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COSWAY CORPORATION LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 288)

ANNOUNCEMENT PURSUANT TO RULE 13.18 OF THE LISTING RULES

This announcement is made in compliance with Rule 13.18 of the Listing Rules with respect to the Facilities Agreement entered into by the Borrower with the Lender on 9 March 2012. The Facilities Agreement, which relates to a term loan facility of up to RM100,000,000, imposes an obligation on the Borrower, among other things, to remain as a wholly owned subsidiary (either directly or indirectly) of either the Company or Berjaya Corporation Berhad throughout the tenure of the Facility.

This announcement is made in compliance with Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

On 9 March 2012, Cosway (M) Sdn. Bhd. (the “**Borrower**”), a wholly-owned subsidiary of the Company, has entered into a facilities agreement (the “**Facilities Agreement**”) relating to a term loan facility of up to RM100,000,000 (the “**Facility**”) with RHB Bank Berhad (the “**Lender**”). The Facilities will be used to reimburse the cost undertaken by the Borrower for its hybrid stores expansion plans in Malaysia and China. The Facility is for a tenure of up to five years (inclusive of a grace period of six months) commencing from the date of first drawdown of the Facility.

Pursuant to the Facilities Agreement, the Borrower undertakes to the Lender that it shall remain as a wholly owned subsidiary (either directly or indirectly) of either the Company or Berjaya Corporation Berhad throughout the tenure of the Facility. As at the date of this announcement, the Borrower is a wholly owned subsidiary of the Company who in turn is an indirect subsidiary of Berjaya Corporation Berhad.

Failure to comply with the aforesaid undertaking will constitute an event of default under the Facilities Agreement. Upon the occurrence of an event of default under the Facilities Agreement, all amounts secured under the Facility be forthwith due and payable and the Lender shall be entitled to (i) institute such proceeding as it may think fit against the Borrower and (ii) apply any credit balance standing to any account of the Borrower with any office or branch of the Lender whether in Malaysia or otherwise and in whatever currency towards satisfaction of the indebtedness.

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

Hong Kong, 16 March 2012

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.