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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

MEMORANDUM OF UNDERSTANDING

This is a voluntary announcement made by China Best Group Holding Limited (the “**Company**”).

MEMORANDUM OF UNDERSTANDING

On 22 March 2016, Kang Yong International Limited (“**Kang Yong**”), a wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Honghu Group Limited (“**Honghu Group**”), in relation to a possible disposal by Kang Yong of its 9,608 shares (the “**Sale Shares**”) in East Favor Global Investment Limited (“**East Favor Global**”), representing 49% of the existing issued capital of East Favor Global, to Honghu Group (the “**Possible Disposal**”).

Pursuant to the MOU, the Possible Disposal shall be for a consideration of not less than HK\$110,250,000, and would be consummated pursuant to mutually acceptable definitive agreement between Kang Yong and Honghu Group.

* *For identification purpose only*

INFORMATION ABOUT HONGHU GROUP AND EAST FAVOR GLOBAL

Honghu Group is an investment holding company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Deng Junjie.

As at the date of this announcement, East Favor Global is held by Honghu Group as to 35.7%, and by Kang Yong as to 49%. Save as disclosed, to the best of knowledge, information and belief of the Company's directors (the "**Directors**"), having made all reasonable enquiries, Honghu Group and its ultimate shareholder, Mr. Deng Junjie, are independent of the Company and its connected persons.

East Favor Global is a company incorporated in the British Virgin Islands with limited liability, and is principally, through its subsidiaries, engaged in the business of manufacturing photovoltaic power generation system, and the construction, operation and management of photovoltaic power plants in the People's Republic of China.

REASONS FOR THE POSSIBLE DISPOSAL

The Company and its subsidiaries (the "**Group**") is principally engaged in the businesses of international air and sea freight forwarding and the provision of logistics services as well as trading of securities and trading of fuel oil, electronic devices and other commodities, and the Group commenced the finance leasing business and the money lending business in the second half of 2015. The Group has been making strategic adjustments to its principal business activities to, among other, develop and expand its finance related businesses, and the Possible Disposal will allow the Group to re-allocate its resources to meet the aforesaid goals.

The terms of the Possible Disposal, including the consideration, are still subject to further negotiation between the Group and Honghu Group. Save for clauses relating to confidentiality, counterparts, binding effect, governing law and jurisdiction, the MOU is not legally binding and the Possible Disposal may or may not proceed. If the Possible Disposal is materialised, the Company will comply with the reporting, announcement and/or shareholders' approval (if applicable) requirements under the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited. Shareholders of the Company and potential investors are thus urged to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 22 March 2016

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