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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)

DISCLOSEABLE TRANSACTION RELATING TO THE ACQUISITION OF DISTRESSED ASSETS

THE ACQUISITION

On 5 May 2016, the Purchaser (an indirect wholly-owned subsidiary of the Company) submitted a bid for the Assets, being the land and the land use rights, and the buildings constructed thereon located at Jingyi Road, Pinghu City, Jiaxing City, Zhejiang Province, the PRC at RMB202,170,000 (equivalent to approximately HK\$242,604,000) and won the bid. A deposit of RMB40,000,000 (equivalent to approximately HK\$48,000,000) was paid by the Purchaser when submitting the bid. The bidding process was closed on the same day.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules exceed 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is only subject to the reporting and announcement requirement under the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 5 May 2016, the Purchaser (an indirect wholly-owned subsidiary of the Company) submitted a bid for the Assets, being the land and the land use rights, and the buildings constructed thereon located at Jingyi Road, Pinghu City, Jiaxing City, Zhejiang Province, the PRC at RMB202,170,000 (equivalent to approximately HK\$242,604,000) and won the bid. A deposit of RMB40,000,000 (equivalent to approximately HK\$48,000,000) was paid by the Purchaser when submitting the bid. The bidding process was closed on the same day.

* *For identification purposes only*

THE ACQUISITION

Date of the submission of the bid: 5 May 2016

Purchaser: Tai Rong, an indirect wholly-owned subsidiary of the Company

Auctioneer: Pinghu People's Court

The Asset are under the administration of an asset administrator appointed by the court.

To the best of the Directors' knowledge, information and belief of the Directors having made all reasonable enquiries, the administrator and the registered owner of the Assets are third parties independent of the Company and its connected persons.

Assets to be acquired:

The Assets comprise the land and the land use rights thereof, and the buildings constructed thereon located at Jingyi Road, Pinghu City, Jiaxing City, Zhejiang Province, the PRC. Based on the information received by the Company, the land is permitted for commercial use up to 29 April 2046. The buildings are in good condition with no decoration and are currently vacant. The property registration procedures for the buildings are not yet made. The total site area is approximately 17,744 sq.m. and the gross floor area is approximately 65,080 sq.m..

The Assets have been pledged to China Citic Jiaxing Branch by the registered owner, a PRC entity which has gone with liquidation process. China Citic had lodged an application to liquidate the Assets. The Assets are under the administration of an asset administrator appointed by the court and has been listed for auction by the order of Pinghu People's Court.

Consideration

The consideration for the Assets of RMB202,170,000 (equivalent to approximately HK\$242,604,000) is to be settled by way of cash. A deposit of RMB40,000,000 (equivalent to approximately HK\$48,000,000) has been paid by the Purchaser upon the submission of the bidding. The remaining consideration is to be settled on or before 6 June 2016 by the Purchaser and the Purchaser shall execute the purchase confirmation at Pinghu People's Court on or before 8 June 2016.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in (i) trading of medical equipment, commodities and securities; (ii) mining of tungsten in Mongolia; and (iii) distressed assets investment and management business.

As disclosed in the announcement issued by the Company dated 12 April 2016, the Group embarked on the distressed assets investment and management business by acquisition of certain loans and all rights associated with the loans through a public auction. The Company has been actively looking for new investment opportunity so as to expand its distressed assets investment and management business and has the financial capability to capture opportunity to acquire non-performing distressed investments to unlock their value.

The Directors consider that the Acquisition represents a prime opportunity for the Group to expand its distressed assets investment portfolio. The Directors believe that upon the completion of the Acquisition, the market value of the Distressed Assets will be enhanced as the uncertainty on the ownership and mortgagee action has been removed. The Company will seek for realising the potential capital gain arising from the investment.

The Acquisition is financed by an unsecured and revolving loan facility of up to HK\$2,000 million which carries interest at a rate of 4.5% per annum granted by Tai He on 28 April 2016. The aforesaid facility is intended to be utilised by the Company as general working capital, and for the development of distressed assets investment and management business, trading business of securities and commodities, asset management, or other business investment opportunities that may arise. As disclosed in the announcements of the Company dated 3 March 2016 and 12 April 2016, Tai He has previously granted an unsecured and revolving loan facility of HK\$1,000 million for the trading business of commodities and securities, and the acquisition of distressed assets investment business of the Company and such facility has been substantially utilised by the Company as at the date of this announcement.

The Directors consider that the Acquisition is in the ordinary and usual course of its distressed assets investment and management business, and that the terms of the Acquisition are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules exceed 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is only subject to the reporting and announcement requirement under the Listing Rules.

DEFINITION

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

“Acquisition”	the acquisition of the Distressed Asset by Purchaser from the Vendor through the public bidding process
“Assets”	the land and the land use rights thereof, and the buildings constructed thereon located at Jingyi Road, Pinghu City, Jiaxing City, Zhejiang Province, the PRC
“Board”	the board of Directors
“China Citic”	China CITIC Bank Corporation Limited (中信銀行股份有限公司), a joint stock limited company incorporated in the PRC and the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange (stock code: 00998) and the Shanghai Stock Exchange (stock code: 601998), respectively
“China Citic Jiaxing Branch”	a branch of China Citic located in Jiaxing City, Zhejiang Province, the PRC, the pledgee of the Assets

“Company”	Bestway International Holdings Limited, a company incorporated in Bermuda with limited liability, whose issued Shares are listed on the Main Board of the Stock Exchange (Stock code: 718)
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Shareholder(s)”	holder(s) of the Share(s)
“sq.m.”	Square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tai He”	Tai He Financial Group Limited, the controlling shareholder (as defined under the Listing Rules) of the Company, the sole shareholder of which is Mr. Chua Hwa Por, an executive Director
“Tai Rong” or “Purchaser”	Zhejiang Tai Rong Asset Management Co., Ltd., an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By order of the Board
Bestway International Holdings Limited
Mr. Chua Hwa Por
Chairman

Hong Kong, 5 May 2016

As at the date of this 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.