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 FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2016

The board of directors (the "**Directors**") (the "**Board**") of Bestway International Holdings Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2016 together with the comparative figures of year 2015 as follows:–

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2016

	Notes	**2016** *HK$'000*	2015 *HK$'000*
Revenue	*4*	**1,121,247**	7,632
Cost of sales		**(1,041,520)**	(4,548)
Gross profits		**79,727**	3,084
Other income	*4*	**4,716**	27
Selling and distribution expenses		**(2,472)**	(898)
Administrative expenses		**(23,660)**	(10,861)
Impairment loss on mining rights	*9*	**(217,083)**	(65,937)
Other operating expenses		**(10)**	(161)
Loss before income tax	*5*	**(158,782)**	(74,746)
Income tax credit	*6*	**42,708**	16,479
Loss for the year		**(116,074)**	(58,267)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
– Exchange difference on translation of financial statements of foreign operations		**(646)**	3
Total comprehensive income for the year		**(116,720)**	(58,264)

* *For identification purposes only*

	Notes	**2016** *HK$'000*	2015 *HK$'000*
(Loss)/Profit for the year attributable to:			
Owners of the Company		**(116,204)**	(58,027)
Non-controlling interests		**130**	(240)
		(116,074)	(58,267)
Total comprehensive income attributable to:			
Owners of the Company		**(116,850)**	(58,024)
Non-controlling interests		**130**	(240)
		(116,720)	(58,264)
			(Re-presented)
Losses per share	*7*		
Basic and diluted *(HK cents)*		**(8.78)**	(5.20)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	8	**12,161**	121
Mining rights	9	**454,541**	671,624
Deposit		**10,000**	–
		476,702	671,745
Current assets			
Financial assets held for trading	10	**760,613**	–
Financial derivative contract	11	**75,266**	–
Trade receivables	12	**3,271**	2,795
Inventories		**845**	1,277
Deposits, other receivables and prepayments		**47,749**	1,876
Cash and cash equivalents		**522,631**	97,361
		1,410,375	103,309
Current liabilities			
Borrowings	13	**40,245**	–
Amount due to ultimate holding company		**4,798**	–
Accrued liabilities and other payables		**2,398**	1,812
Provision for income tax		**11,528**	–
		58,969	1,812
Net current assets		**1,351,406**	101,497
Total assets less current liabilities		**1,828,108**	773,242
Non-current liabilities			
Loan from ultimate holding company	14	**877,040**	–
Deferred tax liabilities		**93,158**	147,429
		970,198	147,429
Net assets		**857,910**	625,813
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	**75,054**	52,296
Reserves		**773,841**	570,632
		848,895	622,928
Non-controlling interests		**9,015**	2,885
Total equity		**857,910**	625,813

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

1. General

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda on 18 August 1995. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Company is located at Room 1206-1209, 12th Floor, Three Pacific Place, 1 Queen's Road East, Admiralty, Hong Kong. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**HKEx**") on 2 October 1995.

The directors of the Company consider the Company's ultimate holding company to be Tai He Financial Group Limited, a company incorporated and domiciled in the Cayman Islands with limited liability.

The Group are principally engaged in securities trading, commodity trading, sale of medical equipment and mining of natural resources of tungsten.

2. Applications of Hong Kong Financial Reporting Standards ("HKFRSs")

(a) Adoption of new/revised HKFRSs – effective on 1 April 2015

In the current year, the Group has applied for the first time the following new/amended HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 April 2015:

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle

The adoption of these new/amended HKFRSs has no material impact on the Group's financial statements.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle[1]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
HKFRS 9 (2014)	Financial Instruments[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
HKFRS 14	Regulatory Deferral Accounts[1]
HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 16	Leases[3]

[1] Effective for annual periods beginning on or after 1 January 2016
[2] Effective for annual periods beginning on or after 1 January 2018
[3] Effective for annual periods beginning on or after 1 January 2019
[4] Effective date is deferred

Amendments to HKAS 1 – Disclosure Initiative

The amendments are designed to encourage entities to use judgement in the application of HKAS 1 when considering the layout and content of their financial statements.

An entity's share of other comprehensive income from equity accounted interests in associates and joint ventures will be split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as a single line item within those two groups.

Amendments to HKAS 16 and HKAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to HKAS 27 – Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

HKFRS 9 (2014) – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("**FVTOCI**") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit and loss ("**FVTPL**").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to each performance obligation
Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

Save as the main changes described above, the Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the Directors are not yet in a position to quantity the effects on the Group's financial statements.

(c) New Companies Ordinance provisions relating to the preparation of financial statements

The Group has adopted the amendments to the Rules Governing the Listing of Securities issued by the HKEx relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance, Cap. 622, during the current financial year.

The directors consider that there is no impact on the Group's financial position or performance, however the new Hong Kong Companies Ordinance, Cap. 622, impacts on the presentation and disclosures in the consolidated financial statements. For example, the statement of financial position of the Company is now presented in the notes to the financial statements rather than as a primary statement and related notes to the statement of financial position of the Company are generally no longer presented.

3. Segment information

The executive directors have identified the Group's business lines as operating segments as follows:

	Securities trading		Commodity trading		Mining		Sales of medical equipment		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment revenue										
Revenue from external customers	**72,426**	–	**1,035,473***	–	**–**	–	**12,886**	6,736	**1,120,785**	6,736
Reportable segment profit/(loss)	**60,362**	–	**1,755**	–	**(217,711)**	(66,691)	**692**	(956)	**(154,902)**	(67,647)
Bank interest income	**225**	–	**–**	–	**1**	–	**19**	18	**245**	18
Depreciation	**358**	–	**–**	–	**3**	2	**62**	3	**423**	5
Impairment loss on mining rights	**–**	–	**–**	–	**217,083**	65,937	**–**	–	**217,083**	65,937
Reportable segment assets	**1,193,483**	–	**184,346**	–	**454,701**	671,740	**11,997**	11,925	**1,844,527**	683,665
Additions to non-current segment assets during the year	**11,760**	–	**–**	–	**16**	–	**690**	72	**12,466**	72
Reportable segment liabilities	**(40,546)**	–	**(181)**	–	**(93,571)**	(147,668)	**(262)**	(385)	**(134,560)**	(148,053)

* This consists of net fair value loss arising from the trading of metal-related products amounting to approximately HK$35,000 which were recognised on net settlement basis and the gross sales arising from the trading of petrochemical products amounting to approximately HK$1,035,508,000.

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	2016 *HK$'000*	2015 *HK$'000*
Reportable segment revenue	**1,120,785**	6,736
Sale of other general goods	**462**	896
Revenue	**1,121,247**	7,632
Reportable segment loss	**(154,902)**	(67,647)
Unallocated income and expenses	**(3,880)**	(7,099)
Loss before income tax	**(158,782)**	(74,746)
Reportable segment assets	**1,844,527**	683,665
Other corporate assets	**42,550**	91,389
Group assets	**1,887,077**	775,054
Reportable segment liabilities	**134,560**	148,053
Loan from ultimate holding company	**877,040**	–
Provision for income tax	**11,528**	–
Other corporate liabilities	**6,039**	1,188
Group liabilities	**1,029,167**	149,241

Revenue of the Group was generated from trading business in the People's Republic of China (the "**PRC**"), Singapore and Hong Kong. The following table sets out information about the geographical location of the Group's revenue from external customers and its non-current assets. The geographical location of customers is determined based on the location at which the goods were delivered. The geographical location of the non-current assets is based on the physical and operating locations of the assets.

	Revenue from external customers		**Non-current assets**	
	2016 ***HK$'000***	2015 *HK$'000*	**2016** ***HK$'000***	2015 *HK$'000*
The Republic of Mongolia ("**Mongolia**")	**–**	–	**454,553**	671,624
The PRC	**356,280**	7,473	**5,763**	74
Singapore	**119,493**	–	**–**	–
Malaysia	**141,585**	–	**–**	–
Greece	**193,419**	–	**–**	–
India	**116,250**	–	**–**	–
United Arab Emirates	**147,177**	–	**–**	–
Hong Kong	**47,043**	159	**16,386**	47
	1,121,247	7,632	**476,702**	671,745

For the year ended 31 March 2016, the major customers contributed over 10% of total revenue of the Group are listed as below:

Major customers	**2016**		2015	
	HK$'000	***%***	*HK$'000*	*%*
Customer A	**424,196**	**38%**	–	
Customer B	**220,181**	**20%**	–	
Customer C	**147,177**	**13%**	–	
Customer D	**126,178**	**11%**	–	
Customer E	**–**	**–**	2,308	30%
Customer F	**–**	**–**	2,427	32%
	917,732	**82%**	4,735	62%

4. Revenue and other income

Revenue 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:

	2016	2015
	HK$'000	*HK$'000*
Revenue		
Sale of petrochemical products	**1,035,508**	–
Net fair value change of metal-related contracts	**(35)**	–
Net fair value gain from financial instruments held for trading	**72,426**	–
Sale of medical equipment	**12,886**	6,736
Sale of other general goods	**462**	896
	1,121,247	7,632
Other income		
Interest income	**245**	27
Exchange gains, net	**2,456**	–
Referral fee income	**2,000**	–
Sundry Income	**15**	–
	4,716	27

5. Loss before income tax

Loss before income tax is arrived at after charging:

	2016	2015
	HK$'000	*HK$'000*
Auditor's remuneration	**750**	588
Cost of inventories recognised as expenses	**1,041,520**	4,548
Depreciation of property, plant and equipment	**423**	16
Staff costs (excluding directors' emoluments)	**5,842**	2,080
Defined contribution costs	**150**	62
Total staff costs	**5,992**	2,142
Operating lease charges in respect of office premises	**2,877**	1,094

6. Income tax credit

	2016 *HK$'000*	2015 *HK$'000*
PRC enterprise income tax ("**EIT**")		
– Current year	**4,341**	4
Singapore corporate tax		
– Current year	**7,222**	–
Hong Kong profits tax		
– Under provision in prior year	**–**	1
Deferred tax credit *(note 9)*	**(54,271)**	(16,484)
Total income tax credit	**(42,708)**	(16,479)

No Hong Kong profits tax has been provided in the financial statements as the Group did not derive any assessable profit for the year (2015: Nil).

Singapore corporate tax is calculated at 17% on the estimated assessable profits for the year (2015: Nil).

EIT has been provided on the estimated assessable profits of subsidiaries operating in mainland China at 25% (2015: 25%), unless preferential rates are applicable in the cities where the subsidiaries are located.

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 year ended 31 March 2016 (2015: Nil).

7. Losses per share

The calculation of basic losses per share is based on the loss for the year attributable to owners of the Company of approximately HK$116,204,000 (2015: HK$58,027,000) and the weighted average number of ordinary shares in issue during the year of 1,322,801,000. The weighted average number of ordinary shares in issue during the year was adjusted to reflect the bonus element arising from the share placing and share subscription as set out in notes 15(b) and 15(c) (2015: 1,115,755,000 ordinary shares which were represented to reflect the bonus element arising from the share placing and share subscription occurred during the year ended 31 March 2016).

Diluted losses per share for years ended 31 March 2016 and 2015 are the same as the basic losses per share as the Company has no dilutive potential ordinary shares outstanding during both years.

8. Property, plant and equipment

During the year, the Group acquired two motor vehicles at cost of approximately HK$3,075,000 in aggregate, furniture and office equipment and leasehold improvements of approximately HK$6,748,000 and HK$2,643,000 respectively for business purpose.

9. Mining rights

	2016	2015
	HK$'000	*HK$'000*
Opening net carrying amount	**671,624**	737,561
Impairment loss	**(217,083)**	(65,937)
Closing net carrying amount	**454,541**	671,624

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 15 to 20 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. In the opinion of the directors, the application for extension is procedural and the Group should be able to renew its mining licenses at minimal charges, until all the proven and probable minerals have been mined. In 2013, the Group appointed a qualified mineral technical adviser to prepare a resource estimation and engaged a Mongolian professional firm to review and update the feasibility study report and the environmental impact assessment report on the above tungsten mines. No active mining operation of the Group has taken place yet.

In May 2013, in response to a letter issued by a Mongolian Province Governor which required the Group to make submission on the timing of commencement of mining operations or otherwise certain mining licenses might be revoked, the Group entered into a memorandum of understanding with China Metallurgical Geology Bureau of Shandong (the "**Contractor**") on 22 May 2013, pursuant to which the Group agreed to engage the Contractor to conduct mining activities, including development and exploitation of all of its Mongolian tungsten mines. Subsequently on 2 October 2013, the Group engaged Mongolia Zhenyuan Company Limited ("**Mongolia Zhenyuan**"), an associated company of the Contractor, to conduct mining area geological survey, tunnel investigation and sample collection. However, the Group and Mongolia Zhenyuan were unable to conclude a formal and legally binding cooperation agreement eventually. In current year, the Group engaged a mining professional to prepare an updated feasibility study report for the tungsten mines and the directors are actively exploring the optimal way to commence the production of the mines. Based on the foregoing, the directors expect that the exploitation of the mines will take place no later than the end of 2018.

With reference to the opinion from the Group's Mongolian legal advisers dated 31 May 2016, 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 mining rights are still in effect and in good standing as at the end of the reporting period.

At 31 March 2016, 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 discount 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 21.27%-21.83% (2015: 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. The fair value of the Mining CGU is a level 3 fair value measurement. There was no change to the valuation technique during the year.

With reference to the assessment, the directors are of the view that the recoverable amount of the Mining CGU is estimated to be HK$361,383,000 (2015: HK$524,195,000) and therefore an impairment loss (net of tax) of HK$162,812,000 (2015: HK$49,453,000) in respect of the mining rights was identified for the year ended 31 March 2016. The impairment loss is allocated to write down the carrying amount of the mining rights by HK$217,083,000 (2015: HK$65,937,000) together with a tax effect of HK$54,271,000 (note 6) (2015: HK$16,484,000) credited to profit or loss. The impairment is primarily due to decline in the selling price of tungsten concentrate products during the year.

10. Financial assets held for trading

	2016 HK$'000	2015 HK$'000
Equity securities measured at fair value		
– listed in Hong Kong	**49,600**	–
– listed in the PRC	**711,013**	–
	760,613	–

The listed equity securities held by the Group are mainly in Hong Kong and the PRC. The Group maintains a portfolio of investments in terms of industry distribution such as financial institutions and property developers. The fair values of all listed securities are determined with reference to the quoted market bid price available on the relevant stock exchanges.

As at 31 March 2016, certain financial assets held for trading of the Group with the carrying amount of approximately HK$150,923,000 were pledged to secure the margin financing of approximately HK$40,245,000 (note 13).

11. Financial derivative contract

As at 31 March 2016, the Group had an undelivered metal-related contract amounting to US$9,712,000 (equivalent to approximately HK$75,266,000). The financial derivative contract was measured at fair value, with net fair value loss of approximately HK$2,234,000 charged to the profit or loss in current year. The contract was subsequently closed and delivered on 6 April 2016.

12. Trade receivables

Ageing analysis of the Group's trade receivables as of the end of reporting period, based on invoice date, is as follows:

	2016 HK$'000	2015 HK$'000
Within 30 days	**636**	1,170
31-90 days	**768**	1,625
91-120 days	**186**	–
Over 120 days	**1,681**	–
	3,271	2,795

Trade receivables are non-interest bearing. Normal credit period ranging from 30 to 90 days is allowed on sale of goods (2015: 30 to 90 days).

13. Borrowings

The margin financing are secured by the Group's listed equity securities amounting to approximately HK$150,923,000 (note 10), repayable on demand and interest bearing at commercial rates at 5.0% per annum for RMB account and 6.0% per annum for HK$ account.

The currency profiles of the Group's margin financing accounts are as follows:

	2016	2015
	HK$'000	*HK$'000*
HK$	**26,456**	–
RMB	**13,789**	–
	40,245	–

The Group's banking facilities of US$400,000,000 (equivalent to approximately HK$3,100,000,000) were pledged by certain bank balances and short-term bank deposits amounting to approximately HK$81,464,000. As at 31 March 2016, the banking facilities were not utilised.

14. Loan from ultimate holding company

The loan from ultimate holding company was unsecured, interest bearing at 4.5% per annum from 1 April 2016 and repayable within eighteen months since the drawdown date.

15. Share capital

Ordinary shares at HK$0.05 per share	**Number of shares**	**Amount**
	'000	*HK$'000*
Authorised:		
At 1 April 2014, 31 March 2015 and 2016	34,566,667	1,728,333
Issued and fully paid:		
At 1 April 2014	895,913	44,796
Issue of new shares *(note (a))*	150,000	7,500
At 31 March 2015	1,045,913	52,296
Issue of new shares *(notes (b) and (c))*	455,180	22,758
At 31 March 2016	1,501,093	75,054
Preference shares at HK$0.05 per share	*'000*	*HK$'000*
Authorised:		
At 1 April 2014, 31 March 2015 and 2016	5,433,333	271,666
Issued and fully paid:		
At 1 April 2014, 31 March 2015 and 2016	–	–

Notes:

(a) On 15 May 2014, the Company completed the allotment and issue of 150,000,000 new ordinary shares at HK$0.56 per share. The net proceeds derived from the subscription amounted to HK$84,000,000 and resulted in the increase in share capital of HK$7,500,000 and share premium of HK$76,500,000. Details of the subscription were set out in the circular of the Company dated 15 April 2014 and the announcement of the Company dated 15 May 2014.

(b) On 13 June 2015, the Company and a placing agent entered into a placing agreement pursuant to which the Company has conditionally agreed to place a maximum of 205,000,000 placing shares to independent investors at a price of HK$0.88 per share. On 6 July 2015, the conditions set out on the placing agreement have been fulfilled and the placing was completed. The net proceeds derived from the placing amounted to approximately HK$177,698,000 and resulted in the increase in share capital of HK$10,249,000 and share premium of HK$167,449,000. Details of the placing have been set out in the Company's announcements dated 15 June 2015 and 6 July 2015.

(c) 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 250,180,000 new shares to the subscriber at a price of HK$0.66 per share. The completion of the subscription was took place on 30 November 2015. The net proceeds derived from the subscription amounted to approximately HK$165,119,000 and resulted in the increase in share capital of HK$12,509,000 and share premium of HK$152,610,000. Details of the subscription have been set out in the Company's announcements dated 12 November 2015 and 30 November 2015.

16. Related parties transactions

Save as disclosed elsewhere in the results announcement, the following transactions were carried out by the Group with related parties:

(i) On 3 March 2016, the ultimate holding company agreed to grant an unsecured revolving credit facility amounting to approximately HK$1,000,000,000 in total to the Group. According to the loan agreement and the supplemental agreement dated 3 March 2016, the unsecured revolving credit facility is interest bearing at 4.5% per annum from 1 April 2016 and repayable within eighteen months since the drawdown date. The interest during the period from 3 March 2016 to 31 March 2016 amounting to approximately HK$2,187,000 was waived by the ultimate holding company pursuant to the supplemental agreement. As at 31 March 2016, approximately HK$877,040,000 of the unsecured revolving credit facility was utilised.

(ii) Rental expenses for the period from 1 April 2015 to 30 May 2015 amounting to approximately HK$65,000 (2015: HK$340,000) were paid to a related company, in which Mr. Mung Kin Keung and Mr. Mung Bun Man, Alan, the former directors of the Company were common directors prior to their resignation date on 18 June 2015 and 30 June 2015 respectively, according to the terms of the lease agreement.

17. Events after the reporting date

a. On 8 April 2016, the Company, the auctioneer and the vendor entered into an auction agreement, pursuant to which the Company agreed to acquire and the vendor agreed to sell certain distressed assets at the cash consideration of RMB146,000,000 (equivalent to approximately HK$175,200,000). The distressed assets represent all rights in relation to the non-performing debts and the enforcement of the pledge of the collaterals in connection with certain non-performing debts owed by certain debtors, including the rights to the proceeds recovered from the disposal of such collaterals. Details of the transaction have been set out in the Company's announcement dated 12 April 2016.

b. On 28 April 2016, the ultimate holding company has agreed to grant an unsecured revolving credit facility amounting to approximately HK$2,000,000,000 in total to the Group. The unsecured revolving credit facility is interest bearing at 4.5% per annum and repayable within eighteen months since the drawdown date.

c. On 5 May 2016, an indirect wholly-owned subsidiary of the Company won the bid for acquisition of certain assets, being the land use rights and the buildings constructed thereon located in the PRC at the cash consideration of RMB202,170,000 (equivalent to approximately HK$242,604,000). Details of the transaction have been set out in the Company's announcement dated 5 May 2016.

d. On 23 May 2016, the Company and Hua Lien International (Holding) Company Limited ("**Hua Lien**") entered into the memorandum of understanding, pursuant to which Hua Lien intends to allot and issue, and the Company intends to subscribe for, 3,700,000,000 subscription shares at the tentative subscription price of HK$0.16 per subscription share. If the possible subscription materializes, upon completion of the possible subscription, the Company may in aggregate be interested in approximately 55.30% of the entire issued share capital of Hua Lien. Details of the subscription arrangement have been set out in the Company's announcement dated 25 May 2016.

BUSINESS REVIEW

Capital Structure

The Company completed the placing of 205,000,000 new shares at the placing price of HK$0.88 per placing shares under general mandate on 6 July 2015. The new shares rank equally among themselves and with the existing shares. The 205,000,000 new shares represented about 19.60% of the issued share capital of the Company prior to the placing and about 16.39% of the enlarged share capital of the Company immediately after the placing. The gross proceeds of the Placing amount to approximately HK$180.40 million. The net proceeds received by the Company, after deducting relevant expenses incurred in relation the Placing, amount to approximately HK$177.70 million. It is expected that the net proceeds will be applied towards potential acquisition activities as identified by the Group from time to time and the general working capital of the Group.

On 30 November 2015 the Company completed the subscription of 250,180,000 new shares at the subscription price of HK$0.66 per subscription share under General Mandate. The 250,180,000 new shares represented about 20.00% of the issued share capital of the Company prior to the subscription and about 16.67% of the enlarged share capital of the Company immediately after the subscription. The aggregate nominal value of the Subscription Shares issued under the Subscription is HK$12,509,000.

The directors believe that the above fund raising exercise provided an opportunity to broaden the shareholder base and strengthened the capital base of the Group. Details of uses of the net proceeds of the Subscription of approximately HK$165.12 million, was set out in the Company's announcement dated 30 November 2015.

Change in Controlling Shareholders

Immediately after completion of the acquisition of Shares pursuant to three share purchase agreements dated 4 February 2016, 11 February 2016 and 15 February 2016. Tai He Financial Group Limited (the "**Offeror**"), a company wholly owned by Mr. Chua Hwa Por, a director of the Company, became interested in an aggregate of 481,680,000 Shares, representing approximately 32.09% of the then entire issued share capital of the Company. Accordingly, Optima Capital Limited, on behalf of the Offeror, made a conditional mandatory cash offer (the "**Offers**") for all the issued Shares not already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it. The composite document on the Offers was despatched to the Shareholders on 7 March 2016. The Offer was closed on 30 March 2016 and consequently the offeror was interested in a total of 871,643,074 shares, representing approximately 58.07% of the total issue share and voting rights of the Company.

Details of above were disclosed in the Company's announcement dated 15 February 2016, 16 March 2016, 17 March 2016, 30 March 2016 and composite document dated 7 March 2016.

Overall Financial Results

For the year ended 31 March 2016, the revenue of the Group increased by approximately 14,591% to approximately HK$1,121,247,000 (2015: approximately HK$7,632,000). The gross profit increased by approximately HK$76,643,000 to approximately HK$79,727,000 (2015: approximately HK$3,084,000) due to the commencement of securities and commodity trading business. The loss before taxation increased by approximately HK$84,036,000 to approximately HK$158,782,000 (2015: approximately HK$74,746,000). The increase in loss before taxation was mainly due to the increase in the impairment loss on mining rights by approximately HK$151,146,000 to approximately HK$217,083,000 (2015: approximately HK$65,937,000) and increase in administrative expenses by approximately HK$12,799,000 to approximately HK$23,660,000 (2015: approximately HK$10,861,000). Basic loss per share for the year was approximately HK8.78 cents (2015: approximately HK5.20 cents).

Mining Business

Same as past years, the Group still holds four tungsten mining licenses through two wholly owned Mongolian subsidiaries. Kainarwolfram LLC owns properties under Mining Licenses MV-011863, MV-011027 and MV-005518, which are located in the territory of Nogoonnuur Soum, Bayan-Ulgii province and Ikh Uuliin Erdenes LLC owns the property under the Mining License MV-003506, which located in the territory of Nogoonnuur Soum, Bayan-Ulgii province. 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 details of the impairment assessment are set out in Note 9 to this results announcement.

Sales of Medical Equipment

In November 2014, the Group started the business of sale of medical equipment in Mainland China. During the year, the Group recorded a revenue of approximately HK$12,886,000 (2015: approximately HK$6,736,000) which represented an increase in turnover of approximately 91.30%. The gross profit margin was retained at around 40%.

Securities Trading

The Group invested equity securities listed in Hong Kong, Mainland China and Other Asian Countries as short-term investments. During the year, the Group recorded realised gains from the disposal of certain financial assets held for trading amounting to approximately HK$72.4 million.

Commodity Trading

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. During the year, the Group recorded transaction amount completed was approximately HK$1,035 million, with an average profit margin of approximately 0.21% (or approximately HK$2.164 million). 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.

FUTURE PLAN AND PROSPECTS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

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. In the forthcoming year, the Group would diversify into financial services business or other investment in the PRC should opportunities arise.

Acquisition of Financial Services Businesses

On 29 December 2015, a wholly owned subsidiary of the Company (the "**Purchaser**") entered into the an Agreement to acquire from First Step Securities Limited and Mr. Lo Kwai Sang Dennis (the "**Original Vendors**") the entire equity interest in Hui Kai Holdings Limited ("**Hui Kai Holdings**"), which has four major operating subsidiaries namely Hui Kai Securities Limited ("**Hui Kai Securities**"), Hui Kai Futures Limited ("**Hui Kai Futures**"), Hui Kai Asset Management Limited ("**Hui Kai Asset**"), and Easy Winning International Limited ("**Easy Winning**"), which are principally engaged in Type 1 (dealing in securities) activities, Type 2 (dealing in futures) activities, Type 9 (as set management) activities under the SFO, and money lending business, respectively (the "**December Acquisition**").

The Purchaser, the Original Vendors, and Hui Kai Holdings have agreed to change the December Acquisition to the effect that the Purchaser will first acquire from Hui Kai Holdings three operating subsidiaries (namely Hui Kai Futures, Hui Kai Asset Management, and Easy Winning), and in the meantime has an option to acquire the entire equity interest in Hui Kai Holdings for 12 months. Accordingly, the Termination Agreement, the New Agreement, and the Call Option Deed were entered into by the parties on 18 January 2016.

On 18 January 2016, the Purchaser entered into the Termination Agreement with the Original Vendors to terminate the December Agreement, and separately entered into the New Agreement with the New Vendor (being Hui Kai Holdings) to acquire the entire equity interest in the Target Companies for an aggregate consideration up to HK$56 million, which will be settled by way of cash. The acquisitions of Hui Kai Futures, Hui Kai Asset Management, and Easy Winning are not inter-conditional on each other. Upon Completion, the Target Companies will become wholly-owned subsidiaries of the Company and vehicles for engaging in financial services business in Hong Kong. On even date, the New Vendor also granted the Purchaser the Call Option at a premium of HK$1 under the Call Option Deed. The Call Option gives the right to the Purchaser to acquire the entire equity interest in Hui Kai Holdings for a consideration up to HK$120 million within 12 months from the earlier of the date of Completion or 1 July 2016, subject to certain conditions precedent. Please refer to the announcements dated 29 December 2015, 18 January 2016 and 23 May 2016 for more details.

Acquisition of Distressed Assets

On 8 April 2016 an indirect wholly-owned subsidiary of the Company (the "**Purchaser**"), the Auctioneer and the Vendor entered into the Auction Agreement, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to sell, the Distressed Assets at the cash consideration of RMB146,000,000 (equivalent to approximately HK$175,200,000), of which a non-refundable deposit of RMB18,000,000 (equivalent to approximately HK$21,600,000) was paid by the Purchaser to the Vendor upon signing of the Auction Agreement.

The Collaterals are a list of 16 residential or industrial properties located in Shaoxing, Zhejiang Province, the PRC. The Directors believe that upon the completion of the Acquisition, the market value of the Distressed Assets will be enhanced as the uncertainty on the ownership and mortgagee action has been removed. The Company will seek for realising the potential capital gain arising from the investment.

Please refer to the announcement dated 12 April 2016 and 5 May 2016 for more details.

The Memorandum of Understanding in Relation to The Acquisition of Hua Lien

On 23 May 2016, the Company and Hua Lien entered into a non-legally binding memorandum of understanding (the "**Memorandum of Understanding**") setting out the preliminary proposed terms and conditions in relation to the possible subscription for the 3,700,000,000 new shares of Hua Lien issued to the Company. Please refer to the announcement dated 25 May 2016 and note 17 to this results announcement for more details.

The Directors will continue to closely evaluate the performance of the above mentioned businesses and will actively explore new business or investment as well as fund raising opportunities which can strengthen the financial position of the Group in order to enhance the value of the Group which will be in the interests of the Company and shareholders as a whole.

FINANCIAL SUMMARY

The Group's revenue for the year ended 31 March 2016 was approximately HK$1,121,247,000 and the administrative expenses for the year ended 31 March 2016 were approximately HK$23,660,000, which represented an increase of 117.84% compared to the administrative expenses incurred in last year. The loss attributable to the owners of the Company for the year ended 31 March 2016 was HK$116,204,000, as compared a loss HK$58,027,000 in the previous year. The increase in the loss was mainly due to impairment loss on mining rights and increase in the Group's increase in administrative expenses.

CURRENT AND GEARING RATIOS

As at 31 March 2016, the Group's bank balances and cash amounted to approximately HK$522,631,000 (as at 31 March 2015: HK$97,361,000). The Group's net assets value amounted to approximately HK$857,910,000 (as at 31 March 2015: HK$625,813,000) with total assets approximately HK$1,887,077,000 (as at 31 March 2015: HK$775,054,000). Net current assets were approximately HK$1,351,406,000 (as at 31 March 2015: HK$101,497,000). The current ratio was 23.92 times (as at 31 March 2015: 57.01 times) and gearing ratio was 0.32 times (as at 31 March 2015: N/A) represented on the basis of net debt divided by the total equity plus net debt. Net debt is calculated as the sum of the borrowings and loan from ultimate holding company less cash and cash equivalents.

CHARGES ON GROUP'S ASSETS

As at 31 March 2016, certain financial assets held for trading of the Group with the carrying amount of approximately HK$150,923,000 were pledged to secure the margin financing of approximately HK$40,245,000 which is repayable on demand and interest bearing at commercial rates at 5.0% per annum for RMB account and 6.0% per annum for HK$ account.

The Group's banking facilities of US$400,000,000 (equivalent to approximately HK$3,100,000,000) were pledged by certain bank balances and short-term bank deposits amounting to approximately HK$81,464,000. As at 31 March 2016, the banking facilities were not utilised.

CONTINGENT LIABILITIES

As at 31 March 2016, the Group did not have any significant contingent liabilities (as at 31 March 2015: Nil).

FOREIGN CURRENCY EXPOSURE

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

EMPLOYEE INFORMATION

As at 31 March 2016, the Group had approximately 35 full time managerial and administrative employees (2015: 13). 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.

DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the year ended 31 March 2016 (2015: Nil).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2016, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in compliance with the CG Codes contained in Appendix 14 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Group's audited financial statements for the year ended 31 March 2016 has been reviewed by the Audit Committee. The Audit Committee comprises the three independent non-executive Directors of the Company, and meets at least twice annually to perform their duties.

SCOPE OF WORK OF THE GROUP'S AUDITOR

The figures in respect of the preliminary announcement of the Group's result for the year ended 31 March 2016 have been agreed by the Group's auditor, BDO Limited ("**BDO**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO in this respect did not constitute an assurance engagement in accordance with Hong Kong standard on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by BDO on the preliminary results announcement.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

During the year ended 31 March 2016, the Board has adopted and complied with the code provisions of the CG Codes in so far as they are applicable except for the following deviations.

CG Codes provision A.1.1 stipulates that the Board should meet regularly and board meeting should be held at least four times a year at approximately quarterly intervals. During the year, only two regular board meetings were held to review and discuss the annual and interim results. The Company does not announce its quarterly results and hence does not consider the holding of quarterly meetings as necessary.

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 for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as its own code of directors' securities transactions. Having made specific enquiry of all directors, the directors have complied with the required standard set out in the Model Code, throughout the year ended 31 March 2016.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The announcement is published on the website of the Stock Exchange at http://www.hkexnews.hk and the Company's website at http://www.irasia.com/listco/hk/bestway/index.htm. The annual report of the Company for the year ended 31 March 2016 will be despatched to the shareholders of the Company and published on the aforesaid websites in due course.

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

Hong Kong, 3 June 2016

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