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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)

UPDATE ON BUSINESS DEVELOPMENT

This announcement is made by China Best Group Holding Limited (the “**Company**”) on a voluntary basis in relation to the proposed establishment of financial leasing business (the “**Financial Leasing Business**”) in the People’s Republic of China (the “**PRC**”).

Reference is made to the prospectus of the Company dated 18 December 2014 (the “**Prospectus**”) in relation to the open offer (the “**Open Offer**”) on the basis of one offer share for every two existing shares of the Company.

As disclosed in the Prospectus, the Company intends to apply the proceeds (the “**Proceeds**”) from the Open Offer for the establishment of the Financial Leasing Business through setting up a wholly foreign owned enterprise (the “**WFOE**”) in the PRC, which was expected to commence business in the first quarter of 2015.

The board of directors of the Company (the “**Board**”) is informed that the WFOE has not yet been set up due to the longer than expected time taken for preparing all the necessary documents for the WFOE’s formation. Accordingly, the commencement of the Financial Leasing Business may be delayed to the second quarter of 2015.

In order to better utilize the Proceeds, the Board plans to apply not more than 50% of the Proceeds to its securities investment business, including but not limited to acquiring listed securities, during the interim period with the intention that such investment can be liquidated within a short time when the WFOE is set up.

* *For identification purposes only*

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
China Best Group Holding Limited
Mr. Li Yang
Deputy Chairman

Hong Kong, 3 February 2015

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Li Yang, Mr. Li Xiaolong, Mr. Yin Shibo, Mr. Tang Hon Kwo, and Mr. Wang Jian, one non-executive director, namely Mr. Kuk Peter Z, and three independent non-executive directors, namely Mr. Chan Fong Kong Francis, Mr. Chen Zhenguo and Mr. Yuan Guangming.