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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 PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE**

Reference is made to the announcements of Cosway Corporation Limited (the “**Company**”) dated 18 July 2011, 18 August 2011 and 16 September 2011 advising that the Board has been informed by CCB, the controlling shareholder of the Company, that it was considering the Possible Privatisation (the “**Announcements**”). Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Announcements.

This announcement is made pursuant to Rule 3.7 of the Takeovers Code and includes information required under Rules 3.7 and 3.8 of the Takeovers Code.

The Company has been informed by BCorp on 19 September 2011 that BCorp is proposing to undertake a proposed conditional renounceable rights issue of up to RM767,492,263 nominal value of 10-year new irredeemable convertible unsecured loan stocks (the “**New BCorp ICULS**”) together with up to 767,492,263 free detachable warrants (the “**New BCorp Warrants**”) on the basis of one (1) RM1.00 nominal value of New BCorp ICULS together with one (1) New BCorp Warrant for every six (6) existing ordinary shares of RM1.00 each in BCorp held at a time and date to be determined later by the board of directors of BCorp as the entitlement date (the “**Proposed BCorp Rights Issue**”).

BCorp also indicated that CCB will obtain bank borrowings to part finance the Possible Privatisation and the proceeds of the Proposed BCorp Rights Issue will be substantially utilized to pay down these bank borrowings.

BCorp has also indicated that the Proposed BCorp Rights Issue is conditional upon the approval of the shareholders of BCorp for the Possible Privatisation (which BCorp intends to seek shareholders’ approval for the Possible Privatisation at the same extraordinary general meeting of BCorp to be convened for the Proposed BCorp Rights Issue).

The Possible Privatisation is also conditional upon the approval of the shareholders of BCorp for the Proposed BCorp Rights Issue.

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.

**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.**

## **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.*

*Intermediaries 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 intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

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

Hong Kong, 19 September 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.*