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CHINA BEST
國華集團

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 MAJOR TRANSACTION

References are made to the circular of China Best Group Holding Limited (the "**Company**") dated 25 January 2016 (the "**Circular**") in relation to (1) a loan agreement and (2) a finance lease agreement which, in aggregate, constituted a major transaction for the Company, and the update announcement of the Company dated 6 May 2016 in relation to the full drawdown of the loan under the aforesaid loan agreement by Anli Holdings. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Circular.

As set out in the Circular, pursuant to the Finance Lease Agreement, Rongjinda Finance conditionally agreed to purchase the Leased Assets from Dishangtie for a total consideration of RMB115,000,000 (equivalent to approximately HK$138,000,000) payable by six instalments corresponding to the relevant batch of the Leased Assets. The first instalment of the consideration will be paid on the tenth business day after the conditions precedent set out in the Finance Lease Agreement are satisfied (or waived by Rongjinda Finance), and subject to Dishangtie complying with its obligations under the Finance Lease Agreement in full, the last instalment of the consideration will be paid no later than 30 June 2016.

* *For identification purpose only*

As certain conditions precedent set out in the Finance Lease Agreement (the details of which are set out in the Circular) have not been fulfilled, or if applicable, waived and the deadline of 30 June 2016 for the payment of the last instalment of the consideration under the Finance Lease Agreement has passed, Rongjinda Finance and Dishangtie entered into a termination agreement (the "**Termination Agreement**") on 5 July 2016 pursuant to which the parties agreed to terminate the Finance Lease Agreement with effect from the date of the Termination Agreement.

The Board considers that the termination of the Finance Lease Agreement by the entering into of the Termination Agreement has no material adverse impact on the existing business operation or the financial position of the Group as a whole.

The funds originally allocated for paying the consideration of RMB115,000,000 (equivalent to approximately HK$138,000,000) for the Leased Assets under the Finance Lease Agreement will continue to be used in the finance leasing business of the Group. As at the date of this announcement, the Group, through Rongjinda Finance, has entered into three finance lease agreements with three customers respectively for an aggregate consideration of RMB60,000,000 (equivalent to approximately HK$72,000,000) for the leased assets, pursuant to which Rongjinda Finance has agreed to purchase certain leased assets from the customers and lease such leased assets back to the relevant customers pursuant to the terms of the relevant finance lease agreements. The aforementioned finance lease agreements do not constitute a notifiable transaction under Chapter 14 of the Listing Rules. The Group will continue to actively look for other customers to further develop its finance leasing business and will further update the Shareholders in accordance with the Listing Rules as and when appropriate.

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

Hong Kong, 5 July 2016

As at the date of this announcement, the Board 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. Liu Haiping and Mr. Liu Tonghui.

The figures in RMB are converted into HK$ at the rate of RMB1: HK$1.20 throughout this announcement for indicative purpose only.