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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 preliminary assessment of the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 and other information currently available to the Board, it is expected that the Group would record a profit attributable to the Shareholders for the year ended 31 December 2018 as opposed to the loss attributable to the Shareholders recorded for the year ended 31 December 2017. The turnaround from loss to profit is mainly due to the following factors:

1. The Group would realize a significant gain upon the completion of the disposal of its 51% equity interest in BWI (Shanghai) Co., Ltd. to a connected person of the Company (the “**Disposal**”) on 28 August 2018. Such gain is expected to be approximately HK\$82,000,000. According to the Listing Rules, the Disposal constituted a major and connected transaction for the Company and was approved by the independent shareholders of the Company at the extraordinary general meeting held on 26 July 2018. 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.
2. The research and development expenses of the Group for the year ended 31 December 2018 is expected to decrease due to tighten cost control and the pre-production costs for testing and improving processes systems which were capitalized owing to the adoption of Hong Kong Financial Reporting Standard 15.

The Group's final results for the year ended 31 December 2018 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 2019. The final results announcement of the Group for the year ended 31 December 2018 will be published in late March 2019.

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

11 March 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).