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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)

VOLUNTARY ANNOUNCEMENT

DISPOSAL OF A SUBSIDIARY AND CESSATION OF COAL BUSINESS

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of China Best Group Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

THE SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 17 December 2015 (after trading hours), the Company as vendor and Free Trans Holdings Limited, a company incorporated in the British Virgin Islands, as purchaser (the “**Purchaser**”) entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) in relation to the disposal of 1,100 shares (the “**Sale Shares**”) in Graceful Mind Group Limited (the “**Target Company**”, together with its subsidiaries, the “**Target Group**”), a wholly-owned subsidiary of the Company, representing the entire issued share capital of the Target Company (the “**Disposal**”). Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Company has conditionally agreed to dispose of the Sale Shares at the consideration of HK\$10 million (the “**Consideration**”).

* *For identification purpose only*

Set out below are the principal terms of the Sale and Purchase Agreement:

Date:

17 December 2015

Parties involved:

Purchaser

Free Trans Holdings Limited

Vendor

the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Assets to be disposed of:

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Company has conditionally agreed to dispose of the Sale Shares at the Consideration. The Sale Shares represent the entire issued share capital of the Target Company.

The Consideration:

Pursuant to the Sale and Purchase Agreement, the Consideration shall be settled within three business days by way of cashier's order or bank transfer from the date of the fulfillment or waiver (if applicable) of the conditions precedent.

Basis of the Consideration

The Consideration was determined among the Company and the Purchaser after arm's length negotiations and on normal commercial terms, taking into account the future prospects of the Target Group, particularly its coal business operation, and the net assets value and present value attributable to the Sale Shares based on the Target Group's audited accounts as at 31 December 2014 and latest available unaudited management accounts. The Consideration received from the Disposal will be used as the general working capital of the Group or in investment opportunities arising from time to time.

Conditions precedent

Completion of the Sale and Purchase Agreement is conditional upon, among others, the following conditions being fulfilled or waived:

- (a) obtaining necessary approval(s) by the Company regarding share transfer of the Sale Shares of the Target Company; and
- (b) the representations and warranties in the Sale and Purchase Agreement remain valid and subsisting.

Condition (b) above is waivable at the discretion of the parties to the Sale and Purchase Agreement.

Completion

Completion shall take place on the third business day after the fulfillment of the conditions precedent in the Sale and Purchase Agreement (or a later date as agreed by the parties).

INFORMATION ON THE TARGET GROUP

The Target Company is a limited company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of the Company. The Target Company is an investment holding company which is the owner of the 55% issued share capital of Suntech Worldwide Limited which principally engages in coal processing and marketing, and sales and manufacturing of coal products in the People's Republic of China (the "PRC") through its subsidiary, Gujiao

City Hongxiang Coal Industry Co., Ltd.* (古交市宏祥煤業有限公司), a wholly-foreign owned enterprise incorporated in the PRC. Suntech Worldwide Limited is also the sole shareholder of Suntech Worldwide Investment Consultancy (Shenzhen) Co. Ltd.* (信達環球投資諮詢(深圳)有限公司), a company incorporated in the PRC and a dormant company pending deregistration.

REASONS FOR DISPOSAL

The coal sector in the PRC is still in the cyclical adjustment stage and the coal business segment of the Group has been facing tough market conditions and unprecedented operating pressure. Due to the PRC government energy policy which tends to discourage the use of coal for the purpose of pollution control and the downward pressure of the economy of the PRC which in turn reduces the demand for coal, the Group has been recording losses in the coal business segment since 2013. The loss of this business segment was approximately HK\$89.5 million, HK\$19.9 million and HK\$1.8 million for the years ended 31 December 2013 and 31 December 2014 and for the six months ended 30 June 2015 respectively. In 2015, the Group has prioritized the sale of inventory of manufactured coal products currently held on hand rather than engaging in further production and thus the production of coal in the coal business segment of the Group has stopped. As disclosed in the Company's interim report for the six-month period ended 30 June 2015, no turnover was recorded for this business segment during such period.

The Group expects that there will be a net gain of approximately HK\$6 million from the Disposal. The Board believes that the Disposal and the cessation of coal business will reduce operation loss and allow the Group to engage in more profitable businesses in the future and is in the interest of the Company and its shareholders (the "**Shareholders**") as a whole.

CESSATION OF COAL BUSINESS

In view of the reasons set out above, the Board considered that future prospects of coal business will be dim and difficult. Following completion of the Disposal, the Group will no longer engage in coal business. As a result, the Group will continue to focus on the remaining principal business segments of the Group and develop its financial service businesses.

IMPLICATION UNDER THE LISTING RULES

As none of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5%, the Disposal does not constitute a notifiable transaction for the Company. The Company is making this announcement on a voluntary basis for the information of the Shareholders and public investors.

As Completion is subject to the fulfillment of a number of conditions precedent, the Disposal may or may not be completed. Shareholders and potential investors should 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, 17 December 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.