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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 WARNING

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 year ended 31 December 2019 and other information currently available to the Board, the profit attributable to the owners of the Company for the year ended 31 December 2019 is expected to show a significant decrease by at least 90% as compared to that for the year ended 31 December 2018. Such adverse change is primarily due to the following factors:

1. The business of BWI (Shanghai) Co., Ltd. (“**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, the Group disposed of its 51% interest in BWI Shanghai to a connected person of the Company (the “**Disposal**”), which was completed on 28 August 2018. In 2018, the Group realized a significant disposal gain of approximately HK\$86,278,000 upon the completion of the Disposal. However, no such one-off disposal gain was recorded by the Group in 2019.
2. The Group consolidated the operating loss of BWI Shanghai in 2018. After the completion of the Disposal, the Group no longer recorded the operating results of BWI Shanghai in 2019. Consequently, there was an improvement in the profit of the Group in 2019 resulted from the mitigation of the adverse effect caused by BWI Shanghai. However, the impact of Brexit on the automotive components business started emerging in 2019 and at the same time the European economy was weak. These affected the operations of the plants of the Group in the United Kingdom and Poland, which led to a decline in profit from the wholly-owned subsidiaries of the Group in the United Kingdom and Poland. Overall, the decline in profit from the subsidiaries in the United Kingdom

and Poland in 2019 outweighed the improvement in profit of the Group in 2019 resulted from the mitigation of the adverse effect caused by BWI Shanghai.

The Group's final results for the year ended 31 December 2019 are still under review and subject to finalization and confirmation by the auditor of the Company as well as approvals of the audit committee of the Company and the Board at the respective meetings to be held in late March 2020. The final results announcement of the Group for the year ended 31 December 2019 will be published on 26 March 2020.

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

20 March 2020

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