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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**”) has reviewed the unaudited consolidated management accounts of the Company for the five months ended 31 May 2017 (the “**Management Accounts**”) and wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, the results of the Group for the five months ended 31 May 2017 has declined significantly as compared to that for the corresponding period last year. It is expected that the Group would record consolidated net loss for the first half year of 2017, whereas the Group recorded consolidated net profit for the corresponding period last year. Such adverse change is primarily attributable to the following factors during the period concerned:

1. the costs of raw materials such as steel increased which have an adverse impact on the gross profit margin of the Company;
2. the new plant of the Group in the Czech Republic has just commenced its production and thus has not reached its design capacity, which led to increases in fixed costs and operating expenses of the Group; and
3. revenue and gross profit generated from the plant of the Group in Shanghai decreased, resulting from certain major customers of the Group, being vehicle manufactures, having postponed or reduced their procurements of the products from our Shanghai plant due to unsatisfactory sales volume of certain automobile models.

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

6 July 2017

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. Qi Jing (Executive Director), Mr. Thomas P Gold (Executive Director), Mr. Zhang Yaochun (Non-executive Director), Mr. Tam King Ching, Kenny (Independent Non-executive Director), Mr. Leung Kai Cheung (Independent Non-executive Director) and Mr. Yip Kin Man, Raymond (Independent Non-executive Director).