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 FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2009

The Board of Directors of the Company announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2009 together with the comparative figures of year 2008 as follows:–

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2009

	Notes	**2009** *HK$'000*	2008 *HK$'000* (Restated)
Continuing operations			
Turnover	*4*	**16,966**	12,709
Cost of sales		**(15,423)**	(11,446)
Gross profit		**1,543**	1,263
Other revenue	*4*	**7,644**	9,880
Selling and distribution costs		**(41)**	(101)
Administrative expenses		**(12,986)**	(13,646)
Other operating expenses, net		**96**	(157)
Finance costs	*6*	**–**	–
Loss before taxation	*5*	**(3,744)**	(2,761)
Taxation	*7*	**–**	720
Loss for the year from continuing operations		**(3,744)**	(2,041)
Discontinued operations			
Profit/(Loss) for the year from discontinued operations	*8*	**6,955**	(21,374)
Profit/(Loss) for the year		**3,211**	(23,415)

* *For identification purposes only*

	Notes	2009 HK$'000	2008 HK$'000 (Restated)
Attributable to:			
Equity holders of the Company			
Continuing operations		**(3,744)**	(2,041)
Discontinued operations		**7,030**	(18,960)
		3,286	(21,001)
Minority interests			
Continuing operations		**–**	–
Discontinued operations		**(75)**	(2,414)
		(75)	(2,414)
		3,211	(23,415)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*9*		
From continuing and discontinued operations			
Basic *(HK cents per share)*		**0.75**	(5.14)
Diluted		**N/A**	N/A
From continuing operations			
Basic *(HK cents per share)*		**(0.86)**	(0.50)
Diluted		**N/A**	N/A
From discontinued operations			
Basic *(HK cents per share)*		**1.61**	(4.64)
Diluted		**N/A**	N/A

CONSOLIDATED BALANCE SHEET
At 31 March 2009

	Notes	**2009**	2008
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**8**	59,159
Prepaid lease payments		**–**	3,681
Long term receivables		**2,436**	2,660
		2,444	65,500
Current assets			
Inventories		**–**	19,077
Trade receivables	*10*	**2,669**	49,068
Prepayments, deposits and other receivables		**16,479**	7,016
Pledged deposits		**–**	11,541
Cash at bank and in hand		**3,854**	35,251
		23,002	121,953
Assets of disposed group classified as held for sale	*11*	**143,419**	–
		166,421	121,953
Current liabilities			
Trade payables	*12*	**458**	14,858
Other payables and accruals		**4,095**	19,758
Tax payable		**–**	5,779
Interest-bearing bank and other borrowings		**–**	46,775
Provision		**314**	575
		4,867	87,745
Liabilities of disposal group associated with assets classified as held for sale	*11*	**71,495**	–
		76,362	87,745
Net current assets		**90,059**	34,208
Total assets less current liabilities		**92,503**	99,708
Non-current liabilities			
Interest-bearing bank and other borrowings		**–**	(11,389)
NET ASSETS		**92,503**	88,319
CAPITAL AND RESERVES			
Share capital		**43,690**	43,690
Reserves		**48,813**	42,608
		92,503	86,298
Minority interests		**–**	2,021
		92,503	88,319

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

1. General information

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations ("Int") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

2. Application of new and revised Hong Kong Financial Reporting Standards

In the current year, the Group and the Company have applied the following amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting years have been prepared and presented. Accordingly, no prior year adjustment has been required.

The Group and the Company have not early applied the following new and revised standards, amendments and interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 1 (Revised)	Presentation of Financial Statements[3]
HKAS 23 (Revised)	Borrowing Costs[3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations arising on Liquidation[3]
HKAS 39 (Amendment)	Eligible hedged items[4]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[3]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[3]
HKFRS 3 (Revised)	Business Combinations[4]
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments[3]
HKFRS 8	Operating Segments[3]
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[5]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[6]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[3]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[7]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[4]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[8]

1 *Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009*
2 *Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate*
3 *Effective for annual periods beginning on or after 1 January 2009*
4 *Effective for annual periods beginning on or after 1 July 2009*
5 *Effective for annual periods ending on or after 30 June 2009*
6 *Effective for annual periods beginning on or after 1 July 2008*
7 *Effective for annual periods beginning on or after 1 October 2008*
8 *Effective for transfers on or after 1 July 2009*

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKFRS 8 and HKAS 1 (Revised) may result in new or amended disclosures and the adoption of HKFRS 3 (Revised), HKAS 27 (Revised) may result in changes in accounting policies. The directors of the Company have commenced considering the potential impact of the other new or revised standards, amendments or interpretations but not yet in a position to determine whether they would have a significant impact on how its results and financial position are prepared and presented.

3. Segment information

No business segment information of the Group is presented as the Group's revenue, expenses, assets, liabilities and capital expenditure are primarily attributable to the manufacturing and trading of plastic products, mainly PVC films.

The directors of the Company also consider that the presentation of geographical segment information is not meaningful as less than 10% of the Group's consolidated turnover and results are attributable to the market outside the Mainland China and less than 10% of the Group's consolidated assets are located outside the Mainland China.

4. Turnover and revenue

The Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of turnover and other revenue is as follows:

	Continuing operations		**Discontinued operations**		**Consolidated**	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Turnover						
Sales of goods	**16,966**	12,709	**255,403**	242,902	**272,369**	255,611
Other revenue						
Bank interest income	**1**	399	**78**	372	**79**	771
Investment income from long term receivables	**288**	296	**–**	–	**288**	296
Management fee income	**6,600**	7,350	**–**	–	**6,600**	7,350
Sundry income	**1**	72	**317**	365	**318**	437
Waive of other payable	**754**	1,763	**394**	170	**1,148**	1,933
	7,644	9,880	**789**	907	**8,433**	10,787

5. Loss before taxation

The Group's loss before taxation is arrived at after charging/(crediting):

	Continuing operations		Discontinued operations		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Cost of inventories sold	**15,423**	11,446	**223,477**	231,304	**238,900**	242,750
Depreciation	**15**	58	**2,870**	9,525	**2,885**	9,583
Less: Amount included in cost of inventories sold	**–**	–	**(2,723)**	(8,854)	**(2,723)**	(8,854)
	15	58	**147**	671	**162**	729
Amortisation of prepaid lease payments	**–**	–	**29**	121	**29**	121
Minimum lease payments under operating leases in respect of land and buildings	**–**	–	**360**	1,781	**360**	1,781
Less: Amount included in cost of inventories sold	**–**	–	**(41)**	(647)	**(41)**	(647)
	–	–	**319**	1,134	**319**	1,134
Auditors' remuneration – provision for the year	**480**	540	**–**	–	**480**	540
Employee benefits expense (excluding directors' remuneration):						
Wages and salaries	**3,280**	3,173	**6,609**	8,384	**9,889**	11,557
Less: Amount included in cost of inventories sold	**–**	–	**(4,188)**	(4,299)	**(4,188)**	(4,299)
	3,280	3,173	**2,421**	4,085	**5,701**	7,258
Share-based payment expenses	**–**	1,812	**–**	–	**–**	1,812
Pension scheme contributions	**109**	85	**293**	313	**402**	398
Net exchange (gain)/loss *	**(111)**	(86)	**2,824**	8,399	**2,713**	8,313
Bad debts *	**–**	28	**769**	46	**769**	74
Gain on disposal of property, plant and equipment *	**–**	–	**(35)**	(1,455)	**(35)**	(1,455)
Gain on disposal of prepaid lease payments *	**–**	–	**–**	(254)	**–**	(254)

* *These items are included in "Other operating expenses, net" on the face of the consolidated income statement.*

6. Finance costs

	Continuing operations		Discontinued operations		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interest on:						
Bank loans and other loans wholly repayable within five years	**–**	–	**3,528**	3,788	**3,528**	3,788
Finance leases	**–**	–	**35**	97	**35**	97
	–	–	**3,563**	3,885	**3,563**	3,885

7. Taxation

	Continuing operations		Discontinued operations		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Current tax:						
Hong Kong						
– charge for the year	**–**	–	**–**	–	**–**	–
Overseas						
– overprovision in prior years	**–**	(720)	**–**	–	**–**	(720)
	–	(720)	**–**	–	**–**	(720)

No Hong Kong profits tax have been provided as the Group had sufficient tax losses brought forward to set off against the assessable profits for the year (2008: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the regions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

8. Discontinued operations

On 20 June 2008, Bestway Group International Limited ("Bestway GI"), a wholly-owned subsidiary of the Company, have entered into a sale and purchase agreement with Eastern Wide Investments Limited ("the Disposal Purchaser"), pursuant to which Bestway GI has agreed to sell the entire issued shares of Best Faith Plastic Products Limited, Bestway Plastic Products Limited and Bestget Plastic Products Limited, (collectively as the "Disposal Group") to the Disposal Purchaser. For further details, please refer to the circular dated 29 November 2008. The disposal will be completed on or before 31 July 2009. Please refer to notes 11 for details.

The combined results and cash flows of the discontinued operations included in the consolidated income statement and the consolidated cash flow statement are set out below.

	2009	2008
	HK$'000	*HK$'000*
Profit/(Loss) for the year from discontinued operations		
Turnover	**255,403**	242,902
Cost of sales	**(223,477)**	(231,304)
Gross profit	**31,926**	11,598
Other revenue	**789**	907
Selling and distribution costs	**(3,501)**	(2,037)
Administrative expenses	**(14,753)**	(20,977)
Other operating expenses, net	**(3,943)**	(6,980)
Finance costs	**(3,563)**	(3,885)
Profit/(Loss) before taxation	**6,955**	(21,374)
Taxation	**–**	–
Profit/(Loss) for the year from discontinued operations	**6,955**	(21,374)
Cash flows from discontinued operations		
Net cash from/(used in) operating activities	**12,869**	(10,404)
Net cash used in investing activities	**(364)**	(1,334)
Net cash (used in)/from financing activities	**(14,662)**	5,162
Net cash outflows	**(2,157)**	(6,576)

The assets and liabilities attributable to the Disposal Group have been classified and accounted for at 31 March 2009 as a disposal group held for sale and are presented separately in the consolidated balance sheet.

9. Earnings/(Loss) per share attributable to ordinary equity holders of the Company

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to equity holders of the Company for the years ended 31 March 2009 and 2008 and the weighted average number of ordinary shares in issue during these years.

There was no diluting event existed during the year ended 31 March 2009. Diluted loss per share for the year ended 31 March 2008 has not been disclosed, as the share option granted during the year had an anti-dilutive effect on the basic loss per share for the year.

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

From continuing and discontinued operations

	2009	2008
	HK$'000	*HK$'000*
Earnings/(Loss)		
Profit/(Loss) for the year attributable to equity holders of the Company for the purpose of basic earnings/(loss) per share	**3,286**	(21,001)

	2009	2008
	'000	*'000*
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**436,896**	408,469

From continuing operations

	2009	2008
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of basic loss per share from continuing operations	**3,744**	2,041

	2009	2008
	'000	*'000*
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**436,896**	408,469

From discontinued operations

	2009	2008
	HK$'000	*HK$'000*
Earnings/(Loss)		
Profit/(Loss) for the purpose of basic earnings/(loss) per share from discontinued operations	**7,030**	(18,960)

	2009	2008
	'000	*'000*
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**436,896**	408,469

10. Trade receivables

GROUP

	2009	2008
	HK$'000	*HK$'000*
Trade receivables	**2,669**	49,068

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 ageing analysis of the trade receivables net of allowance for doubtful debts was as follows:

GROUP

	2009	2008
	HK$'000	*HK$'000*
Within 30 days	**1,700**	23,878
31 to 60 days	**486**	10,481
61 to 90 days	**483**	11,802
Over 90 days	**–**	2,907
	2,669	49,068

11. Non-current assets held for sale

As described in note 8 to the financial statements, the major classes of assets and liabilities comprising the major plastic products business classified as held for sale at the balance sheet date are as follow:

	2009
	HK$'000
Property, plant and equipment	**57,854**
Prepaid lease payments	**3,770**
Inventories	**14,533**
Trade receivables	**34,076**
Prepayment, deposits and other receivables	**6,007**
Pledged deposits	**11,545**
Cash at bank and in hand	**15,634**
Assets of disposal group classified as held for sale	**143,419**
Trade payables	**9,901**
Other payables and accruals	**9,105**
Tax payable	**5,928**
Interest-bearing bank and other borrowings	**44,302**
Provision	**261**
	69,497
Minority interests	**1,998**
Liabilities of disposal group associated with assets classified as held for sale	**71,495**
Net assets of disposal group classified as held for sale	**71,924**
Asset revaluation reserve	**3,069**
Exchange fluctuation reserve	**4,963**
Reserves of disposal group classified as held for sale	**8,032**

As the expected disposal proceeds are to exceed their carrying amounts of the assets and liabilities of the disposal group, no impairment loss has been recognised immediately before the re-classification of the assets of the disposal group held for sale as at 31 March 2009.

12. Trade payables

An aged analysis of the trade payables as at the balance sheet date, based on the invoice date, is as follows:

	2009	2008
	HK$'000	*HK$'000*
Within 30 days	**313**	7,348
31 to 60 days	**99**	4,021
61 to 90 days	**–**	1,696
Over 90 days	**46**	1,793
	458	14,858

The carrying amounts of the Group's trade payables approximate to their fair values.

13. Dividend

The directors do not recommend the payment of any dividend in respect of the year ended 31 March 2009 (2008: Nil).

BUSINESS REVIEW

Continuing operations

The principal activity for the continuing operation of the Group during the year was trading of plastic product, mainly PVC films. The Group recorded a turnover of HK$16,966,000 (2008: HK$12,709,000) which represented an increase in turnover of approximately 33.50% over that achieved for the corresponding period last year. Gross profit margin had decreased to 9.09% (2008: 9.94%). The decrease of gross profit margin is mainly due to higher cost of sales and severe market competition from competitor. The sales volume and average selling price per tone for the year was 1,514 tons and HK$1,120 as compared with 1,123 tons and HK$1,132 for last year. The net profit attributable to ordinary equity holders of the Company was HK$3,286,000 compared with a loss of HK$21,001,000 incurred for the last year. The Group's basic earnings per share from continuing and discontinued operations for the year was HK$0.75 cent when compared with a loss per share of HK$5.14 cent for last year. The Group's basic loss per share from continuing operations for the year was HK$0.86 cent when compared with HK$0.50 cent for last year. The Group's basic earnings per share from discontinued operations for the year was HK$1.61 cent when compared with a loss per share of HK$4.64 cent for last year.

Discontinued operations

The principal activity of the discontinued operations of the Group during the year was manufacturing and trading of the PVC films. The Group recorded a turnover of HK$255,403,000 (2008:HK$242,902,000) which represented an increase in turnover of approximately 5.15% over that achieved for the corresponding period last year. Gross margin had increased to 12.50% (2008: 4.77%). The increase of gross profit margin is mainly due to the restructuring of the production lines and releasing the redundant production capacity; the better purchasing management; and the accounting treatment of the property, plant and equipment not allowed the assets held for sales to depreciate.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2009, the Group's bank balances and cash amounted to HK$3,854,000 (as at 31 March 2008: HK$35,251,000). The Group's net assets value amounted to approximately HK$92,503,000 (as at 31 March 2008: HK$88,319,000) with total assets approximately HK$168,865,000 (as at 31 March 2008: HK$187,453,000). Net current assets were approximately HK$90,059,000 (as at 31 March 2008: HK$34,208,000). The current ratio was 2.18 times (as at 31 March 2008: 1.39 times). Since the current and non-current bank and other borrowings were classified under liabilities of disposal group associated with assets classified as held for sale *(Note 11)*, the Group will not have any outstanding bank and other borrowings by the end of 31 March 2009. The gearing ratio expressed as the percentage of total borrowings to total net assets, was 0% as at 31 March 2009 (as at 31 March 2008: 65.86%).

PROSPECT

Looking forward, the PVC film trading business is still full of challenges in the coming year. With global economic downturn, it will affect consumers demand for PVC products. The escalating trend of crude oil price will directly affect the price of PVC Film. The Group will strengthen its purchasing management to minimize the impact on purchasing costs.

The Directors consider that the Group may broaden its source of income by diversifying its investment into mining natural resources. The purpose of the mining business is to explore the opportunities and derive income from the sale of other mineral resources to be extracted.

POST BALANCE EVENTS

For the First Acquisition (refer to the circular dated on 29/11/2008), some of the closing conditions have not been satisfied nor waived on 31 May 2009, being the Long Stop Date of the First Acquisition. After negotiation between the Group and the Vendor, the Long Stop Date would not be further extended. Accordingly, the First Acquisition lapsed with effect from 31 May 2009.

On 16 June 2009, Mr. Fok Po Tin ("Mr. Fok") has resigned from the office as an executive director of the Company to focus on his other personal business engagements. Mr. Fok confirmed that he has no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

On 30 June 2009, the Group and the Disposal Purchaser entered into supplemental agreements. Pursuant to the last supplemental agreement, the date of Disposal Completion was extended to a date not later than 31 July 2009.

On 3 July 2009, Tectron Pacific Limited ("Tectron"), a wholly owned subsidiary of the Company, entered into an Acquisition Agreement with Global Grand Resources Corporation (the "Vendor"). Pursuant to the Acquisition Agreement, Tectron has agreed to acquire and the Vendor has agreed to sell (a) the entire issued shares of Prolific Rich Limited ("Prolific Rich"), a wholly-owned subsidiary of the Vendor ("First Sale Shares"); (b) the face value of the loans outstanding as at the completion date made by or on behalf of the Vendor to Prolific Rich ("First Sale Debts"); (c) the entire issued shares of Grand Shining Limited ("Grand Shining"), a wholly-owned subsidiary of the Vendor ("Second Sale Shares"); and (d) the face value of the loans outstanding as at the completion date made by or on behalf of the Vendor to Grand Shining ("Second Sale Debts").

The aggregate consideration for (i) the First Sale Shares and First Sale Debts and (ii) the Second Sale Shares and Second Sale Debts shall be HK$680 million and HK$260 million (subject to adjustments) respectively.

On 8 July 2009, the Company entered into a subscription agreement with Excellent Create International Limited (the "Subscriber"), pursuant to which the Subscriber conditionally agreed to subscribe for and the Company conditionally agreed to issue 80,000,000 new shares of the Company with par value of HK$0.1 ("Subscription Shares") at a price of HK$0.282 per Subscription Share.

CHARGE OF GROUP'S ASSETS

In 2009, the Group's bank deposit of HK$11,545,000 which included in a assets of disposed group classified as held for sale *(Note 11)* of balance sheet were pledged for trust receipt loans and other short term trade financing facilities granted to the Group (In 2008, the Group's bank deposit of HK$11,541,000 which under a pledged deposit of balance sheet were pledged). The pledged deposits are denominated in the United States Dollars, other than functional currency of respective group entities, and subject to currency risk. The deposits carry fixed interest rates ranging from 0.3% to 2.6% per annum (2008: 1.7% to 3.8% per annum). The carrying amounts of the pledged deposits approximate to their fair values.

The leasehold land and the building situated in Mainland China which amounting to HK$3,770,000 (2008: HK$3,799,000) and HK$10,081,000 (2008: HK$10,154,000) respectively, held under a medium term lease in a non-current assets held for sale as at 31 March 2009 *(Note 11)* and were pledge to secure credit facilities granted to the Group.

A legal charge on the plant and equipments with the net book values of approximately HK$29,476,000 as at 31 March 2009. The plant and equipments was classified as assets held for sale *(Note 11)* and was pledge to secure credit facilities granted to the Group.

EXPOSURE TO FOREIGN EXCHANGE FLUCTUATION

The Group conducts its business transactions mainly in Hong Kong Dollars, Renminbi and United States Dollars. As the Hong Kong Dollar is pegged to the U.S. Dollar, the Group does not foresee any material exchange risk in this respect. However, the Group is subject to certain foreign exchange impacts caused by the appreciation of Renminbi. The Group has not entered into any foreign exchange contract. The management will closely monitor foreign exchange exposure and will adopt a plan to mitigate the impact of foreign currency exposure, if necessary.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 31 March 2009, the Group did not have any contingent liabilities (as at 31 March 2008: HK$6,647,000).

EMPLOYEES

As at 31 March 2009, the Group had approximately 176 full time managerial, administrative and manufacturing 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.

ANNUAL GENERAL MEETING

The 2009 Annual General Meeting ("AGM") of shareholders of the Company will be held at 38/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Wednesday, 9 September 2009 at 10:00 a.m.. The notice of the AGM will be published on the website of the Stock Exchange of Hong Kong Limited at http://www.hkexnews.hk and the Company's website at www.bestwaygroup.com.hk and also will be despatched to the shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 4 September 2009 to Wednesday, 9 September 2009, both days inclusive, during that period, no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the forthcoming 2009 AGM of the Company, unregistered holders of shares of the Company should ensure that all transfer of shares of the Company accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's Share Registrar in Hong Kong, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 3 September 2009.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

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

AUDIT COMMITTEE

The Company has an Audit Committee which was established in compliance with the Code for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Group's audited financial statements for the year ended 31 March 2009 have been reviewed by the Audit Committee. The Audit Committee comprises the three independent non-executive directors of the Company, and meets at least twice annually to perform their duties.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the accounting period covered by the annual report with deviations from certain code provisions as explained below:

Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same person. Mr. Tang Kuan Chien is the Chairman of the Board and also serves the function of a Chief Executive. The Board believes that the present arrangement enables the Company to make and implement decisions promptly, and thus achieve the Company's objectives efficiently and effectively in response to the changing environment. The Board also believes that the Company already has a strong corporate governance structure in place to ensure effective oversight of management. The Board will continually review the effectiveness of the Group's corporate governance structure to assess whether any changes are necessary.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of directors' securities transactions. Having made specific enquiry of all directors, the directors have complied with the required standard set out in the Model Code, throughout the year ended 31 March 2009.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The result announcement is published on the website of the Stock Exchange of Hong Kong Limited at http://www.hkexnews.hk and the Company's website at www.bestwaygroup.com.hk. The annual report of the Company for the year ended 31 March 2009 will be despatched to the shareholders and published on the aforesaid websites in due course.

On behalf of the Board
Bestway International Holdings Limited
Tang Kuan Chien
Chairman

Hong Kong, 22 July 2009

At as the date of this announcement, the Board comprises:

Executive Directors:	Mr. Tang Kuan Chien Mr. Chim Kim Lun Ricky Mr. Law Fei Shing
Independent non-executive Directors:	Mr. Hung Shean-I Mr. Wong Nai Ping Mr. Au Kwok Yee Benjamin