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BESTWAY INTERNATIONAL HOLDINGS LIMITED
百威國際控股有限公司*
(incorporated in Bermuda with limited liability)
(Stock code: 718)

INSIDE INFORMATION

**RECENT BUSINESS DEVELOPMENT
AND
CHANGE OF USE OF PROCEEDS**

This announcement is made by Bestway International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

RECENT BUSINESS DEVELOPMENT

In December 2015, the Group has carried out commodity trading on a trial basis with a view to observing the potential of the commodity trading business. As at the date of this announcement, the total transaction amount completed by the Group was approximately HK\$940 million, with an average profit margin of approximately 0.2% for each transaction. Although the margin is thin, the board of directors of the Company (the “**Board**”) values the advantages of trading of physical commodities being short cycle, large volumes, high marketability and better risk control.

In view of the above, the Board decided to engage in commodity trading business on a continuous basis. Subsequent to the termination of the proposed acquisition of Hui Kai Holdings Limited (the “**Termination**”) on 18 January 2016 (details of which are set out in the announcement dated 30 December 2015 and 18 January 2016 (the “**Announcements**”)), the Board has reviewed the use of proceeds from the placing of new shares completed by the Company in July and November 2015 respectively (the “**Placings**”). It has decided to reallocate the net proceeds of HK\$250 million as working capital of commodity trading business. Details of the reallocation are set out in the section headed “Change of Use of Proceeds” below.

* For identification purposes only

Despite the recent business development mentioned above, the Company will maintain the existing scale of the principal business.

CHANGE OF USE OF PROCEEDS

The Company has raised net proceeds of approximately HK\$341 million from the Placings. In view of the recent business development set out above, the Board decided to change the use of proceeds as follows:

Use of proceeds	Application/Change of use of proceeds
(i) Placing of new shares completed on 6 July 2015	
HK\$150 million for potential acquisitions	As the Company has not identified any potential acquisition targets, these proceeds will be reallocated as working capital for commodity trading business.
HK\$27.6 million as general working capital of the Company	Remains unchanged.
(ii) Placing of new shares completed on 30 November 2015	
HK\$100 million for development of brokerage business	It is estimated that up to HK\$35 million will be applied to settle the consideration of the proposed acquisition of Hui Kai Futures Limited, subject to cash position of the target at completion and actual receivables having been collected (details of which are set out in the Announcements); and Due to the Termination, the remaining proceeds of HK\$65 million will be reallocated as working capital of commodity trading business.
HK\$50 million for development of asset management business	It is estimated that HK\$15 million will be applied to settle the consideration of proposed acquisition of Hui Kai Asset Management Limited, subject to cash position of the target at completion and actual receivables having been collected (details of which are set out in the Announcements); and The remaining proceeds of HK\$35 million will be reallocated as working capital of commodity trading business.

Use of proceeds

HK\$10 million for development of corporate finance business

HK\$4 million as general working capital for trading of medical equipment.

Application/Change of use of proceeds

It is estimated that HK\$6 million of proceeds will be applied to settle the acquisition of Easy Winning International Limited, subject to cash position of the target at completion and actual receivables having been collected (details of which are set out in the Announcements). The remaining proceeds will be reallocated as working capital for the operation of Easy Winning International Limited.

Remains unchanged.

By order of the Board
Bestway International Holdings Limited
Chua Hwa Por
Chairman

Hong Kong, 29 January 2016

For the purpose of illustration only and unless otherwise stated, conversion of RMB into Hong Kong dollars in this announcement is based on the exchange rate of RMB1 to HK\$1.18. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.

As at the date of this announcement, the Board comprises Mr. Chua Hwa Por, Mr. Hu Yebi, and Dr. Liu Hua as executive directors, and Mr. Mao Kangfu, Dr. Gao Bin and Ms. Liu Yan as independent non-executive directors.