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京西重工國際有限公司
BEIJINGWEST INDUSTRIES INTERNATIONAL LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2339)

INSIDE INFORMATION

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 preliminary assessment of the Board with reference to the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019 (the “**Management Accounts**”) and other information currently available to the Board, it is expected that the consolidated net profit of the Group for the six months ended 30 June 2019 would increase by over 40% as compared to that for the same period last year. Nevertheless, it is expected that the profit attributable to owners of the Company for the six months ended 30 June 2019 would decrease by over 20% as compared to that for the same period last year.

The overall increase in the consolidated net profit of the Group for the six months ended 30 June 2019 is primarily attributable to the following factors:

1. in the first half of 2019, the Group no longer recorded the operating results of BWI (Shanghai) Co., Ltd. (“**BWI Shanghai**”). The business of BWI Shanghai recorded an operating loss in the first half of 2018 due to changes in the market conditions in China. In order to mitigate the adverse effect caused by BWI Shanghai on the Group’s performance and better concentrate the Group’s resources to develop our other businesses, the Group disposed of its 51% interest in BWI Shanghai (the “**Disposal**”), which was completed in August 2018. After completion of the Disposal, the results of BWI Shanghai were no longer consolidated with that of the Group. Details of the Disposal are disclosed in the Company’s circular dated 10 July 2018 and announcements dated 26 July 2018 and 28 August 2018; and

2. meanwhile, the increase in the consolidated net profit of the Group for the six months ended 30 June 2019 is partially offset by the decrease in the profits generated from the wholly-owned subsidiaries of the Group in the United Kingdom and Poland. In the first half of 2019, the impact of Brexit on the automotive components business started emerging and at the same time the European economy was weak. These affected the operations of the plants in the United Kingdom and Poland which led to a decline in the profits from the wholly-owned subsidiaries of the Group in the United Kingdom and Poland.

Under the consolidation accounting principle, the consolidated net profit of the Group for the six months ended 30 June 2018 included 100% of the operating loss from BWI Shanghai while the profit attributable to owners of the Company for the six months ended 30 June 2018 only included 51% of the operating loss from BWI Shanghai. In the first half of 2019, the results of BWI Shanghai were no longer consolidated with that of the Group. For period to period comparison, the changes in the consolidated net profit of the Group and the profit attributable to owners of the Company for the six months ended 30 June 2019 would be in different magnitudes. Thus, it is expected that the profit attributable to owners of the Company for the six months ended 30 June 2019 would decrease by over 20% as compared to that for the same period last year, notwithstanding the increase in the consolidated net profit of the Group for the six months ended 30 June 2019.

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.

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
Jiang Yunan
Chairman

21 August 2019

As at the date of this announcement, the Board comprises Mr. Jiang Yunan (Chairman), Mr. Chen Zhouping (Managing Director), Mr. Li Shaofeng (Executive Director), Mr. Thomas P Gold (Executive Director), Mr. Zhang Yaochun (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).