

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



BESTWAY INTERNATIONAL HOLDINGS LIMITED

百威國際控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 718)

MEMORANDUM OF UNDERSTANDING RELATING TO MINING OPERATIONS AND RESUMPTION OF TRADING

This announcement is made by Bestway International Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

MEMORANDUM OF UNDERSTANDING

The board of directors (the “**Directors**”) (the “**Board**”) of the Company wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, on 22 May 2013, two indirectly wholly owned subsidiaries of the Company, Grand Shining Limited and Prolific Rich Limited (collectively the “**Mines Holders**”), entered into a memorandum of understanding (the “**MOU**”) with China Metallurgical Geology Bureau of Shandong (the “**Contractor**”), pursuant to which the Mines Holders agreed to engage the Contractor to conduct mining activities, including development and exploitation, of four Mongolian tungsten mines of the Group (the “**Mines**”) (the “**Proposed Mining Services**”).

Pursuant to the MOU, the Mines Holders shall fulfill all requirements from the Mongolian government in order to secure the mining licenses of the Mines, including but not limited to, payments of government fees and charges and submission of relevant feasibility study reports for the Mines before commencement of the exploitation. The Contractor undertakes to commence exploitation of the Mines by no later than the end of December 2013 and to employ local Mongolians to assist in such exploitation in the first place. The Contractor and the Company will negotiate in good faith the terms and consideration to be incorporated into the formal cooperation agreement (the “**Formal Agreement**”). The proposed service period for the Proposed Mining Services is 20 years from the date of the MOU.

* *For identification purposes only*

REASONS FOR THE MOU

Reference is made to the announcement of the Company dated 26 April 2013. A wholly owned subsidiary of the Company was questioned by a Mongolian Province Governor for not doing business in relation to its mining licenses in Mongolia. The subsidiary was required to submit the time of commencing mining operations and the Mongolian Province Governor indicated that he may inform the relevant authorities to revoke the mining licences. Since completion of the acquisitions of the Mongolia subsidiaries of the Company in December 2009, the Company has been working on the design of the exploration in respect of the Mines with several mineral technical adviser and professionals and the operation of the Mines has remained stagnant. While the Company is still waiting for the advice and legal opinion from its Mongolian legal advisers in respect of the status of the Mines as well as the legal environment, it has expedited its overall operating strategies over the Mines and entered into the MOU.

The Contractor has undertaken mineral exploration and exploitation work in Mongolia for many years. To the best knowledge, information and belief of the Directors having made reasonable enquiries, the Contractor is an third party independent of and not connect with the Company and its connected persons.

The Directors are of the view that the entering into of the MOU is on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

GENERAL

Shareholders and potential investors should note that the Formal Agreement may or may not materialize. Further announcement(s) in relation to the Proposed Mining Services will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate. Shareholders and potential investors should exercise caution when dealing in the shares of the Company (the “Shares”).

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 23 May 2013 pending the release of this announcement. An application has been made to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 24 May 2013.

By order of the Board
Bestway International Holdings Limited
Ha Wing Ho, Peter
Executive Director

Hong Kong, 23 May 2013

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Ha Wing Ho, Peter and Mr. Zhang Qianjin; two non-executive Directors, namely Mr. Chee Man Sang, Eric and Mr. Tang Shu Pui Simon and the three independent non-executive Directors, namely Mr. Lum Pak Sum, Mr. Chan Wai Man and Mr. Tsui Sai Ming, Steven.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.