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京西重工國際有限公司

BEIJINGWEST INDUSTRIES INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2339)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the “**Board**”) of BeijingWest Industries International Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 with comparative figures for the year ended 31 December 2024. These final results have been reviewed by the Audit Committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
REVENUE	4	2,968,139	2,774,721
Cost of sales		<u>(2,630,253)</u>	<u>(2,316,464)</u>
Gross profit		<u>337,886</u>	458,257
Selling and distribution expenses		(25,680)	(17,632)
Administrative expenses		(193,138)	(184,618)
Research and development expenses		(169,243)	(392,888)
Reversal of/(Provision for) impairment losses on financial assets	7	3,786	(508)
Other income	5	32,294	38,243
Other gains/(losses) – net	6	12,074	(4,322)
Other expenses		<u>(16,991)</u>	<u>(2,500)</u>
OPERATING LOSS		(19,012)	(105,968)
Finance costs	8	<u>(13,112)</u>	<u>(11,790)</u>
LOSS BEFORE TAX	7	(32,124)	(117,758)
Income tax expense	9	<u>(9,784)</u>	<u>(10,214)</u>
LOSS FOR THE YEAR		<u>(41,908)</u>	<u>(127,972)</u>
Attributable to:			
Owners of the Company		<u>(41,908)</u>	<u>(127,972)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY			
Basic and diluted (<i>HK cents per share</i>)	11	<u>(4.86)</u>	<u>(20.57)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
LOSS FOR THE YEAR	<u>(41,908)</u>	<u>(127,972)</u>
OTHER COMPREHENSIVE INCOME/(LOSS)		
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	54,650	(19,207)
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>		
Remeasurement gain/(loss) on defined benefit plans – net of tax	<u>7,090</u>	<u>(3,353)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX	<u>61,740</u>	<u>(22,560)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u>19,832</u>	<u>(150,532)</u>
Attributable to:		
Owners of the Company	<u>19,832</u>	<u>(150,532)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		545,490	434,936
Right-of-use assets		254,656	243,621
Goodwill		594	572
Deferred tax assets		14,209	4,688
Other non-current assets		<u>192,853</u>	<u>292,965</u>
Total non-current assets		<u>1,007,802</u>	<u>976,782</u>
CURRENT ASSETS			
Inventories		267,397	190,634
Trade receivables from third parties	12	269,046	286,682
Trade receivables from related parties	13	92,449	332,120
Income tax recoverable		14,677	23,273
Prepayments, other receivables and other assets	14	120,175	89,093
Cash and cash equivalents		<u>142,718</u>	<u>134,051</u>
Total current assets		<u>906,462</u>	<u>1,055,853</u>
CURRENT LIABILITIES			
Trade payables to third parties	15	431,809	389,305
Trade payables to related parties	16	89,638	294,946
Contract liabilities, other payables and accruals	17	181,981	136,810
Income tax payables		9,184	17,656
Defined benefit obligations		4,010	4,503
Lease liabilities		43,356	39,686
Provision		<u>9,122</u>	<u>20,781</u>
Total current liabilities		<u>769,100</u>	<u>903,687</u>
NET CURRENT ASSETS		<u>137,362</u>	<u>152,166</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,145,164</u>	<u>1,128,948</u>

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Contract liabilities	<i>17</i>	31,687	52,620
Defined benefit obligations		112,528	99,895
Lease liabilities		231,295	220,047
Deferred tax liabilities		<u>–</u>	<u>6,564</u>
Total non-current liabilities		<u>375,510</u>	<u>379,126</u>
NET ASSETS		<u>769,654</u>	<u>749,822</u>
EQUITY			
Equity attributable to owners of the Company			
Issued capital	<i>18</i>	86,151	86,151
Reserves		<u>683,503</u>	<u>663,671</u>
TOTAL EQUITY		<u>769,654</u>	<u>749,822</u>

NOTES TO FINANCIAL STATEMENTS

1.1 CORPORATE AND GROUP INFORMATION

BeijingWest Industries International Limited (the “**Company**”) is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

During the year, the Company and its subsidiaries (collectively the “**Group**”) were principally involved in the manufacturing, sale and trading of automotive parts and components, and the provision of technical services.

BWI Company Limited (“**BWI HK**”) and BWI (Beijing) Limited (“**京西智行(北京)汽車電子科技有限公司**”, the “**BWI Beijing**”) are immediate and intermediate holding companies of the Group, which are incorporated in Hong Kong and the People’s Republic of China (the “**PRC**”) with limited liability, respectively.

In the opinion of the Directors of the Company, the ultimate holding company of the Company is Zhangjiakou Industrial Investment Holding Group Co., Ltd. (“**張家口產業投資控股集團有限公司**”), which is a state-owned enterprise established in the PRC.

1.2 SIGNIFICANT EVENTS IN THE CURRENT REPORTING PERIOD

On 20 June 2025, the board of directors of the Company resolved and approved a plan to close down the Group’s plant located in Cheb in the Czech Republic (the “**Czech Plant**”) by phases starting from the third quarter of 2025 in order to enhance the overall operating efficiency of the Group in the future.

The step-by-step closure of the Czech Plant is expected to result in certain one-off costs/expenses and impairment losses (including but not limited to: (i) lease termination costs for compensating the landlord of the plant facility; (ii) employee severance and related costs; (iii) impairment losses on certain property, plant and equipment, particularly the production lines and machinery that will become idle, except for certain assets which will be relocated and continuously used in the Group’s plant facility in Krosno, Poland; (iv) income tax incentive which the Czech Plant is obliged to return to the local tax authority); as well as the revenue and costs for finalising the contracts with certain customers in the Czech Plant.

Based on management’s best estimates on the closure plan of the Czech Plant, the Group has recognised certain provisions and losses (including the impairment losses on the related non-financial assets and estimated net loss in finalising certain customer contracts) in the consolidated financial statements for the current reporting period. The aggregate net impact for all of the items as mentioned above in the current reporting period is a net charge to profit or loss of approximately HK\$58,348,000 (including a provision for the tax incentive to be returned of HK\$9,243,000 which was recognised as current income tax charge for the current period).

2.1 BASIS OF PREPARATION

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which collective term includes all applicable individual HKFRS accounting standards, Hong Kong Accounting Standards and Interpretations (“**HKFRS Accounting Standards**”) and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable requirements of the Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

These consolidated financial statements are prepared under the historical cost convention, except for defined benefit pension plans measured at fair value, and are presented in Hong Kong dollars. All values are rounded to the nearest thousand of Hong Kong dollars except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES

(a) **Amended HKFRS Accounting Standards that are effective for annual periods beginning on 1 January 2025**

In the current year, the Group has applied for the first time the Amendments to HKAS 21 “Lack of Exchangeability” which are effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2025.

The amendments to HKAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. Besides, the amendments also require an entity to disclose additional information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments do not have a material impact on the financial statements of the Group.

(b) Issued but not yet effective HKFRS Accounting Standards

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19	Subsidiaries without Public Accountability: Disclosures and related amendments ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency ²
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ Effective date not yet determined

3. OPERATING SEGMENT INFORMATION

An operating segment is a component of an entity that engages in business activities from which revenues are earned and expenses are incurred, and is identified on the basis of the internal financial reports that are regularly reviewed by the chief operating decision maker (the “CODM”) in order to allocate resources and assess performance of the segment. The CODM has been identified as the Executive Directors of the Company.

For the years presented, as the Group’s business activities are mainly in the manufacturing, sale and trading of automotive parts and components, and the provision of technical services. The performance of the Group is reviewed by the CODM as a whole thus it is concluded that the Group has only one single reportable segment. Therefore, no analysis by operating segment is presented.

(a) Products and services

Revenue from external customers

	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i>
Sale of industrial products and others	2,808,003	2,644,777
Technical service income	<u>160,136</u>	<u>129,944</u>
	<u><u>2,968,139</u></u>	<u><u>2,774,721</u></u>

(b) Geographical information

i. Revenue from external customers

	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i>
Germany	884,920	823,637
United Kingdom	639,305	584,547
United States	482,031	614,669
Mainland China	94,285	40,552
Other countries	<u>867,598</u>	<u>711,316</u>
	<u><u>2,968,139</u></u>	<u><u>2,774,721</u></u>

The revenue information above is based on the locations of the customers.

ii. Non-current assets

	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i>
Poland	833,407	671,121
Czech	64,914	222,768
Other countries	<u>95,272</u>	<u>78,205</u>
	<u><u>993,593</u></u>	<u><u>972,094</u></u>

The non-current assets information above is based on the locations of the assets and excludes deferred tax assets.

(c) **Information about major customers**

During the reporting period, the revenues which were generated from two (2024: three) of the Group's customers and were individually accounted for more than 10% of the Group's revenue are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	480,676	417,561
Customer B	497,940	406,546
Customer C	<u>229,490*</u>	<u>391,670</u>
	<u><u>1,208,106</u></u>	<u><u>1,215,777</u></u>

* The relevant revenue generated from that customer during the year as indicated did not exceed 10% of the Group's revenue.

4. REVENUE

Revenue represents: (1) the net invoiced value of goods sold, net of value-added tax and government surcharges and excludes sale taxes, and after allowance for returns and trade discounts; and (2) an appropriate proportion of contract revenue of technical and consultancy service contracts.

An analysis of the Group's revenue is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers		
Sale of industrial products and others	2,808,003	2,644,777
Technical service income	<u>160,136</u>	<u>129,944</u>
	<u><u>2,968,139</u></u>	<u><u>2,774,721</u></u>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Timing of revenue recognition		
Industrial products and services transferred at a point of time	2,963,982	2,769,351
Services transferred over time	<u>4,157</u>	<u>5,370</u>
	<u><u>2,968,139</u></u>	<u><u>2,774,721</u></u>

5. OTHER INCOME

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank interest income	231	582
Sales of scrap materials, prototypes and samples	21,426	33,197
Recovery of bad debts previously written off	5,611	–
Others	5,026	4,464
	<u>32,294</u>	<u>38,243</u>

6. OTHER GAINS/(LOSSES) – NET

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Foreign exchange differences, net	18,071	(8,586)
(Loss)/Gain on disposal of items of property, plant and equipment	(5,997)	4,264
	<u>12,074</u>	<u>(4,322)</u>

7. LOSS BEFORE TAX

The Group's loss before tax from operations is arrived at after (crediting)/charging:

	Notes	2025 HK\$'000	2024 HK\$'000
Cost of inventories sold and services provided		2,630,253	2,316,464
Depreciation of property, plant and equipment		77,086	69,481
Depreciation of right-of-use assets		33,131	29,330
Expense relating to short-term leases		17	41
Auditors' remuneration		1,972	3,670
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages, salaries, severances and benefits		553,858	569,045
Defined benefit obligation expenses		3,594	3,189
		557,452	572,234
Provisions and losses arising from the planned closure of the Czech Plant:			
Restructuring costs		25,275	–
Provision of impairment losses on property, plant and equipment		7,347	–
Provision of impairment losses on right-of-use assets		16,483	–
	1.2	49,105	–
Loss/(Gain) on disposal of items of property, plant and equipment	6	5,997	(4,264)
Net (reversal)/provision of impairment losses on trade receivables from:			
– third parties		(2,559)	600
– related parties		(1,227)	(92)
		(3,786)	508
Provision for obsolete inventories*		6,023	3,728
Provision for warranty cost		3,537	11,143
Foreign exchange differences, net		(18,071)	8,586

* *The provision for obsolete inventories is included in "Cost of sales" in the consolidated statement of profit or loss.*

8. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on defined benefit plans	5,187	4,247
Interest on lease liabilities	<u>7,925</u>	<u>7,543</u>
	<u>13,112</u>	<u>11,790</u>

9. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made for the year ended 31 December 2025 as the Group did not generate any assessable profits arising in Hong Kong during the year (2024: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates. The rates of tax prevailing in the countries in which the Group operates include:

	2025 (%)	2024 (%)
Luxembourg	24.94	24.94
Poland	19.00	19.00
France	25.00	25.00
Germany	30.53	30.53
Italy	27.90	27.90
Czech	<u>21.00</u>	<u>21.00</u>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current income tax expense	15,349	19,039
Deferred tax credit	<u>(5,565)</u>	<u>(8,825)</u>
Total income tax expense	<u>9,784</u>	<u>10,214</u>

10. DIVIDEND

No dividends were paid, declared or proposed during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

11. LOSS PER SHARE

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary shareholders of the Company, and the weighted average number of ordinary shares of 861,508,602 (2024: 622,200,657) in issue during the year.

12. TRADE RECEIVABLES FROM THIRD PARTIES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	272,352	291,826
Impairment	<u>(3,306)</u>	<u>(5,144)</u>
Total	<u>269,046</u>	<u>286,682</u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to three months for the customers. Each third-party customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has control to minimise the credit risk. Overdue balances are reviewed regularly by senior management. Concentrations of credit risk are managed by analysis by customer. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

An ageing analysis of the trade receivables from third parties as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 3 months	269,046	284,678
3 months to 1 year	<u>–</u>	<u>2,004</u>
	<u>269,046</u>	<u>286,682</u>

13. TRADE RECEIVABLES FROM RELATED PARTIES

An ageing analysis of the trade receivables from related parties as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 3 months	83,942	196,748
3 months to 1 year	8,507	131,244
Over 1 year	—	4,128
	<u>92,449</u>	<u>332,120</u>

The Group's trading terms with its related parties are mainly on credit. The Group does not hold any collateral or other credit enhancements over its trade receivables from related parties.

14. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Input value-added tax recoverable	74,519	39,075
Prepayments	6,028	12,755
Deposits, other receivables and others	13,376	7,295
Contract fulfilment costs – current	26,252	29,968
	<u>120,175</u>	<u>89,093</u>

15. TRADE PAYABLES TO THIRD PARTIES

An ageing analysis of the trade payables to third parties at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 3 months	426,840	387,834
3 months to 1 year	4,343	1,233
Over 1 year	626	238
	<u>431,809</u>	<u>389,305</u>

The trade payables are non-interest-bearing and are normally settled on 30 to 90 days' terms.

16. TRADE PAYABLES TO RELATED PARTIES

An ageing analysis of the trade payables to related parties at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 year	39,976	237,311
Over 1 year	<u>49,662</u>	<u>57,635</u>
	<u>89,638</u>	<u>294,946</u>

17. CONTRACT LIABILITIES, OTHER PAYABLES AND ACCRUALS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Contract liabilities (<i>Note (a)</i>)	31,687	58,913
Accrual of rebates (<i>Note (c)</i>)	28,574	13,261
Other creditors and accruals (<i>Note (d)</i>)	44,041	60,314
Other tax payables	20,898	7,255
Accrued salaries, wages, severances and benefits (<i>Note (e)</i>)	<u>88,468</u>	<u>49,687</u>
	213,668	189,430
Non-current portion of contract liabilities	<u>(31,687)</u>	<u>(52,620)</u>
	181,981	136,810

Note:

- (a) Liabilities related to contracts with customers:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Contract liabilities in respect of engineering technical service to be delivered	<u>31,687</u>	<u>58,913</u>

- (b) Revenue recognised in relation to contract liabilities

Contract liabilities include short-term and long-term advances received before delivering of technical services.

Revenue recognised during the year ended 31 December 2025 that was included in the contract liability balance at the beginning of the period amounted to HK\$38,079,000 (2024: HK\$5,370,000).

- (c) The balance represents the accrual of volume rebates payable to the customers which are estimated based on the terms as set out in the relevant sales contract and the amount will be settled with the customer on a regular basis.
- (d) Other creditors are unsecured, non-interest-bearing, and repayable on demand. The accruals include restructuring costs amounting to HK\$14,706,000.
- (e) The balance included a provision for restructuring costs related to staff layoffs amounting to HK\$10,569,000, of which HK\$2,138,000 was paid during the year ended 31 December 2025.

18. ISSUED CAPITAL

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Authorised:		
2,000,000,000 ordinary shares of HK\$0.10 each (2024: 2,000,000,000 ordinary shares of HK\$0.10 each)	<u>200,000</u>	<u>200,000</u>
Issued and fully paid:		
At 1 January	86,151	57,434
Rights issue net of transaction costs	<u>–</u>	<u>28,717</u>
At 31 December	86,151	86,151
861,508,602 ordinary shares of HK\$0.10 each (2024: 861,508,602 ordinary shares of HK\$0.10 each)	<u>86,151</u>	<u>86,151</u>

19. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Contracted, but not provided for:		
Plant and machinery	<u>103,272</u>	<u>115,842</u>

20. EVENTS AFTER THE REPORTING PERIOD

On 9 February 2026, the Company completed of the issuance of connected subscription shares, subscription shares and convertible bonds.

A total of 236,914,866 connected subscription shares and 193,839,435 subscription shares were duly allotted and issued to various subscribers at HK\$0.704 per share.

In addition, convertible bonds in the principal amount of HK\$409,388,887 were issued to BWI HK which is an investment holding company incorporated in Hong Kong with limited liability, which is a controlling shareholder of the Group. Following the completion, the shareholding structure of the Company was altered, with BWI HK's interest become approximately 59.50% of the enlarged share capital, and potentially up to 72.07% upon full conversion of the convertible bonds.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend in respect of the year (2024: Nil).

CLOSURE OF REGISTER OF MEMBERS FOR DETERMINING THE ENTITLEMENT TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING

Latest time for lodging transfers of shares 4:30 p.m. on 22 May 2026 (Friday)

Book close dates 26 May 2026 (Tuesday) to
29 May 2026 (Friday)
(both days inclusive)

Annual General Meeting (the “AGM”) 29 May 2026 (Friday)

In order to qualify for the entitlement to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration before the latest time as set out above.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL REVIEW

The Group involves in manufacturing, sale and trading of automotive parts and components and provision of technical services. The core products of the Group are suspension products.

The Group’s automotive suspension products are mainly utilised on premium passenger vehicles, which are manufactured by our plants in Europe. There are two major plants in Poland and the Czech Republic, which manufacture and assemble suspension products for their customers.

The Group develops and maintains strong relationships with its customers, who are mainly well-known European automobile manufacturers, therefore the Group well understood the technical requirements of our customers and has the expertise on the manufacturing process for premium passenger vehicles.

The Group purchases its raw materials and components mainly from the suppliers in Europe, which are selected based on certain factors, including the history of relationship with the Group, quality and price of the products, delivery time, and after-sales services. The Group maintains stable relationships with its major suppliers and does not rely on any single supplier for any type of raw materials and components.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, the Group recorded revenue of HK\$2,808.0 million from manufacture and sale of suspension products (year ended 31 December 2024: HK\$2,644.8 million). The increase in revenue for the year ended 31 December 2025 is mainly due to increase in the number of orders in the plants in Poland and positive foreign exchange impact from Polish Zloty appreciation.

For the year ended 31 December 2025, the Group also recorded revenue of HK\$160.1 million in provision of technical services (year ended 31 December 2024: HK\$129.9 million).

Gross Profit and Gross Profit Margin

For the year ended 31 December 2025, the gross profit and gross profit margin of the Group were HK\$337.9 million and 11.4% respectively. While for the year ended 31 December 2024, the gross profit and gross profit margin were HK\$458.3 million and 16.5% respectively. Gross profit and gross profit margin both decreased as compared with the same period last year.

During the year, although the Group recorded an increase in revenue as compared with the corresponding period of last year, the gross profit dropped. The gross profit margin of the Group decreased from 16.5% for last year to 11.4% for the current year. This was mainly due to the low overall capacity utilization rate of the plant in Czech Republic and its significant closure-related one-off costs which resulted in its operation at a gross loss. Consequently, the increase in revenue failed to promote the growth of overall gross profit of the Group.

The closure of the Czech plant is scheduled for completion by the end of the second quarter of next year. Management believes that the closure of the Czech plant will enable the Group to consolidate its resources more effectively, reduce manufacturing costs, and increase its overall capacity utilisation rate, thereby substantially improving the Group's future performance.

Selling and Distribution Expenses

Selling and distribution expenses of the Group for the year ended 31 December 2025 was HK\$25.7 million (year ended 31 December 2024: HK\$17.6 million). Selling and distribution expenses mainly consisted of salary and welfare for sales personnel. The increase was mainly attributable to expanded sales activities and business development efforts.

Administrative Expenses

Administrative expenses of the Group for the year ended 31 December 2025 was HK\$193.1 million (year ended 31 December 2024: HK\$184.6 million). Administrative expenses mainly consisted of salaries and benefits for administrative staff, severance costs, and management service fees paid to related companies. The increase was primarily attributable to the increase of severance cost.

Research and Development Expenses

Research and development expenses of the Group for the year ended 31 December 2025 decreased by 56.9 % to HK\$169.2 million (year ended 31 December 2024: HK\$392.9 million). Research and development expenses mainly consisted of salaries for technical staff and technical services fees paid to related companies. The decrease was primarily attributable to tightened cost controls and a significant reduction in R&D expense for new projects.

Other Income

Other income of the Group for the year ended 31 December 2025 was HK\$32.3 million (year ended 31 December 2024: HK\$38.2 million). Other income decrease mainly due to decrease in profit from sale of scrap materials, prototypes and samples.

Other Gains/(Losses) – Net

The net other gains of the Group for the year ended 31 December 2025 was HK\$12.1 million, whereas, for the year ended 31 December 2024, the net other loss was HK\$4.3 million. The changes between the two periods were mainly due to the exchange difference.

Finance Costs

Finance costs of the Group for the year ended 31 December 2025 was HK\$13.1 million (year ended 31 December 2024: HK\$11.8 million). Finance costs mainly represented interest on lease liabilities and interest cost on defined benefit obligations.

Loss for the Year Attributable to Owners of the Company

In summary of the above, for the year ended 31 December 2025, the loss attributable to owners of the Company is HK\$41.9 million (year ended 31 December 2024: Loss of HK\$128.0 million).

Liquidity and Financial Resources

Our business requires a significant amount of working capital, which is primarily used to finance the purchase of raw materials, remuneration of employees, capital spending, R&D and other expenses. The working capital and other capital requirements were satisfied principally by cash generated from internal operations, and moderate level of bank loans (if necessary) as well.

The Group was running in a net cash inflow position for the year ended 31 December 2025, in which net cash inflow from operating activities amounted to HK\$168.0 million (year ended 31 December 2024: net cash inflow HK\$99.6 million). As at 31 December 2025, the Group maintained cash and cash equivalents of HK\$142.7 million (as at 31 December 2024: HK\$134.1 million).

Indebtedness

The Group did not have any balance of bank or other borrowings as at 31 December 2025 and 31 December 2024.

The Group's gearing ratio (measured as total bank or other borrowings over total assets) as at 31 December 2025 was 0% (as at 31 December 2024: 0%). The Company would keep monitoring the financial and liquidity position of the Group closely, and carry out appropriate financing strategy for the Group in accordance with the change of the financial market from time to time.

Pledge of Assets

As at 31 December 2025 and 31 December 2024, there were no assets of the Group being pledged.

Foreign Exchange Exposure

The Group's transactions are mainly denominated in Euro, US Dollar and the local currencies of our operations located, which include Polish Zloty, Czech Koruna and Great British Pound Sterling. The Group will closely monitor the foreign exchange market and take appropriate and effective measures from time to time to reduce any negative impact from exchange rate risk to the furthest extent.

Capital and Other Commitments

Save as disclosed in note 19 in the notes to this results announcement, the Group and the Company had no other commitments as at 31 December 2025 and 31 December 2024.

Contingent Liabilities

As at 31 December 2025 and 31 December 2024, the Group and the Company did not have any significant contingent liabilities.

USE OF PROCEEDS FROM THE RIGHTS ISSUE

The Company completed the Rights Issue on 21 October 2024. The Company issued and allotted 287,169,534 shares at HK\$0.168 per Rights Share on the basis of one Rights Share for every two ordinary shares held in issue. The net proceeds raised from the Rights Issue (after deducting expenses) are approximately HK\$46.4 million.

The subscription price represented a discount of approximately 13.85% to the closing price of HK\$0.195 per share as quoted on the Stock Exchange on 21 August 2024, being the last trading day for the shares immediately before the publication of the announcement of the Company dated 22 August 2024 in relation to, among other things, the Rights Issue.

As at 31 December 2025 and 31 December 2024, 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 <i>HK\$' million</i>	Actual use of net proceeds as at 31 December 2024 <i>HK\$' million</i>	Unutilized net proceeds as at 31 December 2024 <i>HK\$' million</i>	Actual use of net proceeds as at 31 December 2025 <i>HK\$' million</i>	Unutilized net proceeds as at 31 December 2025 <i>HK\$' million</i>
Working capital of the production plants of the Group in Poland and Czech Republic	25.5	25.3	0.2	0.2	–
Working capital of the headquarters of the Company in Hong Kong	11.6	–	11.6	11.6	–
Working capital of the technical centres of the Group in Poland and France	9.3	9.3	–	–	–
Total	46.4	34.6	11.8	11.8	–

The proceeds were used in accordance with the original intention disclosed in the prospectus of the Company dated 25 September 2024 in relation to the Rights Issue.

OTHER INFORMATION

Environmental, Health and Safety

The Group is dedicated to protecting the health of people, natural resources and the global environment, and has adopted the hazardous material control programs and chemical material assessment procedures. The Group has obtained all necessary permits under applicable environmental protection laws for its production facilities.

The Group strictly complies with the laws and regulations that exert great influence on the Group such as various environmental protection laws relating to emissions to land, air and water and waste production from its production facilities. Various hazardous material control programs and chemical material assessment procedures have also been adopted to meet the applicable legal requirements.

The Group also emphasizes the health and safety of its employees and is committed to providing a safe and healthy working environment for the benefits of its staff. In order to reduce the contact with occupational hazard factors of employees, the Group provides training of occupational health and safety and prevention and control of occupational disease for all relevant employees. The Group also adopted human resources policies, which provide the health and safety initiatives such as: (i) identifying and communicating health and safety initiatives; (ii) monitoring trends in statistics for occupational injuries or illnesses; (iii) complying with health and safety regulations; and (iv) promoting incident reduction through investigation, assessments, corrective actions and proactive intervention. The Group has also complied with applicable social, health and work safety laws and regulations in all material aspects.

The Group also emphasizes continuous learning and hopes employees can grow together with the Group. Diversified training and development opportunities are provided for all employees to help them reach their full potential.

Prospects

The Group involved in the manufacturing, sale and trading of automotive parts and components and provision of related technical services in Europe. The core products are suspension products.

During the period under review, the geopolitical situation remained tense, with the Russian-Ukrainian war that has been on-going for over three years, coupled with tariff threats from a second Trump administration, considerable uncertainty is expected for the future global political and economic landscape. As for US interest rates, it was widely expected that the United States would soon shift to rate cuts. Whether businesses can benefit from the start of a rate-cutting cycle remains to be seen.

The customers of the Group are mainly premium passenger vehicle manufacturers, as such, the business of the Group largely depends on the performance of the automotive industry, especially in Europe. According to the latest forecast of the International Monetary Fund, the eurozone will see a GDP growth of 1.3% in 2026, predicting a steady economic development in European regions, which also benefits the business stability of the Group.

The plan of the Group for the closure of the plant located in Cheb, Czech Republic is going smoothly and on schedule. At present, most production lines at the Czech plant have been relocated to Krosno, Poland by the end of this year, expected the completion of relocation by the first quarter of the next year. Most of the original orders and production lines of the Czech plant will gradually be transferred to the plant in Krosno, Poland according to the planned timeline. Management believes that the closure of the Czech plant will enable the Group to consolidate its resources more effectively, reduce manufacturing costs, and increase its overall capacity utilisation rate, which will benefit the Group's future operations.

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

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

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

Employees and Remuneration Policy

As at 31 December 2025, the Group had approximately 1,863 (31 December 2024: 2,200) employees. During the year ended 31 December 2025, the total employees' cost was HK\$557.5 million (year ended 31 December 2024: HK\$572.2 million). Remuneration packages of the employees are determined by reference to the qualifications and experience of the employee concerned and are reviewed annually by the management with reference to market conditions and individual performance. The Group offers a comprehensive and competitive remuneration, retirement scheme and benefit package to its employees. Discretionary bonus is offered to the Group's staff depending on their performance. The Group has defined benefit pension plans covering substantially all of its qualified employees in Poland, France and Germany. The Group has also adopted a mandatory provident fund scheme as required under the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) for its employees in Hong Kong.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (whether on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or otherwise) during the year.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied throughout the year ended 31 December 2025 with all applicable code provisions of the Corporate Governance Code contained in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange.

Details of the Company's compliance with the provisions of the Corporate Governance Code during the year will be set out in the Corporate Governance Report in the 2025 annual report of the Company.

SCOPE OF WORK OF GRANT THORNTON HONG KONG LIMITED

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this results announcement have been agreed with the Company's auditor, Grant Thornton Hong Kong Limited (the "Grant Thornton"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Grant Thornton in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Grant Thornton on this results announcement.

APPRECIATION

On behalf of the Board, I would like to extend our sincere thanks to our customers, suppliers and shareholders for their continuous support to the Group. I would also extend my gratitude and appreciation to all management and staff for their hard work and dedication throughout the year.

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

27 March 2026

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