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DISCLOSEABLE TRANSACTION DISPOSAL OF 49% INTEREST IN THE TARGET COMPANY

THE DISPOSAL

On 13 March 2017 (after trading hours), the Vendor, a wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser and the Guarantor, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Shares at the Consideration of HK\$120,000,000.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Disposal exceeds 5% but is less than 25% but none of the applicable percentage ratios exceeds 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the disclosure and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 13 March 2017 (after trading hours), the Vendor, a wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Shares at the Consideration of HK\$120,000,000.

* *For identification purpose only*

THE SALE AND PURCHASE AGREEMENT

Date

13 March 2017

Parties

- (i) the Vendor;
- (ii) the Purchaser; and
- (iii) the Guarantor.

Assets to be disposed

Pursuant to the Sale and Purchase Agreement, the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Shares, which represents the 49% of the entire issued share capital of the Target Company.

Consideration

The Consideration for the Disposal is HK\$120,000,000, which will be satisfied as follows:

- (i) HK\$30,000,000 will be paid by the Purchaser to the Vendor in cash at or prior to Completion; and
- (ii) the balance of the Consideration, being HK\$90,000,000, will be settled by the issue of the Promissory Note by the Purchaser to the Vendor at Completion.

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser with reference to (i) the amount of approximately HK\$110 million paid by the Vendor upon its subscription of the Sale Shares in 2015, (ii) the unaudited consolidated net asset value of the Target Group as at 31 December 2016, and (iii) other factors set out in the paragraph headed "Reasons for and Benefits of the Disposal" in this announcement.

Completion

Completion shall take place on the 5th Business Day after the date of signing of the Sale and Purchase Agreement (or such other date as the parties may agree in writing).

Guarantee by the Guarantor

Pursuant to the terms of the Sale and Purchase Agreement, the Guarantor irrevocably and unconditionally agrees to guarantees, as primary obligor, to the Vendor the performance by the Purchaser of the Purchaser's obligations under the Sale and Purchase Agreement, the Promissory Note, the Share Charge and other related transaction documents.

THE PROMISSORY NOTE

The principal terms of the Promissory Note are summarised as follows:

Issuer: The Purchaser

Principal amount: HK\$90,000,000

Interest: Interest shall accrue on the principal amount of the Promissory Note at the rate of 6% per annum payable at the maturity date or the redemption date.

Maturity date: The first anniversary of the date of issuance of the Promissory Note.

Payment: All payments by the Purchaser shall be made in the lawful currency of Hong Kong or such other currency as may be agreed between the Purchaser and the Noteholder.

Redemption: The Promissory Note may be redeemed any time at the request of any party by giving the other party prior notice.

Security: As security for the performance of the Purchaser's obligations under the Promissory Note, the Purchaser has agreed to execute the Share Charge in favour of the Vendor over the Sale Shares upon the terms of the Share Charge.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group has been making strategic adjustments to its principal business activities to, among other, develop and expand its financial service businesses, and the Disposal will allow the Group to re-allocate its resources to meet the aforesaid goals.

The Directors (including the independent non-executive Directors) consider that the Disposal and the transaction contemplated thereunder, including the terms of the Promissory Note, have been made on normal commercial terms and that such terms are fair and reasonable and in the interests of the Company and Shareholders as a whole.

INFORMATION ABOUT THE GROUP AND THE VENDOR

The Group is principally engaged in (i) trading of fuel oil, electronic devices and other commodities, (ii) the finance leasing business, (iii) the money lending business, (iv) international air and sea freight forwarding and the provision of logistics services, and (v) trading of securities.

The Vendor is an investment holding company incorporated in the British Virgin Islands, and a wholly-owned subsidiary of the Company.

INFORMATION ABOUT THE PURCHASER

The Purchaser is an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly-owned by the Guarantor.

As at the date of this announcement, the Purchaser holds a 35.7% interest in the Target Company. Save as disclosed in this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner, namely the Guarantor, are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

INFORMATION ABOUT THE TARGET GROUP

The Target 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.

The Target Company is a company with limited liability incorporated in the British Virgin Islands and as at the date of this announcement, is owned by the Purchaser as to 35.7%, Express Focus as to 15.3% and the Vendor as to 49%. The principal business of the Target Company is investment holding.

Based on the unaudited consolidated financial information of the Target Group for the financial year ended 31 December 2016, the net assets of the Target Group are approximately HK\$121 million. The unaudited consolidated financial results of the Target Group for the two years ended 31 December 2016 and 2015 respectively, which were prepared in accordance with the accounting principles generally accepted in Hong Kong, are summarised as follows (for illustration purposes only):

	UNAUDITED	
	For the year ended 31 December 2016	For the year ended 31 December 2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss before taxation	20,538	22,481
Loss after taxation	21,187	22,481

FINANCIAL EFFECT OF THE DISPOSAL

Based on the existing information available to the Company, including the expected carrying amount of the interests in the Target Group, the Group's gains from the Disposal (after deducting for relevant taxes and expenses) are expected to be not less than HK\$20 million. Following the Completion, the Target Group will cease to be associates of the Group.

USE OF PROCEEDS

It is expected that the net proceeds from the Disposal will be used for (i) existing business development, (ii) investment opportunities which may emerge from time to time and/or (iii) general working capital of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Disposal exceeds 5% but is less than 25% but none of the applicable percentage ratios exceeds 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the disclosure and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are ordinarily open for business
“Company”	China Best Group Holding Limited, a company duly incorporated in Bermuda with limited liability, whose shares are listed and traded on the Stock Exchange (Stock Code: 370)
“Completion”	completion of the Disposal in accordance with the terms of the Sale and Purchase Agreement
“Consideration”	the aggregate consideration in the amount of HK\$120,000,000 in respect of the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the Sale Shares pursuant to the terms of the Sale and Purchase Agreement

“Express Focus”	Express Focus Group Limited, a company incorporated with limited liability in the British Virgin Islands and save for disclosed in this announcement, a third party independent of the Company and connected persons (as defined under the Listing Rules) of the Company
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Deng Junjie, the sole shareholder of the Purchaser and save for disclosed in this announcement, a third party independent of the Company and connected persons (as defined under the Listing Rules) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Noteholder”	holder of the Promissory Note
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Promissory Note”	a promissory note to be issued by the Purchaser and guaranteed by the Guarantor pursuant to the Sale and Purchase Agreement
“Purchaser”	Honghu Group Limited, a company incorporated in the British Virgin Islands with limited liability, which shares are held entirely by the Guarantor
“Sale and Purchase Agreement”	the sale and purchase agreement dated 13 March 2017 entered into between the Vendor, the Purchaser and the Guarantor relating to the Disposal

“Sale Shares”	9,608 shares in the capital of the Target Company, representing 49% of the entire issued capital of the Target Company
“Share(s)”	share(s) of the Company
“Share Charge”	the deed of charge agreed to be provided by the Purchaser in favour of the Vendor over the Sale Shares to secure the Purchaser’s liability and obligations under the Promissory Note
“Shareholder(s)”	holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	East Favor Global Investment Limited, a company incorporated under the laws of British Virgin Islands with limited liability and owned by the Purchaser as to 35.7%, Express Focus as to 15.3% and the Vendor as to 49% as at the date of this announcement
“Target Group”	the Target Company and its subsidiaries
“Vendor”	Kang Yong International Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company

By Order of the Board

China Best Group Holding Limited

Mr. Li Yang

Deputy Chairman

Hong Kong, 13 March 2017

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Tan Xiangdong, Mr. Li Yang, Mr. Liu Wei, Mr. Chen Wei and Mr. Fan Jie, and three independent non-executive Directors, namely, Mr. Liu Haiping, Mr. Liu Tonghui and Mr. Ru Xiangan.