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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)

**(1) FURTHER UPDATE ON THE SHARE SUBSCRIPTION,
THE FIRST CB SUBSCRIPTION AND
THE SECOND CB SUBSCRIPTION; AND
(2) CLARIFICATION OF NEWSPAPER ARTICLE**

Reference is made to the announcements of China Best Group Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 11 August 2015 (the “**Trading Halt Announcement**”) and 18 September 2015 (the “**Holding Announcement**”). Capitalised terms used and not otherwise defined herein shall have the same meanings as that ascribed to them in the Holding Announcement.

**FURTHER UPDATE ON THE SHARE SUBSCRIPTION, THE FIRST CB
SUBSCRIPTION AND THE SECOND CB SUBSCRIPTION**

Since the release of the Holding Announcement, the Company has been preparing the Subscription Announcement and working towards the satisfaction of the various conditions precedent set out in the Share Subscription Agreement, the First CB Subscription Agreement and the Second CB Subscription Agreement (collectively, the “**Original Subscription Agreements**”). As the completion of the Share Subscription, the First CB Subscription and

* *For identification purpose only*

the Second CB Subscription (collectively, the “**Proposed Subscriptions**”) are conditional upon the fulfillment of various conditions including, amongst other, the respective approvals by the Listing Committee of the Stock Exchange (the “**Listing Approvals**”) for the listing of, and dealing in, the new Shares to be issued pursuant to the Share Subscription Agreement (the “**Subscription Shares**”) and the new Shares to be issued upon conversion of the convertibles bonds to be issued under the First CB Subscription Agreement and the Second CB Subscription Agreement (the “**Conversion Shares**”), the Company has also made submissions to the Stock Exchange to seek its clearance of the terms of the Proposed Subscriptions.

In this regard, the Company was informed by the Stock Exchange on 16 October 2015 that based on the transactions contemplated under the Original Subscription Agreements and the Company’s related submissions, the Stock Exchange is of the view that the Company will upon completion of the Proposed Subscriptions, become a cash company under Rule 14.82 of the Listing Rules. Therefore, the Stock Exchange considers it to be inappropriate to grant the respective Listing Approvals sought in relation to the Subscription Shares and the Conversion Shares (the “**Exchange Decision**”).

Having carefully reviewed the Exchange Decision in detail and upon consultation with the Securities Subscribers, the Additional CB Subscribers as well as the respective parties’ financial and legal advisors, the parties to the respective Original Subscription Agreements on 26 October 2015 entered into further agreements to revise the terms of the Proposed Subscriptions as follow:–

- (a) the Company, the Securities Subscribers and the Warrantors entered into a supplemental agreement amending certain terms of the Share Subscription Agreement, pursuant to which the number of Subscription Shares to be issued to the Securities Subscribers under the Share Subscription Agreement has been reduced (the “**Revised Share Subscription Agreement**”);
- (b) the Company and the Securities Subscribers entered into a deed of termination pursuant to which the First CB Subscription Agreement has been terminated by mutual agreement with effect from the date thereof;
- (c) the Company and the Additional CB Subscribers entered into a deed of termination pursuant to which the Second CB Subscription Agreement has been terminated by mutual agreement with effect from the date thereof; and

(d) the Company and Happy-Silicon CB1, being one of the Additional CB Subscribers, further entered into a separate share subscription agreement pursuant to which the Company has conditionally agreed to issue and allot, and Happy-Silicon CB1 has conditionally agreed to subscribe for, additional new Shares in the Company (the **“Additional Share Subscription Agreement”**)

(the **“Revised Proposed Subscriptions”**).

As completion of the Revised Share Subscription Agreement will still result in a change in control of the Company under the Takeovers Code, Silver Venus Investments Ltd., being one of the Securities Subscribers will be obliged under Rule 26 of the Takeovers Code to make a mandatory general offer to the Shareholders to acquire all the Shares other than those owned or agreed to be acquired by Silver Venus Investments Ltd. and parties acting in concert with it, unless the Whitewash Waiver is obtained.

Completion of the Revised Share Subscription Agreement is conditional upon, amongst others, certain non-waivable conditions precedent including the obtaining of the relevant Listing Approval, approval of the Whitewash Waiver by the independent Shareholders and the grant of the Whitewash Waiver by the SFC. Completion of the Revised Share Subscription Agreement is not conditional upon the completion of the Additional Share Subscription Agreement, but completion of the Additional Share Subscription Agreement is conditional upon the completion of the Revised Share Subscription Agreement.

As at the date of this announcement, the Company is preparing a further announcement in relation to, amongst others, the Revised Proposed Subscriptions and the Whitewash Waiver (the **“Revised Subscription Announcement”**), and trading in the Shares on the Stock Exchange shall remain suspended pending the publication of the Revised Subscription Announcement.

If the relevant Listing Approvals or Whitewash Waiver is/are not granted or any of the other conditions precedent to the completion of the Revised Share Subscription Agreement and the Additional Share Subscription Agreement is not satisfied (or waived, if applicable), the Share Subscription Agreement and/or the Additional Share Subscription Agreement will lapse and will not proceed. Shareholders and potential investors of the Company are therefore advised to refer to the Revised Subscription Announcement for full details regarding the Revised Share Subscription Agreement, the Additional Share Subscription Agreement and the Whitewash Waiver. Shareholders and potential investors should also exercise caution when dealing in the Shares or other securities of the Company.

CLARIFICATION OF NEWSPAPER ARTICLE

It has come to the Board's attention that Sing Pao (成報) on 23 September 2015 published a newspaper article titled “國華控股權易手：傳中融入股打造金融旗艦” allegedly relating to the Share Subscription and the First CB Subscription. Among others, the newspaper article reported that “中融集團” is rumoured to be the Securities Subscriber in respect of the Share Subscription and the First CB Subscription. The Board wishes to clarify that this is not accurate as, based on the information provided by the Securities Subscribers, “中融集團” (as referred to in the newspaper article) is not related to any of the Securities Subscribers nor their respective related parties.

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

Hong Kong, 27 October 2015

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Tan Xiangdong, Mr. Li Yang and Mr. Wang Jian, and three independent non-executive Directors, namely, Mr. Chan Fong Kong Francis, Mr. Chen Zhenguo and Mr. Li Yu.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Securities Subscribers and the Additional CB Subscribers) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the sole director of Silver Venus Investments Ltd., namely, Ms. Liu Xi, and the sole director of Zhonghai Shengfeng (Beijing) Capital Management Co., Ltd. (中海晟豐(北京)資本管理有限公司), the ultimate parent company of Silver Venus Investments Ltd., namely Mr. Li Yunxi, jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Company, Aquila Global Investment Ltd, Sungi Global Investment Co., Ltd and the Additional CB Subscribers) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed by Silver Venus Investments Ltd. and parties acting in concert with it in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

As at the date of this announcement, the sole director of Aquila Global Investment Ltd, namely, Mr. Sun Qingfeng, and the directors of Beijing Jingpeng Investment Management Co., Ltd. (北京京鵬投資管理有限公司), the ultimate parent company of Aquila Global Investment Ltd, namely Mr. Liu Yang, Mr. Mao Faqing, Mr. Pan Nan, Mr. Wang Runsheng and Mr. Wang Yajun, jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Company, Silver Venus Investments Ltd., Sungi Global Investment Co., Ltd and the Additional CB Subscribers) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed by Aquila Global Investment Ltd and parties acting in concert with it in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

As at the date of this announcement, the sole director of Sungi Global Investment Co., Ltd, namely, Mr. Chen Wei, and the directors of Zhongrong International Trust Co., Ltd (中融國際信託有限公司), the ultimate parent company of Sungi Global Investment Co., Ltd, namely Mr. Fan Tao, Mr. Yao Yuming, Mr. Zhang Dong, Mr. Zhang Xianjun, Mr. Li Hui, Mr. Li Huajie, jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Company, Silver Venus Investments Ltd., Aquila Global Investment Ltd and the Additional CB Subscribers) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed by Sungi Global Investment Co., Ltd and parties acting in concert with it in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

As at the date of this announcement, the directors of KKC Capital SPC are Mr. Chan Chi Kit and Mr. Rayal Robert Bodden, and the sole director of Happy-Silicon CB1 is Mr. Lu Zhaoqun.

The directors of KKC Capital SPC jointly and severally accept full responsibility for the accuracy of the information (other than information relating to the Company, the Securities Subscribers and Happy-Silicon CB1) contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed by KKC Capital SPC and parties acting in concert with it in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The sole director of Happy-Silicon CB1 accepts full responsibility for the accuracy of the information (other than information relating to the Company, the Securities Subscribers and KKC Capital SPC) contained in this announcement and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed by Happy-Silicon CB1 and parties acting in concert with it in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.