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**BESTWAY INTERNATIONAL HOLDINGS LIMITED**

**百威國際控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock code: 718)**

**ANNOUNCEMENT OF INTERIM RESULTS FOR  
THE SIX MONTHS ENDED 30 SEPTEMBER 2010**

The Board of Directors (the “Board”) of Bestway International Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively known as the “Group”) for the six months ended 30 September 2010. The unaudited condensed consolidated interim financial statements were not audited but have been reviewed by the Company’s audit committee (the “Audit Committee”).

\* *For identification purposes only*

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2010

	Notes	Six months ended 30 September	
		2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
<b>Continuing operations</b>			
Revenue	4	532	6,250
Cost of sales		(491)	(5,531)
<b>Gross profit</b>		<b>41</b>	<b>719</b>
Other income	4	1	279
Selling and distribution costs		–	(95)
Administrative expenses		(2,347)	(5,066)
Other operating expenses, net		(8)	(67)
Finance costs	6	(772)	–
Gain on disposal of subsidiaries		–	11,293
<b>(Loss)/Profit before taxation</b>	7	<b>(3,085)</b>	<b>7,063</b>
Taxation	8	–	–
<b>(Loss)/Profit for the period from continuing operations</b>		<b>(3,085)</b>	<b>7,063</b>
<b>Discontinued operations</b>			
Profit for the period from discontinued operations		–	2,080
<b>(Loss)/Profit for the period attributable to the owners of the Company</b>		<b>(3,085)</b>	<b>9,143</b>
<b>Other comprehensive income</b>			
Exchange difference arising on translation		29	–
<b>Total comprehensive (expense)/income for the period attributable to the owners of the Company</b>		<b>(3,056)</b>	<b>9,143</b>
<b>(Loss)/Earnings per share for (loss)/profit attributable to the owners of the Company</b>			
	10		
From continuing and discontinued operations			
<b>Basic</b>		<b>(0.18) HK cents</b>	<b>1.96 HK cents</b>
<b>Diluted</b>		<b>N/A</b>	<b>N/A</b>
From continuing operations			
<b>Basic</b>		<b>(0.18) HK cents</b>	<b>1.52 HK cents</b>
<b>Diluted</b>		<b>N/A</b>	<b>N/A</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2010

	Notes	30 September 2010 (Unaudited) HK\$'000	31 March 2010 (Audited) HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		318	345
Exploration and evaluation assets		885	863
Mining rights	11	<u>1,001,130</u>	<u>1,001,130</u>
		<u>1,002,333</u>	<u>1,002,338</u>
<b>Current assets</b>			
Trade receivables	12	–	5,591
Prepayments, deposits and other receivables		130	273
Cash at banks and in hand		<u>8,910</u>	<u>10,871</u>
		<u>9,040</u>	<u>16,735</u>
<b>Current liabilities</b>			
Trade payables	13	–	5,155
Other payables and accruals		<u>1,335</u>	<u>1,596</u>
		<u>1,335</u>	<u>6,751</u>
<b>Net current assets</b>		<u>7,705</u>	<u>9,984</u>
<b>Total assets less current liabilities</b>		<u>1,010,038</u>	<u>1,012,322</u>
<b>Non-current liabilities</b>			
Promissory notes		19,379	18,607
Deferred tax liabilities		<u>230,281</u>	<u>230,281</u>
		<u>249,660</u>	<u>248,888</u>
<b>Net assets</b>		<u>760,378</u>	<u>763,434</u>
<b>Capital and reserves</b>			
Share capital		323,357	323,357
Reserves		<u>437,021</u>	<u>440,077</u>
<b>Total equity</b>		<u>760,378</u>	<u>763,434</u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

*For the six months ended 30 September 2010*

## **1. General information**

Bestway International Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda. Registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is located at Room 1102C, 11th Floor, Tower I, Admiralty Centre, 18 Harcourt Road, Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is an investment holding company. During the period, the Company and its subsidiaries (the “Group”) were principally involved trading of plastic products, mainly PVC films and engaged in mining business of the natural resources of tungsten. However no active operation of mining business took place at the end of the reporting period.

## **2. Basis of preparation**

These unaudited condensed consolidated interim financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2010, except for the adoption of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) (which include individual Hong Kong Financial Reporting Standards, HKAS and Interpretations) as disclosed in note 3.

The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2010.

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values.

### 3. Adoption of new or amended HKFRSs

In the current period, the Group has applied for the first time the following new and revised HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual financial period beginning on 1 April 2010.

HKFRS 3 (Revised)	Business Combinations
HKAS 27 (Revised)	Consolidated and Separate Financial Statements

As there was no transaction during the current period to which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other new or revised HKFRSs has had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

#### ***Impact of new and revised HKFRSs which are issued but not effective***

The Group has not early adopted the following new and revised HKFRSs that have been issued but are not yet effective in the current period:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 <sup>2</sup>
HKAS 24 (Revised)	Related Party Disclosures <sup>3</sup>
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 – Disclosures for First-time Adopters <sup>1</sup>
HKFRS 9	Financial instruments <sup>4</sup>
HK(IFRIC) – INT 14 (Amendments)	Prepayments of a Minimum Funding Requirement <sup>3</sup>
HK(IFRIC) – INT 19	Extinguishing Financial Liabilities with Equity Instruments <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2010

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2011

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2013

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the condensed consolidated financial statements.

#### 4. Revenue and other income

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue and other income is as follows:

	Continuing operations		Discontinued operations		Consolidated	
	Six months ended		Six months ended		Six months ended	
	30 September		30 September		30 September	
	2010	2009	2010	2009	2010	2009
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Revenue</b>						
Sales of goods	<u>532</u>	<u>6,250</u>	<u>-</u>	<u>52,011</u>	<u>532</u>	<u>58,261</u>
<b>Other income</b>						
Bank interest income	1	-	-	-	1	-
Investment income from long term receivables	-	135	-	-	-	135
Sundry income	<u>-</u>	<u>144</u>	<u>-</u>	<u>666</u>	<u>-</u>	<u>810</u>
	<u>1</u>	<u>279</u>	<u>-</u>	<u>666</u>	<u>1</u>	<u>945</u>

#### 5. Segment information

The Group determines its operating segment based on the internal reports are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

For sale of plastic products, mainly PVC films operations, the chief operating decision maker regular reviews the performance of sales revenue from plastic products. For mining exploitation operations, the chief operating decision maker regularly reviews the performance of mining operation in Mongolia. For segment report under HKFRS 8, financial information of these operations have been aggregated into two operating segments named "Trading of plastic products" and "Mining business" respectively. However, no active operation of mining business took place at the end of the reporting period.

	Trading of plastic products		Mining business		Consolidated	
	Six months ended		Six months ended		Six months ended	
	30 September		30 September		30 September	
	2010	2009	2010	2009	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Segment revenue</b>						
Sales to external customers	<u>532</u>	<u>6,250</u>	<u>-</u>	<u>-</u>	<u>532</u>	<u>6,250</u>
<b>Segment results</b>	<b>38</b>	<b>667</b>	<b>(827)</b>	<b>-</b>	<b>(789)</b>	<b>667</b>
Unallocated corporate income					-	11,526
Unallocated corporate expenses					(1,524)	(5,130)
Finance costs					<u>(772)</u>	<u>-</u>
(Loss)/Profit for the period before taxation and discontinued operations					<u>(3,085)</u>	<u>7,063</u>

## 6. Finance costs

	Continuing operations		Discontinued operations		Consolidated	
	Six months ended		Six months ended		Six months ended	
	30 September		30 September		30 September	
	2010	2009	2010	2009	2010	2009
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on:						
Bank loans and other loans wholly repayable						
within five years	-	-	-	794	-	794
Finance leases	-	-	-	12	-	12
Promissory notes	<u>772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>772</u>	<u>-</u>
	<u>772</u>	<u>-</u>	<u>-</u>	<u>806</u>	<u>772</u>	<u>806</u>

## 7. (Loss)/Profit before taxation

(Loss)/Profit before taxation has been arrived at after charging/(crediting):

	Continuing operations		Discontinued operations		Consolidated	
	Six months ended		Six months ended		Six months ended	
	30 September		30 September		30 September	
	2010	2009	2010	2009	2010	2009
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Cost of inventories sold	491	5,531	-	37,418	491	42,949
Depreciation	36	2	-	-	36	2
Net exchange loss/(gain) *	5	54	-	(579)	5	(525)
Staff costs and wages, including directors' remuneration	780	2,570	-	2,261	780	4,831

\* *The item is included in "Other operating expenses, net" on the face of the condensed consolidated statement of comprehensive income.*

## 8. Taxation

No Hong Kong Profits Tax has been provided as the Group had sufficient tax losses brought forward to set off against the assessable profits for the six months ended 30 September 2010 (2009: Nil).

PRC foreign enterprise income tax has not been provided as the PRC subsidiaries incurred a loss for taxation purposes for the six months ended 30 September 2010 (2009: Nil).

## 9. Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2010 (2009: Nil).



## 10. (Loss)/Earnings per share

The calculation of the basic (loss)/earnings per share attributable to the owners of the Company is based on the following data:

### *From continuing and discontinued operations*

	Six months ended 30 September	
	2010	2009
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
(Loss)/Earnings		
(Loss)/Profit for the period attributable to the owners of the Company for the purpose of basic (loss)/earnings per share	<u>(3,085)</u>	<u>9,143</u>

	Six months ended 30 September	
	2010	2009
	(Unaudited)	(Unaudited)
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	<u>1,673,606</u>	<u>465,748</u>

### *From continuing operations*

	Six months ended 30 September	
	2010	2009
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
(Loss)/Earnings		
(Loss)/Profit for the period attributable to the owners of the Company	(3,085)	9,143
Less : Profit for the period from discontinued operations attributable to the owners of the Company	<u>—</u>	<u>2,080</u>
(Loss)/Profit for the purpose of basic (loss)/earnings per share from continuing operations	<u>(3,085)</u>	<u>7,063</u>

The denominators used are the same as those detailed above for basic (loss)/earnings per share.

### ***From discontinued operations***

Basic earnings per share for the discontinued operations for the six months ended 30 September 2010 was nil (2009: HK0.44 cents), based on the profit for the period from the discontinued operations attributable to the owners of the Company for the six months ended 30 September 2010 was nil (2009: HK\$2,080,000 and the denominators used are the same as those detailed above for basic (loss)/earnings per share.

No diluted loss per share is presented as the potential ordinary shares have anti-dilutive effect for the period ended 30 September 2010 and there were no dilutive potential shares during the six months ended 30 September 2009.

## **11. Mining rights**

	<b>30 September 2010 (Unaudited) HK\$'000</b>	31 March 2010 (Audited) HK\$'000
Cost		
At 1 April	<b>1,001,130</b>	–
Acquired on acquisition of subsidiaries	<u>–</u>	<u>1,001,130</u>
	<b><u>1,001,130</u></b>	<b><u>1,001,130</u></b>

The mining rights represent the rights to conduct mining activities in the location of Nogoonnur Soum and Tsengel Soum of Bayan-Ulgii Aimag in Mongolia, and have legal lives of 21 to 26 years, expiring in July 2031, March 2033, December 2035 and July 2036, respectively. The mining operating licenses are issued by Mineral Resources and Petroleum Authority of Mongolia and may be extended for two successive additional periods of 20 years each. In the opinion of the directors, the application for extension is procedural and the Group should be able to renew its mining operation licenses at minimal charges, until all the proven and probable minerals have been mined.

The mining rights are amortised using the units of production method based on the proven and probable mineral reserves under the assumption that the Group can renew the mining rights indefinitely till all proven reserves have been mined.

## 12. Trade receivables

	<b>30 September 2010 (Unaudited) HK\$'000</b>	31 March 2010 (Audited) HK\$'000
Trade receivables	<u>–</u>	<u>5,591</u>

The Group's trading terms with its customers generally have credit terms of up to 60 days and non-interest bearing (except for certain well-established customers having strong financial strength, good repayment history and credit worthiness, where the credit terms are extended to 90 days). Overdue balances are reviewed regularly by senior management.

The aging analysis of the trade receivables net of allowance for doubtful debts at the end of the reporting period is as follows:

	<b>30 September 2010 (Unaudited) HK\$'000</b>	31 March 2010 (Audited) HK\$'000
Within 30 days	–	349
31 to 60 days	–	2,087
61 to 90 days	<u>–</u>	<u>3,155</u>
	<u>–</u>	<u>5,591</u>

## 13. Trade payables

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

	<b>30 September 2010 (Unaudited) HK\$'000</b>	31 March 2010 (Audited) HK\$'000
Within 30 days	–	322
31 to 60 days	–	1,925
61 to 90 days	<u>–</u>	<u>2,908</u>
	<u>–</u>	<u>5,155</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

For the six months ended 30 September 2010, the Group recorded a revenue from its continuing operations of approximately HK\$532,000 (2009: HK\$6,250,000) and a net loss from its continuing operations of approximately HK\$3 million (2009: profit of HK\$7 million). It was mainly due to the absence of one-off gain from disposal of subsidiaries of HK\$11 million in the last corresponding period.

The Group recorded a loss attributable to the owners of the Company of HK\$3 million for the six months ended 30 September 2010 (2009: profit of HK\$9.1 million). The basic loss per share from continuing and discontinued operations for the six months ended 30 September 2010 were HK0.18 cents, compared with earnings per share HK1.96 cents for the same period in 2009.

### Plastic Trading Business

The Group recorded a revenue of approximately HK\$532,000 (2009: HK\$6,250,000) which represented a decrease in revenue of approximately 91.49% over the corresponding period of last year. Gross profit margin had decreased to 7.7% (2009: 11.5%). The decrease in gross profit margin was mainly due to the decrease in the sales of high value added post film products. The sales volume and average selling price per ton for the period were 41 tons and HK\$12,975 respectively as compared with 548 tons and HK\$11,405 for the last corresponding period.

### Mining Business

#### (i) *Kainarwolfram LLC*

Kainarwolfram LLC owns properties under Mining Licenses 11027A and 5518A, which are located in the territory of Nogoonnuur Soum, Bayan-Ulgii province.

In 2010, the Mining Plan for 2010 was written and approved by the Mineral's Authority of Mongolia and the State Supervision agency. Now the documents are ready for starting the mining and processing activities.

In June 2010, the Joint Supervision Group checked the legal status and documents of the company. As a result of the supervision, the company was estimated to be the best among the mining companies in the province. Assessment was done on the basis of tax payment, possession of all required documents, plans, reports, safekeeping of explosives and protection of environment.

Another tenement owned by Kainarwolfram LLC is the property under Mining License 11863A, which is located in the territory of Tsengel Soum, Bayan-Ulgii province.

Feasibility study and environmental assessment report should be written and approved by the Mineral's authority, Supervision agency and the Ministry of Environment. Kainarwolfram LLC signed preliminary contract on doing these works with a Mongolian company, which has authorization to write environmental assessment reports.

In preparation for any large scale exploitation in the future, the company has organized several groups of tungsten and mining experts from the PRC to visit its existing mines in Mongolia between July and September 2010 for the purpose of studying the plan of further expanding those mines.

In July and August of the same year, the management of the company travelled to Europe and conducted a joint market research with Global Tungsten & Powders Corp. (GTP), the leading producer of tungsten, molybdenum and phosphorous powder and semi-finished products in the world, and has laid a sound foundation for the future sale of the company's products in the globe. GTP expressed a strong desire for buying the company's products and has committed to purchasing tungsten concentrate from the company's pits once commercial mining has commenced. As such, the company will be able to reduce transportation cost and mitigate its risks in relation to its future sale to a considerable extent.

Previous geological surveys show very high grade of tungsten in this property, so future mining works are necessary after completion of all required documents. The expert also believes it a good upside potential.

The company pays all due taxes, license and land fees in time and has no debts related to such fees.

**(ii) *Ikh Uuliin Erdenes LLC***

The company owns the property under the Mining License 3506A, which is located in the territory of Nogoonuur Soum, Bayan-Ulgii province.

Detailed geological exploration work was done on the property in the past years. On the basis of previous works, feasibility study and environmental assessment report on the property are in the drafting process now, and would have being delivered for approval by the related government authorities.

In preparation for any large scale exploitation in the future, the company has organized several groups of tungsten and mining experts from the PRC to visit its existing mines in Mongolia between July and September 2010 for the purpose of studying the plan of further expanding those mines. The ultimate goal of the company is to consolidate and form a medium to large mine.

The company makes timely payments of all taxes, license and land fees. The property has good perspectives for industrial use of tungsten.

A group of experts is working on the mine and processing plant checking their current status and preparing them for mining. Also, licensed area has very good potential for mining and industrial use. In that connection, it is recommended to expand the current capacities of existing mine and especially of the processing plant. Besides, our competitive advantage is strengthened with the forthcoming situation that, China would probably intensify effort on the export restriction for wolfram in the near future.

**Liquidity and Financial Resources**

As at 30 September 2010, the Group's bank balances and cash amounted to approximately HK\$8,910,000 (31 March 2010: HK\$10,871,000). The Group's net assets value amounted to approximately HK\$760,378,000 (31 March 2010: HK\$763,434,000) with total assets of approximately HK\$1,011,373,000 (31 March 2010: HK\$1,019,073,000). Net current assets were approximately HK\$7,705,000 (31 March 2010: HK\$9,984,000). The current ratio was 6.77 times (31 March 2010: 2.48 times).

The gearing ratio was 0.25 (31 March 2010: 0.25 (restated)) expressed as the percentage of total liabilities over total assets.

### **Charges on Group Assets**

As at 30 September 2010, the Group did not have any charge on group assets (31 March 2010: Nil).

### **Exposure to Foreign Exchange Fluctuation**

The Group mainly operates in Hong Kong, Mainland China and Mongolia. The Group's assets and liabilities are mainly denominated in Hong Kong dollars (“**HKD**”), Renminbi (“**RMB**”), United States dollars (“**USD**”) and Mongolia Tugrik (“**MNT**”). The Group does not have a foreign currency hedging policy.

During the period under review, the Group did not have any material foreign exchange exposure.

### **Capital Commitments**

As at 30 September 2010, the Group did not have significant capital commitments (31 March 2010: Nil).

### **Contingent Liabilities**

As at 30 September 2010, the Group did not have significant contingent liabilities (31 March 2010: Nil).

### **Employee Information**

As at 30 September 2010, the Group had approximately 18 full time managerial and administrative employees. The Group affords competitive remuneration packages to its employees based on prevailing and industry practice. Compensation policies are reviewed regularly and are designed to reward and motivate productivity and performance.

## **Prospects**

Looking ahead, the directors of the Company expect that the operating environment in the plastic trading will be challenging as the sustainable recovery of the world's economy is still uncertain. In order to cope with future challenges and staying competitive, the Group will look for new customers and continue to place emphasis on implementation of cost controls and improvement of operational efficiency in order to improve the profit margins for the businesses. Moreover, we will keep on monitoring the development of mining business and will endeavor to further explore the mining business in order to contribute a return in the future.

For the purpose of sustaining long term growth and maximizing the shareholders' wealth, the directors will continue to explore all potential opportunities to broaden the Group's income stream.

## **Interim Dividend**

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2010 (2009: Nil).

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

## **COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company and the Board have applied the principles in the code provisions of the Code on Corporate Governance Practices (the "**CG Codes**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") on the Stock Exchange by adopting the code provisions of the CG Codes.

During the six months ended 30 September 2010, the Board has adopted and complied with the code provisions of the CG Codes in so far they are applicable with the exception of the deviation from the code provision A.2.1 (i.e. the vacancy of chairman of the Company).



Following the resignation of Mr. Tang Kuan Chien at the meeting of the board of directors of the Company held on 2 November 2009, he resigned as chairman, chief executive officer, executive director and authorised representative of the Company with effect from 2 November 2009. The Company is still looking for a suitable candidate to fill the vacancies of chairman and chief executive officer as soon as practicable and further announcement will be made by the Company upon fulfillment of those requirements under the Listing Rules.

The Board will review the management structure of the Group from time to time and will adopt appropriate measures as may be desirable for future development of the operating activities or business of the Group.

## **COMPLIANCE WITH MODEL CODE**

The Company has adopted the Model Code of Securities Transactions by Directors by Listed Issuers (the “**Model Code**”) set out in Appendix 10 of the Listing Rules as its own code of directors. Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 September 2010.

## **AUDIT COMMITTEE**

The Company has an audit committee (the “**Audit Committee**”) which was established in accordance with the requirements of the Code for the purposes of reviewing the Group’s financial reporting process and internal controls. The Audit Committee comprises the three independent non-executive directors of the Company. The members of the Audit Committee (Ms. Lau Siu Ngor, Mr. Au Kwok Yee Benjamin and Mr. Lum Pak Sum) have reviewed the unaudited financial statements of the Group for the six months ended 30 September 2010 and are of the opinion that such statements comply the applicable accounting standards and the Listing Rules and that adequate disclosures have been made.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement is published on the websites of the Company (<http://www.irasia.com/listco/hk/bestway/index.htm>) and the Stock Exchange (<http://www.hkex.com.hk>). The interim report of the Company for 2010 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and made available on the above websites in due course.

## **APPRECIATION**

I take this opportunity to express our gratitude to the shareholders of the Company for their continued support and our Directors and our staff for their contribution to the Company.

On behalf of the Board  
**Bestway International Holdings Limited**  
**Chim Kim Lun Ricky**  
*Executive Director*

Hong Kong, 23 November 2010

*As at the date of this announcement, the executive Directors are Mr. Chim Kim Lun Ricky and Mr. Law Fei Shing, and independent non-executive Directors are Mr. Au Kwok Yee Benjamin, Ms. Lau Siu Ngor and Mr. Lum Pak Sum.*