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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)**

**PLACING OF NEW SHARES  
UNDER THE GENERAL MANDATE**

**Placing Agent**

 **KINGSTON SECURITIES**

On 30 May 2018 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company conditionally agreed to place, through the Placing Agent on a best efforts basis, up to 1,452,000,000 Placing Shares at the Placing Price of HK\$0.07 per Placing Share to not less than six Placees who are independent professional, institutional, or other investors who, together with their respective ultimate beneficial owners will be third parties independent of, and not connected with the Company or connected persons of the Company. The Placing Shares will be allotted and issued pursuant to the General Mandate.

Assuming that all the Placing Shares are fully placed, the estimated gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will amount to HK\$101.64 million and approximately HK\$99.17 million respectively.

\* *For identification purpose only*

The Company intends that the net proceeds of the Placing will be used for developing the money lending business of the Group and/or enhancing its general working capital.

**As completion of the Placing is subject to the fulfilment and/or waiver of a number of conditions and therefore may or may not take place, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## **THE PLACING AGREEMENT**

### **Date**

30 May 2018 (after trading hours)

### **Parties**

Issuer : The Company

Placing Agent : Kingston Securities Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

### **Placing**

The Placing Agent conditionally agreed to place, or procure the placing of, up to 1,452,000,000 Placing Shares at the Placing Price of HK\$0.07 per Placing Share on a best efforts basis during the period commencing from the execution of the Placing Agreement up to the Long Stop Date (as defined below).

## **Placees**

The Placing Agent will place the Placing Shares to independent professional, institutional, or other investors who, together with their respective ultimate beneficial owners will be third parties independent of the Company and connected persons of the Company. It is currently expected that the Placing Shares will be placed to not less than six Placees.

## **Number of Placing Shares**

The maximum number of 1,452,000,000 Placing Shares under the Placing represents approximately 19.99% of the issued share capital of the Company as at the date of this announcement, and approximately 16.66% of the issued share capital as enlarged by the Placing (assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the Completion Date save for the allotment and issue of the Placing Shares). The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$72,600,000.

## **Placing Price**

The Placing Price of HK\$0.07 per Placing Share represents:

- (a) a discount of approximately 9.09% to the closing price of HK\$0.077 per Share as quoted on the Stock Exchange as at the date of the Placing Agreement; and
- (b) a discount of approximately 10.03% to the average closing price of HK\$0.0778 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

Taking into account the estimated expenses to the Placing in the amount of approximately HK\$2.47 million, the net placing price is approximately HK\$0.068 per Placing Share.

The Placing Price was determined on an arm's length basis between the Company and the Placing Agent and with reference to the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider that the Placing Price is fair and reasonable based on the current market conditions and is in the best interests of the Company and the Shareholders as a whole.

## **Placing Shares**

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors at the AGM held on 1 June 2017 pursuant to which the Directors were authorised to allot and issue up to 1,452,913,253 Shares, representing 20% of the total issued share capital of the Company as at 1 June 2017. As at the date of this announcement, the Company has not utilised any part of the General Mandate and the maximum of 1,452,000,000 Placing Shares under the Placing Agreement represents approximately 99.94% of the General Mandate.

The allotment and issue of the Placing Shares will not be subject to Shareholders' approval.

## **Ranking of Placing Shares**

The Placing Shares under the Placing, when fully paid, will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

## **Application for listing**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## **Conditions precedent**

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange having granted the approval of the listing of, and permission to deal in the Placing Shares; and
- (ii) the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated in accordance with the terms of the Placing Agreement.

If the above conditions are not satisfied and/or waived (other than condition (i) above, which cannot be waived) in whole or in part by the Placing Agent on or before 5:00 p.m. on 21 June 2018 or such later date to be agreed between the Company and the Placing Agent in writing (the “**Long Stop Date**”), the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties hereunder will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches).

### **Completion**

Completion of the Placing will take place on the fourth Business Day after the fulfilment and/or waiver of the conditions as set out in the paragraph headed “Conditions precedent” above or such other date to be agreed between the Company and the Placing Agent in writing.

### **Termination of the Placing Agreement**

Pursuant to the Placing Agreement, the Placing Agent is entitled to terminate the arrangements set out in the Placing Agreement by notice in writing prior to 9:00 a.m. on the Completion Date, if in its absolute opinion, the success of the Placing would be materially and adversely affected by any of the following force majeure events:

- (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances (inclusive of any pandemics or epidemics) which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which adversely affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

Pursuant to the Placing Agreement, if, at or prior to 9:00 a.m. on the Completion Date,

- (i) the Company commits any material breach of any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (ii) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of any announcement(s) relating to the Placing; or
- (iii) the Placing Agent shall become aware of the fact that any of the representations or warranties given by the Company contained in the Placing Agreement was, when given, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate if repeated and the Placing Agent shall, in its absolute opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing,

the Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent hereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

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) the brokerage business; (v) international air and sea freight forwarding and the provision of logistics services; and (vi) trading of securities.

Assuming that all the Placing Shares are fully placed, the estimated gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will amount to HK\$101.64 million and approximately HK\$99.17 million respectively.

The Company intends that the net proceeds of the Placing will be used for developing the money lending business of the Group and/or enhancing its general working capital.

The Board considers that the Placing represents an opportunity for the Company to broaden its shareholder and capital base thereby increasing the liquidity of the Shares. The Directors (including the independent non-executive Directors) consider that the Placing Agreement is entered into upon normal commercial terms and that the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS**

The Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

## SHAREHOLDING STRUCTURE OF THE COMPANY UPON COMPLETION OF THE PLACING

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Placing (assuming that the maximum number of Placing Shares are fully placed and there is no change in the share capital of the Company from the date of this announcement up to the Completion Date save for the allotment and issue of the Placing Shares) are set out below:

	At the date of this announcement		Immediately after completion of the Placing	
	No. of Shares	Approximate %	No. of Shares	Approximate %
<b>Shareholders</b>				
Silver Venus (Note 1)	1,600,000,000	22.03	1,600,000,000	18.36
Aquila Global (Note 1 and 2)	200,000,000	2.75	200,000,000	2.29
Sungi Global (Note 2)	200,000,000	2.75	200,000,000	2.29
Placees	–	–	1,452,000,000	16.66
Other public Shareholders	5,264,566,267	72.47	5,264,566,267	60.40
<b>Total</b>	<b>7,264,566,267</b>	<b>100.00</b>	<b>8,716,566,267</b>	<b>100.00</b>

### Notes:

- According to the register kept by the Company pursuant to Section 336 of the SFO, 1,600,000,000 Shares and 200,000,000 Shares are held by Silver Venus Investments Ltd. (“**Silver Venus**”) and Aquila Global Investment Ltd (“**Aquila Global**”) respectively. Silver Venus is wholly owned by 上海熾信投資有限公司 (Shanghai Chixin Investment Co., Ltd\*), which is in turn wholly owned by 中植企業集團有限公司 (Zhongzhi Enterprise Group Co., Ltd\*). Aquila Global is wholly owned by 雲霽(上海)投資中心(有限合夥) (Yunji (Shanghai) Investment Center (Limited Partnership)\*), a limited partnership registered under the laws of the PRC, of which 北京京鵬投資管理有限公司 (Beijing Jingpeng Investment Management Co., Ltd.\*) is the general partner and has 99% of the voting power. 北京京鵬投資管理有限公司 (Beijing Jingpeng Investment Management Co., Ltd.\*) is owned as to 40.50% by 岩能資本管理有限公司 (Yanneng Capital Management Co., Ltd.\*). 岩能資本管理有限公司 (Yanneng Capital Management Co., Ltd.\*) is wholly owned by 中植企業集團有限公司 (Zhongzhi Enterprise Group Co., Ltd\*). 中植企業集團有限公司 (Zhongzhi Enterprise Group Co., Ltd\*) is owned as to 76% by 中海晟豐(北京)資本管理有限公司 (Zhonghai Shengfeng (Beijing) Capital Management Co., Ltd.\*), which is in turn wholly owned by Mr. Xie Zhikun (解直錕先生). By virtue of the SFO, each of 上海熾信投資有限公司 (Shanghai Chixin Investment Co., Ltd\*), 中植企業集團有限公司 (Zhongzhi Enterprise Group Co., Ltd\*), 中海晟豐(北京)資本管理有限公司 (Zhonghai Shengfeng (Beijing) Capital Management Co., Ltd.\*) and Mr. Xie Zhikun



(解直錕先生) is deemed to be interested in all the Shares beneficially held by Silver Venus, and, each of 雲霽(上海)投資中心(有限合夥)(Yunji (Shanghai) Investment Center (Limited Partnership)\*), 北京京鵬投資管理有限公司(Beijing Jingpeng Investment Management Co., Ltd.\*), 岩能資本管理有限公司(Yanneng Capital Management Co., Ltd.\*), 中植企業集團有限公司(Zhongzhi Enterprise Group Co., Ltd\*), 中海晟豐(北京)資本管理有限公司(Zhonghai Shengfeng (Beijing) Capital Management Co., Ltd.\*) and Mr. Xie Zhikun (解直錕先生) is deemed to be interested in all the Shares beneficially held by Aquila Global.

2. According to the register kept by the Company pursuant to Section 336 of the SFO, 200,000,000 Shares and 200,000,000 Shares are held by Aquila Global and Sungi Global Investment Co., Ltd, (“**Sungi Global**”) respectively. Aquila Global is wholly owned by 雲霽(上海)投資中心(有限合夥)(Yunji (Shanghai) Investment Center (Limited partnership)\*), a limited partnership registered under the laws of the PRC, of which 北京京鵬投資管理有限公司(Beijing Jingpeng Investment Management Co., Ltd.\*) is the general partner and has 99% of the voting power. 北京京鵬投資管理有限公司(Beijing Jingpeng Investment Management Co., Ltd.\*) is owned as to 40.50% by 經緯紡織機械股份有限公司(Jingwei Textile Machinery Co., Ltd.\*). Sungi Global is wholly owned by 商驥(上海)投資中心(有限合夥)(Shangji (Shanghai) Investment Center (Limited Partnership)\*), a limited partnership registered under the laws of PRC, of which 達孜縣鼎誠資本投資有限公司(Dazi County Dingcheng Capital Investment Co., Ltd.\*) is the general partner and 北京中融鼎新投資管理有限公司(Beijing Zhongrong Dingxin Investment Management Co., Ltd.\*) is its limited partner. 達孜縣鼎誠資本投資有限公司(Dazi County Dingcheng Capital Investment Co., Ltd.\*) is wholly owned by 北京中融鼎新投資管理有限公司(Beijing Zhongrong Dingxin Investment Management Co., Ltd.\*). 北京中融鼎新投資管理有限公司(Beijing Zhongrong Dingxin Investment Management Co., Ltd.\*) is wholly owned by 中融國際信託有限公司(Zhongrong International Trust Co., Ltd\*) which is owned as to approximately 37.47% by 經緯紡織機械股份有限公司(Jingwei Textile Machinery Co., Ltd.\*). By virtue of the SFO, each of 雲霽(上海)投資中心(有限合夥)(Yunji (Shanghai) Investment Center (Limited Partnership)\*), 北京京鵬投資管理有限公司(Beijing Jingpeng Investment Management Co., Ltd.\*) and 經緯紡織機械股份有限公司(Jingwei Textile Machinery Co., Ltd.\*) is deemed to be interested in all the Shares beneficially held by Aquila Global, and, each of 商驥(上海)投資中心(有限合夥)(Shangji (Shanghai) Investment Center (Limited Partnership)\*), 達孜縣鼎誠資本投資有限公司(Dazi County Dingcheng Capital Investment Co., Ltd.\*), 北京中融鼎新投資管理有限公司(Beijing Zhongrong Dingxin Investment Management Co., Ltd.\*), 中融國際信託有限公司(Zhongrong International Trust Co., Ltd\*) and 經緯紡織機械股份有限公司(Jingwei Textile Machinery Co., Ltd.\*) is deemed to be interested in all the Shares beneficially held by Sungi Global. Mr. Chen Wei, an executive Director of the Company is also the sole director of Sungi Global.

**As completion of the Placing is subject to the fulfilment and/or waiver of a number of conditions and therefore may or may not take place, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 1 June 2017
“Board”	the board of Directors
“Business Day(s)”	a day(s) (excluding Saturday, Sunday and public holiday) on which banks are open for business in Hong Kong
“Company”	China Best Group Holding Limited, a company incorporated in Bermuda with limited liability, and the ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 370)
“Completion Date”	the date on which completion of the Placing takes place
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM, among other things, to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individuals, corporate, institutional or other investor(s) procured by the Placing Agent or its agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of up to 1,452,000,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in Type 1 (dealing in securities) regulated activity under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 30 May 2018 in relation to the Placing
“Placing Price”	HK\$0.07 per Placing Share
“Placing Shares”	up to 1,452,000,000 new Shares to be placed pursuant to the Placing Agreement
“PRC”	The People’s Republic of China which, for the purpose of this announcement, shall exclude Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	the ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 30 May 2018

*As at the date of this announcement, the Board comprises four executive Directors, namely, 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.*