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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)

EXECUTION OF EXCLUSIVITY AGREEMENT – PROPOSED ACQUISITION OF PROPERTIES IN LONDON

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

THE EXCLUSIVITY AGREEMENT

The Board is pleased to announce that, on 11 August 2016 (London time), the Purchaser, the Vendors and the solicitors of the Vendors entered into the Exclusivity Agreement in relation to the proposed acquisition of the entire equity interests in the Target Companies which beneficially hold 100% interest in mid-sized, luxury residential properties in London (i.e. Properties). Set out below are the details of the Exclusivity Agreement:

Principal terms of the Exclusivity Agreement

Date: : 11 August 2016 (London time)

Parties : (i) the Purchaser, a wholly owned subsidiary of the Company;

(ii) the Vendors; and

(iii) the solicitors of the Vendors.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendors and their respective ultimate beneficial owners is a third party independent of the Company and its connected persons.

* *For identification purposes only*

Exclusivity Period

Pursuant to the Exclusivity Agreement, from the date of the Exclusivity Agreement until 16 September 2016 (i.e. the Exclusivity Period), the Vendors shall not (i) complete a sale of (or enter into a legally binding agreement to sell) the Target Companies or of any direct or indirect holding company of the Target Companies, or the Properties to any third party; (ii) commence, continue or participate in negotiations with any third party in relation to a proposed purchase of the Properties or any of the Target Companies or any direct or indirect holding company of the Target Companies, or any other transaction which would materially preclude or materially restrict the Proposed Acquisition; (iii) make available any information (save for information in the public domain on 2 August 2016) relating to the Target Companies or the Properties to any third party; or (iv) withdraw from negotiations with the Company with respect to the Proposed Acquisition unless the terms of the offer of the Company materially deviate from the preliminary terms of the Proposed Acquisition.

Payment of the refundable deposit

The consideration for the Proposed Acquisition will be not more than HK\$1.3 billion. The Company shall pay a refundable deposit of around HK\$130 million to the solicitors of the Vendors by mid August 2016. As at the date of this announcement, the Company has already paid around HK\$47.3 million.

It is expected that the Proposed Acquisition will be financed by the internal resources of the Company.

The S&P Agreement

The Proposed Acquisition is subject to the execution of the S&P Agreement. The Company has commenced the due diligence review on the Target Companies and the Properties. Save for information disclosed herein, details of the Vendors and the Properties are subject to the confidentiality.

It is expected that the S&P Agreement shall be entered into by the parties by the expiry of the Exclusivity Period and the completion is expected to take place by the end of October 2016.

REASONS FOR THE PROPOSED ACQUISITION

The Group is principally engaged in (i) trading of commodities and securities, (ii) distressed assets investment; (iii) mining of tungsten in Mongolia; and (iv) trading of medical equipment business.

The Group has been looking for quality assets with capital gain appreciation potential. The recent referendum result on BREXIT and the recent depreciation of British Pound Sterling provide the Company with opportunity to acquire quality assets in the United Kingdom at attractive price. Despite the recent volatility of the property market in London, the Directors are optimistic about the prospect of the property market in London and believe that Properties, which are located in the prime central district of London, are able to withstand the short term volatility of the property market. The Group intends to hold the Properties for investment purpose and the Directors believe that the Group will benefit from the potential capital appreciation of the Properties.

LISTING RULES IMPLICATION

If the S&P Agreement materialises, the Proposed Acquisition is expected to constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the requirements of announcement, reporting and shareholders' approval under Chapter 14 of the Listing Rules. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder or any of their respective associates have any material interest in the Proposed Acquisition. As such, no Shareholder is required to abstain from voting under the Listing Rules at the special general meeting of the Company for the approval of the S&P Agreement and transactions contemplated thereunder if such special general meeting were to be convened. The Company will request a written Shareholder's approval for the S&P Agreement and transactions contemplated thereunder from Tai He, a controlling shareholder of the Company which holds 871,643,074 Shares, representing approximately 58.07% of the existing issued share capital of the Company. If the Company receives such written shareholder's approval from Tai He and the circular in respect of the Proposed Acquisition is despatched to the Shareholders within 15 business days after publication of the announcement relating to the S&P Agreement, no Shareholders' meeting will be held to approve the S&P Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

The Proposed Acquisition is subject to the execution of the S&P Agreement. As such, the Proposed Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company if they are in any doubt about their position, they should consult their professional adviser(s).

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of the Directors
“BREXIT”	the withdrawal of the United Kingdom from the European Union
“Company”	Bestway International Holdings Limited, a company incorporated in Bermuda with limited liability, whose issued Shares are listed on the Main Board of the Stock Exchange (Stock code: 718)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Exclusivity Agreement”	an exclusivity agreement dated 11 August 2016 (London time) entered into between the Purchaser, the Vendors and the solicitors of the Vendors in respect of the Proposed Acquisition

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Properties”	mid-sized luxury residential properties located in Central London
“Proposed Acquisition”	proposed acquisition of the entire equity interests in the Target Companies
“Purchaser”	Wide Flourish Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“S&P Agreement”	the formal sale and purchase agreement which may or may not be entered into in relation to the Proposed Acquisition
“Share(s)”	share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	companies which beneficially hold 100% interest in the Properties
“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“Vendors”	third parties independent of the Company and its connected persons
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“sq.ft.”	square feet
“%”	per cent.

By order of the Board
Bestway International Holdings Limited
Dr. Meng Zhaoyi
Chairman

Hong Kong, 12 August 2016

As at the date of this announcement, the Board comprises Dr. Meng Zhaoyi, Dr. Liu Hua, Mr. Hu Yebi, Mr. Chen Weisong and Mr. Xu Ke as executive Directors, and Mr. Mao Kangfu, Dr. Gao Bin and Ms. Liu Yan as independent non-executive Directors.