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CHINA BEST GROUP HOLDING LIMITED

國華集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 370)

**CLARIFICATION ANNOUNCEMENT REGARDING
ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2012**

Reference is made to the announcement (the “**Announcement**”) of China Best Group Holding Limited (the “**Company**”) dated 28 March 2011 in relation to, inter alia, a discloseable transaction and the annual report of the Company for the year ended 31 December 2012 (the “**Annual Report**”). Unless defined otherwise, capitalized terms used herein shall have the same meanings as defined in the Announcement and the Annual Report.

As disclosed in the Announcement, the Vendor has warranted to the Company that, the Audited Net Profit of the Target Group for the one year period after the Completion Date shall not be less than the amount of HK\$18,000,000 (the “**Profit Guarantee**”). The transaction was completed on 23 September 2011.

In page 124 of the Annual Report, after the first sentence of the second paragraph to Note 33, it was disclosed that:-

“the Vendor has provided a profit guarantee amounting to HK\$18,000,000 to the Group for the period from 23 September 2011 to 22 September 2012”.

* For identification purpose only

The board of directors of the Company wishes to bring to the shareholders' attention to the following additional information that on 25 November 2011, the Company, the Vendor and Graceful Mind Group Limited, which was the wholly owned subsidiary of the Company and assignee of the Agreement, entered into a letter of confirmation (the "**Letter of Confirmation**") to clarify and confirm the following original intention of the parties:-

1. Due to accounting policies, the one year period for calculating the Profit Guarantee should be from **1 October 2011 to 30 September 2012** instead of 23 September 2011 to 22 September 2012; and
2. Considering that the original intention of the parties was to guarantee operation profit of the Target Company and interests expenses arising from shareholders' loan of the Target Company (the "**Shareholders' Loan**") was not part of operating expenses, the parties confirmed that Audited Net Profit shall mean the net profit after tax, excluding all the interests expenses arising from or in connection with the Shareholders' Loan.

According to the audited financial statements of the Target Group for the period from 1 October 2011 to 30 September 2012, the Audited Net Profit is approximately HK\$18,735,000, representing the net profit after tax of approximately HK\$15,327,000 plus the interest expenses arising from the Shareholders' Loan in the sum of approximately HK\$3,408,000. Accordingly, the Profit Guarantee has been achieved.

This announcement is supplemental to and should be read in conjunction with the Annual Report. Except for those as set out in this announcement above, all other information contained in the Annual Report remains unchanged.

By Order of the Board
China Best Group Holding Limited
Huang Boqi
Chairman

Hong Kong, 5 June 2013

As at the date of this announcement, the Board comprises two executive directors, namely Mr. Huang Boqi and Mr. Du Chunyu and three independent non-executive directors namely Mr. Zhou Mingchi, Ms. Wong Yan Ki, Angel and Mr. Zhang Liang.