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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

The Board of Directors (the "Board") of Bestway International Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively known as the "Group") for the six months ended 30 September 2015. The unaudited condensed consolidated interim financial statements were not audited but have been reviewed by the Company's audit committee (the "Audit Committee").

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2015

	Notes	Six months ended 30 September 2015 (Unaudited) HK$'000	2014 (Unaudited) HK$'000
Revenue	4	**9,830**	460
Cost of sales		**(5,685)**	(459)
Gross profit		**4,145**	1
Other income	4	**5**	50
Selling and distribution expenses		**(1,331)**	–
Administrative expenses		**(6,350)**	(3,049)
Other operating expenses		**(3)**	(133)
Net gain arising from changes in fair value of financial instruments held for trading	12	**66**	–
Loss before income tax	6	**(3,468)**	(3,131)
Income tax expense	7	**(9)**	–
Loss for the period		**(3,477)**	(3,131)
Other comprehensive income			
Item that may be reclassified subsequently to profit and loss			
– Exchange difference on translation of financial statements of foreign operations		**(436)**	(71)
Total comprehensive income for the period		**(3,913)**	(3,202)
Loss attributable to:			
– Owners of the Company		**(3,408)**	(3,047)
– Non-controlling interests		**(69)**	(84)
		(3,477)	(3,131)
Total comprehensive income attributable to:			
– Owners of the Company		**(3,844)**	(3,118)
– Non-controlling interests		**(69)**	(84)
		(3,913)	(3,202)
Loss per share			
Basic and diluted	9	**(0.30)HK cents**	(0.31)HK cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	Notes	30 September 2015 (Unaudited) HK$'000	31 March 2015 (Audited) HK$'000
Non-current assets			
Property, plant and equipment		**189**	121
Mining rights	*10*	**671,624**	671,624
		671,813	671,745
Current assets			
Trade receivables	*11*	**3,131**	2,795
Financial instruments held for trading	*12*	**15,743**	–
Inventories		**1,618**	1,277
Deposits, prepayments and other receivables		**1,293**	1,876
Cash and cash equivalents		**255,617**	97,361
		277,402	103,309
Current liabilities			
Trade payables	*13*	**85**	–
Other payables and accruals		**2,101**	1,812
		2,186	1,812
Net current assets		**275,216**	101,497
Total assets less current liabilities		**947,029**	773,242
Non-current liabilities			
Deferred tax liabilities		**147,429**	147,429
Net assets		**799,600**	625,813
Equity attributable to owners of the Company			
Share capital		**62,546**	52,296
Reserves		**734,238**	570,632
		796,784	622,928
Non-controlling interests		**2,816**	2,885
Total equity		**799,600**	625,813

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

1. General information

Bestway International Holdings Limited (the "Company") is a limited liability company incorporated in Bermuda. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is located at Suite 1018, 10th Floor, Central Tower, 28 Queen's Road Central, Hong Kong.

The Company and its subsidiaries (the "Group") were principally involved in trading of goods and mining business of the natural resources of tungsten.

2. Basis of preparation

These unaudited condensed consolidated interim financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2015, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include individual Hong Kong Financial Reporting Standards, HKAS and Interpretations).

The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2015.

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain financial instruments held for trading, which are measured at fair values.

3. Adoption of new or amended HKFRSs

The accounting policies adopted for the preparation of unaudited condensed consolidated interim financial statements are consistent with those set out in the consolidated financial statements of the Group for the year ended 31 March 2015, the new or amended HKFRSs which have become effective in this period have no material impact on the accounting policies in the Group's unaudited condensed consolidated interim financial statements for the period.

The Group has not applied the new or amended HKFRSs that have been issued but are not effective. The Group has already commenced an assessment of the impact of these new or amended HKFRSs but is not yet in a position to state whether these new or amended HKFRSs would have a material impact on its results of operations and financial position.

4. Revenue and other income

Revenue of the Group, which is also the turnover of the Group, represents the net invoiced value of goods sold, net of allowances for returns, trade discounts and value-added tax.

An analysis of the Group's revenue and other income is as follows:

	Six months ended 30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue		
Sales of goods	**9,830**	460
Other income		
Bank interest income	**5**	50

5. Segment information

The chief operating decision makers have been identified as the Company's executive directors. Since no active operation took place between the date of acquisition and the end of the reporting period as to the Group's mining business. Therefore, the executive directors consider there to be only one operating segment (i.e. trading business) under the requirements of HKFRS 8.

No geographical segment analysis is provided as revenue of the Group was generated from trading business in the People's Republic of China (the "PRC") and Hong Kong and substantial amount of the Group's assets and liabilities are located in the PRC and Mongolia.

6. Loss before income tax

Loss before income tax has been arrived at after charging:

	Six months ended 30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of inventories sold	**5,685**	459
Depreciation of property, plant and equipment	**9**	27
Staff costs and wages, including directors' remuneration	**2,373**	876
Operating lease charge in respect of office premise	**285**	160

7. Income tax expense

	Six months ended 30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Hong Kong profits tax		
– under provision in prior year	**9**	–

No Hong Kong profits tax has been provided in the Interim Financial Statements as the Group has no assessable profit during the period (six months ended 30 September 2014: Nil).

Enterprise Income Tax ("EIT") arising from the PRC is calculated according to the relevant laws and regulations in the PRC. The applicable tax rate for the EIT is 25%. No EIT has been provided for the period ended 30 September 2015 as the Group has no assessable profit during the period (six months ended 30 September 2014: Nil).

Subsidiaries incorporated in Mongolia are subject to Mongolian income tax which is calculated at the rate of 10% on the first 3 billion Mongolian Turgrik of taxable income and 25% on the amount in excess thereof. No income tax was provided as these Mongolian subsidiaries have not derived any taxable income during the period end 30 September 2015 (six months ended 30 September 2014: Nil).

8. Dividend

The Board does not recommend any payment of interim dividend for the six months ended 30 September 2015 (six months ended 30 September 2014: Nil).

9. Loss per share

The calculation of basic loss per share for the six months ended 30 September 2015 is based on the loss attributable to owners of the Company of approximately HK$3,408,000 (six months ended 30 September 2014: loss of approximately HK$3,047,000) and the weighted average of 1,141,799,533 (six months ended 30 September 2014: 995,912,439).

Diluted loss per share for the six months ended 30 September 2015 and 2014 are the same as the basic loss per share as the Company has no dilute potential ordinary shares outstanding during both periods.

10. Mining rights

The mining rights represent the rights to conduct mining activities in the location of Nogoonnuur Soum and Tsengel Soum of Bayan-Ulgii Aimag in Mongolia, and have legal lives of 16 to 21 years, expiring in July 2031, March 2033, December 2035 and July 2036, respectively. The mining licenses are issued by Mineral Resources and Petroleum Authority of Mongolia and may be extended for two successive additional periods of 20 years each. No active mining operation of the Group has taken place yet during the six months ended 30 September 2015.

Given that there is no significant change in the market conditions since 31 March 2015, based on the assessment of the directors, no impairment is necessary as at 30 September 2015 since there are no indications of impairment.

At 31 March 2015, the directors re-assessed the recoverable amount of the cash generating unit that holds mining rights (the "Mining CGU") by using fair value less costs of disposal, which is derived by using discounted cash flow analysis. The discount cash flow analysis has incorporated assumptions that a typical market participant would use in estimating the fair value of the Mining CGU. The discounted cash flows analysis uses cash flow projection for a period of 3 to 7 years and the discount rates applied to the cash flow projection are 22.71%-24.63%. In determining the discount rates, the weighted average cost of capital was used, which is determined with reference to the industry capital structure of market comparables with mining projects, and have taken into account the specific risks encountered by the Mining CGU. Other key assumptions adopted include estimated selling price with nil growth rate, industry average gross margin, estimated mine reserve based on technical assessment reports and the expectation for market development. With reference to the assessment, the directors were of the view that the recoverable amount of the Mining CGU was estimated to be HK$524,195,000 and therefore an impairment loss of HK$49,453,000 (net of tax) in respect of the Mining CGU was identified as at 31 March 2015 and the impairment loss was allocated to write down the carrying amount of the mining rights by HK$65,937,000, together with a tax effect of HK$16,484,000 credited to profit or loss. The impairment was primarily due to decline in the estimated selling price of tungsten concentrate products during the last financial year.

11. Trade receivables

Ageing analysis of the Group's trade receivables as at the respective reporting dates, based on invoice date is as follows:

	30 September 2015 (Unaudited) *HK$'000*	31 March 2015 (Audited) *HK$'000*
Within 30 days	**3,131**	1,170
61-90 days	**–**	1,625
	3,131	2,795

The Group allows a credit period from 0 to 30 days for the six months ended 30 September 2015.

The Group's trade receivables are neither past due nor impaired as at the reporting date and it is related to customers for whom there were no recent history of default.

12. Financial instruments held for trading

	30 September 2015 (Unaudited) *HK$'000*	31 March 2015 (Audited) *HK$'000*
Listed investments		
– Equity securities listed in Hong Kong	**5,362**	–
– Equity securities listed in the PRC	**1,125**	–
	6,487	–
Over-the-counter investments		
– Debt securities	**9,256**	–
	15,743	–

The changes in fair value of the Group's financial instruments held for trading during the six months period ended 30 September 2015, including gain arising from disposal of those financial instruments amounting to HK$292,000 and unrealised loss from changes in fair value of those financial instruments amounting to HK$226,000, are presented as "Net gain arising from changes in fair value of financial instruments held for trading" in the condensed consolidated statement of comprehensive income.

13. Trade payables

Ageing analysis of the Group's trade payables, based on the invoice date, is as follows:

	30 September 2015 (Unaudited) ***HK$'000***	31 March 2015 (Audited) *HK$'000*
Within 30 days	**85**	–

Trade payable is non-interest bearing and normally settled on terms of 30 days.

14. Event after the reporting period

On 11 November 2015, the Company and a subscriber entered into a subscription agreement pursuant to which the Company has conditionally agreed to allot and issue a total of 250,180,000 new shares to the subscriber or his nominee at an issue price of HK$0.66 per share (the "Subscription"). The net proceeds generated from the Subscription are intended to be used as general working capital of the Group and for potential investments as identified by the Group from time to time, details of which have been set out in the Company's announcement dated 12 November 2015. As at the date of this announcement, the Subscription has not yet completed.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

The Group's revenue for the six months ended 30 September 2015 was approximately HK$9,830,000 which was contributed by the business of trading in medical devices and the administrative expenses for the period were approximately HK$6,350,000 which represented an increase of 108.26% compared to the administrative expenses incurred in same period of last year. The loss attributable to the owners of the Company for the six months ended 30 September 2015 was HK$3,408,000 (six months ended 30 September 2014: HK$3,047,000). The basic loss per share for the six months ended 30 September 2015 were HK0.30 cents (six months ended 30 September 2014: HK0.31 cents).

With regard to the continuous significant economic growth in the PRC, the Directors are optimistic in the growth of the business of trading in medical device and expected that the revenue will be aggregated to more than HK$15 million for the coming year ended 31 March 2016.

On 13 September 2015, the Group entered into a memorandum with an experiencing mining explorer from Inner Mongolia (the "Contractor"), pursuant to which the Group proposed to engage the Contractor to conduct mining activities, including development and exploitation of one of its Mongolian tungsten mines. In the coming months the Group and the Contractor will negotiate the relevant terms and possibly enter into a formal agreement, the Directors believe that the Contractor will commence exploitation of the mines not be later than the end of June 2016.

Save for above mentioned businesses, the Directors will actively invest in developing brokerage, financial and asset management business in the forthcoming years, as which will benefit the Company and shareholders as a whole.

Capital Structure

As announced by the Group on 6 July 2015, the Company completed the placing of 205,000,000 Placing Shares to independent investors at the Placing Price of HK$0.88 per Placing Share. The Directors are of the view that the Placing offers the Company a good opportunity to raise funds and to enlarge the shareholders base of the Company and strengthen the Group's financial position. The Board considers the Placing is in the interest of the Company and the Shareholders as a whole. As disclosed in the announcement of the Company dated 15 June 2015, the net proceeds from the Placing of approximately HK$177.70 million will be applied by the Group as general working capital and for potential acquisition activities as identified by the Group from time to time.

Trading of Goods

The Group recorded a revenue of approximately HK$9,830,000 (six months ended 30 September 2014: HK$460,000) from the trading goods including medical devices, computer parts, wine and tea. The Group will take more effort to source more orders from the customers to improve its results.

Mining Business

Same as per past years, the Group still holds four tungsten mining licenses through two wholly owned Mongolian subsidiaries. Kainarwolfram LLC owns properties under Mining Licenses 11863A, 11027A and 5518A, which are located in the territory of Nogoonnuur Soum, Bayan-Ulgii province and Ikh Uuliin Erdenes LLC owns the property under the Mining License 3506A, which located in the territory of Nogoonnuur Soum, Bayan-Ulgii province. In order to enhance the communication with province government of Mongolia, the Company newly appointed Mr. Jiang Lixin as the sole director of both the Mongolian subsidiaries. During the year Mr. Jiang and our consultant Ms. Yang Lee have met with a leader of Bayan-Ulgii province to understand the mining site situation. With reference to the opinion from the Group's Mongolian legal advisers, the Directors are of the opinion that the Group is in compliance with all laws and governmental rules and regulations in Mongolia and the Group's four mining rights are still in effect and in good standing as at the reporting date. Meanwhile, the Board re-assessed the recoverable amount of the Mining CGU as at the end of the reporting period and, given that there is no significant change in the market conditions since 31 March 2015, no impairment is considered as at 30 September 2015. Details of the Group's mining licenses are set out in Note 10 to the financial statements.

Subsequent Events

On 11 November 2015, the Company and a Subscriber entered into the Subscription Agreement to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue to him or his nominee a total of 250,180,000 new Shares at an issue price of HK$0.66 per Subscription Share. The Subscription Shares represent approximately 20% of the issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The aggregate Subscription Price amounts to approximately HK$165.12 million, the net proceeds from which are for the Group's general working capital and/or investments when opportunities arise. The Subscription Shares and the underlying Warrant Subscription Shares will be issued pursuant to the General Mandate obtained at the AGM dated 17 September 2015.

For details of the subscription, please refer to the announcements of the Company dated 12 Novermber 2015. As at the date of this announcement, the subscription has not been completed.

Save as disclosed above, there have been no matters that have occurred subsequent to the period-end date which have significantly affected, or may significantly affect the Group's operation, results or state of affairs as at 30 September 2015.

Current and Gearing Ratios

As at 30 September 2015, the Group's bank balances and cash amounted to approximately HK$255,617,000 (31 March 2015: HK$97,361,000). The Group's net assets value amounted to approximately HK$799,600,000 (31 March 2015: HK$625,813,000) with total assets approximately HK$949,215,000 (31 March 2015: HK$775,054,000). Net current assets were approximately HK$275,216,000 (31 March 2015: HK$101,497,000).

The current ratio was 126.90 times (31 March 2015: 57.01 times).

The gearing ratio of 0.16 (31 March 2015: 0.19) expressed as the percentage of total liabilities over total assets.

Charges on Group's Assets

As at 30 September 2015, the Group did not have any charge on group assets (31 March 2015: Nil).

Foreign Exchange Exposure

The Group did not have any significant exposure to and did not hedge against risks associated with foreign currency fluctuation.

Capital Commitments

As at 30 September 2015, the Group did not have significant capital commitments (31 March 2015: Nil).

Contingent Liabilities

As at 30 September 2015, the Group did not have significant contingent liabilities (31 March 2015: Nil).

Employee Information

As at 30 September 2015, the Group had approximately 10 full time managerial, administrative 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.

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2015 (six months ended 30 September 2014: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

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

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 September 2015, the Board has adopted and complied with the code provisions of Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules (the "CG Code") in so far they are applicable except for the following deviation:

CG Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term subject to re-election. Independent non-executive directors of the Company are not appointed for a specific term. However, all directors of the Company are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code of Securities Transactions by Directors by Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of directors. Upon enquiry by the Company, all directors have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 September 2015.

AUDIT COMMITTEE

The Company has an audit committee (the "Audit Committee") which was established in accordance with the requirements of the CG Codes for the purposes of reviewing the Group's financial reporting process and internal controls. The Audit Committee comprises all the three independent non-executive directors. The members of the Audit Committee (Mr. Chan Wai Man, Dr. Gao Bin and Ms. Liu Yan) have reviewed the unaudited financial statements of the Group for the six months ended 30 September 2015 and are of the opinion that such statements comply the applicable accounting standards and the Listing Rules and that adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Company (http://www.irasia.com/listco/hk/bestway/index.htm) and the Stock Exchange (http://www.hkex.com.hk). The interim report of the Company for 2015 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and made available on the above websites in due course.

APPRECIATION

We take this opportunity to express our gratitude to the shareholders of the Company for their continued support and our directors and our staffs for their contribution to the Company.

On behalf of the Board
Bestway International Holdings Limited
Hu Yebi
Chairman

Hong Kong, 27 November 2015

As at the date of this announcement, the Board comprises Mr. Hu Yebi and Mr. Liu Xueheng as executive Directors and Mr. Chan Wai Man, Dr. Gao Bin and Ms. Liu Yan as independent non-executive Directors.