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 2013

The Board of Directors (the "Board") of Bestway International Holdings Limited (the "Company") is pleased to announce the unaudited consolidated interim financial statements of the Company and its subsidiaries (collectively known as the "Group") for the six months ended 30 September 2013. The unaudited condensed interim consolidated 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 2013

	Notes	Six months ended 30 September 2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000
Revenue	4	**–**	524
Cost of sales		**–**	(500)
Gross profit		**–**	24
Other income	4	**–**	1
Administrative expenses		**(3,455)**	(5,017)
Other operating expenses, net		**(7)**	(7)
Finance costs		**–**	–
Loss before taxation	6	**(3,462)**	(4,999)
Taxation	7	**–**	–
Loss for the period		**(3,462)**	(4,999)
Other comprehensive income			
Item that may be reclassified subsequently to profit and loss			
Exchange difference arising on translation of overseas operations		**(104)**	(113)
Total comprehensive income for the period		**(3,566)**	(5,112)
Loss per share	9		
Basic and diluted		**(0.46)HK cents**	(0.67)HK cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2013

	Notes	30 September 2013 (Unaudited) HK$'000	31 March 2013 (Audited) HK$'000
Non-current assets			
Property, plant and equipment		**80**	127
Exploration and evaluation assets		**2,034**	2,409
Mining rights	10	**735,657**	735,657
		737,771	738,193
Current assets			
Deposits, prepayments and other receivables		**873**	875
Bank balances and cash		**360**	444
		1,233	1,319
Current liabilities			
Other payables and accruals		**1,768**	2,710
Loans from shareholders	11	**7,000**	3,000
		8,768	5,710
Net current liabilities		**(7,535)**	(4,391)
Total assets less current liabilities		**730,236**	733,802
Non-current liabilities			
Deferred tax liabilities		**163,913**	163,913
		163,913	163,913
Net assets		**566,323**	569,889
Capital and reserves			
Share capital		**37,336**	37,336
Reserves		**528,987**	532,553
Total equity		**566,323**	569,889

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2013

1. General information

Bestway International Holdings Limited (the "Company") is a limited liability company incorporated in Bermuda. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is located at Unit 2606A-2608, 26th Floor, Island Place Tower, 510 King's Road, North Point, Hong Kong.

The Company and its subsidiaries (the "Group") were principally involved in trading of cotton yarn and mining business of the natural resources of tungsten. However, no active operation of business took place during 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 "Listing Rules").

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 2013, 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 2013.

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis.

3. Adoption of new or amended HKFRSs

(a) Application of new or amended standards

The accounting policies used in preparing the unaudited condensed interim financial statements are consistent with those followed in the Group's annual financial statements for the year ended 31 March 2013, except for the adoption of the following HKFRSs issued and which became effective in the current interim period as described below:

Amendments to HKAS 1 (Revised), Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income

These amendments require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future and those that may not. The Group's presentation of other comprehensive income in these financial statements has been modified accordingly.

HKFRS 10 Consolidated Financial Statements

HKFRS 10 replaces the requirements in HKAS 27 "Consolidated and Separate Financial Statements" relating to the presentation of consolidated financial statements and HK(SIC) Int 12 "Consolidation – Special Purpose Entities". It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns. As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 April 2013.

HKFRSs (Amendments) Annual Improvements 2009-2011 Cycle

This cycle of annual improvements contains amendments to five standards with consequential amendments to other standards and interpretations. Among them, HKAS 34 has been amended to clarify that total assets for a particular reportable segment are required to be disclosed only if the amounts are regularly provided to the chief operating decision maker (the "CODM") and only if there has been a material change in the total assets for that segment from the amount disclosed in the last annual financial statements. The amendment also requires the disclosure of segment liabilities if the amounts are regularly provided to the CODM and there has been a material change in the amounts compared with the last annual financial statements. The adoption does not result in significant change to existing disclosure on segment information.

(b) New or revised standards that are not yet effective and have not been early adopted by the Group

The new standards and amendments to standards, potentially relevant to the Group's interim financial statements, have been issued, but are not yet effective for the financial year beginning on 1 April 2013 and have not been early adopted by the Group. The Group is in the process of making an assessment of the potential impact of these new or revised standards.

4. Revenue and other income

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

During the six months ended 30 September 2013, no revenue was generated.

An analysis of revenue and other income is as follows:

	Six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue		
Sales of goods	**–**	524
Other income		
Bank interest income	**–**	1

5. Segment information

The Group determines its operating segment based on the internal reports reviewed by the chief operating decision maker (the "CODM") in order to allocate resources and to assess segment performance.

All of the Group's activities are engaged in the trading of goods business. On 31 December 2009, the Group completed its acquisitions of entire interest in mining companies established in the Mongolia and henceforth became engaged in the mining business. However, no active operation took place between the date of acquisition and the end of the reporting period. Therefore the Group's CODM considers there to be only one operating segment under the requirements of HKFRS 8.

No geographical segment analysis is provided as over 90% of the Group's revenue and contribution to results are derived from the PRC/Mongolia (including Hong Kong) and substantial amount of the Group's assets and liabilities are located in the PRC/Mongolia.

6. Loss before taxation

Loss before taxation has been arrived at after charging the followings:

	Six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of inventories sold	**–**	500
Depreciation	**36**	37
Net exchange loss *	**–**	1
Staff costs and wages, including directors' remuneration	**686**	632

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

7. Taxation

No Hong Kong Profits Tax has been provided as the Group had no assessable profit for the six months ended 30 September 2013 (six months ended 30 September 2012: Nil).

8. Dividend

The Board does not recommend any payment of interim dividend for the six months ended 30 September 2013 (six months ended 30 September 2012: Nil).

9. Loss per share

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

	Six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss		
Loss for the period attributable to the owners of the Company for the purpose of basic loss per share	**(3,462)**	(4,999)

	Six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share*	**746,713**	746,713

* The weighted average number of ordinary shares in issue for the periods ended 30 September 2013 and 2012 has been adjusted to reflect the share consolidation as detailed in note 12(c) as if it had occurred on 1 April 2012.

No diluted loss per share for the six months ended 30 September 2013 and 2012 has been presented as there were no diluted potential shares.

10. Mining rights

	HK$'000
Cost	
At 31 March 2013 and 30 September 2013	1,001,130
Amortisation	
At 31 March 2013 and 30 September 2013	265,473
Carrying value	
At 30 September 2013 (Unaudited)	735,657
At 31 March 2013 (Audited)	735,657

The mining rights represent the rights to conduct mining activities in the location of Nogoonnuur 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 of the Company, 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.

During the year ended 31 March 2013, the directors of the Company reassessed the recoverable amount of the mining rights with reference to the valuation performed by Messers. Peak Vision Appraisals Limited, an independent qualified professional valuer and determined that no impairment loss in respect of mining rights was identified for the year ended 31 March 2013. The recoverable amount of the mining rights was based on value-in-use calculations and key assumptions adopted including estimated mine reserve based on technical assessment reports and the expectation for market development.

11. Loan from a shareholder

The loan is from a substantial shareholder of the Company. The amount is interest free, unsecured and is repayable on or before 1 September 2014 or on demand.

12. Event after the reporting period

(a) On 3 October 2013, a substantial shareholder of the Company (the "Vendor") and the Company entered into a placing agreement with a placing agent, pursuant to which the placing agent have agreed, on a best efforts basis, to procure not fewer than six placees to purchase, and the Vendor has agreed to sell, up to 746,000,000 existing Shares at a price of HK$0.047 per Share. On 15 October 2013, an aggregate of 746,000,000 Shares have been successfully placed to not less than six placees, who and whose ultimate beneficial owners are independent third parties of the Company, at the placing price of HK$0.047 per placing share. On 17 October 2013, 746,000,000 Shares, representing 16.65% of the issued share capital of the Company as enlarged by the subscription, were issued and allotted to the Vendor at the price of HK$0.047 each. The net proceeds from the subscription are approximately HK$34 million and will be used as general working capital. For details of the placing and subscription, please refer to the announcements of the Company dated 3, 15 and 17 October 2013 respectively.

(b) On 16 October 2013, the Company entered into a shareholders' agreement with Group Rise Global Holdings Limited in relation to the establishment of a joint venture company ("JV Company") in British Virgin Island. The JV Company will engage in the proposed business of nickel trading.

(c) On 6 November 2013, shareholders of the Company approved the share consolidation on the basis that (i) every five (5) issued and unissued existing ordinary shares of HK$0.01 each in the share capital of the Company be consolidated into one (1) consolidated ordinary share of HK$0.05 and (ii) every five (5) issued and unissued existing preference shares of HK$0.01 each in the share capital of the Company be consolidated into one (1) consolidated preference share of HK$0.05. The share consolidation became effective on 7 November 2013. For details of the share consolidation, please refer to the announcements dated 9, 22, 25 October and 6 November 2013 and the circular of the Company dated 21 October 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

In view of the high competition environment during 2013 and uncertainty of sustainable recovery of the world's economy going forward, the Group's trading activity has been suspended and the Mongolian tungsten mines has remained stagnant. As a result, no revenue was generated for the six month ended 30 September 2013 (six months ended 30 September 2012: HK$524,000). The administrative expenses for the period were approximately HK$3,455,000 (six months ended 30 September 2012: HK$5,017,000) representing a decrease of 31% over the administrative expenses incurred in the same period of last year.

The loss attributable to the owners of the Company for the six months ended 30 September 2013 was HK$3,462,000 (six months ended 30 September 2012: HK$4,999,000). The basic loss per share for the six months ended 30 September 2013 were HK$0.46 (six months ended 30 September 2012: HK$0.67).

Mining Business

Since completion of the acquisitions of the Mongolia subsidiaries in December 2009, the operation of the Mongolian tungsten mines has remained stagnant. The Group has re-engaged Ms. Yang Lee (our former executive director who has extensive experience in the resources industry) as consultant and has engaged a Mongolian professional firm to prepare a feasibility study report and an environmental report for the Group to reconsider the overall operating strategy for the mining business in Mongolia.

The Company was informed by its Mongolian legal advisers on 21 August 2013 that certain state inspectors in Mongolia have conducted inspection over the tungsten mines of the Group in Mongolia and required the Mongolian subsidiaries of the Company to undertake backfilling and technical and biological reclamation of destroyed opencast mining sites area and have proper security fencing and guarding over the minerals deposits (the "Requests").

As advised by the Company's Mongolian legal advisers, the Requests were made in accordance with applicable laws of Mongolia and failure to comply with the Requests may result in a fine not more than Mongolian Tugriks MNT1,000,000 (approximately US$593.30) for each of the Requests and there is also a risk that the mining licences can be revoked by the Minerals Authority in case the Ministry of Environment made a conclusion that the Company has failed to fulfill its environment restoration obligation based on a recommendation of the local administrative body. The Company's Mongolian legal advisers recommended the Group to fulfill the Requests within 15 September 2013.

On 6 September 2013, the Company remitted funds to Mongolia for its subsidiaries to commence rehabilitation work in order to fulfill the Requests and has instructed the Mongolian legal advisers to communicate with local governments and state inspectors in that regard. The Board believes that the Company will comply with the Requests in good time to avoid any fine or adverse consequences.

Termination of very substantial acquisition

The share purchase agreement (the "Agreement") entered into between a wholly owned subsidiary of the Company as the purchaser, the Company and the vendor in relation to an acquisition of group of companies which is principally engaged in the business of exploitation and sale of iron ore in inner Mongolia, the People's Republic of China (the "Acquisition") was terminated by an agreement between the parties dated 6 September 2013. Relevant details are set out in the announcements of the Company dated 7 January 2013, 13 June 2013 and 6 September 2013.

According to the ruling from the Stock Exchange, the Acquisition which constituted a very substantial acquisition on the part of the Company was considered as an extreme case and was deemed as a reverse takeover under Rule 14.06(6) of the Listing Rules.

Pursuant to the Rule 14.54 of the Listing Rules, the Stock Exchange would treat the Company proposing a reverse takeover as if it were a new listing applicant. The enlarged group or the assets to be acquired must be able to meet the requirements of Rule 8.05 of the Listing Rules and the enlarged group must be able to meet all the other basic conditions set out in Chapter 8 of the Listing Rules. The Company was required to submit a new listing application according to Chapter 9 of the Listing Rules.

In view of the tremendous cost and time to be incurred for the compliance of listing requirements as being a new listing applicant under relevant Listing Rules, the Board considers that it is beneficial for the Group to terminate the Agreement.

Prospects

Reference is made to the announcement of the Company dated 22 May 2013 in relation to, among others, the memorandum of understanding (the "MOU") entered into between two indirectly wholly owned subsidiaries of the Company and China Metallurgical Geology Bureau of Shandong (the "Contractor") on 22 May 2013.

On 2 October 2013, a wholly-owned subsidiary of the Company engaged Mongolia Zhenyuan Company Limited, an associated company of the Contractor to conduct mining area geological survey, tunnel investigation and sample collection. Furthermore, the Contractor and the Company will negotiate in good faith the terms and consideration to be incorporated into the formal cooperation agreement to conduct extensive mining activities, including development and exploitation, of the Mongolian tungsten mines. In order to improve the Group's operation, the Directors will review the performance of existing mining businesses and proactively identify other opportunities from time to time, and adjust investment strategy accordingly.

Current and Gearing Ratios

As at 30 September 2013, the Group's bank balances and cash amounted to approximately HK$360,000 (31 March 2013: HK$444,000). The Group's net assets value amounted to approximately HK$566,323,000 (31 March 2013: HK$569,889,000) with total assets approximately HK$739,004,000 (31 March 2013: HK$739,512,000). Net current liabilities were approximately HK$7,535,000 (31 March 2013: net current liabilities HK$4,391,000). The current ratio was 0.14 times (31 March 2013: 0.23 times).

The gearing ratio 0.23 (31 March 2013: 0.23) expressed as the percentage of total liabilities over total assets.

Charges on Group's Assets

As at 30 September 2013, the Group did not have any charge on group assets (31 March 2013: Nil).

Foreign Exchange Exposure

The Group did not have any significant exposure to and did not hedge against risks associated with foreign currency fluctuation.

Capital Commitments

As at 30 September 2013, the Group did not have significant capital commitments (31 March 2013: Nil).

Contingent Liabilities

As at 30 September 2013, the Group did not have significant contingent liabilities (31 March 2013: Nil).

Employee Information

As at 30 September 2013, the Group had approximately 8 full time managerial, 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.

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2013 (six months ended 30 September 2012: 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

During the six months ended 30 September 2013, the Board has adopted and complied with the code provisions of Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules (the "CG Code") in so far they are applicable except for the following deviations:

CG Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the six months ended 30 September 2013, the positions of chairman and chief executive officer of the Company were vacated. The Company is looking for suitable candidates to fill the vacancies of chairman and chief executive officer as soon as practicable and further announcement will be made by the Company as and when appropriate.

CG Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term subject to re-election. Independent non-executive directors of the Company are not appointed for a specific term. However, all directors of the Company are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company.

CG Code provision A.6.7 stipulates that the independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. A non-executive Director and an independent non-executive Director were unable to attend the annual general meeting of the Company held on 17 September 2013 due to his various work commitments/being overseas.

CG Code provision E.1.2 stipulates that the chairman of the Board should attend the annual general meeting. However, the chairman of the Board was vacated at the annual general meeting of the Company held on 17 September 2013. Mr. Ha Wing Ho Peter, executive Director, attended the annual general meeting and chaired the meeting to answer any possible questions in relation to the Group's affairs.

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 have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 September 2013.

AUDIT COMMITTEE

The Company has an audit committee (the "Audit Committee") which was established in accordance with the requirements of the CG Codes for the purposes of reviewing the Group's financial reporting process and internal controls. The Audit Committee comprises three independent non-executive directors and one non-executive director of the Company. The members of the Audit Committee (Mr. Chan Wai Man, Mr. Tsui Sai Ming, Steven, Mr. Ng Chun Chuen, David and Mr. Chee Man Sang, Eric) have reviewed the unaudited financial statements of the Group for the six months ended 30 September 2013 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 2013 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

We take this opportunity to express our gratitude to the shareholders of the Company for their continued support and our directors and our staffs for their contribution to the Company.

On behalf of the Board
Bestway International Holdings Limited
Ha Wing Ho Peter
Executive Director

Hong Kong, 27 November 2013

As at the date of this announcement, the Board comprises Mr. Ha Wing Ho, Peter, Mr. Mung Kin Keung and Mr. Mung Bun Man, Alan as executive Directors, Mr. Chee Man Sang, Eric and Mr. Tang Shu Pui Simon as non-executive Directors, and Mr. Chan Wai Man, Mr. Tsui Sai Ming, Steven and Mr. Ng Chun Chuen, David as independent non-executive Directors.