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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)

**DISCLOSEABLE TRANSACTION IN RELATION TO
SUBSCRIPTION OF NEW SHARES**

The Board announces that on 20 April 2015 (after trading hours), Kang Yong, a wholly-owned subsidiary of the Company, as the Subscriber, and East Favor Global, as the issuer, entered into the Subscription Agreement, pursuant to which East Favor Global has conditionally agreed to issue and Kang Yong has conditionally agreed to subscribe for 9,608 new East Favor Global Shares at the consideration of HK\$110,250,000. The Subscription Shares represent approximately 49% of the total issued share capital of East Favor Global as enlarged by the allotment and issue of the Subscription Shares.

As certain applicable percentage ratios in respect of the Subscription are more than 5% but less than 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

As Completion is subject to the satisfaction and/or waiver, where applicable, of the Conditions set out in the Subscription Agreement, the Subscription may or may not proceed to Completion. Shareholders and potential investors of the Company should exercise caution when dealing in the shares or any securities of the Company.

* For identification purpose only

The Board is pleased to announce that on 20 April 2015 (after trading hours), Kang Yong, a wholly-owned subsidiary of the Company, as the Subscriber, and East Favor Global, as the issuer, entered into the Subscription Agreement, pursuant to which East Favor Global has conditionally agreed to issue and Kang Yong has conditionally agreed to subscribe for 9,608 new East Favor Global Shares at the consideration of HK\$110,250,000. The Subscription Shares represent approximately 49% of the total issued share capital of East Favor Global as enlarged by the allotment and issue of the Subscription Shares. The principal terms of the Subscription Agreement are set out below.

SUBSCRIPTION AGREEMENT

Date: 20 April 2015

Parties: (i) Kang Yong as the subscriber
(ii) East Favor Global as the issuer

As at the date of this announcement, Kang Yong is a wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, East Favor Global and its ultimate beneficial owners, are Independent Third Parties. Further information of East Favor Global and its ultimate beneficial owners is set out under the paragraph headed "Information on East Favor Global Group" in this announcement.

Subscription Shares

Subject to fulfillment of the Conditions and the terms set out in the Subscription Agreement, East Favor Global has conditionally agreed to issue, and Kang Yong has conditionally agreed to subscribe for 9,608 new East Favor Global Shares at the consideration of HK\$110,250,000. The Subscription Shares represent approximately 49% of the total issued share capital of East Favor Global as enlarged by the Subscription Shares.

The Subscription Shares, when allotted, issued and fully paid up, shall rank *pari passu* in all respects with all other East Favor Global Shares then in issue and in particular, will receive all dividends and distributions, made or paid after the date of the issue of the Subscription Shares. The Subscription Shares are not subject to any transfer restrictions.

Consideration

Pursuant to the terms of the Subscription Agreement, the consideration of HK\$110,250,000 shall be payable to East Favor Global or its nominee in cash on the date of Completion. The consideration was determined by the Subscriber and East Favor Global after arm's length negotiation and taking into account the preliminary valuation assessed by an independent professional valuer indicating that the fair market value of the total equity interest of the East Favor Global Group as at 31 March 2015 was not less than HK\$250,000,000. It is intended that the consideration shall be satisfied from internal resources and/or other source of financing of the Group. The Directors consider that the consideration of HK\$110,250,000 represents approximately a 10% discount to the fair market value of the attributable interest of the East Favor Global Group and it is fair and reasonable and is in the interest of the Company and its Shareholders as a whole.

Conditions Precedent

Completion of the Subscription is conditional upon each of the following Conditions being satisfied (or, where applicable, waived by the Subscriber in writing (save that conditions (iv) and (v) are not waivable)) on or before the Conditions Fulfillment Date or such later date as may be agreed by the Subscriber and East Favor Global in writing:

- (i) the due diligence investigation on the East Favor Global Group having been completed to the satisfaction of the Subscriber in its sole discretion;
- (ii) receipt by the Subscriber of a legal opinion in form and substance satisfactory to the Subscriber by a practising lawyer in the PRC appointed by the Subscriber opining on, inter alia, the following:-
 - (a) the due incorporation, valid and continued existence of the PRC Subsidiaries;
 - (b) the registered capital of each of the PRC Subsidiaries has been fully paid up on or before the date of Completion in accordance with the Applicable Laws and their respective articles of association;
 - (c) the implementation of the Subscription will not be considered as a material change of the investor of the PRC Project; and if the implementation of the Subscription is considered as a material change of the investor of the PRC Project, there is no legal impediment or obstacle to re-comply with the filing procedures with the Development and Reform Commission of Qinghai Province in respect of the PRC Project;
 - (d) upon completion of its construction, there is no legal impediment or obstacle for the PRC Project to be connected with the grid in accordance with the Applicable Laws;

- (e) neither the Subscriber nor any member of the East Favor Global Group will be subject to any PRC tax liabilities in connection with the Subscription; and
 - (f) any other matters which in the absolute discretion of the Subscriber that considered necessary to be addressed by a legal opinion;
- (iii) receipt by the Subscriber the capital verification reports to its satisfaction, issued by a PRC qualified accountant firm, evidencing that the registered capital of each of the PRC Subsidiaries has been fully paid up in accordance with Applicable Laws and their respective articles of association;
- (iv) all consents of the Stock Exchange and the Securities and Futures Commission (if necessary) and all filings with any relevant governmental or regulatory authorities and other relevant third parties in Hong Kong, the British Virgin Islands, PRC or elsewhere which are required or appropriate for the entering into and the implementation of the Subscription Agreement having been given or made; all waiting periods required under the laws of Hong Kong, the British Virgin Islands, PRC or any other relevant jurisdictions having expired or terminated; and all applicable statutory or other legal obligations (including compliance with the Listing Rules) having been complied with;
- (v) receipt by the Subscriber to its satisfaction and in its sole discretion of a valuation report on the fair market value of the total equity interest of the East Favor Global Group as at 31 March 2015, issued by an independent professional valuer appointed by the Subscriber being not less than HK\$250,000,000; and
- (vi) the warranties given by East Favor Global in the Subscription Agreement remaining true, accurate and correct in all material respects.

If any of the Conditions have not been fulfilled or waived (save that conditions (iv) and (v) above which cannot be waived) by the Conditions Fulfillment Date or such later date as may be agreed by the Subscriber and East Favor Global in writing, the Subscription Agreement, other than certain terms relating costs and expenses, notice and governing law, shall, subject to the liability of any party to the other in breach of the terms of thereof, lapse and have no further effect.

Completion

Completion shall take place on or before the tenth Business Day after the fulfillment by East Favor Global of, or waiver in writing by the Subscriber of, all the Conditions. On Completion, East Favor Global shall appoint or procure the appointment of such persons nominated by the Subscriber as an additional director of each member of the East Favor Global Group.

INFORMATION ON EAST FAVOR GLOBAL GROUP

General Information

East Favor Global Group is principally engaged in the business of manufacturing photovoltaic power generation system, and the construction, operation and management of photovoltaic power plants in the PRC.

East Favor Global is a company with limited liability incorporated in the British Virgin Islands on 9 January 2014, and as at the date of this announcement, is owned by Honghu Group Limited as to 70% and Express Focus Group Limited as to 30%. East Favor Global is an investment holding company.

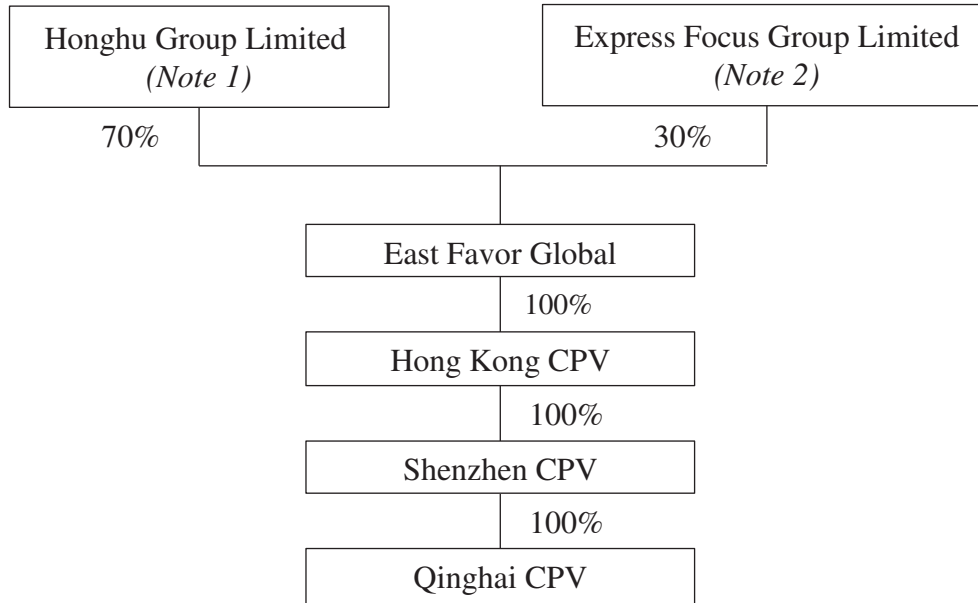
Hong Kong CPV was incorporated in Hong Kong with limited liability on 4 October 2013 and is an investment holding company. Hong Kong CPV is wholly-owned by East Favor Global.

Shenzhen CPV is a limited liability company established in the PRC on 23 June 2014 with a total registered capital of HK\$30,000,000 as at the date of this announcement. Shenzhen CPV is a foreign investment company wholly-owned by Hong Kong CPV and is principally engaged in the research and development of solar power products, solar photovoltaic products and semiconductor.

Qinghai CPV is a limited liability company established in the PRC on 22 April 2014 with a total registered capital of RMB100,000,000 as at the date of this announcement. Qinghai CPV is principally engaged in the research and development, manufacture and sale of solar power module products and the operation of photovoltaic power plants in the PRC, and currently owns and operates the PRC Project. As at the date of this announcement, Qinghai CPV is carrying out the preparatory works, including locating the site for the photovoltaic power plant and conducting feasibility study, for the PRC Project, and upon completion of such preparation works, filings will be made with the Development and Reform Commission of Qinghai Province in respect of the PRC Project.

Shareholding Structure of the East Favor Global Group

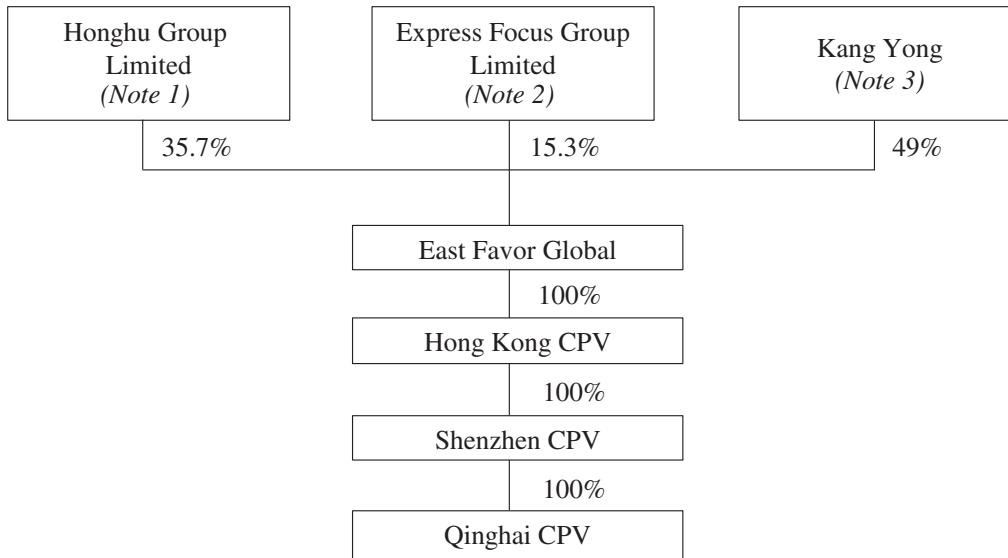
The shareholding structure of the East Favor Global Group as at the date of this announcement is as follows:



Notes:

1. Honghu Group Limited is wholly-owned by Mr. Deng Junjie, an Independent Third Party. As at the date of this announcement, Honghu Capital Company Limited, which is a company also wholly-owned by Mr. Deng Junjie, holds 400,000,000 shares of the Company, representing approximately 9.14% of the issued share capital of the Company.
2. Express Focus Group Limited is wholly-owned by Mr. Li Han, an Independent Third Party.

The shareholding structure of the East Favor Global Group upon Completion is expected to be as follows:



Notes:

1. Honghu Group Limited is wholly-owned by Mr. Deng Junjie, an Independent Third Party. As at the date of this announcement, Honghu Capital Company Limited, which is a company also wholly-owned by Mr. Deng Junjie, holds 400,000,000 shares of the Company, representing approximately 9.14% of the issued share capital of the Company.
2. Express Focus Group Limited is wholly-owned by Mr. Li Han, an Independent Third Party.
3. Kang Yong is a wholly-owned subsidiary of the Company.

Financial Information on the East Favor Global Group

The unaudited consolidated financial information of East Favor Global Group for the two years ended 31 December 2013 and 2014 respectively, which were prepared in accordance with the accounting principles generally accepted in Hong Kong, are summarized as follows (for illustration purposes only):

| | For the year ended 31 December 2013 <i>HK\$'000</i> (Unaudited) | For the year ended 31 December 2014 <i>HK\$'000</i> (Unaudited) |
|----------------------|--|--|
| Turnover | N/A ^(Note) | approximately 8,126 |
| Loss before taxation | N/A ^(Note) | approximately 9,991 |
| Loss after taxation | N/A ^(Note) | approximately 9,991 |
| Net liabilities | N/A ^(Note) | approximately 9,860 |

Note: Hong Kong CPV was incorporated on 4 October 2013 and was acquired by East Favor Global in March 2014 and since then became a member of the East Favor Global Group, while other members of the East Favor Global Group were established in 2014. Notwithstanding the foregoing, there was no asset, liability, nor any transaction which occurred for the financial period ended 31 December 2013 of the East Favor Global Group.

Upon Completion, East Favor Global will become an associate of the Company. The Company will not control the composition of a majority of the board of directors of East Favor Global and East Favor Global will not be accounted for as a subsidiary of the Company.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Group is principally engaged in manufacture and sales of coal, international air and sea freight forwarding and the provision of logistics services as well as trading of securities and fuel oil, iron ore, and other commodities.

The Group has been identifying and exploring suitable projects and/or investments with good profit potential and sustaining development for acquisition so as to maximize return to the Company and its Shareholders. The East Favor Global Group is principally engaged in the business of manufacturing photovoltaic power generation system and the construction, operation and management of photovoltaic power plants in the PRC. In view of the recently released policies by the PRC government aimed at boosting photovoltaic power generation which include strengthening the development of distributed energy resources and pushing for better financial support, the Board considers that the Subscription represents a good investment for the Group to diversify its business in a realm with potential growth opportunity and will create long term value for the Shareholders.

The Board considers that the terms of the Subscription are on normal commercial terms and are fair and reasonable based on the current market conditions and are in the interests of the Shareholders of the Company as a whole.

LISTING RULES IMPLICATION

As certain applicable percentage ratios in respect of the Subscription are more than 5% but less than 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

Shareholders and potential investors of the Company should be aware that Completion is subject to certain Conditions, as set out in the subparagraph headed “Conditions Precedent” in this announcement, being satisfied or waived (where applicable), and consequently the Subscription may or may not proceed to Completion. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the shares or any securities of the Company.

DEFINITIONS

In this announcement, the following words and expressions shall have the meanings set out below, unless the context otherwise requires:

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| “Applicable Laws” | with respect to any person or matter, any and all provisions of any law, regulation, rule, code, guidance, judgment, order, conditions of any approval, requirement, restriction, or any decision of, or determination by, or any interpretation or administration of any of the foregoing by, any governmental authority, applicable to such person or matter |
| “Board” | the board of Directors |
| “Business Day(s)” | a day (other than a Saturday or a Sunday or a day on which a tropical cyclone warning no. 8 or above is hoisted or a black rainstorm warning signal is given in Hong Kong at any time between 9:00 am to 5:00 pm) on which licensed banks in the PRC and Hong Kong are open for general banking business throughout their normal business hours |
| “Company” | China Best Group Holding Limited (stock code 370), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange |
| “Completion” | the completion of the Subscription pursuant to the terms and conditions of the Subscription Agreement |
| “Conditions” | the conditions precedent to the Completion, details of which are set out in the subparagraph headed “Conditions Precedent” of this announcement |
| “Conditions Fulfillment Date” | 30 June 2015 or such other date as the parties to the Subscription Agreement may agree |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Director(s)” | the directors of the Company |
| “East Favor Global” | East Favor Global Investment Limited, a company incorporated under the laws of British Virgin Islands with limited liability and owned by Honghu Group Limited as to 70% and Express Focus Group Limited as to 30% before Completion |

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|--------------------------------|--|
| “East Favor Global Group” | East Favor Global and its subsidiaries (i.e., Hong Kong CPV, Qinghai CPV and Shenzhen CPV) |
| “East Favor Global Shares” | ordinary share(s) of US\$1.00 each in the share capital of East Favor Global |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Hong Kong CPV” | Hong Kong CPV Green Energy Limited (香港聚光新能源有限公司) (formerly known as Cheerful King Investments Limited) (亮港投資有限公司), a company incorporated in Hong Kong and wholly-owned by East Favor Global |
| “Independent Third Party(ies)” | any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons within the meanings of the Listing Rules |
| “Kang Yong” | Kang Yong International Limited, a company incorporated in the British Virgin Islands and wholly-owned by the Company, also referred to as the Subscriber in this announcement |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China, and for the purpose of this announcement and for geographical reference only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |
| “PRC Project” | the photovoltaic power generation project currently undertaken by Qinghai CPV |
| “PRC Subsidiaries” | Qinghai CPV and Shenzhen CPV |
| “Qinghai CPV” | Qinghai CPV Green Energy Co., Ltd (青海聚光高新科技有限公司), a company established in the PRC and wholly-owned by Shenzhen CPV, one of the PRC Subsidiaries of East Favor Global |

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|--------------------------|---|
| “Shareholders” | holders of the shares of the Company |
| “Shenzhen CPV” | CPV Green Energy Technology (Shenzhen) Co., Ltd (聚光新能源科技(深圳)有限公司), a company established in the PRC and wholly-owned by Hong Kong CPV, one of the PRC Subsidiaries of the East Favor Global |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscriber” | the subscriber subscribing for the Subscription Shares pursuant to the Subscription Agreement |
| “Subscription” | the proposed subscription of the Subscription Shares pursuant to the Subscription Agreement |
| “Subscription Agreement” | the subscription agreement dated 20 April 2015 entered into between the Subscriber and East Favor Global in relation to the Subscription |
| “Subscription Shares” | the 9,608 new East Favor Global Shares in the capital of East Favor Global |
| “%” | per cent |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “RMB” | Renminbi, the lawful currency of the PRC. |

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

Hong Kong, 20 April 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.