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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)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

The board of directors (the "Board") of BeijingWest Industries International Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2015 with comparative figures for the financial year ended 31 December 2014. These final results have been reviewed by the Audit Committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2015

	Notes	**Year ended 31 December 2015 HK$'000**	Year ended 31 December 2014 HK$'000
REVENUE	5	**2,956,848**	3,354,614
Cost of sales		**(2,282,088)**	(2,583,901)
Gross profit		**674,760**	770,713
Other income and gains, net	5	**6,714**	42,361
Gain on restructuring		**–**	272,913
Gain on deconsolidation of subsidiaries, net	7	**64,286**	–
Selling and distribution expenses		**(24,986)**	(39,161)
Administrative expenses		**(185,147)**	(267,408)
Research and development expenses		**(347,944)**	(357,110)
Restructuring costs incurred		**–**	(3,870)
Other operating expenses, net		**(18,437)**	(23,118)
Finance costs	8	**(3,325)**	(6,764)
PROFIT BEFORE TAX	6	**165,921**	388,556
Income tax expense	9	**(31,854)**	(44,094)
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**134,067**	344,462
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted (HK cents per share)	10	**2.54**	15.14

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2015

	Year ended 31 December 2015	Year ended 31 December 2014
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**134,067**	344,462
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(59,566)**	(90,943)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Re-measurement loss on defined benefit plans	**(930)**	(10,779)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF INCOME TAX	**(60,496)**	(101,722)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	**73,571**	242,740

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Notes	2015 HK$'000	2014 HK$'000
NON-CURRENT ASSETS:			
Property, plant and equipment		**272,258**	331,572
Prepaid land lease payments		**10,859**	12,285
Goodwill		**6,157**	6,541
Deferred tax assets		**29,484**	30,909
Contract performance deposits		**9,263**	–
Total non-current assets		**328,021**	381,307
CURRENT ASSETS:			
Inventories		**154,872**	194,465
Trade and bills receivables	*12*	**370,782**	485,469
Prepayments, deposits and other receivables	*13*	**123,576**	156,610
Cash and cash equivalents		**664,103**	357,513
Total current assets		**1,313,333**	1,194,057
CURRENT LIABILITIES:			
Trade payables	*14*	**368,870**	439,201
Other payables and accruals	*15*	**300,753**	692,679
Income tax payables		**8,166**	37,051
Bank borrowings		**57,201**	54,914
Defined benefit obligations		**829**	1,097
Provision		**33,112**	40,717
Total current liabilities		**768,931**	1,265,659
NET CURRENT ASSETS/(LIABILITIES)		**544,402**	(71,602)
TOTAL ASSETS LESS CURRENT LIABILITIES		**872,423**	309,705

	Notes	**2015**	2014
		HK$'000	*HK$'000*
NON-CURRENT LIABILITIES:			
Defined benefit obligations		**72,813**	72,964
Deferred tax liabilities		**9,325**	8,819
Loan from a holding company		**424**	567
Total non-current liabilities		**82,562**	82,350
NET ASSETS		**789,861**	227,355
EQUITY:			
Equity attributable to owners of the Company			
Issued capital	*16*	**57,655**	46,061
Reserves		**732,206**	181,294
Total equity		**789,861**	227,355

NOTES

1. CORPORATE AND GROUP INFORMATION

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY 1-1111, Cayman Islands and the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the year, the Group was principally involved in the manufacture and sale of automotive parts and components and the trading of automotive parts and components.

As at 31 December 2015 and the date of approval of these financial statements, the immediate holding company of the Company is BWI Company Limited ("BWI (HK)"), which is incorporated in Hong Kong with limited liability. In the opinion of the directors of the Company (the "Directors"), the ultimate holding company is Shougang Corporation, which is a state-owned enterprise established in the People's Republic of China ("PRC") and is supervised by the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality.

As approved by the shareholders of the Company at an extraordinary general meeting held on 13 December 2013 and by the Registrar of Companies of Cayman Islands on 24 January 2014, the name of the Company was changed from "Norstar Founders Group Limited" to "BeijingWest Industries International Limited".

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Company name	Place and date of registration	Nominal value of issued ordinary/ authorised share capital	Percentage of attributable equity interest held by		Principal activities
			Company	Group	
BWI France S.A.S.	France 13 August 2009	EUR2,002,500	–	100	Provision of research and technical services
BWI UK Limited	United Kingdom 16 June 2009	GBP5,938,975	–	100	Manufacture and sale of automotive parts and components
BWI Poland Technologies sp.z.o.o	Poland 12 March 2009	PLN55,538,150	–	100	Manufacture and sale of automotive parts and components

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements have been prepared under the historical cost convention and are presented in Hong Kong dollars ("HK$"). All values are rounded to the nearest thousand except when otherwise indicated.

Pursuant to the agreement for the sale and purchase of shares of BWI Europe Company Limited S.A. ("BWI Europe") dated 5 August 2014 entered into between the Company, Billion Million (HK) Limited ("Billion Million"), an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong, BeijingWest Industries Co., Ltd ("BWI") and BWI (HK), a wholly-owned subsidiary of BWI, Billion Million had completed the acquisition of a 100% equity interest in BWI Europe (the "BWI Europe Acquisition") on 23 December 2014 at a consideration of HK$997,000,000. In addition, BWI (HK) is entitled to the profit after taxes of BWI Europe for the period from 1 January 2014 to the last day of the calendar month immediately preceding the completion date of the BWI Europe Acquisition.

As the Company and BWI Europe were under common control of BWI (HK) since 23 January 2014, and BWI Europe was controlled by BWI (HK) both before and after the BWI Europe Acquisition, the BWI Europe Acquisition was regarded as a business combination under common control and accounted for using the merger accounting basis as if the BWI Europe Acquisition had been completed at the beginning of accounting periods as presented in these financial statements, or at the date when the Company and BWI Europe were under common control, whichever the later. Accordingly, the consolidated financial statements of the Company are prepared as if the BWI Europe Acquisition had been completed on 23 January 2014, being the date which the Company and BWI Europe were under common control of BWI (HK).

The consolidated financial statements have been prepared to present the assets and liabilities of the subsidiaries acquired pursuant to the BWI Europe Acquisition using the existing book values from the controlling shareholders' perspective.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2015. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases, except for the results of the subsidiaries acquired pursuant to the BWI Europe Acquisition, which have been consolidated since 23 January 2014 as mentioned above.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current year's financial statements.

Amendments to HKAS 19, Defined Benefit plans: Employee Contributions
Annual Improvements to HKFRSs 2010-2012 Cycle
Annual Improvements to HKFRSs 2011-2013 Cycle

The nature and impact of each amendment is described below:

(a) Amendments to HKAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no material impact on the Group.

(b) The *Annual Improvements to HKFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

- HKFRS 8 *Operating Segments:* Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

- HKAS 16 *Property, Plant and Equipment* and HKAS 38 *Intangible Assets:* Clarifies the treatment of gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets. The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.

- HKAS 24 *Related Party Disclosure:* Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from entities other than related parties.

(c) The *Annual Improvements to HKFRSs 2011-2013 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

- HKFRS 3 *Business Combinations:* Clarifies that joint arrangements but not joint ventures are outside the scope of HKFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.

- HKFRS 13 *Fair Value Measurement:* Clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 or HKAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which HKFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in HKFRS 13.

- HKAS 40 *Investment Property:* Clarifies that HKFRS 3, instead of the description of ancillary services in HKAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. The amendment has had no impact on the Group as the acquisition of investment properties during the year was not a business combination and so this amendment is not applicable.

In addition, the Company has adopted the amendments to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") issued by the Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, which have been issued but are not yet effective, in these financial statements.

HKFRS 9	*Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*[1]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[1]
HKFRS 14	*Regulatory Deferral Accounts*[3]
HKFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to HKAS 1	*Disclosure Initiative*[1]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*[1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*[1]
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs[1]

1 No mandatory effective date yet determined but is available for adoption

2 Effective for annual periods beginning on or after 1 January 2018

3 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. The Group is currently assessing the impact of the standard.

The amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016.

The amendments to HKFRS 11 require that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a business must apply the relevant principles for business combinations in HKFRS 3. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to HKFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016.

HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. In September 2015, the HKICPA issued an amendment to HKFRS 15 regarding a one-year deferral of the mandatory effective date of HKFRS 15 to 1 January 2018. The Group expects to adopt HKFRS 15 on 1 January 2018 and is currently assessing the impact of HKFRS 15 upon adoption.

Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

(i) the materiality requirements in HKAS 1;

(ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;

(iii) that entities have flexibility as to the order in which they present the notes to financial statements; and

(iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The Group expects to adopt the amendments from 1 January 2016. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Transfer of construction in progress to property, plant and equipment

Construction in progress is reclassified to appropriate category of property, plant and equipment when completed and ready for use. Thereafter, depreciation is calculated on a straight line basis to write off the cost of such property, plant and equipment to its residual value over its estimated useful life. It requires management's judgement and estimation to determine when the project under construction is substantially ready for its intended use, i.e. when it is capable of commercial operation based on the overall assessment of trial operation results.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Useful lives and residual values of items of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charges where useful lives are less than previously estimated lives, or will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore depreciation charge in the future periods.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of the reporting period. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Management reassesses the estimation at the end of the reporting period.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Defined benefit plan

The Group has recognised the defined benefit pension plan as a liability. The Group's obligations are determined using actuarial valuations, which rely on various assumptions and conditions. The assumptions used in actuarial valuation reports include discount rates, the growth rate of the benefits and other factors. The deviation from the actual result and the actuary result will affect the accuracy of related accounting estimates. Even though management is of the view that the above assumptions are reasonable, any changes in condition of assumptions will still affect the estimated liability amount of employee pension benefit obligations.

Impairment of trade and bills receivables

The policy for impairment of trade and bills receivables of the Group is based on the evaluation of collectability and the aging analysis of trade and bills receivables and on the judgement of the management. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of the customers. Management reassesses the estimation at the end of the reporting period.

Provision against obsolete inventories

Management reviews the condition of inventories of the Group at the end of the reporting period and makes provision against obsolete and slow-moving inventory items identified that are no longer suitable for use or sale. Management estimates the net realisable value for such inventories based primarily on the latest sales invoice prices and current market conditions. Management reassesses the estimation at the end of the reporting period.

Provision for warranties

Provision for product warranties granted by the Group is recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating activities are originated from a single operating segment, which is the manufacture and sale of automotive parts and components. Therefore, no analysis by operating segment is presented.

Products and services

(a) Revenue from external customers

	Year ended 31 December 2015	Year ended 31 December 2014
	HK$'000	*HK$'000*
Product revenue	**2,863,401**	3,224,086
Technical services income	**93,447**	130,528
	2,956,848	3,354,614

Geographical information

(a) Revenue from external customers

	Year ended 31 December 2015 *HK$'000*	Year ended 31 December 2014 *HK$'000*
United Kingdom	**1,422,517**	1,697,468
Germany	**559,113**	600,228
United States	**324,026**	301,304
Mainland China	**17,924**	106,634
Other countries	**633,268**	648,980
	2,956,848	3,354,614

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	31 December 2015 *HK$'000*	31 December 2014 *HK$'000*
Poland	**177,094**	193,011
United Kingdom	**96,585**	92,606
Mainland China	**–**	58,146
Other countries	**24,858**	6,635
	298,537	350,398

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

During the reporting period, the revenues which were generated from two of the Group's customers and were individually accounted for more than 10% of the Group's total revenue are as follows:

	Year ended 31 December 2015 *HK$'000*	Year ended 31 December 2014 *HK$'000*
Customer A	**1,225,697**	1,692,678
Customer B	**323,074**	353,440
	1,548,771	2,046,118

5. REVENUE, OTHER INCOME AND GAINS, NET

Revenue represents: (1) the net invoiced value of goods sold, net of value-added tax and government surcharges and excludes sale taxes, and after allowance for returns and trade discounts; and (2) an appropriate proportion of contract revenue of technical and consultancy service contracts.

An analysis of the Group's revenue, other income and gains, net, is as follows:

	Year ended 31 December 2015	Year ended 31 December 2014
	HK$'000	*HK$'000*
Revenue		
Sale of goods	**2,863,401**	3,224,086
Technical services income	**93,447**	130,528
	2,956,848	3,354,614

	Year ended 31 December 2015	Year ended 31 December 2014
	HK$'000	*HK$'000*
Other income		
Bank interest income	**620**	14
Profit from sale of scrap materials	**–**	51
Compensation for contract reduction	**–**	15,465
Sales of raw materials	**–**	3,131
Others	**5,009**	5,168
	5,629	23,829
Gains, net		
Gain on disposal of items of property, plant and equipment	**1,085**	9,446
Write-off of other payables	**–**	9,086
	1,085	18,532
Other income and gains, net	**6,714**	42,361

6. PROFIT BEFORE TAX

The Group's profit before tax from operation is arrived at after charging/(crediting):

	NOTES	**Year ended 31 December 2015** *HK$'000*	Year ended 31 December 2014 *HK$'000*
Cost of inventories sold		**2,282,088**	2,583,901
Depreciation		**37,670**	51,444
Amortisation of prepaid land lease payments		**199**	706
Minimum lease payments under operating leases		**59,626**	35,223
Auditors' remuneration		**3,691**	2,234
Employee benefit expense (including directors' remuneration):			
Wages, salaries and benefits		**436,955**	346,764
Defined benefit obligation expenses		**6,713**	5,577
		443,668	352,341
Research and development costs		**347,944**	357,110
Less: Staff costs included as research and development cost		**(132,637)**	(145,041)
Research and development costs, net of staff costs		**215,307**	212,069
Gain on disposal of items of property, plant and equipment, net		**(1,085)**	(9,446)
Impairment of items of property, plant and equipment*		**–**	32,175
Impairment/(reversal of impairment) of trade and bills receivables, net*	*12*	**(18)**	614
Impairment of other receivables*	*13*	**–**	12,359
Provision against obsolete inventories**		**808**	6,927
Provision for warranties, net		**8,951**	12,387
Foreign exchange differences, net		**21,337**	23,118

* The impairment amounts of items of property, plant and equipment, trade and bills receivables and other receivables are included in "Administrative expenses" in the consolidated statement of profit or loss.

** The provision against obsolete inventories is included in "Cost of sales" in the consolidated statement of profit or loss.

7. GAIN ON DECONSOLIDATION OF SUBSIDIARIES, NET

Pursuant to a notice of liquidators' appointment dated 12 February 2015 ("Notice"), Messrs. Darach E. Haughey and Ho Kwok Leung Glen were appointed as the joint and several voluntary liquidators of Fullitech International Limited ("Fullitech"), a direct wholly-owned subsidiary of the Company, as approved in form of written resolutions by the Company in respect of the voluntary winding up of Fullitech on the same date. Such Notice together with other relevant documents were submitted and filed in the Registrar of Corporate Affairs in the territory of the British Virgin Islands in February 2015. As such, the directors of Fullitech ceased to have power over the business activities of Fullitech and the assets of Fullitech were under custody and control of the liquidators, thereby the Group lost control over the operating and financing activities of Fullitech upon the appointment of the liquidators in February 2015. Accordingly, Fullitech ceased to be a subsidiary of the Company and the assets and liabilities of Fullitech together with its subsidiaries (collectively the "Fullitech Group") were deconsolidated from that of the Group since 12 February 2015. Fullitech Group has been engaged in manufacture and sale of automotive parts and components business. The Group recognised a gain arising from deconsolidation of the Fullitech Group which had net liabilities at the time the Group's control was lost.

Gain on deconsolidation of subsidiaries represented the net liabilities of the Fullitech Group at the time when the Group's control was lost, which was analysed as follows:

	As at 12 February 2015 *HK$'000*
Property, plant and equipment	52,293
Trade and bills receivables	43,955
Prepayments, deposits and other receivables	2,063
Cash and cash equivalents	4,687
Trade payable	(44,214)
Other payables and accruals	(88,012)
Income tax payables	(17,089)
Net liabilities deconsolidated	(46,317)
Release of exchange fluctuation reserve	(38,469)
Impairment of receivables due from Fullitech Group	20,500
Gain on deconsolidation of subsidiaries, net	64,286

8. FINANCE COSTS

	Year ended 31 December 2015 HK$'000	Year ended 31 December 2014 HK$'000
Interest on bank loans wholly repayable within five years	**3,325**	6,764

9. INCOME TAX

No provision for Hong Kong profits tax has been made for the year ended 31 December 2015 as the Group did not generate any assessable profits arising in Hong Kong during the year (year ended 31 December 2014: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates. Rates of tax prevailing in the countries in which the Group operates include:

	Year ended 31 December 2015	Year ended 31 December 2014
Luxembourg	**21%**	21%
Poland	**19%**	19%
United Kingdom	**20.25%**	21.5%
France	**33.33%**	33.33%
Germany	**31.9%**	31.9%
Italy	**31.4%**	31.4%
Mainland China	**25%**	25%
Czech	**19%**	N/A

	Year ended 31 December 2015 HK$'000	Year ended 31 December 2014 HK$'000
Current – Elsewhere	**32,465**	48,228
Deferred	**(611)**	(4,134)
Tax charge for the year	**31,854**	44,094

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	Year ended 31 December 2015	Year ended 31 December 2014
	HK$'000	*HK$'000*
Profit before tax	**165,921**	388,556
Income tax charge at Hong Kong statutory tax rate of 16.5%	**27,377**	64,112
Effect of different income tax rates for foreign operations	**5,092**	14,364
Income not subject to tax	**(10,227)**	(19,961)
Expenses not deductible for tax purposes	**2,275**	4,379
Tax losses not recognised as deferred tax assets	**2,716**	16,065
Utilisation of prior year tax losses	**–**	(34,865)
Others	**4,621**	–
Tax charge at the effective rate	**31,854**	44,094

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 5,272,983,839 (2014: 2,274,932,466) in issue during the year.

No diluted earnings per share is presented for the years ended 31 December 2015 and 31 December 2014 as the Company did not have any outstanding dilutive potential ordinary shares during such years.

11. DIVIDENDS

The Directors do not recommend the payment of any dividend for the years ended 31 December 2015 and 31 December 2014.

12. TRADE AND BILLS RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade and bills receivables	**373,030**	489,810
Impairment	**(2,248)**	(4,341)
Total	**370,782**	485,469

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to three months for the customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has control to minimise the credit risk. Overdue balances are reviewed regularly by senior management. Concentrations of credit risk are managed by analysis by customer. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing. They are stated net of provisions.

An aging analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2015	2014
	HK$'000	*HK$'000*
Within 3 months	**368,487**	485,469
3 months to 1 year	**2,107**	–
Over 1 year	**188**	–
	370,782	485,469

The movements in provision for impairment of trade and bills receivables are as follows:

	Year ended 31 December 2015	Year ended 31 December 2014
	HK$'000	*HK$'000*
At beginning of the year	**(4,341)**	(3,364)
Deconsolidation of subsidiaries	**1,914**	–
Acquisition of subsidiaries	**–**	(32,950)
Impairment losses reversed/(recognised), net *(note 6)*	**18**	(614)
Amount written-off as uncollectible	**–**	29,292
Exchange realignment	**161**	3,295
At end of the year	**(2,248)**	(4,341)

Included in the provision for impairment of trade and bills receivables are provision for individually impaired trade receivables of HK$2,248,000 (2014: HK$4,341,000) with an aggregate carrying amount before provision of HK$80,412,000 (2014: HK$28,269,000). The individually impaired trade receivables relate to customers that were in unexpected financial difficulties. The Group does not hold any collateral or other credit enhancements over these balances.

The aging analysis of the trade and bills receivables that are not individually nor collectively considered to be impaired is as follows:

	2015	2014
	HK$'000	*HK$'000*
Neither past due nor impaired	**292,618**	461,541
Past due but not impaired:		
Less than 6 months past due	**–**	–
Over 6 months past due	**–**	–
	292,618	461,541

Trade and bills receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Prepayments	**5,876**	8,138
Deposits and other receivables	**33,733**	51,106
Due from fellow subsidiaries	**18,513**	53,134
Due from holding companies	**65,454**	56,772
	123,576	169,150
Impairment	**–**	(12,540)
	123,576	156,610

The movements in provision for impairment of other receivables are as follows:

	Year ended 31 December 2015	Year ended 31 December 2014
	HK$'000	*HK$'000*
At beginning of the year	**(12,540)**	(125)
Impairment losses recognised, net *(note 6)*	**–**	(12,359)
Deconsolidation of subsidiaries	**12,540**	–
Exchange realignment	**–**	(56)
At end of the year	**–**	(12,540)

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

14. TRADE PAYABLES

An aging analysis of the trade payables at the end of the reporting period, based on the invoice date, is as follows:

	2015	2014
	HK$'000	*HK$'000*
Within 3 months	**365,820**	407,266
3 to 6 months	**192**	4,456
6 to 12 months	**71**	3,669
Over 12 months	**2,787**	23,810
	368,870	439,201

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

15. OTHER PAYABLES AND ACCRUALS

	2015	2014
	HK$'000	*HK$'000*
Other payables	**65,920**	149,195
Accruals	**21,581**	38,516
Due to fellow subsidiaries	**23,410**	65,827
Due to holding companies	**189,842**	439,141
	300,753	692,679

Other payables are unsecured, non-interest-bearing and repayable on demand.

16. SHARE CAPITAL

	2015	2014
	HK$'000	*HK$'000*
Authorised:		
10,000,000,000 ordinary shares of HK$0.01 each	**100,000**	100,000
Issued and fully paid:		
5,765,510,688 (2014: 4,606,102,688) ordinary shares of HK$0.01 each	**57,655**	46,061

A summary of the movements in the Company's issued share capital during the years ended 31 December 2015 and 31 December 2014 are as follows:

	Notes	Number of ordinary shares in issue	Issued capital	Share premium account	Total
			HK$'000	*HK$'000*	*HK$'000*
At 1 January 2014		251,892,320	2,519	1,655,209	1,657,728
Issuance of the Subscription Shares	*(a)*	1,555,538,480	15,555	166,132	181,687
Issuance of the Class B Shares	*(a)*	585,546,241	5,855	62,536	68,391
Exercise of the Warrants	*(b)*	125,946,160	1,260	13,451	14,711
Share placement	*(c)*	300,000,000	3,000	93,517	96,517
Acquisition of subsidiaries	*(d)*	1,787,179,487	17,872	518,282	536,154
At 31 December 2014 and 1 January 2015		4,606,102,688	46,061	2,509,127	2,555,188
Issuance of the subscription shares	*(e)*	100,000,000	1,000	37,000	38,000
Share placement	*(c)*	1,100,000,000	11,000	503,000	514,000
Repurchase of shares	*(f)*	(40,592,000)	(406)	(11,300)	(11,706)
Transaction costs attributable to issue of shares	*(g)*	–	–	(12,890)	(12,890)
Reduction of share premium account to set off the accumulated losses	*(h)*	–	–	(1,982,912)	(1,982,912)
At 31 December 2015		5,765,510,688	57,655	1,042,025	1,099,680

Notes:

(a) The Subscription Shares and the Class B Shares were issued on 23 January 2014, and the Class B Shares were converted into ordinary shares on 8 May 2014.

(b) The Warrants were issued on 23 January 2014 and were fully exercised by the shareholders of Omni Success Limited on 27 January 2014 and 24 February 2014 for 100,756,928 and 25,189,232 new ordinary shares of the Company respectively.

(c) Pursuant to a placing agreement entered into between the Company and two placing agents dated 13 November 2014, 300,000,000 new ordinary shares of the Company were allotted and issued to not less than six placees who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons on 25 November 2014, at a price of HK$0.33 per share for a total net cash consideration of HK$96,517,000. Further details of the share placement are set out in the Company's announcements dated 13 November 2014 and 25 November 2014.

Pursuant to a placing agreement entered into between the Company and a placing agent dated 24 April 2015, 300,000,000 new ordinary shares of the Company were placed to not less than six placees who and whose ultimate beneficial owners were third parties independent of the Company and its connected persons on 11 May 2015, at a placing price of HK$0.38 per placing share. The net proceeds from the placing were approximately HK$111,141,000. Further details of the share placement were set out in the Company's announcements dated 24 April 2015 and 11 May 2015.

Pursuant to a placing agreement entered into between the Company and a placing agent dated 4 June 2015, 800,000,000 new ordinary shares of the Company were placed to not less than six placees who and whose ultimate beneficial owners were third parties independent of the Company and its connected persons on 22 June 2015, at a placing price of HK$0.50 per placing share. The net proceeds from the placing were approximately HK$389,969,000. Further details of the share placement were set out in the Company's announcements dated 4 June 2015 and 22 June 2015.

(d) 1,787,179,487 new ordinary shares of the Company at HK$0.39 per share were allotted and issued to BWI (HK) on 23 December 2014 to settle part of the consideration for the BWI Europe Acquisition. Further details of which are set out in the Company's circular dated 27 November 2014.

(e) Pursuant to a share subscription agreement entered into between the Company and China Review Property Group Limited (the "Subscriber") dated 23 April 2015, 100,000,000 new ordinary shares of the Company were allotted and issued to the Subscriber, which was wholly and beneficially owned by Mr. Mung Kin Keung ("Mr. Mung") who was a merchant on 11 May 2015, at a price of HK$0.38 per subscription share for a total net cash consideration of HK$38,000,000. The Subscriber and Mr. Mung were third parties independent of the Company and its connected persons. Further details of the issue of the subscription shares were set out in the Company's announcements dated 24 April 2015 and 11 May 2015.

(f) The Company repurchased totally 40,592,000 ordinary shares during the year. The total payment for the repurchase of the shares was approximately HK$11,706,000 (including the transaction costs approximately HK$36,000). Further details of the repurchase of the shares were set out in the Company's next day disclosure return dated 28 August 2015, 31 August 2015, 1 September 2015, 21 September 2015 and 21 December 2015.

(g) Pursuant to the share placements as detailed in note (c) above, the transaction cost attributable to issue of shares was charged to share premium account with an amount of HK$12,890,000.

(h) The share premium account of the Company was reduced by an amount of approximately HK$1,982,912,000, equivalent to the accumulated losses of the Company and the credit arising therefrom was used to fully set off the accumulated losses as at 31 December 2014. Further details of which were set out in the Company's circular dated 26 May 2015.

17. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2015	2014
	HK$'000	*HK$'000*
Contracted, but not provided for:		
Plant and machinery	**20,811**	19,235

18. EVENT AFTER THE REPORTING PERIOD

There is no material event after the reporting period.

EXTRACT OF QUALIFICATIONS IN THE INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Basis for qualified opinion

The following matters were identified by us in our audit of the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2014.

1. **Corporate undertaking and guarantees**

   The Group had given corporate undertakings and guarantees with a principal amount of HK$1,381,000,000 together with related interest thereon to a scheme of arrangement with creditors as at 31 December 2013. These corporate undertakings and guarantees were disclosed as contingent liabilities and were not recognised in the Group's consolidated financial statements for the nine month period ended 31 December 2013. The aforesaid undertakings and guarantees were released by the scheme of arrangement with creditors as part of the Group's restructuring which was completed in 2014, and the Group recognised a gain of HK$273 million in 2014 from such restructuring as a whole. Such corporate undertakings and guarantees should have been accounted for at fair value in the Group's consolidated financial statements for the nine months ended 31 December 2013. As the Group has not determined the fair value of the undertakings and guarantees, we are unable to quantify the amount of the adjustments that were required to be made to the Group's consolidated financial statements for the nine months ended 31 December 2013. Any adjustments for the unrecognised undertakings and guarantees as at 31 December 2013 would have an impact on the restructuring gain of HK$ 273 million recognised in the year ended 31 December 2014.

2. Amount due from a then associate/Amount due to a then associate

(i) Amount due from a then associate

We are unable to obtain direct audit confirmation in respect of an amount due from a then associate of approximately HK$12,145,000 (equivalent to RMB9,625,000) as at 31 December 2013, and are unable to obtain sufficient evidence to satisfy ourselves as to the completeness and existence of the aforesaid balance. We are unable to perform other satisfactory audit procedures to satisfy ourselves that such amount due from the then associate was fairly stated at 31 December 2013. The Group recognised an impairment loss of HK$12,145,000 (equivalent to RMB9,625,000) in the year ended 31 December 2014 due to the liquidation of the then associate. Any adjustments for the amount due from the then associate as at 31 December 2013 would have an impact on the impairment loss recorded for the year ended 31 December 2014.

(ii) Amount due to a then associate

We are unable to obtain direct audit confirmation in respect of an amount due to a then associate of approximately HK$8,754,000 (equivalent to RMB6,938,000) as at 31 December 2013, and are unable to obtain sufficient evidence to satisfy ourselves as to the completeness and existence of the aforesaid balance. We are unable to perform other satisfactory audit procedures to satisfy ourselves that such amount due to the then associate was fairly stated at 31 December 2013. The Group has written back the aforesaid amount and recognised a gain in other income and gains of HK$8,754,000 (equivalent to RMB6,938,000) in 2014, as the then associate had completed its liquidation procedures in 2014 and the directors of the Company considered that the probability of being claimed for such liabilities is remote. Any adjustments for such amount due to the then associate as at 31 December 2013 would have an impact on the abovementioned gain recognised in the year ended 31 December 2014.

3. Obligations under finance leases

We are unable to obtain direct audit confirmation in respect of obligations under finance leases of approximately HK$32,142,000 as at 31 December 2013, and we have not been able to obtain sufficient evidence to ascertain the completeness and existence of the aforesaid balances as at 31 December 2013. We are unable to perform other satisfactory audit procedures to satisfy ourselves as to whether the aforesaid balances were fairly stated as at 31 December 2013. Pursuant to the scheme of arrangement with creditors and the completion of the Group's restructuring in 2014, such financial lease obligations had effectively been borne by the scheme of arrangement with creditors. Thereby the Group's finance lease obligations were discharged and the Group recognised a restructuring gain of HK$273 million in 2014 from such restructuring as a whole. Accordingly, these obligations under finance leases were derecognised by the Group during the year ended 31 December 2014. Any adjustments that may be required to be made to these obligations under finance leases as at 31 December 2013 would have an impact on the restructuring gain of HK$273 million recognised in the year ended 31 December 2014.

Our audit opinion on the Group's consolidated financial statements for the year ended 31 December 2014 was modified in respect of the above matters. Our opinion on the Group's consolidated financial statements for the year ended 31 December 2015 is also modified because of the possible effects of the above matter on the comparability of the figures for the current year and the comparative information.

Qualified Opinion

In our opinion, except for the possible effects on the comparative information of the matters described in the "Basis for qualified opinion" paragraphs, the financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend in respect of the year (2014: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 27 June 2016 to Wednesday, 29 June 2016 (both days inclusive) to determine the entitlement to attend and vote at the Company's annual general meeting to be held on Wednesday, 29 June 2016 (the "AGM"). During such period no transfer of shares of the Company will be registered. In order to qualify for the entitlement to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 24 June 2016 for registration.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL AND FINANCIAL REVIEW

During the year, the Group was principally involved in the manufacture and sale of automotive parts and components and trading of automotive parts and components.

The Group's automotive controlled and passive suspension products are mainly utilized on premium passenger vehicles, which are mainly from reputable premium passenger vehicle manufacturers located in Europe. The Group developed and maintained strong relationships with its key customers and therefore developed an understanding of the manufacturing process for premium passenger vehicles and the technical requirements of automotive controlled and passive suspension products for premium passenger vehicles.

The Group purchases its raw materials mainly from Europe. It sources raw materials and components from suppliers that are selected based on certain factors, including, among others, the history of relationship with the Group, quality, price, delivery time, and after-sales services with respect to the raw materials and components. The Group maintains stable relationships with its major suppliers and does not reply on any single suppliers for any given type of raw materials and component.

Turnover

The turnover of different business sectors for the twelve months ended 31 December 2015 and 2014 are summarized below:

	For the twelve months ended 31 December 2015 *(HK$ million)*	For the twelve months ended 31 December 2014 *(HK$ million)*	Change *(%)*
Manufacture and sale of automotive controlled and passive suspension products	**2,863.40**	3,117.13	-8.14
Provision of technical services	**93.45**	130.53	-28.41
Manufacture and sale of automotive parts and components in PRC	**–**	106.95	-100.00
Total	**2,956.85**	3,354.61	-11.86

For the twelve months ended 31 December 2015, the revenue from the manufacture and sale of automotive parts and components in PRC was nil (twelve months ended 31 December 2014: HK$106.95 million). This decrease in revenue was because the PRC operations have ceased operations and the liquidation procedures of the respective operations have commenced since February 2015.

The Group has been focusing on the manufacture and sale of automotive controlled and passive suspension products and provision of technical services in Europe. In 2015, new passenger car registrations in European Union ("EU") has been increased by 9.3%, reaching approximately 13.71 million units and surpassing 2014 full year volumes (Source: European Automobile Manufacturers Association). Benefited from the increase in demand in the European market, sales orders and production quantity has been increased when compare to the corresponding period in 2014, however, when turnover, which is mainly dominated in Euro ("EUR"), are translated to the presentation currency in Hong Kong dollar ("HK$"), the increase in turnover has been offset as EUR was depreciated against HK$ when compared to the corresponding period in 2014. For the twelve months ended 31 December 2015, the Group recorded revenue of HK$2,863.40 million in manufacture and sale of controlled and passive suspension products (twelve months ended 31 December 2014: HK$3,117.13 million), as well as HK$93.45 million in provision of technical services (twelve months ended 31 December 2014: HK$130.53 million).

Gross profit and gross profit margin

The gross profit and gross profit margin of different business sectors for the twelve months ended 31 December 2015 and twelve months ended 31 December 2014 are summarized below:

	For the twelve months ended 31 December 2015		For the twelve months ended 31 December 2014		Change	
	Gross profit ***(HK$ million)***	**Gross profit margin** ***(%)***	Gross profit *(HK$ million)*	Gross profit margin *(%)*	Gross profit *(HK$ million)*	Gross profit margin *(%)*
Manufacture and sale of automotive controlled and passive suspension products	**674.76**	**22.82**	779.70	24.01	-104.94	-1.19
Manufacture and sale of automotive parts and components in PRC	**–**	**–**	-8.99	-8.41	8.99	-100.00
Total	**674.76**	**22.82**	770.71	22.97	-95.95	-0.15

The gross profit and gross profit margin from the manufacture and sale of automotive parts and components in PRC for the twelve months ended 31 December 2015 were nil mainly because the PRC operations has ceased operations and liquidation process are in progress.

Controlled suspensions, passive suspensions and technical services are the product/service categories of the revenue of the Group. Research and development expenses are the costs relating to the provision of technical services and such expenses have been categorized under administrative expenses but not under cost of sales. The cost of sales mainly comprised of the costs of the controlled and passive suspension products. During the twelve months ended 31 December 2015, the overall gross profit and gross profit margin were HK$674.76 million and 22.82% respectively (twelve months ended 31 December 2014: HK$779.70 million and 24.01% respectively). Gross profit decreases mainly because of the translation effect from EUR, Polish Zloty ("PLN") and Great Britain Pound Sterling ("GBP") to HK$, while the gross profit margin decreases slightly primarily due to slight increase in cost of sales of passive suspension products.

Other income

Other income of the Group for the twelve months ended 31 December 2015 decreased by 84.16% to HK$6.71 million (twelve months ended 31 December 2014: HK$42.36 million), the decrease in other income was mainly because of the decrease in compensation for contract reduction from a passenger vehicle manufacturer.

Distribution and selling expenses

Distribution and selling expenses of the Group for the twelve months ended 31 December 2015 decreased by 36.18% to HK$24.99 million (twelve months ended 31 December 2014: HK$39.16 million), distribution and selling expenses mainly consist of delivery expenses, salary and welfare for sales personnel and warranty expenses. Decrease in distribution and selling expenses were due to the cease of the PRC operations and the decrease in warranty expenses.

Administrative expenses

Administrative expenses of the Group for the twelve months ended 31 December 2015 decreased by 30.76% to HK$185.15 million (twelve months ended 31 December 2014: HK$267.41 million). The decrease in administrative expenses was due to decrease in non-recurring expenses, mainly impairment of fixed assets, which was attributed from the disinvested PRC operations, as well as expenses related to acquisition of subsidiaries.

Finance costs

Finance costs of the Group for the twelve months ended 31 December 2015 decreased by 50.74% to HK$3.33 million (twelve months ended 31 December 2014: HK$6.76 million). Finance costs in current period mainly represented interest on bank loans, while finance costs in prior period mainly represented interest due to the restructuring scheme.

Gain attributable to equity holders of the Company

For the twelve months ended 31 December 2015, the Group recorded an attributable gain of approximately HK$134.07 million (for the twelve months ended 31 December 2014: HK$344.46 million). The decrease was mainly attributed to the decrease in gain on restructuring.

LIQUIDITY AND FINANCIAL RESOURCES

The Group was operating under a net cash inflow position for the twelve months ended 31 December 2015, in which net cash from operating activities amounted to HK$117.05 million (twelve months ended 31 December 2014: net cash used in operating activities HK$19.51 million). As at 31 December 2015, the Group maintained cash and bank balances of HK$664.10 million (as at 31 December 2014: HK$357.51 million).

As at 31 December 2015, the Group had bank borrowings of HK$57.20 million (as at 31 December 2014: HK$54.91 million), which were all dominated in EUR and United States Dollar ("US$"). The bank borrowings as at 31 December 2015 borne interest at a rate of 1 Month LIBOR plus 2.20% per annum (as at 31 December 2014: 1 Month LIBOR plus 2.20% per annum). The Group's gearing ratio (measured as total borrowings over total assets) as at 31 December 2015 was 3.48% (as at 31 December 2014: 3.49%).

The Company will closely monitor the financial and liquidity position of the Group, as well as the situation of the financial market from time to time in arriving as an appropriate financing strategy for the Group.

ENVIRONMENTAL, HEALTH AND SAFETY

The Group is dedicated to protecting the health of people, natural resources and the global environment, and has adopted the hazardous material control program and chemical material assessment procedures. The Group has obtained all necessary permits under applicable environmental protection laws in operation for its production facilities in Poland and the United Kingdom.

The Group also emphasizes the health and safety of its employees and it is committed to providing a safe and healthy working environment for the benefit of its staff. It has adopted human resources policies which provide the health and safety initiatives that include: (i) identifying and communicating health and safety initiatives; (ii) monitoring trends in statistics for occupational injuries or illness; (iii) complying with health and safety regulations and; (iv) promoting incident reduction through investigation, assessments, corrective actions and proactive intervention. The Group has also complied with applicable social, health and work safety laws and regulations in all material aspects.

REVIEW AND PROSPECTS

During the year, the business of the Group focuses on the design, manufacture and sale of automotive controlled and passive suspension products, as well as provision of related technical services in Europe following the commencement of disinvestment of the PRC operations through voluntary liquidation of relevant subsidiary in February 2015. Since then, the Group has been focused on operating and developing the controlled and passive suspension products business in Europe. This enables the Group to centralize its resources on its major business.

As the Group relies on passenger vehicle manufacturers as customers or potential customers of its products, its financial performance largely depends on the continued growth of the automobile industry in Europe. The automobile industry has been increasingly characterized by the launching of new car models on a more frequent basis, continuous technological advancement, evolving industry standards and changing customer needs and preferences, all of which indicate a trend of shorter product life cycle. Overall market demand for cars may also be affected by factors such as global and regional economic market conditions and fuel price. These factors, which are beyond the Group's control, may affect the annual production of automobiles by passenger vehicle manufacturers, which may in turn affect the sales and profitability of the Group's products.

Although any prospective setback in the global economy growth is a concern to all industrial manufacturers, we are not aware of any observable softening in demand for the Group's products in Europe at the present time. In 2015, the EU passenger car market showed another strong year, new passenger car registrations in EU has been increased by 9.3%, reaching approximately 13.71 million units and surpassing 2014 full year volumes. Demand for new passenger cars was sustained in all major markets, driven by ongoing scrappage schemes and economic recovery in Southern Europe. All major markets posted growth, contributing to the overall upturn of the EU market over the year 2015. Spain and Italy both benefited from strong growth and posted double-digit percentage gains, followed by the UK, France and Germany (Source: European Automobile Manufacturers Association).

Sales of the Group has been benefited from the increase in new passenger car registrations in the European region, which enables the Group to sustain a healthy cash position and maintain the gearing ratio at a low level. Even though the Group has been investing more on research and development when compared to prior year, which may adversely affect the profitability in short term, this ensures the Group to be able to cope with the change in technology and enhance its competitiveness in the market.

Based on this trend, the premium vehicle market in Europe is expected to continue growing in the coming years despite the uncertainty in the European economy. We believe that the technical expertise which the Group possesses, the long-term relationship developed with different premium vehicle manufacturers, as well as the understanding on the requirements of the premium vehicle manufacturers will enable us to capture market opportunities and develop controlled and passive suspension products that meet the technical requirements of the premium vehicle manufacturers. This provides a strong platform for the Group's long-term development.

The Company will also evaluate the operations and business structure of the Group with a view of improving long-term profitability and shareholders' value, which may include acquisitions or streamlining of operations as appropriate. The Group will continue to evaluate potential acquisition opportunities to strengthen its revenue base and improve its profitability, the Group will also enhance and streamline its existing business in order to ensure sustainable future development.

PLEDGE OF ASSETS

As at 31 December 2015 and 2014, there were no assets being pledged.

FOREIGN EXCHANGE EXPOSURE

The Group's transactions are mainly denominated in the local currencies of the places of operation, which include PLN and GBP. Some transactions would also be denominated in EUR and US$. During the twelve months ended 31 December 2015, the Group did not have any material foreign exchange exposure.

CAPITAL AND OTHER COMMITMENTS

Save as disclosed in note 17 to this announcement, the Group and the company has no other commitments as at 31 December 2015 and 2014.

CONTINGENT LIABILITIES

As at 31 December 2015, the Group and the Company did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2015, the Group had approximately 745 full-time employees, all of them were working in the Company and Company's subsidiaries in Europe (as at 31 December 2014: 1,150 full-time employees, in which 730 full-time employees were working in the Company and the Company's subsidiaries in Europe, and the remaining were working in the Company's subsidiaries in the PRC). During the twelve months ended 31 December 2015, the total employees' cost was HK$443.67 million (twelve months ended 31 December 2014: HK$352.34 million). Remuneration packages of the employees are determined by reference to the qualifications and experience of the employee concerned and are reviewed annually by management with reference to market conditions and individual performance. The Group offers comprehensive and competitive remuneration, retirement scheme and benefit package to its employees. Discretionary bonus is offered to the Group's staff depending on their performance. The Group has defined benefit pension plans covering substantially all of its qualified employees in Poland, France and Germany. The Group has also adopted a mandatory provident fund scheme as required under the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) for its employees in Hong Kong.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Company repurchased a total of 40,592,000 ordinary shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate consideration of HK$11,634,460 (expenses excluded). The share repurchases were made with a view to enhance shareholders' interests. Details of the share repurchases are as follows:

Month of share repurchase	**Total number of shares repurchased**	**Highest price paid per share** *HK$*	**Lowest price paid per share** *HK$*	**Aggregate consideration** *(expenses excluded)* *HK$*
August 2015	23,492,000	0.295	0.270	6,734,680
September 2015	16,700,000	0.300	0.265	4,787,780
December 2015	400,000	0.280	0.280	112,000
	40,592,000			11,634,460

All of the above repurchased shares were cancelled during the year.

Save as the above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities on the Stock Exchange or otherwise during the year.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange during the financial year ended 31 December 2015, except for the following deviations:

- Under the code provision A.2.7 of the CG Code, the chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present.

  During the year, the Non-executive Director and the Independent Non-executive Directors may communicate with the Chairman directly at any time to voice their opinion and share their views on the Company's affairs despite that the Chairman has not held a meeting with the Non-executive Director and the Independent Non-executive Directors without the Executive Directors present on the grounds of his absence from Hong Kong. The Company considers that there are sufficient channels for discussion of the Company's affairs between the Chairman and the Non-executive Director (including the Independent Non-executive Directors) in the absence of management.

- Under the first part of code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting. He should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting.

  The Chairman of the Board, who was also the chairman of the Nomination Committee of the Company, did not attend the annual general meeting of the Company held on 22 May 2015 (the "2015 AGM") as he had another business engagement. The Managing Director of the Company, who took the chair of the 2015 AGM, and other members of the Board together with the chairmen of the Audit and Remuneration Committees and all other members of each of the Audit, Remuneration and Nomination Committees attended the 2015 AGM. The Company considers that the members of the Board and the Audit, Remuneration and Nomination Committees who attended the 2015 AGM were already of sufficient caliber and number for answering questions at the 2015 AGM.

APPRECIATION

On behalf of the Board, I would like to extend our sincere thanks to our customers, suppliers and shareholders for their continuous support to the Group. I would also extend my gratitude and appreciation to all management and staff for their hard work and dedication throughout the year.

By Order of the Board
BeijingWest Industries International Limited
Jiang Yunan
Managing Director

Hong Kong, 23 March 2016

As at the date of this announcement, the Board comprises Mr. Han Qing (Chairman), Mr. Jiang Yunan (Managing Director), Mr. Li Shaofeng (Executive Director), Mr. Craig Allen Diem (Executive Director), Mr. Bogdan Józef Such (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).