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TAI HE FINANCIAL GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)

BESTWAY INTERNATIONAL HOLDINGS LIMITED
百威國際控股有限公司*
(incorporated in Bermuda with limited liability)
(Stock code: 718)

JOINT ANNOUNCEMENT

**(1) AGREEMENTS IN RELATION TO
THE ACQUISITION OF SHARES OF
BESTWAY INTERNATIONAL HOLDINGS LIMITED
BY TAI HE FINANCIAL GROUP LIMITED;**

**(2) CONDITIONAL MANDATORY GENERAL
CASH OFFER BY OPTIMA CAPITAL LIMITED
ON BEHALF OF TAI HE FINANCIAL GROUP LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
BESTWAY INTERNATIONAL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY
TAI HE FINANCIAL GROUP LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)
AND**

(3) RESUMPTION OF TRADING

**Financial Adviser to
Tai He Financial Group Limited**

The logo for Optima Capital Limited, featuring a stylized 'O' with a blue and yellow gradient above the word 'OPTIMA' in a bold sans-serif font, with 'CAPITAL' in a smaller font below it.
Optima Capital Limited

THE AGREEMENTS

On 4 February 2016 (after trading hours of the Stock Exchange), the Offeror and each of the Vendors (namely, Mr. Sang, Power Ace, and Ultra Bio-Chem) had entered into the Agreements respectively pursuant to which the Offeror had agreed to acquire an aggregate of 231,500,000 Shares from the Vendors for an aggregate consideration of HK\$152,790,000 (equivalent to HK\$0.66 per Share).

* *For identification purposes only*

The Sale Shares represent approximately 15.42% of the entire issued share capital of the Company as at the date of the Agreements and the date of this joint announcement.

Completion of the acquisition of 91,500,000 Shares from Mr. Sang took place on 11 February 2016. Completion of the acquisition of 100,000,000 Shares from Power Ace and 40,000,000 Shares from Ultra Bio-Chem took place on 15 February 2016.

CONDITIONAL MANDATORY GENERAL CASH OFFER

Immediately before the Acquisition Completion, the Offeror and parties acting in concert with it were interested in 250,180,000 Shares, representing approximately 16.67% of the entire issued share capital of the Company. Upon the Acquisition Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in 481,680,000 Shares, representing 32.09% of the entire issued share capital of the Company.

Pursuant to Rules 26.1 of the Takeovers Code, the Offeror is required to make a conditional mandatory general cash Offer for all the Offer Shares.

Principal terms of the Offer

Optima Capital, the financial adviser to the Offeror, is making the Offer for all the Offer Shares on behalf of the Offeror in compliance with the Takeovers Code on the following basis.

For each Offer Share accepted under the Offer HK\$0.66 in cash

The Offer extends to all Offer Shares. The Offer Price of HK\$0.66 per Offer Share under the Offer is the same as the consideration price per Sale Share paid by the Offeror under the Agreements.

Value of the Offer

As at the date of this joint announcement, the Company has 1,501,092,436 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or other securities which may confer to the holder(s) thereof any right to subscribe for, convert or exchange into Shares. The Company has not entered into any agreement for the issue of any Shares or options, warrants, derivatives or other securities which may confer to the holder(s) thereof any right to subscribe for, convert or exchange into Shares.

Assuming there is no change in the total number of issued Shares from the date of this joint announcement up to the Offer Closing Date and based on the Offer Price of HK\$0.66 per Offer Share, the entire issued share capital of the Company is valued at HK\$990,721,008. Excluding the 481,680,000 Shares held by the Offeror and parties acting in concert with it, a total of 1,019,412,436 Shares will be subject to the Offer. Accordingly, the Offer is valued at HK\$672,812,208 based on the Offer Price of HK\$0.66 per Offer Share.

Financial resources available to the Offeror

The Offeror intends to finance and satisfy the maximum cash consideration payable under the Offer of approximately HK\$672,812,208 by a loan facility of up to HK\$340,000,000 provided by HTI, which is secured by (i) 250,180,000 Shares initially held by the Offeror; (ii) the Sale Shares; and (iii) the Shares to be acquired by the Offeror under the Offer, and its own internal resources. The payment of interest on, repayment of, or security for any liability (contingent or otherwise) for, the Facility will not depend to any extent on the business of the Group.

Optima Capital, being the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the amount of funds required for full acceptance of the Offer.

Condition to the Offer

The Offer is conditional on the number of Shares in respect of acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the date on which the Offer closes (or such later time or date as the Offeror may, subject to the Takeovers Code, decide), together with Shares already owned by the Offeror and parties acting in concert with it and acquired or agreed to be acquired before or during the Offer, resulting in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company in accordance with the Takeovers Code.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. Mao Kangfu, Dr. Gao Bin and Ms. Liu Yan, who have no direct or indirect interest in the Offer, has been established to advise the Independent Shareholders in respect of the Offer. An independent financial adviser will be appointed by the Company with approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer.

GENERAL INFORMATION

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Offeror and the Company are required to despatch the Composite Document containing, amongst other things, (i) details of the Offer and its terms and conditions (including the expected timetable); (ii) the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Offer; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in connection with the Offer; and (iv) the relevant forms of acceptance and transfer, to the Shareholders within 21 days of the date of this joint announcement. It is expected that such Composite Document will be issued on or before 7 March 2016.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company in due course.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 5 February 2016 pending the publication of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 16 February 2016.

WARNING

The Offer is conditional. If the total number of Shares in respect of the valid acceptances which the Offeror have received at or before 4:00 p.m. on the first closing date (or such other time as the Offeror may, subject to the Takeovers Code, decide) under the Offer, together with the Shares acquired before or during the Offer, does not result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company, the Offer will not become unconditional. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If Shareholders and potential investors are in any doubt about their position, they should consult their own professional advisers.

THE AGREEMENTS

The Offeror and the Company jointly announce that, after the Stock Exchange trading hours on 4 February 2016, the Offeror and each of the Vendors (namely, Mr. Sang, Power Ace, and Ultra Bio-Chem) had entered into the Agreements respectively pursuant to which the Offeror agreed to acquire an aggregate of 231,500,000 Shares from the Vendors for an aggregate consideration of HK\$152,790,000 (equivalent to HK\$0.66 per Share).

The principal terms of the Agreements are the same and are summarised below:

- Subject Matter : The Vendors agreed to sell and the Offeror agreed to acquire the Sale Shares.
- Date : 4 February 2016
- Vendors : (i) Power Ace Investments Limited, which held 100,000,000 Shares immediately before the Acquisition Completion (representing approximately 6.66% of the issued share capital of the Company), and is owned as to 50% by Mr. Hu (being the executive Director) and as to 50% by his spouse;
- (ii) Ultra Bio-Chem Technology Limited, which held 40,000,000 Shares immediately before the Acquisition Completion (representing approximately 2.67% of the issued share capital of the Company), and is wholly-owned by Mr. Hu; and

(iii) Mr. Sang Kangqiao, being the legal representative and director of a PRC non-wholly-owned subsidiary of the Company, and held 92,325,000 Shares immediately before the Acquisition Completion (representing approximately 6.15% of the issued share capital of the Company), and remained holding of 825,000 Shares upon Acquisition Completion.

- Purchaser : Tai He Financial Group Limited, the sole shareholder and director of which is Mr. Chua, further information of the Offeror are set out in the section headed “Information on the Offeror” below.
- Sale Shares : An aggregate of 231,500,000 Shares, representing approximately 15.42% of the issued share capital of the Company as at the date of the Agreements and the date of this joint announcement. The Sale Shares comprised:
- (i) 100,000,000 Shares held by Power Ace;
 - (ii) 40,000,000 Shares held by Ultra Bio-Chem; and
 - (iii) 91,500,000 Shares held by Mr. Sang.
- Consideration : The aggregate consideration for the Sale Shares was HK\$152,790,000 (equivalent to HK\$0.66 per Sale Share) excluding the applicable brokerage fee and levies. The amount of consideration paid to each of the Vendors is set out below:
- (i) HK\$66,000,000 (equivalent to HK\$0.66 per Sale Share) payable to Power Ace;
 - (ii) HK\$26,400,000 (equivalent to HK\$0.66 per Sale Share) payable to Ultra Bio-Chem; and
 - (iii) HK\$60,390,000 (equivalent to HK\$0.66 per Sale Share) payable to Mr. Sang.
- Completion : Completion of the acquisition of 91,500,000 Shares from Mr. Sang took place on 11 February 2016.
- Completion of acquisition of 100,000,000 Shares from Power Ace and 40,000,000 Shares from Ultra Bio-Chem took place on 15 February 2016.

SHAREHOLDING STRUCTURE

Set out below are the shareholding structure of the Company (i) immediately before Acquisition Completion; and (ii) immediately after the Acquisition Completion and as at the date of this joint announcement:

	(i) Immediately before the Acquisition Completion		(ii) Immediately after the Acquisition Completion and as at the date of this joint announcement	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Mr. Hu (<i>Note 1</i>)	140,000,000	9.33	–	–
Mr. Sang (<i>Note 2</i>)	92,325,000	6.15	825,000	0.06
Sub-total of the Vendors	232,325,000	15.48	825,000	0.06
Dr. Liu Hua (<i>Note 3</i>)	50,000,000	3.33	50,000,000	3.33
The Offeror and parties acting in concert with it	250,180,000	16.67	481,680,000	32.09
Public Shareholders	968,587,436	64.52	968,587,436	64.52
Total	1,501,092,436	100.00	1,501,092,436	100.00

Notes:

1. Mr. Hu is an executive Director. Of his total shareholding interest of 140,000,000 Shares, 100,000,000 Shares were held by Power Ace, which is owned as to 50% by Mr. Hu and as to 50% by his spouse, Ms. Li Lingxiu; and 40,000,000 Shares are held by Ultra Bio-Chem, which is wholly-owned by Mr. Hu.
2. Mr. Sang is the legal representative and director of a PRC non-wholly owned subsidiary of the Company.
3. Dr. Liu Hua is an executive Director and the acting chief executive officer of the Company.

CONDITIONAL MANDATORY GENERAL CASH OFFER

Immediately before the Acquisition Completion, the Offeror and parties acting in concert with it were interested in 250,180,000 Shares, representing approximately 16.67% of the entire issued share capital of the Company. Upon the Acquisition Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in 481,680,000 Shares, representing 32.09% of the entire issued share capital of the Company.

Pursuant to Rules 26.1 of the Takeovers Code, the Offeror is required to make a conditional mandatory general cash offer for all the Offer Shares.

Principal terms of the Offer

Optima Capital, the financial adviser to the Offeror, is making the Offer for all the Offer Shares on behalf of the Offeror in compliance with the Takeovers Code on the following basis.

For each Offer Share accepted under the Offer HK\$0.66 in cash

The Offer extends to all Offer Shares. The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them on the date on which the Offer is made or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made.

The Offer Price

The Offer Price of HK\$0.66 per Offer Share equals the consideration per Sale Share under the Agreements and:

- (i) represents a discount of approximately 1.49% to the closing price of HK\$0.67 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) represents a discount of approximately 3.23% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of HK\$0.682 per Share;
- (iii) represents a discount of approximately 7.95% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day of HK\$0.717 per Share;
- (iv) represents a premium of approximately 2.71% over the adjusted consolidated net asset value per Share as at 30 September 2015 of approximately HK\$0.642 (which was calculated by dividing (i) the sum of the unaudited consolidated net asset value of the Group as at 30 September 2015 of approximately HK\$799.6 million and the net proceeds of 164.32 million raised from the subscription of new shares under general mandate completed on 30 November 2015; by (ii) 1,501,092,436 Shares in issue as at the date of this joint announcement); and
- (v) is same as to the subscription price of HK\$0.66 per Share paid by the Offeror for the subscription of 250,180,000 Shares on 30 November 2015 (details of which are set out in the announcements of the Company dated 12 November 2015 and 30 November 2015).

Highest and lowest Share price

The highest and the lowest closing price of the Shares as quoted on the Stock Exchange on the trading days during the Relevant Period were HK\$0.99 per Share on 19 August 2015 and 20 August 2015 and HK\$0.67 on 3 February 2016 and 4 February 2016, respectively.

Value of the Offer

As at the date of this joint announcement, the Company has 1,501,092,436 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or other securities which may confer to the holder(s) thereof any right to subscribe for, convert or exchange into Shares. The Company has not entered into any agreement for the issue of any Shares or options, warrants, derivatives or other securities which may confer to the holder(s) thereof any right to subscribe for, convert or exchange into Shares.

Assuming there is no change in the total number of issued Shares from the date of this joint announcement up to the Offer Closing Date and based on the Offer Price of HK\$0.66 per Offer Share, the entire issued share capital of the Company is valued at HK\$990,721,008. Excluding the 481,680,000 Shares held by the Offeror and parties acting in concert with it, a total of 1,019,412,436 Shares will be subject to the Offer. Accordingly, the Offer is valued at HK\$672,812,208 based on the Offer Price of HK\$0.66 per Offer Share.

Financial resources available to the Offeror

The Offeror intends to finance and satisfy the maximum cash consideration payable under the Offer of approximately HK\$672,812,208 by a loan facility of up to HK\$340,000,000 provided by HTI, which is secured by (i) 250,180,000 Shares initially held by the Offeror; (ii) the Sale Shares; and (iii) the Shares to be acquired by the Offeror under the Offer, and its own internal resources. The payment of interest on, repayment of, or security for any liability (contingent or otherwise) for, the Facility will not depend to any extent on the business of the Group.

Optima Capital, being the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the amount of funds required for full acceptance of the Offer.

Condition to the Offer

The Offer is conditional on the number of Shares in respect of acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the date on which the Offer closes (or such later time or date as the Offeror may, subject to the Takeovers Code, decide), together with Shares already owned by the Offeror and parties acting in concert with it and acquired or agreed to be acquired before or during the Offer, resulting in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company in accordance with the Takeovers Code.

Effect of accepting the Offer

The Offer is conditional. Subject to the Offer becoming unconditional, the Offer is made on the basis that acceptance of the Offer by any person will constitute a warranty by such person or persons to the Offeror that the Shares acquired under the Offer are sold by such person or persons free from all liens, charges, options, claims, equities, adverse interests, third party rights or encumbrances whatsoever and together with all rights attaching thereto on the date on which the Offer is made or subsequently becoming attached to them, including the right to receive all dividends (whether final or interim) and other distributions, if any, declared, made or paid on or after the date on which the Offer is made.

The Offer will be made in compliance with the Takeovers Code which is administered by the Executive.

The Independent Shareholders are reminded to read the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in respect of the Offer and the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer which will be included in the Composite Document.

Stamp duty

Seller's ad valorem stamp duty arising in connection with acceptance of the Offer amounting to 0.1% of the amount payable in respect of the acceptance by the Shareholders, or (if higher) the value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance, will be deducted from the cash amount payable to the Shareholders who accept the Offer.

The Offeror will arrange for payment of the seller's ad valorem stamp duty so deducted on behalf of the Shareholders who accept the Offer and will pay its own buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfers of the Offer Shares to the Stamp Duty Office in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Payment

Subject to the Offer having become, or has been declared, unconditional in all respects, settlement of the consideration in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) Business Days of the date on which the relevant documents of title are received by the Offeror or its agent acting on its behalf to render each such acceptance complete and valid, or the date on which the Offer has become or is declared unconditional in all aspects, whichever is later.

Return of documents

If the Offer does not become, or is not declared, unconditional in all respects within the time permitted by the Takeovers Code, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the branch registrar of the Company in Hong Kong will be returned to the Shareholders who have accepted the Offer by ordinary post at the Shareholders' own risk as soon as possible but in any event within ten (10) days after the Offer has lapsed.

Taxation advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Optima Capital and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Shareholders

The Offeror intends to make the Offer available to all Shareholders including the Overseas Shareholders. The availability of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Shareholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should observe any applicable legal requirements and, where necessary, seek independent legal advice.

In the event that the receipt of the Composite Document by Overseas Shareholders is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, will not be despatched to the Overseas Shareholders. The Offeror will apply for any waiver as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any arrangements for Overseas Shareholders to collect the Composite Document will be set forth in a further announcement.

It is the sole responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

Any acceptance by any Overseas Shareholders of the Offer will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that all applicable local laws and requirements have been complied with. Overseas Shareholders who are in doubt as to the action they should take should consult their stockbrokers, licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers. The Offeror will comply with the requirements of the Takeovers Code in respect of the Overseas Shareholders.

INFORMATION ON THE GROUP

The Group is principally engaged in trading of medical equipment and commodities, and mining of tungsten in Mongolia.

The Group had carried out general trading since 2013, with a trading portfolio of wine, tea, computer parts, and cotton yarn. In the second half of 2014, the Group shifted its focus to trading of medical equipment. In December 2015, the Group further extended its trading portfolio to commodities. For the first two months of commodities trading, the total amount of commodities trading transacted by the Group amounted to approximately HK\$940 million. Further information on the commencement of the commodity trading business of the Group was set out in the announcement of the Company dated 29 January 2016.

The Group currently holds four mining licenses in tungsten mines. In September 2015, the Group entered into a memorandum with an experienced mining explorer from Inner Mongolia (the “**Contractor**”) with a view to engagement of the Contractor to develop and exploit one of its Mongolian tungsten mines. The Group will continue to negotiate with the Contractor on the terms of the engagement. Subject to the conclusion of this proposed contracting arrangement, it is expected that the exploitation of one of the mines may commence not later than the end of June 2016.

The Group has also decided to enter into the financial services industry. It is now in the process of acquiring three target companies (the “**Target Companies**”) principally engaged in Type 2 (dealing in futures) and Type 9 (asset management) regulated activities under the SFO, as well as money lending business and also has the right to further acquire a company principally engaged in Type 1 (dealing securities) regulated activity within 12 months from the earlier of date of the completion of the aforesaid acquisition, or 1 July 2016 (together, the “**FS Acquisition**”). The FS Acquisition is conditional on, among other things, written approval or consent to be granted by the SFC for the change of substantial shareholder of the Target Companies. Further information on the FS Acquisition was set out in the announcements of the Company dated 30 December 2015 and 18 January 2016.

Set out below is a summary of the audited consolidated financial information of the Group for the financial years ended 31 March 2014 and 2015 and unaudited financial information of the Group for the six months ended 30 September 2015.

	Six months ended 30 September 2015	Year ended 31 March 2015	Year ended 31 March 2014
<i>(HK\$'000)</i>	(Unaudited)	(Audited)	(Audited)
Turnover	9,830	7,632	2,255
Gross Profit	4,145	3,084	193
Loss before taxation	(3,468)	(74,746)	(6,894)
Loss after taxation	<u>(3,477)</u>	<u>(58,267)</u>	<u>(6,894)</u>
	As at 30 September 2015	As at 31 March 2015	As at 31 March 2014
<i>(HK\$'000)</i>	(Unaudited)	(Audited)	(Audited)
Net asset value	<u>799,600</u>	<u>625,813</u>	<u>596,952</u>

The Group's turnover for the financial year ended 31 March 2014 was generated from its general trading activities with relatively low profit margin. For the financial year ended 31 March 2015, the turnover and gross profit margin of the Group increased significantly due to the shift of focus to trading of medical equipment. Despite the improvement in the turnover and gross profit margin of the trading business for this period, the Group recorded a significant loss attributable to Shareholders of HK\$58,267,000. Such loss was mainly attributable to the loss on the net amount of impairment of the mining rights of HK\$49,458,000, after setting off of the related tax credit. For the six-month interim period ended 30 September 2015, the turnover of the Group further increased to approximately HK\$9.8 million. While the Group had sustained a gross profit of approximately HK\$4 million during the period, it had nevertheless recorded a loss attributable to the Shareholders of HK\$3.5 million having accounted for the administrative and selling expenses of HK\$7.7 million for the same period.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in Cayman Islands with limited liability. The sole beneficial owner and the sole director of the Offeror is Mr. Chua. On 30 November 2015, the Offeror subscribed for a total of 250,180,000 Shares at HK\$0.66 per Share, and thus became a substantial shareholder (as defined in the Listing Rules) of the Company holding approximately 16.67% of the total issued share capital of the Company. Details of which were set out in the announcements of the Company dated 12 November 2015 and 30 November 2015.

On 19 January 2016, Mr. Chua was appointed as an executive Director and the Chairman of the Board. Mr. Chua has over nine years of experience in the areas of equity investments, trading of liquefied petroleum gas (LPG) and chemical products and trade financing. Mr. Chua is the founder and the president of Huacheng International Resources Pte Ltd (華宸國際能源有限公司*), a private company established in Singapore in 2006, which is the trading arm of Mr. Chua in LPG and chemical products.

THE OFFEROR'S INTEREST IN THE SECURITIES OF THE COMPANY

As at the date of this joint announcement, the Company has 1,501,092,436 Shares in issue. Upon the Acquisition Completion, the Offeror and parties acting in concert with it hold 481,680,000 Shares, representing approximately 32.09% of the entire issued share capital of the Company.

Save for the 250,180,000 Shares subscribed by the Offeror at HK\$0.66 per Share on 30 November 2015 and the Sale Shares acquired by the Offeror under the Agreements, (i) neither the Offeror nor parties acting in concert with it owns or has control or direction over any voting rights or rights over any Shares or any options, warrants or convertible securities in respect of Shares or has entered into any outstanding derivatives contracts in respect thereof; and (ii) none of the Offeror and parties acting in concert with it has dealt in any Shares or any options, warrants, derivatives or securities convertible into Shares during Relevant Period.

As at the date of this joint announcement, (i) there were no agreements or arrangements to which any of the Offeror is a party which relate to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; (ii) none of the Offeror and parties acting in concert with it has received any irrevocable commitment to accept the Offer; (iii) there were no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any person acting in concert with it has borrowed or lent; and (iv) save for the Agreements and the Facility, there were no arrangements in relation to the shares of the Offeror or the Company and which might be material to the Offer.

INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY

As detailed in the section headed “Information on the Group” above, the Group is now principally engaged in trading of medical equipment and commodities, and mining of tungsten in Mongolia, and will embark on the financial services and money lending business in Hong Kong, subject to the completion of the FS Acquisition.

The Offeror intends to continue the existing principal businesses of the Group and the proposed businesses as aforesaid. Despite the high volatility and tight liquidity currently experienced by the capital market, the Offeror considers that the recent market consolidation may present good opportunities for the development of the Group’s business. Leveraging on Mr. Chua’s experience in equity investments and trade finance, the Offeror will explore the possible business opportunities in the area of money lending and distressed asset investments in Hong Kong and the PRC. Subject to further investigation into the business opportunities in the related areas, the Offeror will present suitable propositions to the Company in due course. In the meantime, in order to enable the Company to capture good opportunities that may arise in future, the Offeror will consider providing, or procure financial institutions to provide, necessary finance to the Group in the interim, such that the Group would be in a position to expand its business with critical mass. Both the Offeror and the Company will make further announcements on the development of the Group’s business in compliance with the Takeovers Code and the Listing Rules as and when appropriate. Upon close of the Offer, the Offeror will conduct a detailed review of the operations of the Group and formulate business strategies for the Group’s long term development.

Notwithstanding the above, as at the date of this joint announcement, no investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group, and the Offeror has no intention to discontinue the employment of the employees or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business.

PROPOSED CHANGE OF BOARD COMPOSITION

The Board is currently made up of six Directors, comprising three executive Directors, being Mr. Chua Hwa Por, Mr. Hu Yebi, and Dr. Liu Hua, and three independent non-executive Directors, being Mr. Mao Kangfu, Dr. Gao Bin and Ms. Liu Yan.

The Offeror intends to nominate directors to the Board for appointment with effect from a date which is no earlier than such date as permitted under Rule 26.4 of the Takeovers Code. As at the date of this joint announcement, the Offeror has not decided on the future composition of the Board. Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by the Company as and when appropriate.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on Main Board of the Stock Exchange after close of the Offer. The sole director of the Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float will exist in the Shares after the close of the Offer. The Offeror does not intend to exercise its right which may be available to it to compulsorily acquire the remaining Shares after the close of the Offer.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. Mao Kangfu, Dr. Gao Bin and Ms. Liu Yan, who have no direct or indirect interest in the Offer, has been established to advise the Independent Shareholders in respect of the Offer. An independent financial adviser will be appointed by the Company with approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer.

GENERAL INFORMATION

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Offeror and the Company are required to despatch the Composite Document containing, amongst other things, (i) details of the Offer and its terms and conditions (including the expected timetable); (ii) the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Offer; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in connection with the Offer; and (iv) the relevant forms of acceptance and transfer, to the Shareholders within 21 days of the date of this joint announcement. It is expected that such Composite Document will be issued on or before 7 March 2016.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company in due course.

DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined under the Takeovers Code which includes, among others, a person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code)) of the Company and the Offeror are reminded to disclose their dealings in the securities of the Company pursuant to Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code in relation to the responsibilities of stockbrokers, banks and other intermediaries is reproduced below:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

The Offeror, its nominees or brokers or associates may from time to time make certain purchases of, or arrangements to purchase Shares other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance in compliance with the Takeovers Code. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be reported to the SFC and will be available on the SFC website at <http://www.sfc.hk/>.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 5 February 2016 pending the publication of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 16 February 2016.

WARNING

The Offer is conditional. If the total number of Shares in respect of the valid acceptances, which the Offeror have received at or before 4:00p.m. on the first closing date (or such other time as the offeror may, subject to the Takeovers Code, decide) under the Offer together with the Shares acquired before or during the Offer, does not result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company, the Offer will not become unconditional. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If Shareholders and potential investors are in any doubt about their position, they should consult their own professional advisers.

DEFINITIONS

In this joint announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Acquisition”	the acquisition of the Sale Shares by the Offeror from the Vendors pursuant to the Agreements
“Acquisition Completion”	completion of the Acquisition
“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“Agreements”	the respective sale and purchase agreements dated 4 February 2016 entered into between the Offeror and each of the Vendors in relation to, amongst other things, the Acquisition
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	British Virgin Islands
“Company”	Bestway International Holdings Limited, a company incorporated in the Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 718)

“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer in compliance with the Takeovers Code containing, among other things, details of the Offer, procedures for acceptance of the Offer, letters from the Independent Board Committee and the Independent Financial Adviser, and the relevant forms of acceptance and transfer
“Director(s)”	director(s) of the Company from time to time
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such executive director
“Facility”	a loan facility of up to HK\$340,000,000 provided by HTI to the Offeror, which is secured by (i) 250,180,000 Shares initially held by the Offeror; (ii) the Sale Shares; and (iii) the Shares to be acquired by the Offeror under the Offer
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HTI”	Haitong International Securities Company Limited, a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 3 (leveraged foreign exchange trading) and Type 4 (advising on securities) regulated activities
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors who have no direct or indirect interest in the Offer, established for the purpose of advising the Independent Shareholders in respect of the Offer
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Last Trading Day”	4 February 2016, being the last trading day for the Shares immediately before the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time

“Mr. Chua”	Mr. Chua Hwa Por, an executive Director, the Chairman of the Board and the sole beneficial owner and sole director of the Offeror
“Mr. Hu”	Mr. Hu Yebi, an executive Director
“Mr. Sang”	Mr. Sang Kangqiao, one of the Vendors and the legal representative and director of a PRC non-wholly-owned subsidiary of the Company
“Offer”	the conditional mandatory general cash offer to be made by Optima Capital on behalf of the Offeror to acquire all the Offer Shares on the terms and conditions set out in this joint announcement and in compliance with the Takeovers Code
“Offer Closing Date”	the dates on which the Offer closes
“Offer Price”	HK\$0.66 for each Offer Share payable by the Offeror to the Independent Shareholders accepting the Offer
“Offer Share(s)”	all the Shares in issue, other than those already owned by or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror”	Tai He Financial Group Limited, a company incorporated in the Cayman Islands with limited liability, the sole shareholder of which is Mr. Chua
“Optima Capital”	Optima Capital Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror
“Overseas Shareholders”	Independent Shareholder(s) whose addresses as shown on the register of members of the Company are outside Hong Kong
“Power Ace”	Power Ace Investment Limited, one of the Vendors and a company incorporated in the BVI with limited liability owned as to 50% by Mr. Hu and 50% by his spouse
“PRC”	the People’s Republic of China, which for the purposes of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Relevant Period”	the period commencing from 15 August 2015, being the date falling six months preceding the date of this joint announcement, up to and including the date of this joint announcement

“Sale Shares”	a total of 231,500,000 Shares acquired by the Offeror from the Vendors pursuant to the terms and conditions of the Agreements
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary shares of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Ultra Bio-Chem”	Ultra Bio-Chem Technology Limited, one of the Vendors and a company incorporated in the BVI with limited liability which is wholly-owned by Mr. Hu
“Vendors”	collectively, Power Ace, Ultra Bio-Chem and Mr. Sang
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“%”	per cent

By Order of the board
Tai He Financial Group Limited
Mr. Chua Hwa Por
Sole Director

By Order of the Board
Bestway International Holdings Limited
Dr. Liu Hua
Acting Chief Executive Officer

Hong Kong, 15 February 2016

As at the date of this joint announcement, the Board comprises Mr. Chua Hwa Por, Mr. Hu Yebi, and Dr. Liu Hua as executive Directors, and Mr. Mao Kangfu, Dr. Gao Bin and Ms. Liu Yan as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than any information relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinion expressed in this joint announcement (other than those expressed by the director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in the joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Chua Hwa Por.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Group), and confirms, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.