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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)

PROFIT ALERT

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

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the Board’s preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021 (the “**Management Accounts**”) and other information currently available to the Board, it is expected that the Group would record a consolidated net profit of not less than approximately HK\$12,000,000 for the six months ended 30 June 2021 as opposed to the consolidated net loss of approximately HK\$44,582,000 for the corresponding period in last year. The turnaround from loss to profit is mainly due to the following factors:

1. various countries in Europe imposed containment and mitigation measures in the second quarter of 2020 following the worldwide outbreak of novel coronavirus (COVID-19) pandemic (the “**Pandemic**”), which led to disruption and temporary suspension of the operations of the Group’s plants in the United Kingdom, Poland and the Czech Republic. In the first half of 2021, the plants of the Group returned to normal operations, and there was not any recurrence of the COVID-19-related temporary suspension for the plants of the Group. Meanwhile, production orders of the Group from the major customers have been recovering in early 2021, resulting in an increase in revenue of the Group for the six months ended 30 June 2021.
2. despite the production orders of the Group have been recovering in early 2021, the revenue of the Group for the first half of 2021 did not restore to pre-Pandemic level. Due to the Pandemic, the demand for semiconductors soared in 2020 as consumers rushed to

purchase household appliance and home office gadgets during the Pandemic, which resulted in a global shortage of semiconductors. This presented challenges and production disruptions for a wide range of industries worldwide, including the automotive industry. In 2021, the automotive industry gradually emerged a significant shortage of semiconductors, which forced many automobile manufacturers announcing to cut production for 2021. Thus, the revenue of the Group was partially offset by the shortage of semiconductors in the automotive industry. The shortage of semiconductors in the automotive industry is expected to continue for the remaining 2021.

The Group expects to record a consolidated net profit for the six months ended 30 June 2021. However, Shareholders and potential investors are advised that the market condition for the second half of 2021 remains uncertain. The operations and revenue of the Group for the second half of 2021 may be adversely affected by the shortage of semiconductors and/or the ongoing Pandemic. The Group will strive to recover amid the challenging market environment.

The Board would like to remind the Shareholders and potential investors that the information contained in this announcement is only a preliminary assessment by the Board based on the Management Accounts and the information currently available to the Board, which has not been audited or reviewed by the auditor of the Company and may be subject to possible amendments. The interim results announcement of the Group for the six months ended 30 June 2021 will be published by the end of August 2021.

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

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

20 August 2021

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