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## **COSWAY CORPORATION LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 288)**

## **IRREDEEMABLE CONVERTIBLE UNSECURED LOAN SECURITIES DUE 2019 CONVERTIBLE INTO ORDINARY SHARES OF THE COMPANY**

**(Stock Code: 4314)**

### **ANNOUNCEMENT**

#### **POSSIBLE PRIVATISATION AND RESUMPTION OF TRADING**

The Company wishes to announce that on 7 July 2011, the Board has been informed by CCB, the controlling shareholder of the Company, that it is presently considering the Possible Privatisation.

**The Possible Privatisation may or may not materialize. Shareholders, ICULS Holders and potential investors are advised to exercise extreme caution when dealing in the securities of the Company.**

Trading in the Shares and ICULS on the Stock Exchange was suspended at the request of the Company with effect from 1:30 p.m. on Thursday, 7 July 2011 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares and ICULS with effect from 1:30 p.m. on Monday, 18 July 2011.

#### **POSSIBLE PRIVATISATION**

The Company wishes to announce that on 7 July 2011, the Board has been informed by CCB, the controlling shareholder of the Company, that it is presently considering the privatisation of the Company which may result in the delisting of the Company ("**Possible Privatisation**"). The Company has been informed by CCB that if they are to proceed with the Possible Privatisation, it is envisaged that it would be at a cash consideration of HK\$1.10 per Share and HK\$1.10 per HK\$0.20 nominal amount of ICULS. Details of the terms of such offer (including appropriate offer for convertible securities of the Company) will be included in an announcement of CCB if the Possible Privatisation is to materialise.

The Board noted that on 7 July 2011, BCorp, the holding company of CCB, made an overseas regulatory announcement in relation to, among other things, the Possible Privatisation ("**BCorp Announcement**"). A copy of the BCorp Announcement is annexed to this announcement for shareholders' information.

As at the date of this announcement, CCB holds directly 2,142,855,115 Shares, representing approximately 45.45% of the issued share capital of the Company and HK\$1,340,912,542 ICULS, representing approximately 84.9% of the total principal amount of ICULS.

**The Possible Privatisation may or may not materialize. Shareholders, ICULS Holders and potential investors are advised to exercise extreme caution when dealing in the securities of the Company.**

The Board confirms that, save as disclosed above, there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

As at the date of this announcement, the Company has a total of 4,714,810,471 Shares in issue and 14,524,000 Share Options outstanding entitling the Optionholders to subscribe for 14,524,000 Shares. In addition, the Company has HK\$1,579,384,234 ICULS outstanding and a total of 7,896,921,170 underlying Shares which could be issued upon full conversion of such ICULS. Save as disclosed above, the Company has no other outstanding convertible securities, warrants, options or derivatives which are convertible or exchangeable into Shares as at the date of this announcement.

Shareholders and ICULS Holders will be informed of any further development with regard to the Possible Privatisation as and when necessary and on a monthly basis by way of progress announcement(s) under Rule 3.7 of the Takeovers Code until an announcement of a firm intention to make an offer or of a decision not to proceed with an offer is made in compliance with the Takeovers Code.

## **DEALING DISCLOSURE**

The respective associates (as defined in the Takeovers Code) (including, among others, persons holding 5% or more of a class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code)) of the Company and CCB are reminded to disclose their dealings in the securities of the Company under Rule 22 of the Takeovers Code.

## **RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES**

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below and the terms used therein shall have the same meaning as those ascribed to them in the Takeovers Code:

*“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediates are expected to co-operate with the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any of its delegate (the “Executive”) in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediates will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES AND ICULS**

Trading in the Shares and ICULS on the Stock Exchange was suspended at the request of the Company with effect from 1:30 p.m. on Thursday, 7 July 2011 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares and ICULS with effect from 1:30 p.m. on Monday, 18 July 2011.

## **DEFINITIONS**

In this announcement, the following expressions shall have the meanings set out below, unless the context requires otherwise.

“Board”	the board of Directors
“BCorp”	Berjaya Corporation Berhad, a company incorporated in Malaysia with limited liability and the shares of which are listed on the main market of Bursa Malaysia Securities Berhad
“CCB”	Cosway Corporation Berhad, a company incorporated in Malaysia with limited liability and an indirect subsidiary of BCorp
“Company”	Cosway Corporation Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 288)
“Director(s)”	the director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“ICULS”	a 10-year one to three and a half per cent. (1-3.5%) irredeemable convertible unsecured loan securities with a principal sum of HK\$2,190,000,000 issued by the Company on 8 December 2009 and listed by way of selectively marketed securities (stock code: 4314) on the Stock Exchange with conversion rights to convert them into Shares and the conversion price is HK\$0.20 per Share
“ICULS Holder(s)”	holder(s) of ICULS
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Optionholder(s)”	holder(s) of Share Option(s)

“Share(s)”	the ordinary share(s) of HK\$0.20 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Option(s)”	option(s) to subscribe for Share(s) granted or to be granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 23 November 2009
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

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

Hong Kong, 18 July 2011

*As at the date of this announcement, the Board 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. Leou Thiam Lai, Ms. Deng Xiao Lan, Rose and Mr. Massimo Guglielmucci.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*

**General Announcement**Reference No **MI-110707-62247**

Submitting Merchant Bank : MAYBANK INVESTMENT BANK BERHAD  
 Company Name : **BERJAYA CORPORATION BERHAD**  
 Stock Name : **BJCORP**  
 Date Announced : 07/07/2011

Type : Announcement  
 Subject : TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS)  
 RELATED PARTY TRANSACTIONS

Description : BERJAYA CORPORATION BERHAD ("B-CORP" OR "COMPANY")  
 PROPOSED PRIVATISATION OF COSWAY CORPORATION  
 LIMITED, A 55.47%-OWNED SUBSIDIARY OF B-CORP

**Announcement Details/Table Section :**

On behalf of the Board of Directors ("Board") of B-Corp, Maybank Investment Bank Berhad ("Maybank IB") wishes to announce that the Board of Cosway Corporation Berhad, a wholly-owned subsidiary of B-Corp, has notified the Board of Cosway Corporation Limited ("CCL") today that it is presently considering the privatisation of CCL which would result in the delisting of CCL from The Stock Exchange of Hong Kong Limited ("Proposed Privatisation").

It is envisaged that the Proposed Privatisation would be at a cash consideration of **Hong Kong Dollar ("HK\$") 1.10** (equivalent to approximately RM0.42) per ordinary share of HK\$0.20 each in CCL ("CCL Share") and HK\$1.10 per HK\$0.20 nominal amount of Irredeemable Convertible Unsecured Loan Securities ("CCL ICULS"). The price of HK\$1.10 represents a premium of approximately 45.1% over the 5 day volume weighted average market price of HK\$0.7583 per CCL Share up to 6 July 2011, being the last full trading day immediately prior to this announcement.

The Board of B-Corp wishes to state that having regard to the current developments and circumstances of the B-Corp group of companies ("B-Corp Group"), it would be in the best interest of the Company to privatise CCL. The Board of B-Corp is confident of the excellent future potential of the Cosway business model and hence is proposing to own 100% of the company. The Board is of the view that CCL could potentially become the main core business of the B-Corp Group and will underpin B-Corp Group's performance going forward.

The Board of B-Corp believes that the privatisation of CCL will provide CCL with the necessary management flexibility and would enable CCL to focus on driving its strategic plan to globalize the Cosway brand without having to incur the attendant costs, and be subjected to regulatory restrictions and compliance obligations associated with its listed status. The privatisation of CCL would also enable more active and direct participation by B-Corp in CCL's global strategy.

Consequently, the proposed offer for sale of the CCL ICULS to the shareholders of B-Corp on the basis of one (1) CCL ICULS for every two (2) ordinary shares of RM1.00 each held in B-Corp (as announced on 29 April 2010) is aborted.

The B-Corp Group presently holds a total of approximately 2.615 billion CCL Shares, representing approximately 55.47% of its present outstanding CCL Shares of approximately 4.715 billion. In addition, the B-Corp Group holds a total of approximately 6.837 billion CCL ICULS which are convertible into approximately 6.837 billion new CCL

Shares.

Tan Sri Dato' Seri Vincent Tan Chee Yioun ("Tan Sri Vincent Tan"), the Chairman of B-Corp, and Rayvin Tan Yeong Sheik ("Rayvin"), an Executive Director of B-Corp and CCL and a son of Tan Sri Vincent Tan, have interests in CCL, as follows:-

	<b>Direct</b>		<b>Indirect</b>	
	<b>'000</b>	<b>%</b>	<b>'000</b>	<b>%</b>
Tan Sri Vincent Tan	330,000	7.00	2,728,957 *	57.89 *
Rayvin	221,707	4.70	-	-

\* Deemed interested by virtue of his interest in B-Corp and his deemed interest in Biofield Sdn Bhd.

In addition, Rayvin holds approximately 227.25 million CCL ICULS.

Dato' Robin Tan Yeong Ching, the Chief Executive Officer of B-Corp and a son of Tan Sri Vincent Tan, has an indirect interest in 1.3 million CCL Shares through his spouse.

Chan Kien Sing is an Executive Director of B-Corp and a Director of CCL.

Tan Sri Danny Tan Chee Sing, a past Director of B-Corp is a brother of Tan Sri Vincent Tan. He holds approximately 17.91 million CCL Shares. His son, Dickson Tan Yong Loong is a Director of B-Corp.

Save as disclosed above, the Company is not aware of any other Directors or major shareholders or persons connected to them who have an interest in the Proposed Privatisation, whether directly or indirectly.

B-Corp has appointed Maybank IB as the principal adviser for the Proposed Privatisation and OSK Investment Bank Berhad as the independent adviser to advise the non-interested shareholders of B-Corp on the Proposed Privatisation.

The interested Directors have abstained and will abstain from future Board deliberations on the Proposed Privatisation. The Proposed Privatisation is subject to the approval of the shareholders of B-Corp at an extraordinary general meeting at which the interested parties named above and persons connected to them shall abstain from voting in respect of their direct and indirect shareholdings in B-Corp. In addition, the Proposed Privatisation is also subject to consent/approvals of the relevant authorities in Hong Kong, where applicable.

Further announcements on the Proposed Privatisation will be made in due course.

This announcement is dated 7 July 2011.

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