company has considered other fund-raising methods including debt financing and equity financing before entering into the Connected Subscription Agreements, the Subscription Agreements and the CB Subscription Agreement.

In respect of debt financing, it would burden the Group with significant financial obligations which carry periodic interest payment and principal repayments, creating heavy burden on the Group's cash flow. There is also uncertainty in obtaining debt financing given the loss making position of the Group, and any debt proposal is expected to demand high interest rates and be subject to lengthy due diligence and negotiations with potential lenders. On balance, debt financing is not a suitable fund raising means for the Group's current need.

In respect of placing of new Shares, raising fund of such relative scale for the Company is subject to high uncertainty as underwriting would be highly unlikely. The uncertainty in the outcome and the amount of proceeds to be raised from such a placing exercise makes it an inappropriate equity fund raising method for the Group's current need.

In respect of rights issue or open offer, the Board considers them undesirable taking into account the following factors:

1) given the net loss position of the Group, it would take a considerable time to identify a securities firm to underwrite a rights issue or an open offer, and even if possible, the underwriting fee is expected to be substantial;

2) a rights issue or an open offer, whether underwritten or not, requires the engagement of professional parties (including reporting accountants, financial advisers and/or brokerage agent(s)), the preparation of a prospectus together with other application and administrative procedures. These processes are time-consuming and resource-intensive; and

3) in view of the current unclear market conditions due to the US tariff policy, the amount of fund that could be raised under a non-underwritten rights issue or open offer is uncertain. In order to encourage the Shareholders to participate in a rights issue or an open offer, the Company would have to set the subscription price at a deeper discount to the market price of the Shares as compared to the Connected Subscriptions, the Subscriptions and the CB Subscription so as to provide incentives to the Shareholders for participating in the fundraising of the Company, and therefore the net proceeds to be raised would be reduced. While some Shareholders may still elect not to participate in the rights issue or open offer, deeper discount to the market price of the Shares will deteriorate value of the existing Shareholder's holdings in the Company due to the lower theoretical ex-rights price.

In view of above and that (i) the Connected Subscriptions and Subscriptions will enlarge the shareholder base of the Company; and (ii) the Convertible Bonds will not have an immediate dilution effect on the shareholding of the existing Shareholders and provide interest-free funding to the Group for its development, the Board considers that the Connected Subscriptions, the Subscriptions and the CB Subscription are the most appropriate options for the Company to raise funds of similar amount with certainty and minimal impact on cashflow.

UPDATE ON USE OF PROCEEDS FROM THE RIGHTS ISSUE

Reference is made to the rights issue of the Company completed in October 2024 (the "**Rights Issue**"). As at 30 November 2025, the intended use and actual use of the net proceeds from the Rights Issue, as well as the unutilized net proceeds therefrom are as follows:

	Intended use of proceeds from the Rights Issue	Actual use of net proceeds as at 30 November 2025	Unutilized net proceeds as at 30 November 2025	Expected timeline of full utilisation of the unutilised proceeds
	HK$' million	*HK$' million*	*HK$' million*	
Working capital of the production plants of the Group in Poland and Czech Republic	25.5	25.5	0	Not applicable
Working capital of the headquarters of the Company in Hong Kong	11.6	8.5	3.1	By 28 February 2026
Working capital of the technical centres of the Group in Poland and France	9.3	9.3	0	Not applicable
Total	**46.4**	**43.3**	**3.1**	

INFORMATION OF THE PARTIES

Information of the Group

The Company is an investment holding company and its subsidiaries is principally engaged in manufacture, sales 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.

Information on the Subscriber A

The Subscriber A is an investment holding company incorporated in Hong Kong with limited liability, which is a controlling shareholder of the Company holding 532,001,553 Shares, representing approximately 61.75% of the total number of the issued Shares as at the Latest Practicable Date. The Subscriber A is a wholly-owned subsidiary of BWI (Beijing) Limited.* (京西智行(北京)汽車電子科技有限公司) ("**BWI Beijing**"). BWI Beijing is held as to 84.34% by BWI Group Limited* (張家口京西智行科技集團有限公司) ("**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) (formerly known as Zhangjiakou Financial Holding Group Co., Ltd.* (張家口金融控股集團有限公司)) ("**Zhangjiakou Industrial Investment**") which indirectly owned a total of approximately 54.33% equity interest in BWI Group. 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.

Information on the Subscriber B

Subscriber B, namely, Mr. Liu Xihe, is an executive Director.

Information on the Subscriber C

Subscriber C is an individual and a merchant. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Subscriber C is an Independent Third Party.

Information on the Subscriber D

Subscriber D is an individual and a merchant. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Subscriber D an Independent Third Party.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the total number of the issued Shares is 861,508,602. For illustrative purposes, the following table sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Connected Subscriptions and the Subscriptions; and (iii) immediately after completion of the Connected Subscriptions, the Subscriptions and full conversion of the Convertible Bonds:

Shareholders	**As at the Latest Practicable Date**		**Immediately after completion of the Connected Subscriptions and the Subscriptions**		**Immediately after completion of the Connected Subscriptions, the Subscriptions and full conversion of the Convertible Bonds** *(Note 3)*	
	Number of Shares	*Approximate % of shareholding*	*Number of Shares*	*Approximate % of shareholding*	*Number of Shares*	*Approximate % of shareholding*
Subscriber A *(Note 1)*	532,001,553	61.75%	768,916,419	59.50%	1,350,434,724	72.07%
Mr. Dong Xiaojie *(Note 2)*	9,373,907	1.09%	9,373,907	0.73%	9,373,907	0.50%
Subscriber B *(Note 2)*	–	–	64,613,145	5.00%	64,613,145	3.45%
Subscriber C	–	–	64,613,145	5.00%	64,613,145	3.45%
Subscriber D	–	–	64,613,145	5.00%	64,613,145	3.45%
Other public Shareholders	320,133,142	37.16%	320,133,142	24.77%	320,133,142	17.08%
	861,508,602	100.00%	1,292,262,903	100.00%	1,873,781,208	100.00%

Notes:

(1) Subscriber A is a wholly-owned subsidiary of BWI Beijing. BWI Beijing is held as to 84.34% by BWI Group. The largest shareholder of BWI Group is Zhangjiakou Industrial Investment, which indirectly owned a total of approximately 54.33% equity interest in BWI Group. The largest shareholder of Zhangjiakou Industrial Investment is Zhangjiakou Guokong, which indirectly held 48.13% interest in Zhangjiakou Industrial Investment. Zhangjiakou Guokong is a state-owned enterprise established in the PRC.

(2) Each of Mr. Dong Xiaojie and the Subscriber B, namely, Mr. Liu Xihe, is an executive Director.

(3) These scenarios are for illustrative purposes only. The conversion of the Convertible Bonds shall be subject to the restrictions as set forth in the paragraph headed "Conversion Rights" under the section "The Convertible Bonds" above.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

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

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, (i) the Subscriber A is the controlling shareholder of the Company which held 532,001,553 Shares, representing approximately 61.75% of the total number of the issued Shares; and (ii) the Subscriber B is an executive Director. As such, each of the Subscriber A and the Subscriber B is a connected person of the Company under Chapter 14A of the Listing Rules, and the Connected Subscriptions and the issue of the Convertible Bonds constitute connected transactions of the Company and are subject to the announcement, reporting and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all independent non-executive Directors has been formed to advise the Independent Shareholders on the Connected Subscription Agreements, the CB Subscription Agreement and the transactions contemplated thereunder (including the grant of the relevant Specific Mandate). Altus has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

(5) EGM

The Company will seek approval from the Shareholders/Independent Shareholders (where applicable) at the EGM for the Connected Subscription Agreements, the Subscription Agreements, the CB Subscription Agreement and the transactions contemplated thereunder, including the grant of the relevant Specific Mandate.

The Subscriber A and its associates are required to abstain from voting on the resolutions in respect of the Connected Subscription A and the CB Subscription at the EGM. To the best of the Director's information, belief and knowledge, having made all reasonable enquiry, save for the Subscriber A, a controlling shareholder of the Company directly holding 532,001,553 Shares, representing 61.75% of the total number of the issued Shares as at the Latest Practicable Date, no other Shareholders have any material interest in the Connected Subscription A and the CB Subscription. Therefore, only the Subscriber A is required to abstain from voting on the resolutions in relation to the Connected Subscription A and the CB Subscription (including the grant of the relevant Specific Mandate) at the EGM. The Subscriber B, namely, Mr. Liu Xihe, and his associates are required to abstain from voting on the resolutions in respect of the Connected Subscription B at the EGM. As neither the Subscriber B nor his associates hold any Shares at the Latest Practicable Date, no Shareholders are required to abstain from voting on the resolutions in relation to the Connected Subscription B (including the grant of the relevant Specific Mandate). Mr. Liu has abstained from voting for the Board resolutions approving the Connected Subscription B. In addition, as Mr. Dong Xiaojie and Dr. Xi Jianpeng are directors of the Subscriber A, and Mr. Liu is a director of BWI Beijing, the controlling shareholder of the Subscriber A, each of them has abstained from voting for the Board resolutions approving the Connected Subscription A and the CB Subscription.

A notice of the EGM is set out on pages EGM-1 to EGM-4 in this circular. At the EGM, in addition to the ordinary businesses of the meeting, resolutions will be proposed to approve the Connected Subscription Agreements, the Subscription Agreements, the CB Subscription Agreement and the transactions contemplated thereunder, including the grant of the relevant Specific Mandate. In accordance with the requirements of the Listing Rules, all votes at the EGM will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands.

A form of proxy for the EGM is enclosed herewith. Whether or not you are able to attend the EGM, you are requested to complete the form of proxy and return it to the share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as practicable but in any event not later than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the EGM, or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting (as the case may be) should you so wish.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 6 January 2026 to Friday, 9 January 2026 (both days inclusive), during which time no Share transfers will be effected. The Shareholders whose names appear on the register of members of the Company on 9 January 2026 are entitled to attend and vote in respect of the resolution to be proposed at the EGM.

(6) RECOMMENDATION

The Independent Board Committee, having considered the advice from Independent Financial Adviser, considers that the terms of the Connected Subscription Agreements, the CB Subscription Agreement are fair and reasonable and on normal commercial terms, and the Connected Subscription Agreements, the CB Subscription Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee has recommended the Independent Shareholders to vote in favour of the resolutions in respect of the Connected Subscription Agreements and the CB Subscription Agreement to be proposed at the EGM.

The Directors consider the terms of the Connected Subscription Agreements, the Subscription Agreements and the CB Subscription Agreement are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions in respect of the Connected Subscription Agreements, the Subscription Agreements and the CB Subscription Agreement and the transactions contemplated thereunder to be proposed at the EGM.

The recommendation of the Independent Board Committee is set out on pages 34 to 35 in this circular and the letter from the Independent Financial Adviser is set out on pages 36 to 58 in this circular.

Yours faithfully,
For and on behalf of
BeijingWest Industries International Limited
Dong Xiaojie
Chairman

The following is the text of the letter of recommendations, prepared for the purpose of incorporation in the circular, from the Independent Board Committee to the Independent Shareholders regarding the terms of the Connected Subscription Agreements, the CB Subscription Agreement and the transactions contemplated thereunder.

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)

19 December 2025

To the Independent Shareholders

Dear Sir or Madam,

(1) CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE; AND (2) CONNECTED TRANSACTION INVOLVING ISSUANCE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

We refer to the circular of the Company to the Shareholders dated 19 December 2025 (the "**Circular**"), in which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter will have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Connected Subscription Agreements, the CB Subscription Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to the letter of advice from Altus as set out on pages 36 to 58 of the Circular and the letter from the Board as set out on pages 6 to 33 of the Circular.

Having considered the terms of the Connected Subscription Agreements and the CB Subscription Agreement, the situation of the Company, the factors and reasons considered by Altus and its opinion as stated in its letter of advice, we consider that the terms of the Connected Subscription Agreements, the CB Subscription Agreement and the transactions contemplated thereunder, though not conducted in the ordinary and usual course of business of the Group, are fair and reasonable, and are on normal commercial terms so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions proposed at the EGM to approve the Connected Subscription Agreements and the CB Subscription Agreement.

Yours faithfully,
For and on behalf of
The Independent Board Committee of
BeijingWest Industries International Limited
Mr. Wong Foreky Mr. Lo, Gordon Ms. Peng Fan
Independent Non-executive Directors

The following is the full text of a letter from Altus Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Connected Subscription Agreements and the CB Subscription Agreement, which has been prepared for the purposes of incorporation in this circular.

ALTUS.

Altus Capital Limited
21 Wing Wo Street
Central, Hong Kong

19 December 2025

To the Independent Board Committee and the Independent Shareholders

Beijingwest Industries International Limited
Floor 3, Rooms 304-305
Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

Dear Sir or Madam,

CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE AND CONNECTED TRANSACTION INVOLVING ISSUANCE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Connected Subscription Agreements and the CB Subscription Agreement, and the transactions contemplated thereunder. Details of the Connected Subscription Agreements and the CB Subscription Agreement are set out in the "Letter from the Board" contained in the circular of the Company dated 19 December 2025 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Connected transaction involving subscription of new Shares

On 16 November 2025, the Company entered into (i) the Subscription Agreement A with the Subscriber A, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber A has conditionally agreed to subscribe for 236,914,866 Connected Subscription Shares at the subscription price of HK$0.704 per Connected Subscription Share for a total consideration of HK$166,788,065.66; and (ii) the Subscription Agreement B with the Subscriber B, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber B has conditionally agreed to subscribe for 64,613,145 Connected Subscription Shares at the subscription price of HK$0.704 per Connected Subscription Share for a total consideration of HK$45,487,654.08.

Assuming that there will be no change in the total number of the issued Shares between the Latest Practicable Date and the completion date of the Connected Subscriptions (save for the issue of the Connected Subscription Shares and the Subscription Shares), the Connected Subscription Shares represent (i) approximately 35.00% of the total number of the issued Shares as at the date of this Circular; and (ii) approximately 23.33% of the total number of the issued Shares as enlarged by the allotment and issue of the Connected Subscription Shares and the Subscription Shares, subject to completion of the Connected Subscriptions and the Subscriptions.

Connected transaction involving issuance of Convertible Bonds

On 16 November 2025, the Company and Subscriber A entered into the CB Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and Subscriber A has conditionally agreed to subscribe for, the Convertible Bonds in the principal amount of HK$409,388,887.

Based on the initial Conversion Price of HK$0.704 per Conversion Share, an aggregate of 581,518,305 Conversion Shares will be allotted and issued by the Company upon the exercise in full of the conversion rights attaching to the Convertible Bonds, representing (a) approximately 67.50% of the total number of the issued Shares as at the Latest Practicable Date; (b) approximately 40.30% of the total number of the issued Shares as enlarged by the issue of the Conversion Shares, assuming there is no other change in the issued share capital of the Company between the Latest Practicable Date and the full conversion of the Convertible Bonds; and (c) approximately 31.03% of the total number of the issued Shares as enlarged by the issue of the Conversion Shares, the Connected Subscription Shares and the Subscription Shares assuming there is no other change in the issued share capital of the Company between the Latest Practicable Date and the full conversion of the Convertible Bonds.

LISTING RULES IMPLICATIONS

As at the date of this Circular, (i) Subscriber A is the controlling shareholder of the Company which held 532,001,553 Shares, representing approximately 61.75% of the total number of the issued Shares; and (ii) Subscriber B is an executive Director. As such, each of Subscriber A and Subscriber B is a connected person of the Company under Chapter 14A of the Listing Rules, and the Connected Subscriptions and the issue of the Convertible Bonds constitute connected transactions of the Company and are subject to the announcement, reporting and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Wong Foreky, Mr. Lo, Gordon and Ms. Peng Fan, has been established to consider and advise the Independent Shareholders as to (i) whether the terms of the Connected Subscription Agreements and the CB Subscription Agreement are fair and reasonable; (ii) whether the entering into of the Connected Subscription Agreements and the CB Subscription Agreement, and the transactions contemplated thereunder, is on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolutions relating thereto to be proposed at the EGM, after taking into account the recommendation of the Independent Financial Adviser.

THE INDEPENDENT FINANCIAL ADVISER

As the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to (i) whether the terms of the Connected Subscription Agreements and the CB Subscription Agreement are fair and reasonable; (ii) whether the entering into of the Connected Subscription Agreements and the CB Subscription Agreement, and the transactions contemplated thereunder, is on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolutions relating thereto to be proposed at the EGM.

We have not acted as an independent financial adviser or financial adviser for any transactions of the Group in the last two years from the date of the Circular. Pursuant to Rule 13.84 of the Listing Rules, and given that remuneration for our engagement is at market level and not conditional upon successful passing of the resolution to be proposed at the EGM, and that our engagement is on normal commercial terms, we are independent of and not associated with the Company, its controlling shareholder or connected person(s).

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, among others, (i) the Connected Subscription Agreements and the CB Subscription Agreement; (ii) the annual report of the Company for the years ended 31 December 2024 (the "**2024 Annual Report**"); (iii) interim report of the Company for the six months ended 30 June 2025 (the "**2025 Interim Report**"); (iv) other information as set out in the Circular; and (v) the announcement of the Company of 17 November 2025 on, among others, the Connected Subscription Agreements and the CB Subscription Agreement (the "**Announcement**").

We have also relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Group (the "**Management**"). We have assumed that all the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete at the time they were made and will continue to be so up to the date of the EGM. The Directors collectively and individually accept full responsibility, including 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 the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in the Circular misleading.

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading. We consider that we have been provided with, and have reviewed, sufficient information to reach an informed view and provide a reasonable basis for our opinion. We have not, however, conducted an independent investigation into the business, financial conditions and affairs or future prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

1. Background Information

1.1 Principal business of the Group

The Group is principally engaged in manufacture, sales 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 utilised on premium passenger vehicles, which are manufactured by its plants in Europe.

1.2 Financial Information of the Group

Set out below are tables summarising certain key financial information of the Group extracted from the 2024 Annual Report and 2025 Interim Report.

Extract of consolidated statement of profit or loss

	Year ended 31 December 2024 ("FY2024") *Audited* *HK$'000*	Year ended 31 December 2023 ("FY2023") *Audited* *HK$'000*	6 months ended 30 June 2025 ("1H2025") *Unaudited* *HK$'000*	6 months ended 30 June 2024 ("1H2024") *Unaudited* *HK$'000*
Revenue	2,774,721	2,708,861	1,627,054	1,447,238
Cost of Sales	(2,316,464)	(2,310,143)	(1,478,401)	(1,225,498)
Gross profit	458,257	398,718	148,653	221,740
Administrative expenses	(184,618)	(172,173)	(86,533)	(83,647)
Research and development expenses	(392,888)	(275,546)	(90,828)	(177,369)
Loss for the year/period	(127,972)	(55,320)	(29,709)	(51,594)

FY2024 vs. FY2023

For FY2024, the Group generated revenue of approximately HK$2,644.8 million from the manufacture and sale of suspension products, compared to approximately HK$2,509.0 million in FY2023. This increase in revenue during FY2024 was primarily driven by a higher volume of orders at the Group's facilities in Poland and the Czech Republic.

In FY2024, the Group reported a gross profit of approximately HK$458.3 million and a gross profit margin of 16.5%, compared to approximately HK$398.7 million and 14.7% respectively for FY2023. The improvement in the gross profit margin was primarily attributable to lower inflation in the regions where the Group operated during FY2024, which eased cost pressures on goods sold and supported stronger profitability.

Administrative expenses and research and development expenses represented significant operating costs for the Group. Administrative expenses mainly comprised salaries for administrative personnel and management service fees. For FY2024, administrative expenses rose by 7.2% to approximately HK$184.6 million (2023: HK$172.2 million). This increase was primarily driven by higher business activities following the easing of COVID-19 restrictions, resulting in greater overall expenditure.

The Group's research and development expenses rose significantly by 42.6% to approximately HK$392.9 million in FY2024 (FY2023: HK$275.5 million). These expenses primarily comprised salaries for technical personnel and technical service fees. The substantial increase was mainly attributable to intensified R&D efforts on new automobile braking products, which typically incur higher costs during the initial development phase, combined with annual salary increases for technical staff.

As a result of the above, the Group recorded loss for the year of approximately HK$128.0 million and HK$55.3 million for FY2024 and FY2023 respectively.

1H2025 vs. 1H2024

For 1H2025, the Group recorded revenue of approximately HK$1,527.4 million from the manufacture and sale of suspension products (1H2024: HK$1,336.1 million). The increase was primarily driven by higher order volume at the plants in Poland, partially offset by a decline at the Czech Republic plant due to its planned closure. Revenue from the provision of technical services amounted to approximately HK$99.6 million in 1H2025 (1H2024: HK$111.1 million).

For 1H2025, the Group's gross profit fell to approximately HK$148.7 million with a gross profit margin of 9.1% (2024: HK$221.7 million and 15.3%). The decline was primarily attributable to lower-than-expected utilisation at the Czech Republic plant and provisions/losses related to its planned closure, which offset the benefit of higher revenue.

Administrative expenses mainly consisted of salaries for administrative staff and management services fees paid to related companies. They were relatively stable at approximately HK$86.5 million and HK$83.6 million for 1H2025 and 1H2024 respectively.

For 1H2025, the Group's research and development expenses decreased by approximately 48.8% to HK$90.8 million (1H2024: HK$177.4 million). This reduction of expenses, mainly comprising technical staff salaries and fees to related companies, was a result of stricter cost controls and substantially lower spending on new projects.

As a result of the above, the recorded losses for the period for 1H2025 and 1H2024 were approximately HK$29.7 million and HK$51.6 million respectively.

Extract of consolidated statement of financial position

	As at 31 December 2023	**As at 31 December 2024**	**As at 30 June 2025**
	HK$'000	*HK$'000*	*HK$'000*
	(Audited)	*(Audited)*	*(Unaudited)*
Non-current assets	**904,966**	**976,782**	**946,946**
– Property, plant and equipment	430,865	434,936	498,769
– Right-of-use assets	283,198	243,621	256,166
– Other non-current assets	187,619	292,965	183,495
Current assets	**1,047,353**	**1,055,853**	**1,149,920**
– Inventories	180,359	190,634	207,057
– Trade receivables from third parties	344,038	286,682	475,779
– Trade receivables from related parties	275,125	332,120	225,499
– Cash and cash equivalents	135,964	134,051	96,302
Non-current liabilities	**410,160**	**379,126**	**388,170**
– Lease liabilities	261,655	220,047	245,887
Current liabilities	**688,225**	**903,687**	**923,061**
– Trade payables to third parties	362,667	389,305	498,086
– Trade payables to related parties	133,833	294,946	155,794
– Contract liabilities, other payables and accruals	93,096	136,810	172,066
Total Equity	**853,934**	**749,822**	**785,635**

31 December 2023 vs 31 December 2024

The Group's non-current assets primarily consisted of property, plant and equipment (PPE), right-of-use assets, and other non-current assets. PPE was predominantly made up of machinery and equipment, which accounted for approximately 74.0% of total PPE as at 31 December 2023 and 67.7% as at 31 December 2024. Right-of-use assets mainly related to leased buildings, representing around 93% of the total right-of-use assets balance as at both 31 December 2023 and 2024.

Overall, non-current assets increased from HK$905.0 million as at 31 December 2023 to HK$976.8 million as at 31 December 2024. This rise was mainly due to the increase in other non-current assets, which primarily comprised contract fulfilment costs. These costs represented pre-production expenses directly attributable to specific customer contracts or to anticipated contracts that the Group has already identified.

The Group's current assets remained broadly stable, at approximately HK$1.0 billion as at both 31 December 2023 and 31 December 2024. They mainly consisted of inventories, trade receivables, and cash and cash equivalents. The Group's operations are working-capital intensive, with funds primarily deployed to purchase raw materials, pay employee remuneration, fund capital expenditure, support research and development activities, and meet other operating expenses.

In FY2024, the Group continued to experience a net cash outflow (after adjusting for the impact of foreign exchange rate movements on cash balances). As at 31 December 2024, cash and cash equivalents stood at approximately HK$134.1 million, compared with HK$136.0 million a year earlier.

The Group's non-current liabilities mainly represented lease liabilities recorded in relation to leases where the Group was a lessee. The decrease in non-current liabilities from approximately HK$410.2 million as at 31 December 2023 to approximately HK$379.1 million as at 31 December 2024, was mainly attributable to the repayment of lease liabilities during FY2024.

The Group's current liabilities primarily comprised trade payables, contract liabilities, other payables and accruals. They increased from approximately HK$688.2 million as at 31 December 2023 to HK$903.7 million as at 31 December 2024, driven mainly by an increase in trade payables due to related parties, which grew from HK$133.8 million to HK$294.9 million over the same period.

Overall, the Group's net assets declined from approximately HK$853.9 million as at 31 December 2023 to HK$749.8 million as at 31 December 2024, with the substantial rise in current liabilities being the principal factor.

31 December 2024 vs 30 June 2025

The decrease of non-current assets from approximately HK$979.8 million as at 31 December 2024 to HK$946.9 million as at 30 June 2025 was primarily due to the decrease in other non-current assets, driven by the reduction in contract fulfilment costs.

The increase in current assets from approximately HK$1,055.9 million as at 31 December 2024 to approximately HK$1,149.9 million as at 30 June 2025 was mainly attributable to the increase in trade receivables balances, which were in-line with the increased level of revenue. Nonetheless, the Group's cash and cash equivalents decreased from approximately HK$134.0 million as at 31 December 2024 to HK$96.3 million as at 30 June 2025. During 1H2025, the Group recorded net cash used in operating activities of approximately HK$2.9 million, net cash used in investing activities of approximately HK$24.4 million and net cash used in financing activities of approximately HK$15.2 million.

Non-current liabilities remained relatively stable approximately HK$379.1 million and HK$388.2 million as at 31 December 2024 and 30 June 2025 respectively, with lease liabilities continuing to be the major component.

Current liabilities as at 30 June 2025 showed no material fluctuations compared with the balance as at 31 December 2024.

The Group's net assets amounted to approximately HK$749.8 million as at 31 December 2024 and HK$785.6 million as at 30 June 2025.

1.3 Prospects of the Group

As the Group mainly serves premium passenger vehicle makers, its performance depends heavily on the European automotive market. In 2024, Europe produced about 14.76 million passenger vehicles, up 4.4% from 2023 but still 18.6% below 2019 levels, showing that the industry has not fully recovered. The International Monetary Fund forecasts eurozone GDP growth of 1.5% in 2025, suggesting steady economic conditions that should support the Group's business.

The closure of the Group's plant in Cheb, Czech Republic is progressing as planned. Most production lines will be moved to Krosno, Poland by 2025 year-end, and the Cheb site will be returned to the landlord by the end of the first quarter of 2026. Management expects that consolidating production will lower costs, improve resource use, and strengthen future operations.

With strong technical know-how and long-term relationships with major vehicle manufacturers, the Group is well-positioned to capture new opportunities and develop products that meet customers' technical needs. Continued investment in R&D and engineering remains essential to maintaining industry leadership, boosting competitiveness, and supporting customer demands as the automotive sector evolves.

Despite pricing pressure and rising commodity costs, the Group can keep its gross profit margin at a reasonable level. While challenges remain, the Group is confident in its long-term sustainable development.

2. The Company's rationale for the Connected Subscriptions and the CB Subscription and use of proceeds

The Group primarily manufactures, sells, and trades automotive parts, focusing on suspension systems for premium passenger vehicles produced at its European plants.

The automotive industry is undergoing major disruption. While the Group's emphasis on Europe's premium segment shields it from intense China-driven price wars in mass-market and electric vehicle sectors, this niche faces its own challenges. Slower BEV uptake, driven by high costs and subsidy withdrawals, has not prolonged the ICE era straightforwardly. Instead, premium equipment manufacturers are pursuing multi-powertrain strategies (BEV, hybrid, ICE), requiring powertrain-specific braking and suspension systems. Components must continually evolve to meet client demands, stricter emissions rules, and pollution-reduction goals.

This fragmentation extends the ICE era while accelerating new-tech development, creating both challenges and opportunities in design, manufacturing, and technical services. With some European subsidies returning next year, BEV demand is expected to rebound. The resulting market complexity demands parallel investments across powertrains, driving up research and development, flexible production, capacity expansion, inventory, and working capital needs, alongside talent retention.

With the aforementioned changes and challenges in the industry that the Group operates in, we concur with the Management that additional funding is necessary for: (i) research and development; (ii) Poland plant expansion; (iii) production line upgrades in Poland; (iv) associated working capital; and (v) operations of technical centres in Poland, Italy, France, and Hong Kong headquarters.

The net proceeds from the Connected Subscriptions, CB Subscription and Subscriptions are expected to total approximately HK$710.4 million, which the Company intends to allocate as follows: approximately HK$284.2 million for constructing new production lines and upgrading existing ones at the Group's production plants in Poland; approximately HK$213.1 million for working capital of the Poland production plants (including raw material purchases and operating expenses); HK$177.6 million for working capital of the technical centres in Poland, Italy and France (including engineers' remuneration and prototype production costs); and approximately HK$35.5 million for working capital of the Company's Hong Kong headquarters (including employee remuneration, professional fees and other operation expenses).

Taking into account that the Group intends to focus on its production lines in Poland following the closure of its plants in United Kingdom, we are of the view that it is fair and reasonable to allocate 70% (i.e. approximately HK$497.3 million) of the proceeds to the productions plants in Poland and 25% (i.e. approximately HK$177.6 million) to the technical centres, supporting the Group's consistent focus on research and development for innovation and future orders. In particular, as aforementioned under the paragraph headed "1.2 Financial information of the Group", the increase in revenue in FY2024 as compared to FY2023 as well as the increase in revenue in 1H2025 as compared to 1H2024 was primarily due to the increase in number of orders in the plant in Poland. The proposed upgrade of the production lines can potentially enhance value by increasing capacity to meet growing demand, improve efficiency and secure long-term competitiveness. In addition, the Company completed a rights issue in October 2024 where 75% of the proceeds were also intended to be used for the Group's the production plants and the technical centres in Europe. Such rights issue raised approximately HK$46.4 million, where only HK$3.1 million is unutilized as at 30 November 2025. As such, we are of the view that the allocation of the proceeds is in line with the overall and continuing business plans of the Group and are fair and reasonable and in the interest of the Company and Shareholders as a whole.

Furthermore, considering the Group's cash outflow for purchases of property, plant and equipment amounted to approximately HK$117.4 million in FY2024 and HK$37.7 million in 1H2025 and that administrative expenses along with research and development expenses amounted to approximately HK$577.5 million for FY2024 and HK$177.3 million for 1H2025, we are of the view that net proceeds of HK$710.4 million raised are consistent with the business plans and operation results of the Group and that such funds can assist in materialising the aforementioned business plans, thereby enhancing shareholder value. As such we are of the view that the amount of funds raised is in the interest of the Company and Shareholders as a whole and its allocation are consistent with the Company's strategic plans and are fair, reasonable, and in the interests of the Company and the Shareholders as a whole, as corroborated by the 2024 Annual Report and 2025 Interim Report.

As the proceeds are intended to enhance (i) capacity of production lines; and (ii) technical centres, which then aim to capture more market opportunities and develop products that meet the needs of customers, we concur with the Management that the dilution is to be viewed as part of funding cost for expansions that, in return, can potentially enhance shareholder value.

The enhancement of working capital via the Connected Subscriptions and the CB Subscription is in line with the Company's strategy and development plans, and is in the interest of the Company and Shareholders as a whole.

Other fundraising alternatives

We understand from the Management that the Company evaluated alternative fundraising methods before proceeding with the Connected Subscriptions and CB Subscription.

The Management had considered debt financing, which would impose heavy interest and repayment obligations, straining cash flow, and is difficult to secure given the Group's loss-making position, with lenders likely demanding high interest rates and lengthy due diligence. We are of the view that it is therefore not the most suitable and feasible fund raising alternative.

Equity financing such as market placement of new shares using general mandate carries high uncertainty, as underwriting is unlikely and placing under best effort basis makes both timing and proceeds unpredictable.

Management also considered that rights issues or open offers are undesirable because: (i) securing underwriters would be slow and costly amid the Group's ongoing operating losses; (ii) they require extensive professional engagement, prospectus preparation, and time-consuming procedures; and (iii) in the current uncertain market environment, a deep discount would be needed to attract underwriter participation, reducing net proceeds and causing greater dilution and value erosion for existing shareholders compared with the Connected Subscriptions and CB Subscription.

In contrast, the Connected Subscriptions provide certainty of funds and broaden the shareholder base, while the Convertible Bonds offer interest-free capital with no immediate dilution.

Therefore, we are of the view that the Connected Subscriptions and Convertible Bond Subscription are the most suitable funding route, being more practical and direct amid volatile markets, and cheaper than bank loans (especially with the Convertible Bonds carrying zero-interest rate).

3. Principal terms of the Connected Subscription Agreements

Set out below is a summary of the principal terms of the Connected Subscription Agreements. Further details of the Subscription Agreement are set out in the Letter from the Board.

3.1. The Subscription Agreement A

Parties:	1. The Company as issuer; and 2. Subscriber A as subscriber
Subscription price and number:	Subscriber A has agreed to subscribe for 236,914,866 Connected Subscription Shares at the Connected Subscription Price of HK$0.704 per Connected Subscription Share for a total consideration of HK$166,788,065.66

As at the Latest Practicable Date, Subscriber A is the controlling shareholder of the Company which held 532,001,553 Shares, representing approximately 61.75% of the total number of the issued Shares.

The Connected Subscription Shares A make up approximately 27.5% of the Company's total issued shares as of the Latest Practicable Date. After the Company issues both the Connected Subscription Shares A and the Subscription Shares, they will represent approximately 18.3% of the enlarged total issued shares (assuming both subscriptions are completed and no other shares are issued).

3.2. The Subscription Agreement B

Parties:	1. The Company as issuer; and 2. Subscriber B as subscriber
Subscription price and number:	Subscriber B has agreed to subscribe for 64,613,145 Connected Subscription Shares at the Connected Subscription Price of HK$0.704 per Connected Subscription Share for a total consideration of HK$45,487,654.08

As at the Latest Practicable Date, Subscriber B is an executive Director. The parties to the Subscription Agreement B agree that Subscriber B may choose to establish a limited liability company as its nominee for the Connected Subscription B, and the nominee shall assume all rights and obligations arising from the Subscription Agreement B and the Connected Subscription B.

The Connected Subscription Shares B represent approximately 7.5% of the company's current total issued shares as of the Latest Practicable Date. After issuing both these Connected Subscription Shares B and the other Subscription Shares, they will make up approximately 5.0% of the enlarged total issued shares (assuming both subscriptions complete and no other shares are issued in the meantime).

3.3 The Connected Subscription Price

The Connected Subscription Price (which is the same as the Subscription Price and Conversion Price) of HK$0.704 per Connected Subscription Share represents:

(i) a discount of approximately 34.21% to the closing price of HK$1.07 per Share as quoted on the Stock Exchange on the Last Trading Date;

(ii) a discount of approximately 20.00% to the average closing prices of HK$0.88 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date;

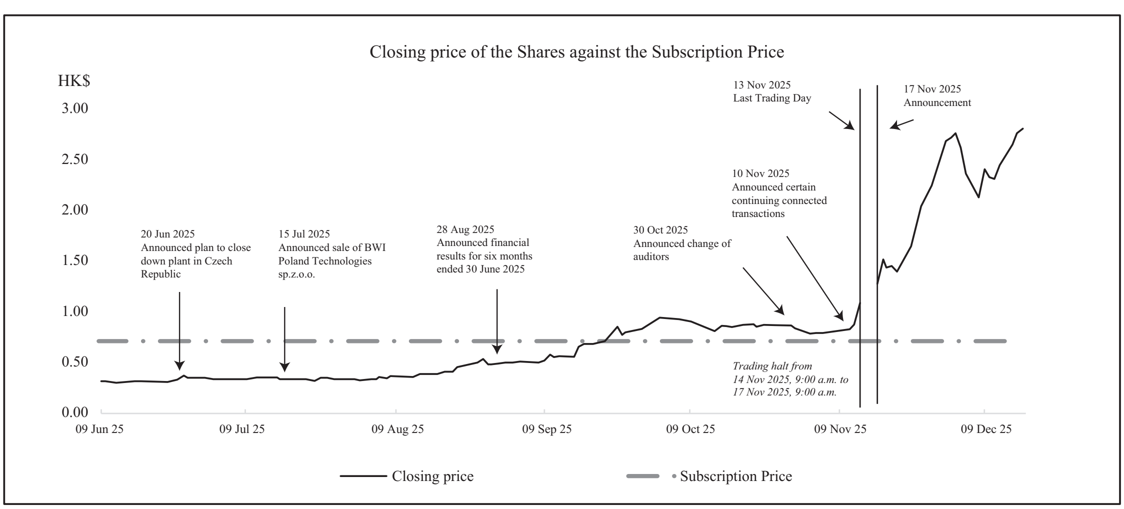
(iii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules), represented by a discount of approximately 11.40% of the theoretical diluted price of approximately HK$0.95 per Share to the benchmarked price of HK$1.07 per Share as defined under Rule 7.27B of the Listing Rules; and

(iv) a cumulative theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) (the aggregation effect of the Connected Subscriptions, the Subscriptions and the CB Subscription) represented by a discount of approximately 18.48% of the cumulative theoretical diluted price of approximately HK$0.87 per Share to the benchmarked price of HK$1.07 per Share as defined under Rule 7.27B of the Listing Rules.

In assessing the reasonableness and fairness of the Connected Subscription Price, we have conducted the following analysis.

3.3.1 Historical trading price of Shares

Set out below is a chart showing the movement of the daily closing prices of the Shares as quoted on the Stock Exchange during the six-month period from 14 May 2025 up to and including 13 November 2025 (being the Last Trading Date) (the "**Review Period**"), and from the date of the Announcement to the Latest Practicable Date, and Subscription Price/ Conversion Price for comparison. We consider the Review Period of six months adequately reflects recent market perception of the value of the Company and trading activities of the Shares.



From the start of Review Period, the closing price per Share had hovered between HK$0.30 and HK$0.40 up till mid-August 2025. It breached the HK$0.40 level on 19 August 2025 and recorded an acute upward trend reaching HK$0.94 on 3 October 2025. Closing price per Share then moderated to between HK$0.80 and HK$0.90 level and recorded HK$0.86 on 12 November 2025. Share prices rose sharply on the Last Trading Day, closing at HK$1.07 per Share before the Announcement was made on 17 November 2025.

During the Review Period, the Company had announced on 20 June 2025 its plan to close down its plant located in Cheb in the Czech Republic in phases starting from the third quarter of 2025 in order to enhance the Group's overall operating efficiency. On 15 July 2025, the Company announced the sale of its wholly-owned subsidiary BWI Poland Technologies sp.z.o.o. to the Company's controlling Shareholder which constituted a connected transaction under Chapter 14A of the Listing Rules. The aforesaid two announcements did not appear to have impact on the trading price of Shares during the Review Period.

Between the aforesaid period of acute upward trend from mid-August 2025 to early October 2025, the Company announced its financial results for the six months ended 30 June 2025 on 28 August 2025 which may have had effects on the Share trading prices. Leading up to the Last Trading Day, the Company announced a change of its auditors on 30 October 2025 and certain continuing connected transactions on 10 November 2025 which did not appear to have affected Share trading prices. Closing prices of Shares increased significantly on the Last Trading Date and continued to rise after the Announcement reaching HK$2.80 on the Latest Practicable Date.

While the Subscription Price of HK$0.704 is at a discount to the closing price on the Last Trading Day and at discounts to closing prices since September 2025, we also noted distortions caused by acute price increases as described above. For example, compared to 3-month average closing price of Shares up to the Last Trading Date of HK$0.705 per Share, the Subscription Price is at similar level. Subscription Price would be at a premium of 37.2% to the 6-month average closing price of Shares up to the Last Trading Date of HK$0.513 per Share.

Based on the above, we are of the view that the Subscription Price, which is the same as the Connected Subscription Price and the Conversion Price, is fair and reasonable compared with recent market trading trend of the Share.

3.3.2 Comparison with requirements of Listing Rules

Pursuant to Rule 7.27B, a listed issuer may not undertake specific mandate placing that would result in a theoretical dilution effect of 25% or more. As shown above, this requirement of Listing Rules has been complied with both in terms of theoretical dilution effect of the Connected Subscriptions and Subscriptions as well as cumulative theoretical dilution effect when the CB Subscription is considered.

3.3.3 Valuation comparison with Industry Comparables

To further assess the fairness and reasonableness of the Subscription Price, we have also considered the valuation of the Company implied by the Subscription Price compared with the prevailing valuations of other companies in the similar industries and engaged in similar business which are of similar scale. In terms of valuation parameters, as the Company was loss making, we could not apply the price-to-earnings ratio analysis. We conducted analysis on the price-to-book ratio (the "**P/B Ratio(s)**"), a parameter also commonly employed in asset-intensive companies such as manufacturing sector which requires capital expenditures on production facilities.

Specifically, coverage of our analysis involved comparing the Company's P/B Ratio with those of listed entities on the Stock Exchange engaged in similar business activities and have comparable size (the "**Comparable(s)**"). We have set out below the criteria for the purpose of identifying the Comparables:

(i) a company whose shares are similarly listed on the Main Board of the Stock Exchange;

(ii) a company which is principally engaged in the business of research and development and manufacturing of automotive components; and

(iii) a company which market capitalisation as at the Latest Practicable Date was up to HK$5 billion.

Based on the above criteria, we have identified an exhaustive list of eight Comparables as set out below.

Stock code	**Company name**	**Principal business**	**Market capitalisation** *(HK$ million)*	**Net asset value ("NAV")** *(HK$ million)*	**P/B Ratio** *(times)*
1571	Xin Point Holdings Limited	Manufacture and sale of automotive and electronic components.	3,763.7	3,886.2	0.97
1057	Zhejiang Shibao Company Limited	Research and development, production and sales of automotive steering system and components.	3,775.9	2,247.7	1.68
1760	Intron Technology Holdings Limited	Development of automotive components engineering solutions.	2,219.2	2,724.0	0.81

Stock code	Company name	Principal business	Market capitalisation *(HK$ million)*	Net asset value ("NAV") *(HK$ million)*	P/B Ratio *(times)*
6162	China Tianrui Automotive Interiors Co., Ltd ("**China Tianrui**")	Manufacture and sale of automotive interior and exterior decorative components and parts.	660.0	265.6	2.49
929	IPE Group Limited	Manufacture and sale of precision metal components for automotive parts, hydraulic and electronic equipment components.	810.2	1,858.6	0.44
6830	Huazhong In-Vehicle Holdings Company Limited	Manufacture and sale of internal and external structural and decorative parts of automobiles, moulds and tooling of automobiles.	437.0	1,544.2	0.28
1148	Xinchen China Power Holdings Limited	Development, manufacture and sale of automotive engines for passenger vehicles and light duty commercial vehicles and manufacture of engine parts and components of passenger vehicles.	429.5	1,947.8	0.22
48	China Automotive Interior Decoration Holdings Limited	Manufacture and sale of nonwoven fabric products used in automotive interior decoration and other parts.	64.4	193.6	0.33
				Minimum	0.22
				Maximum	2.49
				Average	0.90
				Median	0.63
2339	**The Company**		**606.5**	**785.6**	**0.77**

Notes:

1. Market capitalisation is calculated based on the share closing price times the total number of shares in issue as at the Latest Practicable Date.

2. Where applicable, the net asset value attributable to shareholders of the Comparables is extracted from their respective latest published annual/interim/quarterly results announcement/report prior to the Latest Practicable Date.

3. P/B Ratio of the Comparables is calculated based on the respective market capitalisation as described in note 1 above and divided by the respective net asset value as described in note 2 above.

4. The implied market capitalisation of the Company is calculated based on the Subscription Price and 861,508,602 issued Shares. The implied P/B Ratio of the Company is calculated based on the implied market capitalisation, divided by the Group's NAV as at 30 June 2025 per the 2025 Interim Report.

As shown in the table above and based on the implied market capitalisation derived using the Subscription Price and comparing it to the Group's NAV attributable to Shareholders, the implied P/B Ratio is 0.77 times. This falls within the P/B Ratio range of the Comparables. It is higher than the median P/B Ratio of 0.63 times but lower than the average P/B Ratio of 0.90 times of the selected Comparables.

We observed from the P/B Ratios of the Comparables that the P/B Ratio of China Tianrui is particularly high at 2.49 times compared with the range of other Comparables of between 0.22 and 1.68 times. Looking into the market trading of China Tianrui recently, we noted that there had been changes in its majority shareholder as well as board members and management in end August and early September 2025. This may have triggered the anomalous increase in China Tianrui's share price of close to three times from about HK$0.11 in early September 2025 to HK$0.33 as at the Latest Practicable Date, resulting in the aforesaid high P/B Ratio. If the P/B Ratio of China Tianrui is excluded, the average P/B Ratio of the Comparables would have been 0.68 times, which is lower than the P/B Ratio of the Company as implied by the Subscription Price.

Overall, from the perspective of market comparable analysis based on the P/B Ratio valuation parameter, we are of the view that the Subscription Price (and hence the Connected Subscription Price) is fair and reasonable and is determined on normal commercial terms.

4. Principal terms of the CB Subscription Agreement

On 16 November 2025, the Company and Subscriber A entered into the CB Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and Subscriber A has conditionally agreed to subscribe for, the Convertible Bonds in the principal amount of HK$409,388,887.

Set out below is a summary of the principal terms of the Convertible Bonds to be issued under the CB Subscription Agreement. Further details of are set out in the Letter from the Board.

Principal Amount	HK$409,388,887
Interest	The Convertible Bonds shall not bear any interest.
Maturity Date	The 360th day from the date of issue of the Convertible Bonds (or if such date is not a business day, the next business day).
Early Redemption	The Bondholder may not request early redemption of the Convertible Bonds in any event. During any time from the beginning of the Conversion Period to the Maturity Date, the Company may redeem all or part of the Convertible Bonds in multiples of the Minimum Denomination. Any redeemed bonds or portions thereof shall be automatically cancelled.
Conversion Period	The period commencing on the date falling three months after the date of issue of the Convertible Bonds and up to five business days before the Maturity Date.
Conversion Rights	The Bondholder will have the right to convert the whole or part of the principal amount of the Convertible Bonds held by it into Conversion Shares at any time during the Conversion Period in amounts of not less than a whole multiple of the Minimum Denomination on each conversion by delivering a Conversion Notice to the Company and the Certificate, provided that the conversion rights shall only be exercised to the extent that such exercise will not: (a) cause the Company to be unable to meet the minimum public float requirements under the Rule 8.08 of the Listing Rules; (b) result in change of control (as defined under the Takeovers Code) of the Company; or

(c) result in the Bondholder and all other persons acting in concert with it jointly controlling or being interested in, directly or indirectly, such percentage of the voting rights of the Company as would trigger a mandatory general offer as may be specified from time to time under the Takeovers Code.

Conversion Price

Initially HK$0.704 per Conversion Share, subject to adjustments.

The Conversion Price of HK$0.704 per Conversion Share represents:

(a) a discount of approximately 34.21% to the closing price of HK$1.07 per Share as quoted on the Stock Exchange on the Last Trading Date;

(b) a discount of approximately 20.00% to the average closing prices of HK$0.88 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date;

(c) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules), represented by a discount of approximately 13.78% of the theoretical diluted price of approximately HK$0.92 per Share to the benchmarked price of HK$1.07 per Share as defined under Rule 7.27B of the Listing Rules; and

(d) a cumulative theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) (the aggregation effect of the Connected Subscriptions, Subscriptions and the CB Subscription) represented by a discount of approximately 18.48% of the cumulative theoretical diluted price of approximately HK$0.87 per Share to the benchmarked price of HK$1.07 per Share as defined under Rule 7.27B of the Listing Rules.

Conversion Shares	Based on the initial Conversion Price of HK$0.704 per Conversion Share, an aggregate of 581,518,305 Conversion Shares will be allotted and issued by the Company upon the exercise in full of the conversion rights attaching to the Convertible Bonds, representing: (a) approximately 67.50% of the total number of the issued Shares as at the Latest Practicable Date; (b) approximately 40.30% of the total number of the issued Shares as enlarged by the issue of the Conversion Shares, assuming there is no other change in the issued share capital of the Company between the Latest Practicable Date and the full conversion of the Convertible Bonds; and (c) approximately 31.03% of the total number of the issued Shares as enlarged by the issue of the Conversion Shares, the Connected Subscription Shares and the Subscription Shares assuming there is no other change in the issued share capital of the Company between the Latest Practicable Date and the full conversion of the Convertible Bonds.

4.1 Conversion Price

The Conversion Price of HK$0.704 is the same as the Connected Subscription Price. We note that by financial market conventions on convertible securities, conversion price is typically set at a premium to the market price of the underlying shares because investors are investing into a hybrid security that offers both features of fixed income of a bond and potential upside of equity. The premium is justified by regular interest which investors may receive from the convertible securities and the downside protection as the value convertible securities theoretically will not drop below its principal amount.

In respect of the fairness and reasonableness of the Conversion Price which is at a discount to recent market trading price of Shares, we have considered the fact that (i) the Convertible Bonds does not bear any interest; (ii) the Bondholder may not request early redemptions of the Convertible Bonds while the Company has the discretion of redeeming the Convertible Bonds during the Conversion Period which afforded the Bondholder less flexibility and will affect the time value of its convertible feature. Coupled by the above analysis that the Conversion Price (which is the same as the Subscription Price) is, for example, at similar level and at premium of 37.2% respectively to the 3-month and 6-month average closing prices of Shares up to the Last Trading Date, we are of the view that the Conversion Price is fair and reasonable.

4.2 Interest rate

The conversion feature aside, the zero-interest rate structure effectively enables the Company to utilise the capital secured from the Convertible Bonds at no funding cost and is in the interest of the Company and Shareholders as a whole.

5. Shareholding structure and possible dilution effect of the Connected Subscription Shares and Convertible Bonds

As at the Latest Practicable Date, the total number of the issued Shares is 861,508,602. The following table illustrates the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Connected Subscriptions and the Subscriptions; and (iii) immediately after completion of the Connected Subscriptions, the Subscriptions and full conversion of the Convertible Bonds:

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Connected Subscriptions and the Subscriptions		Immediately after completion of the Connected Subscriptions, the Subscriptions and full conversion of the Convertible Bonds *(Note 1)*	
	Number of Shares	*Approximate % of shareholding*	*Number of Shares*	*Approximate % of shareholding*	*Number of Shares*	*Approximate % of shareholding*
Subscriber A	532,001,553	61.75%	768,916,419	59.50%	1,350,434,724	72.07%
Mr. Dong Xiaojie	9,373,907	1.09%	9,373,907	0.73%	9,373,907	0.50%
Subscriber B	–	–	64,613,145	5.00%	64,613,145	3.45%
Subscriber C	–	–	64,613,145	5.00%	64,613,145	3.45%
Subscriber D	–	–	64,613,145	5.00%	64,613,145	3.45%
Other public Shareholders	320,133,142	37.16%	320,133,142	24.77%	320,133,142	17.08%
	861,508,602	100.00%	1,292,262,903	100.00%	1,873,781,208	100.00%

Note 1: These scenarios are for illustrative purposes only. The conversion of the Convertible Bonds shall be subject to the restrictions as set forth in the "Letter from the Board" of this Circular.

We observed from the table above that the shareholding interests of Independent Shareholders will be diluted from 37.16% to 24.77% upon completion of the Connected Subscriptions and the Subscriptions. Their shareholding could potentially be further diluted up to a maximum of 17.08% if the Convertible Bonds are converted in full. While the aforesaid potential dilution effects are in itself a disadvantage to Independent Shareholders, taking into account the potential cash proceeds to the Company and the fact that the Subscription Price, the Connected Subscription Price and the Conversion Price are in our view fair and reasonable as described above, we believe the extent of shareholding dilution above is acceptable.

We noted, based solely on the scenario illustrated in the table above, that if the Convertible Bonds are converted in full, the Company may not be able to meet the minimum public float requirements under the Rule 8.08 of the Listing Rules. Under the terms of the Convertible Bonds, the Bondholder shall not exercise its conversion rights to the extent that the Company cannot maintain its minimum public float. In this scenario and on the assumption that the Bondholder does not transfer the Convertible Bonds to other holders, the dilution to the Independent Shareholders could potentially be lower.

RECOMMENDATION

We have considered the above principal factors and reasons and, in particular having taken into account the following in arriving at our opinion:

(i) The Connected Subscriptions and the CB Subscription are appropriate fund raising method currently available to the Group due to the reasons set forth under the section headed "2. The Company's rationale for the Connected Subscriptions and the CB Subscription and use of proceeds"

(ii) The terms of the Connected Subscription Agreements and CB Subscription Agreement are fair and reasonable and in the interest of the Company and Shareholders as a whole;

(iii) The potential dilution effect to the shareholding interest of the Independent Shareholders arising from the Connected Subscriptions and full conversion of the Convertible Bonds is acceptable;

We are of the view that in respect of the Connected Subscription and the CB Subscriptions, though they are not conducted in the ordinary and usual course of business of the Group, the terms of the Connected Subscription Agreements and CB Subscription Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Connected Subscription Agreements and the CB Subscription Agreements, and the transactions contemplated thereunder.

Yours faithfully,
For and behalf of
Altus Capital Limited

Chang Sean Pey
Responsible Officer

Leo Tam
Responsible Officer

*Mr. Chang Sean Pey ("**Mr. Chang**") is a Responsible Officer of Altus Capital Limited licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and permitted to undertake work as a sponsor. He is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Mr. Chang has over 25 years of experience in banking, corporate finance advisory and investment management. In particular, he has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions.*

*Mr. Leo Tam ("**Mr. Tam**") is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. He has over ten years of experience in corporate finance and advisory in Hong Kong, in particular, he has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance transactions. Mr. Tam is a certified public accountant of the Hong Kong Institute of Certified Public Accountants.*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, 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 circular 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 circular misleading.

2. INTERESTS OF DIRECTORS

(a) Interests of Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations

As at the Latest Practicable Date, save as disclosed below, none of the Directors or chief executives of the Company had, or was deemed or taken to have, any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules.

Long positions in the Shares

Name of Director	Capacity in which interests were held	Number of Shares interested in	Interests as to % of the issued share capital of the Company
Dong Xiaojie	Beneficial owner	9,373,907	1.09%

(b) Interests of Directors in the assets of the Company

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had, since 31 December 2024, being the date to which the latest published audited financial statements of the Company were made up, been 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 of Directors in contracts

There is no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director is materially interested in and which is significant in relation to the business of the Group.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors and the chief executive of the Company, Shareholders (other than a Director or chief executive of the Company) who had an interest or short position in the Shares and underlying Shares which fall to be disclosed to the Company and the Stock Exchange under 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 under section 336 of SFO, or which was directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

Long positions in the Shares

Name of Shareholder	Capacity in which interests were held	Number of Shares	Interests as to % of the issued share capital of the Company	*Notes*
BWI HK	Beneficial owner	532,001,553	61.75%	
BWI Beijing	Interests of controlled corporation	532,001,553	61.75%	*1,4*
BWI Group	Interests of controlled corporation	532,001,553	61.75%	*1,4*
Zhangjiakou Industrial Investment	Interests of controlled corporation	532,001,553	61.75%	*2,4*
Zhangjiakou Guokong	Interests of controlled corporation	532,001,553	61.75%	*3,4*

Notes:

1. BWI HK was a wholly-owned subsidiary of BWI Beijing. More than one-third of the issued voting shares of BWI Beijing was held by BWI Group, thus BWI Group is deemed to be interested in the 532,001,553 Shares held by BWI HK.

2. Zhangjiakou Industrial Investment is deemed to be interested in the 532,001,553 Shares held by BWI HK as mentioned above as it holds more than one-third of the issued voting Shares of BWI Group.

3. Zhangjiakou Guokong is deemed to be interested in the 532,001,553 Shares 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 Beijing, BWI Group, Zhangjiakou Industrial Investment and Zhangjiakou Guokong were the same block of Shares.

Save as disclosed above, so far as is known to the Directors or chief executive of the Company, as at the Latest Practicable Date, no other person (other than a Director or chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Mr. Dong Xiaojie and Dr. Xi Jianpeng are directors of BWI HK. Mr. Dong Xiaojie and Mr. Liu Xihe are directors of BWI Beijing and BWI Group. Mr. Dong Xiaojie is a director of Zhangjiakou Industrial Investment. Apart from that, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which has an interest or short position in the Shares or underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

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

5. COMPETING BUSINESS INTEREST OF DIRECTORS

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 of the Company 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:

Name of Directors	**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**	*Note*
Dong Xiaojie	BWI Beijing, BWI Group, BWI HK	Sale and manufacturing of auto parts, machinery and equipment	Director	*1*
Xi Jianpeng	BWI HK	Sale and manufacturing of auto parts, machinery and equipment	Director	*1*
Liu Xihe	BWI Beijing, BWI Group	Sale and manufacturing of auto parts, machinery and equipment	Director	*1*

Note:

1. The relevant information is disclosed on a group basis. The businesses of such entity may be carried out through the subsidiaries or associates of the entity concerned or by way of other forms of investments.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group as required to be disclosed pursuant to the Listing Rules.

6. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, the date to which the latest published audited financial statements of the Company were made up.

7. EXPERT AND CONSENT

The following are the qualifications of the expert who has been named in this circular or has given opinion or letter contained in this circular:

Name	Qualifications
Altus Capital Limited	a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

Altus has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letters, reports and/or summary of its opinions (as the case may be) and references to its name in the form and context in which they respectively appear herein.

As at the Latest Practicable Date, Altus was not beneficially interested in the share capital of any member of the Group or had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and Altus did not have any interest, either directly or indirectly, in any assets which have been, since 31 December 2024 (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 or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. GENERAL

(a) The company secretary of the Company is Suen Ho Yi.

(b) The Company's Registrar and transfer office in Hong Kong is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(c) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.bwi-intl.com.hk) from the date of this circular for a period of not less than 14 days:

(a) the letter of recommendations from the Independent Board Committee to the Independent Shareholders, the text of which is set out in the section headed "Letter from the Independent Board Committee" in this circular;

(b) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed "Letter from the Independent Financial Adviser" in this circular;

(c) the written consent from Altus referred to in the section headed "Expert and Consent" of this appendix;

(d) Subscription Agreement A;

(e) Subscription Agreement B;

(f) Subscription Agreement C;

(g) Subscription Agreement D;

(h) CB Subscription Agreement; and

(i) this circular.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the the extraordinary general meeting (the "**EGM**") of BeijingWest Industries International Limited (the "**Company**") will be held at 11:00 a.m. on Friday, 9 January 2026 at Boardroom 3-4, M/F., Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong for the purposes of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company.

Unless otherwise defined, capitalised terms used herein shall have the same meanings as ascribed to them in the circular of the Company dated 19 December 2025 (the "**Circular**").

ORDINARY RESOLUTIONS

1. "**THAT**:

(a) the Subscription Agreement A, a copy of which is tabled at the meeting and marked "A" and initialed by the chairman of the meeting for identification purpose, and the transactions contemplated thereunder (as further detailed in the Circular), be and is hereby approved, confirmed and ratified;

(b) conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Connected Subscription Shares A, the Directors be and are hereby granted a specific mandate (the "**Connected Subscription Shares A Specific Mandate**") to allot and issue the Connected Subscription Shares A pursuant to the Subscription Agreement A, provided that the Connected Subscription Shares A Specific Mandate shall be in addition to and shall not prejudice nor revoke such other general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to or after the passing of this resolution; and

(c) any one Director be and is hereby authorised to do all such further acts and things and to sign and execute all such documents, including under seal of the Company, where applicable, and to take all such steps which in his/her opinion may be necessary, appropriate, desirable or expedient to implement and/or give effects to the Subscription Agreement A and the transactions contemplated thereunder."

2. "**THAT**:

(a) the Subscription Agreement B, a copy of which is tabled at the meeting and marked "B" and initialed by the chairman of the meeting for identification purpose, and the transactions contemplated thereunder (as further detailed in the Circular), be and is hereby approved, confirmed and ratified;

(b) conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Connected Subscription Shares B, the Directors be and are hereby granted a specific mandate (the "**Connected Subscription Shares B Specific Mandate**") to allot and issue the Connected Subscription Shares B pursuant to the Subscription Agreement B, provided that the Connected Subscription Shares B Specific Mandate shall be in addition to and shall not prejudice nor revoke such other general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to or after the passing of this resolution; and

(c) any one Director be and is hereby authorised to do all such further acts and things and to sign and execute all such documents, including under seal of the Company, where applicable, and to take all such steps which in his/her opinion may be necessary, appropriate, desirable or expedient to implement and/or give effects to the Subscription Agreement B and the transactions contemplated thereunder."

3. "**THAT**:

(a) the Subscription Agreement C, a copy of which is tabled at the meeting and marked "C" and initialed by the chairman of the meeting for identification purpose, and the transactions contemplated thereunder (as further detailed in the Circular), be and is hereby approved, confirmed and ratified;

(b) conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares C, the Directors be and are hereby granted a specific mandate (the "**Subscription Shares C Specific Mandate**") to allot and issue the Subscription Shares C pursuant to the Subscription Agreement C, provided that the Subscription Shares C Specific Mandate shall be in addition to and shall not prejudice nor revoke such other general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to or after the passing of this resolution; and

(c) any one Director be and is hereby authorised to do all such further acts and things and to sign and execute all such documents, including under seal of the Company, where applicable, and to take all such steps which in his/her opinion may be necessary, appropriate, desirable or expedient to implement and/or give effects to the Subscription Agreement C and the transactions contemplated thereunder."

4. “**THAT**:

(a) the Subscription Agreement D, a copy of which is tabled at the meeting and marked “D” and initialed by the chairman of the meeting for identification purpose, and the transactions contemplated thereunder (as further detailed in the Circular), be and is hereby approved, confirmed and ratified;

(b) conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares D, the Directors be and are hereby granted a specific mandate (the “**Subscription Shares D Specific Mandate**”) to allot and issue the Subscription Shares D pursuant to the Subscription Agreement D, provided that the Subscription Shares D Specific Mandate shall be in addition to and shall not prejudice nor revoke such other general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to or after the passing of this resolution; and

(c) any one Director be and is hereby authorised to do all such further acts and things and to sign and execute all such documents, including under seal of the Company, where applicable, and to take all such steps which in his/her opinion may be necessary, appropriate, desirable or expedient to implement and/or give effects to the Subscription Agreement D and the transactions contemplated thereunder.”

5. “**THAT**:

(a) the CB Subscription Agreement, a copy of which is tabled at the meeting and marked “E” and initialed by the chairman of the meeting for identification purpose, and the transactions contemplated thereunder (as further detailed in the Circular), be and is hereby approved, confirmed and ratified;

(b) conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Conversion Shares, the Directors be and are hereby granted a specific mandate (the “**Conversion Shares Specific Mandate**”) to allot and issue the Conversion Shares pursuant to the CB Subscription Agreement, provided that the Conversion Shares Specific Mandate shall be in addition to and shall not prejudice nor revoke such other general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to or after the passing of this resolution; and

(c) any one Director be and is hereby authorised to do all such further acts and things and to sign and execute all such documents, including under seal of the Company, where applicable, and to take all such steps which in his/her opinion may be necessary, appropriate, desirable or expedient to implement and/or give effects to the CB Subscription Agreement and the transactions contemplated thereunder.”

By Order of the Board
BeijingWest Industries International Limited
Suen Ho Yi
Company Secretary

Hong Kong, 19 December 2025

Notes:

(1) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.

(2) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.

(3) In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, must be deposited with the share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the meeting, or any adjourned meeting thereof (as the case may be).

(4) The register of members of the Company will be closed from Tuesday, 6 January 2026 to Friday, 9 January 2026 (both days inclusive) to determine the entitlement to attend and vote at the above meeting. During such period no transfer of Shares will be registered. In order to qualify for the entitlement to attend and vote at the above meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 5 January 2026 for registration. The record date for the purpose of determining the eligibility of the Shareholders to attend and vote at the EGM is therefore Friday, 9 January 2026.

(5) Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.

(6) Where there are joint registered holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the Shares shall be accepted to the exclusion of the votes of the other registered holders.

(7) In case Typhoon Signal No. 8 or above is hoisted, or a Black Rainstorm Warning Signal or "extreme conditions" caused by super typhoons announced by the Government is/are in force in Hong Kong at or at any time after 6:00 a.m. on the date of the meeting, the meeting will be adjourned. The Company will post an announcement on the website of the Company (www.bwi-intl.com.hk) and the HKEXnews website (www.hkexnews.hk) to notify Shareholders of the date, time and place of the adjourned meeting.