COSWAY CORPORATION LIMITED

(formerly known as Berjaya Holdings (HK) Limited)
(Incorporated in Hong Kong with limited liability)
(Stock Code: 288)

FINAL RESULTS FOR THE YEAR ENDED 30 APRIL 2010

The board of directors (the "Board") of Cosway Corporation Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 April 2010 with comparative figures for the year ended 30 April 2009.

CONSOLIDATED INCOME STATEMENT

For the year ended 30 April 2010

	Notes	**2010** **HK\$'000**	2009 HK\$'000 (Restated)
REVENUE	*6*	**2,329,278**	1,726,896
Cost of sales		**(1,352,953)**	(1,056,922)
Gross profit		**976,325**	669,974
Other income	*6*	**15,166**	13,946
Selling and distribution expenses		**(347,972)**	(225,889)
General and administrative expenses		**(332,797)**	(255,906)
Other expenses		**(17,964)**	(20,573)
Fair value gains/(losses) on investment properties		**9,010**	(1,208)
Finance costs	*7*	**(19,031)**	(1,871)
Share of profits and losses of associates		**373**	80
PROFIT BEFORE TAX	*8*	**283,110**	178,553
Income tax expense	*9*	**(60,885)**	(42,702)
PROFIT FOR THE YEAR		**222,225**	135,851
Attributable to:			
Owners of the parent		**211,756**	120,937
Minority interests		**10,469**	14,914
		222,225	135,851
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*11*		
Basic and diluted		**HK\$0.04**	HK\$0.14

Details of the dividends proposed for the year and paid in the prior year are disclosed in note 10 to the results announcement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 April 2010

	2010 *HK$'000*	2009 *HK$'000* (Restated)
PROFIT FOR THE YEAR	**222,225**	135,851
OTHER COMPREHENSIVE INCOME		
Share of other comprehensive income of associates	**(2,542)**	–
Exchange differences on translation of foreign operations	**70,102**	(46,812)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**67,560**	(46,812)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**289,785**	89,039
Attributable to:		
Owners of the parent	**276,842**	77,436
Minority interests	**12,943**	11,603
	289,785	89,039

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 April 2010

	Notes	**30 April 2010** *HK$'000*	30 April 2009 *HK$'000* (Restated)	1 May 2008 *HK$'000* (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**225,389**	119,500	127,134
Investment properties		**264,519**	114,990	130,586
Prepaid land lease payments		**9,431**	8,576	9,870
Goodwill		**317,395**	9,741	10,953
Interests in associates		**10,392**	109	181
Available-for-sale investments		**475**	243	278
Deposits		**45,167**	28,336	7,505
Deferred tax assets		**7,525**	2,523	3,142
Total non-current assets		**880,293**	284,018	289,649
CURRENT ASSETS				
Inventories		**581,889**	402,138	258,206
Trade receivables	*12*	**79,562**	78,172	26,069
Tax recoverable		**1,867**	–	–
Prepayments, deposits and other receivables		**66,456**	38,841	36,661
Due from the ultimate holding company		**–**	1,137	1,261
Due from a former intermediate holding company		**–**	731	–
Due from the former immediate holding company		**–**	34,173	888
Due from fellow subsidiaries		**1,529**	1,287	1,462
Pledged deposits		**1,069**	395	466
Cash and cash equivalents		**135,212**	92,275	123,161
		867,584	649,149	448,174
Asset classified as held for sale		**–**	22,677	–
Total current assets		**867,584**	671,826	448,174
CURRENT LIABILITIES				
Trade payables	*13*	**260,515**	230,991	168,767
Other payables and accruals		**121,906**	85,659	62,520
Defined benefit obligations		**41**	52	–
Deferred revenue		**66,500**	49,466	52,341
Interest-bearing bank and other borrowings		**157,283**	58,384	8,245
Due to the former immediate holding company		**–**	11	–
Due to associates		**2,262**	2,328	2,952
Due to fellow subsidiaries		**1,040**	788	913
Tax payable		**43,139**	28,058	20,801
Total current liabilities		**652,686**	455,737	316,539
NET CURRENT ASSETS		**214,898**	216,089	131,635
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,095,191**	500,107	421,284

	30 April 2010	30 April 2009	1 May 2008
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
NON-CURRENT LIABILITIES			
Defined benefit obligations	**1,353**	985	950
Interest-bearing bank and other borrowings	**8,756**	35	561
Loan from a shareholder	**11,840**	–	–
Irredeemable convertible unsecured loan securities	**391,831**	–	–
Deferred tax liabilities	**19,502**	2,834	3,582
Other payables	**275**	–	–
Total non-current liabilities	**433,557**	3,854	5,093
Net assets	**661,634**	496,253	416,191
EQUITY			
Equity attributable to owners of the parent			
Issued capital	**553,400**	332,861	332,861
Equity component of irredeemable convertible unsecured loan securities	**1,752,505**	–	–
Reserves	**(1,656,442)**	125,478	56,300
	649,463	458,339	389,161
Minority interests	**12,171**	37,914	27,030
Total equity	**661,634**	496,253	416,191

Details of the dividends proposed for the year and paid in the prior year are disclosed in note 10 to the results announcement.

Notes:

1. CORPORATE INFORMATION

Cosway Corporation Limited is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at Unit 1701, 17/F, Austin Plaza, 83 Austin Road, Jordan, Kowloon, Hong Kong.

During the year, the principal activities of the Company and its subsidiaries (collectively referred to as the "Group") consisted of direct selling of household, personal care, healthcare and other consumer products and property investment. In the opinion of the directors, the ultimate holding company of the Company is Berjaya Corporation Berhad ("B Corp"), which is incorporated in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

2. REVERSE ACQUISITION

On 13 October 2009, the Company entered into agreements with Cosway Corporation Berhad ("Cosway Corp"), Biofield Sdn. Bhd. ("Biofield"), an indirect subsidiary of Cosway Corp, and Madison County LLC, an independent third party, (collectively the "Cosway M Vendors") for the acquisition of 83.89%, 6.11% and 10% equity interests, respectively, in Cosway (M) Sdn. Bhd. ("Cosway M") and its subsidiaries (collectively the "Cosway M Group"), at the consideration of Ringgit Malaysia ("RM") 1,000,000,000, equivalent to HK$2,230,399,000, in aggregate (the "Acquisition"). Cosway M Group is engaged in the direct sales of consumer products, property investment and investment holding. On the same date, the Company entered into another agreement with Prime Credit Leasing Sdn. Bhd., Berjaya Sompo Insurance Berhad, Inter-Pacific Securities Sdn. Bhd., Berjaya Hills Berhad, Tan Sri Dato' Seri Vincent Tan Chee Yioun and Rayvin Tan Yeong Sheik (collectively the "eCosway Vendors") for the acquisition from eCosway Vendors of an aggregate 40% equity interest in eCosway.com Sdn. Bhd. ("eCosway"), a 60%-owned subsidiary of Cosway M, at an aggregate consideration of RM107,584,000, equivalent to HK$239,700,000. eCosway is principally engaged in the direct selling business with online shopping portal.

The consideration for the Acquisition of RM1,000,000,000, equivalent to HK$2,230,399,000 was satisfied by (a) the issuance of 858,185,074 ordinary shares of the Company of HK$0.20 per share; (b) issuance of irredeemable convertible unsecured loan securities ("ICULS") with principal amount of HK$1,956,800,000 and (c) cash of RM44,700,000, equivalent to HK$101,962,000 upon completion.

The consideration for the acquisition of the 40% equity interests of eCosway was satisfied by (a) the issuance of 32,498,592 ordinary shares of the Company of HK$0.20 per share and (b) issuance of ICULS with principal amount of HK$233,200,000.

The above acquisitions of equity interests in Cosway M Group and eCosway were completed on 8 December 2009. Details of the acquisitions of Cosway M Group and eCosway are set out in the Company's circular dated 30 October 2009.

Under general accepted accounting principles in Hong Kong, the Acquisition constitutes a reverse acquisition from an accounting perspective since Cosway Corp has become the controlling shareholder of the Company after the Acquisition. For accounting purposes, Cosway M is regarded as the acquirer while the Company and its subsidiaries before the Acquisition (collectively the "CCL Group") are deemed to have been acquired by Cosway M. As a result, these consolidated financial statements have been prepared as a continuation of the consolidated financial statements of the Cosway M Group which has a financial year end date of 30 April, and accordingly:

(i) the assets and liabilities of the Cosway M Group are recognised and measured in these consolidated financial statements at their historical carrying values prior to the Acquisition;

(ii) the retained profits and other reserve balances of Cosway M Group prior to the Acquisition are retained in the equity balances in these consolidated financial statements;

(iii) the amount recognised as issued capital of the Group in these consolidated financial statements, which represents the share capital in the consolidated statement of financial position of the Group, is the sum of the issued share capital of Cosway M (the legal subsidiary), Cosway M Group's deemed cost of acquisition of the CCL Group, and the subsequent issue of new shares of the Company upon completion of the Acquisition. However, the equity structure, being the number and type of shares issued, reflects the equity structure of the Company (the legal parent) including the new shares issued in effecting the Acquisition; and

(iv) the comparative information presented in these consolidated financial statements is that of the Cosway M Group.

3. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain available-for-sale investments, which have been measured at fair value. Non-current assets held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

4. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs* and HKAS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Vesting Conditions and Cancellations*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
HKFRS 8	*Operating Segments*
HKFRS 8 Amendment*	Amendment to HKFRS 8 *Operating Segments: Disclosures – Information about segment assets (*early adopted)
HKAS 1 (Revised)	*Presentation of Financial Statements*
HKAS 18 Amendment*	Amendment to Appendix to HKAS 18 *Revenue – Determining whether an entity is acting as a principal or as an agent*
HKAS 23 (Revised)	*Borrowing Costs*
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation* and HKAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives* and HKAS 39 *Financial Instruments: Recognition and Measurement – Embedded Derivatives*
HK(IFRIC)-Int 13	*Customer Loyalty Programmes*
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate*
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation*
HK(IFRIC)-Int 18	*Transfers of Assets from Customers* (adopted from 1 July 2009)
Improvements to HKFRSs (October 2008)**	Amendments to a number of HKFRSs

* Included in *Improvements to HKFRSs 2009* (as issued in May 2009).

** The Group adopted all the improvements to HKFRSs issued in October 2008 except for the amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary*, which are effective for annual periods beginning on or after 1 July 2009.

Other than as further explained below regarding the impact of HKAS 1 (Revised), HKFRS 8, HKFRS 8 Amendment, HKFRS 7 Amendments and HK(IFRIC)-Int 13, the adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

(a) HKAS 1 (Revised) *Presentation of Financial Statements*

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

(b) HKFRS 8 *Operating Segments* and Amendment to HKFRS 8 *Operating Segments: Disclosures – Information about segment assets*

HKFRS 8, which replaces HKAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the operating segments determined in accordance with HKFRS 8 are the same as the business segments previously identified under HKAS 14. These revised disclosures are shown in note 5 to the result announcement.

The Group has early adopted in these financial statements the Amendment to HKFRS 8 issued in *Improvements to HKFRSs 2009* which clarifies that segment assets need only to be reported when those assets are included in measures that are used by the chief operating decision maker.

(c) Amendments to HKFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*

The HKFRS 7 Amendments require additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by sources of inputs using a three-level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balance is now required for level 3 fair value measurements, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity measurement. The fair value measurement disclosures are presented in note 46 to the annual report while the revised liquidity risk disclosures are presented in note 47 to the annual report.

(d) HK(IFRIC)-Int 13 *Customer Loyalty Programmes*

HK(IFRIC)-Int 13 requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted. The consideration received in the sales transaction is allocated between the loyalty award credits and the other components of the sale. The amount allocated to the loyalty award credits is determined by reference to their fair values and is deferred until the awards are redeemed or the liability is otherwise extinguished. The financial impact of this interpretation, which has been applied retrospectively, upon initial application is summarised below:

	Effect of adopting HK(IFRIC)-Int 13	
	2010	2009
	HK$'000	*HK$'000*
Effect on consolidated income statement for the year:		
Increase in revenue	**3,380**	8,343
Increase in cost of sales	**(44,270)**	(38,183)
Decrease in selling and distribution expenses	**27,835**	31,213
Decrease/(increase) in income tax expenses	**3,264**	(343)
	(9,791)	1,030
Increase/(decrease) in basic and diluted earnings per share (HK cents)	**(0.18)**	0.12
Effect on equity at the beginning of the year:		
Decrease in retained profits	**(6,660)**	(7,690)
Increase/(decrease) in exchange fluctuation reserve	**314**	(576)
	(6,346)	(8,266)
Effect on consolidated statement of financial position at the end of the reporting period:		
Increase in deferred tax assets	**5,899**	2,115
Decrease in other payables	**42,901**	41,005
Increase in deferred revenue	**(66,500)**	(49,466)
Decrease in retained profits	**16,451**	6,660
Decrease/(increase) in exchange fluctuation reserve	**1,249**	(314)
	–	–

5. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) the direct selling/retailing segment is engaged in direct selling of household, personal care, healthcare and other consumer products; and

(b) the property investment segment is engaged in investment in prime office space for rental income potential.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, share of profits and losses of associates as well as head office and corporate income and expenses are excluded from such measurement.

Segment assets exclude interests in associates, available-for-sale investments, goodwill, deferred tax assets, tax recoverable and certain other receivables as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, ICULS, loan from a shareholder, tax payables and deferred tax liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

	Direct selling/Retailing		**Property investment**		**Total**	
Year ended 30 April	**2010**	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)		(Restated)
Segment revenue						
Sales to external customers	**2,318,137**	1,720,229	**11,141**	6,667	**2,329,278**	1,726,896
Intersegment sales	**–**	–	**3,670**	2,828	**3,670**	2,828
	2,318,137	1,720,229	**14,811**	9,495	**2,332,948**	1,729,724
Reconciliation:						
Elimination of intersegment sales					**(3,670)**	(2,828)
Revenue					**2,329,278**	1,726,896
Segment results	**277,515**	162,199	**9,087**	4,199	**286,602**	166,398
Reconciliation:						
Interest income					**1,155**	821
Unallocated gains					**14,011**	13,125
Finance costs					**(19,031)**	(1,871)
Share of profits and losses of associates					**373**	80
Profit before tax					**283,110**	178,553

	Direct selling/Retailing			Property investment			Total		
	30 April 2010	30 April 2009	1 May 2008	**30 April 2010**	30 April 2009	1 May 2008	**30 April 2010**	30 April 2009	1 May 2008
	HK$'000	*HK$'000* (Restated)	*HK$'000* (Restated)	***HK$'000***	*HK$'000* (Restated)	*HK$'000* (Restated)	***HK$'000***	*HK$'000* (Restated)	*HK$'000* (Restated)
Segment assets	**1,130,356**	815,093	585,051	**273,095**	123,540	126,358	**1,403,451**	938,633	711,409
Reconciliation:									
Interests in associates							**10,392**	109	181
Corporate and unallocated assets							**334,034**	17,102	26,233
Total assets							**1,747,877**	955,844	737,823
Segment liabilities	**445,622**	365,916	284,594	**8,270**	4,364	3,849	**453,892**	370,280	288,443
Reconciliation:									
Corporate and unallocated liabilities							**632,351**	89,311	33,189
Total liabilities							**1,086,243**	459,591	321,632

Year ended 30 April	**Direct selling/Retailing**		**Property investment**		**Total**	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000* (Restated)	***HK$'000***	*HK$'000* (Restated)	***HK$'000***	*HK$'000* (Restated)
Other segment information:						
Depreciation	**31,509**	21,134	**132**	118	**31,641**	21,252
Recognition of prepaid land lease payments	**178**	175	**–**	–	**178**	175
Capital expenditure*	**126,255**	56,019	**126,434**	93	**252,689**	56,112
Impairment/(reversal of impairment) of other receivables	**(3,956)**	2,113	**–**	–	**(3,956)**	2,113
Fair value losses/(gains) on investment properties	**–**	–	**(9,010)**	1,208	**(9,010)**	1,208

* Capital expenditure consists of additions to property, plant and equipment and investment properties, including assets from the acquisition of subsidiaries.

Geographical information

(a) Revenue from external customers

	2010	2009
	HK$'000	*HK$'000* (Restated)
Malaysia, Singapore and Brunei	**1,268,329**	925,949
Hong Kong, Macau and Taiwan	**903,241**	767,780
Other countries	**157,708**	33,167
	2,329,278	1,726,896

The revenue information above is based on the location of the customers.

(b) *Non-current assets*

	30 April 2010 *HK$'000*	30 April 2009 *HK$'000* (Restated)	1 May 2008 *HK$'000* (Restated)
Malaysia, Singapore and Brunei	**668,747**	194,615	233,486
Hong Kong, Macau and Taiwan	**118,768**	46,568	21,340
Other countries	**84,778**	40,069	31,403
	872,293	281,252	286,229

The non-current asset information above is based on the location of assets and excludes available-for-sale investments and deferred tax assets.

6. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents the invoiced value of goods sold, net of discounts and returns; the value of services rendered; and gross rental income received and receivable from investment properties during the year.

An analysis of revenue and other income is as follows:

	2010 *HK$'000*	2009 *HK$'000* (Restated)
Revenue		
Sale of goods	**2,277,442**	1,552,299
Membership fee income	**40,695**	167,930
Gross rental income	**11,141**	6,667
	2,329,278	1,726,896
Other income		
Interest income	**1,155**	821
Others	**14,011**	13,125
	15,166	13,946

7. FINANCE COSTS

	2010 *HK$'000*	2009 *HK$'000* (Restated)
Interest on bank loans, overdrafts and other loans wholly repayable within five years	**4,695**	1,871
Interest on ICULS	**14,336**	–
	19,031	1,871

8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2010	2009
	HK$'000	*HK$'000*
		(Restated)
Cost of inventories sold	**1,010,030**	727,947
Auditors' remuneration	**2,075**	1,235
Recognition of prepaid land lease payments	**178**	175
Depreciation	**31,641**	21,252
Minimum lease payments under operating leases on:		
Land and buildings	**67,084**	44,662
Contingent rents of retail shops	**196**	226
Plant and machinery	**419**	251
	67,699	45,139
Employee benefit expenses (including directors' remuneration):		
Wages, salaries, allowances and benefits in kind	**144,187**	109,635
Defined contribution scheme	**8,790**	6,642
Defined benefit scheme	**216**	197
Pension scheme contributions	**9,006**	6,839
	153,193	116,474
Gross rental income on investment properties	**(11,141)**	(6,667)
Less: Outgoing expenses	**5,750**	2,986
Net rental income	**(5,391)**	(3,681)
Loss on disposal of items of property, plant and equipment	**105**	2,169
Impairment/(reversal of impairment) of trade receivables, net	**2,539**	(1,840)
Impairment/(reversal of impairment) of other receivables	**(3,956)**	2,113
Impairment of items of property, plant and equipment	**–**	282
Impairment of prepaid land lease payments, net	**–**	29
Change in fair value of investment properties	**(9,010)**	1,208
Write-down of inventories to net realisable value	**6,005**	6,220
Withholding tax on royalty income	**2,999**	1,217
Foreign exchange differences, net	**8,618**	3,687

9. INCOME TAX

	2010	2009
	HK$'000	*HK$'000*
		(Restated)
Group:		
Current – Hong Kong		
Charge for the year	**11,770**	8,081
Overprovision in prior years	**(25)**	–
Current – Malaysia		
Charge for the year	**38,391**	29,500
Underprovision/(overprovision) in prior years	**1,208**	(100)
Current – Elsewhere		
Charge for the year	**7,455**	5,019
Underprovision in prior years	**86**	315
Deferred	**2,000**	(113)
Total tax charge for the year	**60,885**	42,702

10. DIVIDENDS

	2010	2009
	HK$'000	*HK$'000*
		(Restated)
First interim dividend – Nil (2009: RM1.20 sen) per ordinary share	**–**	4,129
Second interim dividend – Nil (2009: RM1.20 sen) per ordinary share	**–**	4,129
	–	8,258

The directors proposed a final dividend of HK1.5 cents (2009: Nil) per share. The estimated total final dividends based on the number of issued shares of 1,961,731,641 at 30 April 2010, is approximately HK$29,426,000. The proposed dividend is not reflected as dividend payable in the financial statements but will be reflected as an appropriation of retained earnings for the year ending 30 April 2011. The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The dividends disclosed for the year ended 30 April 2009 represented interim dividends paid by a subsidiary, namely Cosway M, to its previous owner, namely Cosway Corp, out of its retained profits.

11. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Under the reverse acquisition method of accounting, the 858,185,074 ordinary shares, in aggregate, issued by the Company to effect the Acquisition described in note 2 above are deemed to be issued on 1 May 2008 for the purpose of calculating the earnings per share.

The calculation of basic and diluted earnings per share is based on the following data:

Earnings

	2010	2009
	HK$'000	*HK$'000*
		(Restated)
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculation	**211,756**	120,937

Shares

	2010 Number of shares (in thousand)	2009 Number of shares (in thousand) (Restated)
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share calculation	**5,495,200**	858,185

12. TRADE RECEIVABLES

	30 April 2010 *HK$'000*	30 April 2009 *HK$'000* (Restated)	1 May 2008 *HK$'000* (Restated)
Trade receivables	**105,128**	101,942	54,993
Impairment	**(25,566)**	(23,770)	(28,924)
	79,562	78,172	26,069

The Group's trading credit terms range from 1 day to 90 days. Other credit terms are assessed and approved on a case-by-case basis. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are regularly reviewed by senior management. In view of the aforementioned, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

13. TRADE PAYABLES

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

	30 April 2010 *HK$'000*	30 April 2009 *HK$'000* (Restated)	1 May 2008 *HK$'000* (Restated)
Current	**159,703**	132,045	93,535
1 to 2 months	**27,037**	59,666	42,759
2 to 3 months	**8,114**	12,678	9,109
Over 3 months	**65,661**	26,602	23,364
	260,515	230,991	168,767

The trade payables are non-interest-bearing and are normally settled on 30-day to 90-day terms.

14. **CONTINGENT LIABILITIES**

(a) A subsidiary of the Group, namely Cosway (HK) Limited ("CHK"), is currently a respondent in a legal claim brought by a party alleging that CHK breached and repudiated a signed courier service agreement to use certain minimum services from a service provider. The directors, based on the advice from the Group's legal counsel, believe that CHK has a valid defense against the allegation and, accordingly, have not provided for any claim, other than the related legal and other costs.

(b) At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	Note	**2010** ***HK$'000***	2009 *HK$'000* (Restated)
Guarantee given to a financial institution for credit facilities granted to the former immediate holding company	*(i)*	**–**	75,950

Note:

(i) The banking facilities granted to the former immediate holding company were secured by the pledge of certain of the investment properties of the Group which had aggregate carrying values of HK$113,925,000 as at 30 April 2009.

As at 30 April 2009, the banking facilities granted to the former immediate holding company were utilised to the extent of approximately HK$67,769,000.

MANAGEMENT DISCUSSION AND ANALYSIS

The following management discussion and analysis should be read in conjunction with the audited financial statements of the Company for the year ended 30 April 2010.

Summary of Financial Results

Net sales for the year ended 30 April 2010 recorded an increase of 35% to HK$2.329 billion as compared to HK$1.727 billion for the same period in 2009. The increase was primarily due to carefully strategised recruitment activities which led to an increased number of members and "Free Stores" being opened during the period under review.

The Group's Net Income was unfavourably impacted by the Group's first time adoption of HK (IFRIC)-Int 13 – Customer Loyalty Programmes for the year ended 30 April 2010, resulting in a deferment of recognition to subsequent years of HK$10 million to the Group's net income as opposed to a gain of HK$1 million for the same period in 2009. Net Income was further reduced by interest costs of HK$14 million relating to the Irredeemable Convertible Unsecured Loan Securities ("ICULS") issued by the Company on 8 December 2009 as partial consideration of the acquisition of 100% equity interest in Cosway M and 40% equity interest in eCosway ("Cosway Group").

Despite the impact arising from the above, the Group is pleased to report that Net Income for the year ended 30 April 2010 increased 63% to HK$222 million as compared to HK$136 million for the same period in 2009. The increase was primarily driven by the introduction of higher margin products, better economies of scale on sourcing and supplier pricing, more effective cost management; and the fair value gains arising from the revaluation of certain investment properties.

Results of Operations

Year Ended 30 April 2010 compared to Year Ended 30 April 2009

a) ***Sales by Business Segment***

	30 April 2010		30 April 2009		% increase in sales
	HK$'mil	*%*	*HK$'mil*	*%*	*%*
Direct Selling/Retailing	**2,318**	**99.5%**	1,720	99.6%	34.8%
Others	**11**	**0.5%**	7	0.4%	57.1%
Total	**2,329**	**100%**	1,727	100%	34.9%

The bulk of the revenue is generated by the Direct Selling/Retailing of consumers goods, which are the principal activities of the Group.

b) ***Direct Selling/Retailing by Region***

	30 April 2010		30 April 2009		% increase in sales
	HK$'mil	*%*	*HK$'mil*	*%*	*%*
Malaysia, Singapore and Brunei	**1,257**	**54%**	919	53%	36.8%
Hong Kong, Macau and Taiwan	**903**	**39%**	768	45%	17.6%
Other Countries	**158**	**7%**	33	2%	378.8%
Total	**2,318**	**100%**	1,720	100%	34.8%

Malaysia, Singapore and Brunei

The Malaysia, Singapore and Brunei markets continued to enjoy a healthy growth in sales and market share principally through the expansion of our 'free store' concept, growth in membership and new product launches. In the Malaysian market, where Cosway has been present for the last 31 years, sales increased by an impressive 37% versus the same period in 2009. The Management believes this is an important example that the new business model, which effectively combines network marketing and retail selling, is capable of generating immense sales in both existing and future markets.

The Malaysia, Singapore and Brunei region reported total revenue of HK$1.3 billion for the financial year 2010, increasing by HK$338 million (equivalent to a growth of 37%) as compared to the same period in 2009. Meanwhile, operating profit rose by 33% from HK$90 million for the year ended 30 April 2009 to HK$120 million for the same period in 2010.

In view of the additional marketing efforts and aggressive opening of new "Free Stores", selling and distribution costs increased for the 2010 financial year, accounting for the difference in growth between sales and operating profit. Nevertheless, Management believes that incremental sales from new stores will contribute positively in the coming financial year, leading to a normalisation of selling and distribution costs as a percentage of sales.

Hong Kong, Macau and Taiwan

The Hong Kong, Macau and Taiwan region reported total revenue of HK$903 million for the year ended 30 April 2010. Total revenue increased HK$135 million or 18% for the year ended 30 April 2010 as compared to the same period in 2009. Operating profit increased 37% to HK$78 million for the year ended 30 April 2010 compared to the same period in 2009 of HK$57 million. The increase in operating profit for the region is a result of expanded product lines with higher margin products and better cost management via economies of scale.

For Hong Kong and Macau, which comprise the bulk of this region's sales, total revenue increased 18% or HK$84 million, resulting in total revenue of HK$546 million for the year ended 30 April 2010. Operating profit improved by 34% to arrive at HK$59 million compared to HK$44 million as of 30 April 2009. In the coming year, further emphasis will be placed on networking activities throughout the year given the positive results in recent months with the strong recruitment of top leaders from competing companies into Cosway.

Taiwan's revenue improved by 17% to HK$357 million versus 30 April 2009 sales of HK$306 million. Operating profit improved by 46% to arrive at HK$19 million compared to HK$13 million in 30 April 2009. Once again, this was primarily due to the introduction of higher margin products and better cost management.

Other Countries

South Korea and Thailand represent the majority of Other Countries in terms of revenue, with a combined revenue of HK$113 million for the year ended 30 April 2010 against HK$4 million for the year ended 30 April 2009. This represents a more than 27 fold increase in sales and is reflective of the steep growth in new countries.

The substantial improvements in these two markets are mainly due to the success of the new hybrid business model and the introduction of a wider range of products. South Korea is an example of a country with strict import controls but where the Group has successfully introduced 304 unique items to the market and is projected to grow, thanks to improvements made in the product registration process by Cosway employees.

Sales by Product Category

CATEGORIES	**2010** **%**	2009 %
Personal Care	**30**	29
Health Care	**27**	24
Home Care	**17**	17
Food & Beverage	**9**	9
Others	**17**	21
TOTAL	**100**	100

The overall sales mix for the Group has been fairly consistent with previous years.

Personal Care was the largest category with a 30% share of the Group's sales. This is due to the wide range of products covered under this category, namely skin care, face and body care, colour cosmetics, hair care and fragrances. Skin care sales in turn made up 20% of the total Personal Care category for the financial year.

Among the bestsellers for the category are Beautycode Switzerland Cell Lift Advance, the Caviar Deluxe skin care range (for lifting and anti-ageing) and the Bioglo Goat's Milk with Pomegranate personal care range.

In addition to this, new products launched in the financial year are showing promising sales. This includes L'élan Vital Organic Skin Care, a certified organic facial care line created from the world's finest botanicals and natural ingredients, as well as Xylin Multi-Action Nano Silver Toothbrush with antibacterial nanosilver proven to kill 99.9% of germs and offers superior brushing performance.

Health Care sales also increased its composition to overall sales from 24% to 27% for financial year 2010. This bodes well for the Company as both Personal Care and Health Care have the highest margins among the various product categories. Among the bestselling Health Care products launched this year are Nn Asta Pycnogenol, Nn SUPA EPA and Oriyen Bio N-zymes.

Nn Asta Pycnogenol (for anti-ageing and general wellness) combines two of the most potent antioxidants – Pycnogenol® (the only researched French maritime pine bark extract from Horphag Research Ltd., Switzerland) and Astaxanthin-rich Haematococcus. Nn SUPA EPA, on the other hand, is a molecularly distilled and super concentrated Omega-3 supplement from deep sea fish oil that promotes a healthy heart, mind and body. Oriyen Bio N-zymes is a highly bio-available enzyme concentrate made from fermented fruits, herbs, mushrooms and vegetables to help supplement the body's daily enzyme requirement.

Hexagon Water Filtration System sales have also improved quite significantly compared to the previous year. In line with our new product development strategy, a new Hexagon Alkaline Hydrogen Water Filtration System is slated to be launched in the early part of financial year 2011. This new system will produce antioxidant-rich alkaline hydrogen water and will be competitively priced versus other similar products.

Product sales were also strongly supported by Cosway's exciting promotions like monthly special discounts and 'Buy 2, Get 1 Free' offers. Additional Redemption Coupons and Rewards Points were offered that enabled members to redeem great products like innovative kitchenware, branded perfumes, watches, toys and many other items for extremely low prices or even for free. This offer alone drives a steady stream of sales to our stores each month. For example, in Australia, Hong Kong and Taiwan, the Ceramic Bowl Set under this program received an overwhelming response and helped to increase sales further in those respective markets.

Sales Outlets

	As at 30 April 2010			As at 30 April 2009		
	Stockists	**Free Stores**	**TOTAL**	Stockists	Free Stores	TOTAL
TOTAL	**620**	**860**	**1,480**	822	236	1,058

The Group's total number of stores increased tremendously to a total of 1,480 stores, mainly due to the "Free Store" concept introduced two years ago. Following on from this success, Management plans to continue with the store expansion program for the 2011 financial year.

Out of the Group's 624 new "Free Stores" opened during the year, 309 of these new stores were opened in the Malaysia and Singapore region. The new store locations were carefully selected to allow greater market penetration as well as greater geographical coverage.

In Malaysia, stores that are at least 1,000 square feet in size or bigger, include redemption centres where attractive redemption products are displayed in the stores to generate a more vibrant shopping environment and hence, more shopping excitement. The factors above contributed to the growth of the Group in its respective markets.

Revenue

The year under review saw the strengthening of the Group's position as a major global direct selling company as we registered a higher revenue and gross profit of HK$2.329 billion and HK$976 million compared to HK$1.727 billion and HK$670 million last year, respectively, in the face of very challenging economic conditions.

In most countries, the Group's financial performance was correlated with the notable pace and quantity of store openings as well as our ongoing recruitment drives. Strong demand for store operatorship rights continued to be propelled by Cosway's revolutionary business model and extensive product range. As a result of this and our recruitment drives, we secured a global member base of over 870,000 people, who have now become part of our diverse and expansive marketing force.

Gross Profit

The Group's gross margin climbed to 42% for the year ended 30 April 2010 as compared to 39% in 2009 (the gross margin for 2009 has been adjusted to conform to the adoption of HK (IFRIC)-Int 13). This increase was primarily due to the favourable impact of our growing economies of scale to obtain better pricing from suppliers and has been a continuous trend for the last 5 years. Cosway's all-encompassing range of 1,900 consumer products and our robust product cycle management strategy reduced the Group's risk of overdependence on any one product or category. This is one of our key strengths that differentiate us from our competitors in the industry. The Group's growing international presence and sales track record has also enabled us to take advantage of external expertise for product research and development (R&D) and to partner with leading researchers and manufacturers, thus strengthening our position in the consumer segment.

Finance Costs

Finance costs have increased by HK$17 million to HK$19 million for the year ended 30 April 2010 as compared to HK$2 million for the same period in 2009. The increase included the interest costs of HK$14 million related to the Irredeemable Convertible Unsecured Loan Securities ("ICULS") issued by the Company on 8 December 2009, for the acquisition of the Cosway Group; and higher average debt balance for the year ended 30 April 2010 as compared to the same period in 2009.

Income Taxes

Income taxes were HK$61 million for the year ended 30 April 2010, as compared to HK$43 million for the same period in 2009. As a percentage of profit before taxation, the effective income tax rate was 22% for the year ended 30 April 2010, as compared to 24% for the same period in 2009. The decrease in the effective income tax rate for the year under review, was primarily due to higher profit contribution from a tax exempted subsidiary.

Future Prospects

For the coming financial year, Management is confident of the continued growth of the business through the expansion of the hybrid business model.

Existing countries are expected to continue contributing positively to the Group's growth as new stores are opened to further improve the convenience and reach of our retail chain. In addition to this, Management plans to enter new markets such as the USA and Japan in financial year 2011. Other new markets such as New Zealand, China and Britain are in the pipeline for the near future. Management is confident that entry into these new markets will propel the Group to record sales, given the fact that just two of these new markets, the USA and Japan, account for over 40% of the global direct selling market. In comparison, Cosway's existing markets combined accounts for only 10% of the global direct selling market.

On product sourcing and development, Management is always looking to develop and introduce products with innovative performance features, benefits and designs. In the pipeline are the expansion of existing ranges of our organic food and beverages; natural skin and body care products; and eco-friendly household and car care products. Furthermore, new product lines such as apparel, shoes and handbags are being progressively introduced to expand our product offering and to attract a wider audience.

With regards to marketing communications, Management plans to continue with its proven formula of consistent communication with its members through direct mail and attractive promotional offers. However, more emphasis will be given in the coming year to brand management within the Group and enhancing the image of the retail stores and the Company as a whole.

Liquidity and Financial Resources

The Group generally finances its operations with internally generated cash flow as well as banking facilities provided by its bankers. As at 30 April 2010, the total cash and cash equivalents was approximately HK$135 million (2009: HK$92 million). As at 30 April 2010, the Group has pledged fixed deposits of HK$1 million (2009: HK$0.4 million) to secure general banking facilities granted to the Group.

The current ratio of the Group was recorded as 1.3 times (2009: 1.5 times) and this was mainly due to an increase in bank borrowings concurrent with the Group's expansion plans in existing and new markets. As at 30 April 2010, the interest-bearing bank loans and other borrowings of the Group repayable within one year and after one year were HK$157 million and HK$9 million respectively (2009: HK$58 million and HK$ Nil respectively).

The Group's gearing ratio, which is interest-bearing bank borrowings less cash and cash equivalents ("Net Debt") divided by the equity attributable to equity holders of the Company plus Net Debt, was approximately 4.5% as at 30 April 2010.

Exposure to Fluctuations in Exchange Rates

With regards to foreign exchange risk, the Group's businesses are predominantly located in Malaysia and Asia Pacific regions. All transactions are conducted in the currency of the various countries of the Group's operations. In addition, purchases are primarily locally sourced and the distribution of inventory is managed in a centralised manner. Therefore, fluctuations of exchange rates of the major regions that the Group operates in against other foreign currencies are not expected to have a significant impact on the Group's results.

Capital Structure

The Company carried out the following capital reorganisation during the year ended 30 April 2010 as a result of the substantial acquisition of Cosway Group. Details of the transaction were set out in the Company's circular to the shareholders dated 30 October 2009:

(a) the authorised share capital was increased from HK$250,000,000 to HK$4,000,000,000 by the creation of an additional 18,750,000,000 shares of HK$0.20 each;

(b) issuance and allotment of 890,683,666 shares of HK$0.20 each per share as partial consideration for the acquisition of the Cosway Group;

(c) issuance of ICULS in a principal amount of HK$2,190,000,000 as partial consideration for the acquisition of the Cosway Group; and

(d) issuance and allotment of 180,000,000 shares of HK$0.20 each per share pursuant to the Loan Capitalisation Agreement between the Company and Berjaya Group (Cayman) Limited ("BGCL"), a substantial shareholder of the Company. The aforesaid shares issuance was deemed as full and final settlement of HK$36,000,000 being part of the amount due to BGCL.

On 2 April 2010, certain ICULS holders (the "ICULS Holders") elected to convert the ICULS in the principal amount of HK$60,000,000, in aggregate, into new shares of HK$0.20 each per share. As a result of the conversion, the Company allotted and issued 300,000,000 new shares to the ICULS Holders on 13 April 2010.

Material Acquisition, Disposals and Significant Investment

On 1 May 2009, the Group acquired a 90% equity interest in Golden Works (M) Sdn. Bhd. ("GWSB"), a company incorporated in Malaysia and engaged in property investment, for a total cash consideration of RM19.5 million (approximately HK$47.5 million). On 8 June 2009, the Group acquired the remaining 10% equity interest in GWSB for a total cash consideration of RM2.2 million (approximately HK$6 million).

Other than the acquisition of GWSB and the acquisition of Cosway Group as detailed in the Company's circular to the shareholders dated 30 October 2009, the Group had no other material acquisitions, disposals and significant investment during the year ended 30 April 2010.

Pledged of Assets

As at 30 April 2010, bank deposits, investment properties and freehold land and leasehold land with a net book value of HK$1 million, HK$195 million and HK$9 million and HK$6 million (2009: HK$0.4 million, HK$: Nil, HK$5 million and HK$7 million) respectively, were pledged to secure banking facilities for the Group.

Contingent Liabilities

Details of the contingent liabilities are set out in note 14 to the result announcement.

Employees and Remuneration Policy

The Group had a total of approximately 1,200 employees as at 30 April 2010.

The remuneration policy of the Group is to ensure that the overall remunerations are fair and competitive in order to motivate and retain existing employees and at the same time to attract prospective employees. The remuneration policy has been formulated after having taken into account local practices in various geographical locations in which the Group and its associates are operating. These remuneration packages comprise basic salaries, allowances, retirement schemes, service bonuses, fixed bonuses, performance-based incentives and share options, where appropriate.

Events after the reporting period

On 6 May 2010, 17,625,000 share options were granted to eligible directors and employees of the Group.

DIVIDENDS

The Board recommends the payment of a final dividend of HK1.5 cents per share for the year ended 30 April 2010, to shareholders of the Company whose names appear on the Company's Register of Members on 30 September 2010. The final dividend will be paid on or about 8 October 2010 following the approval by shareholders at the 2010 annual general meeting of the Company.

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

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

COMPLIANCE OF THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has made specific enquiries to all directors of the Company who have confirmed that they have complied with the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the financial year ended 30 April 2010.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Listing Rules during the financial year ended 30 April 2010 except the deviations as follows:

Code Provisions A.1.1

Board meetings were not held quarterly during the year as the directors consider some matters can be dealt with through the circulation of written resolutions.

Code Provisions A.2.1

Mr. Chuah Choong Heong is both the Chairman of the Board and Chief Executive Officer of the Company. The Board considers that although such structure deviates from Rule A.2.1 of the Corporate Governance Code, the effective operation of the Group will not be impaired since Mr. Chuah has exercised sufficient delegation in the daily operation of the Group's business as Chief Executive Officer while being responsible for the effective operation of the Board as Chairman of the Board.

Code Provisions A.4.1

Although certain non-executive directors are not appointed for a specific term, they are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association of the Company.

Code Provisions E.1.2

The former chairman of the Board was unable to attend the 2009 annual general meeting of the Company because of other business commitment.

Further information on the Company's corporate governance practices is set out in the Corporate Governance Report contained in the Company's Annual Report.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed the consolidated financial statements of the Group for the year ended 30 April 2010, including the accounting principles and accounting standards adopted by the Company, and discussed matters relating to auditing, internal controls and financial reporting.

PUBLICATION OF RESULTS ANNOUNCEMENT

The annual results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk and on the website of the Company at www.coswaycorp.com. The Annual Report will be dispatched to the shareholders of the Company and will be published on the above websites in due course.

CLOSURE OF REGISTER OF MEMBERS

The Directors have declared a final dividend of HK1.5 cents per share for the year ended 30 April 2010 payable on or about 8 October 2010 to shareholders whose names appear on the Register of Members of the Company on 30 September 2010 subject to shareholder's approval. The Register of Members of the Company will be closed from 28 September 2010 to 30 September 2010, both days inclusive, during which period no share transfer will be effected. In order to qualify for the final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 27 September 2010.

By order of the Board
Cosway Corporation Limited
Tan Yeong Sheik, Rayvin
Executive Director

Hong Kong, 19 August 2010

As at the date of this announcement, the board of directors of the Company comprises two Executive Directors, namely Mr. Chuah Choong Heong and Mr. Tan Yeong Sheik, Rayvin, three Non-Executive Directors namely Mr. Chan Kien Sing, Mr. Tan Thiam Chai and Ms. Tan Ee Ling and three Independent Non-Executive Directors, namely Mr. Wong Ying Wai, Wilfred, Mr. Leou Thiam Lai and Ms. Deng Xiao Lan, Rose.