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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**  
**LETTER OF INTENT**  
**IN RELATION TO POTENTIAL COOPERATION**

This announcement is made by China Best Group Holding Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) on a voluntary basis to keep the shareholders of the Company and public investors informed of the latest business development of the Group.

The board of directors of the Company (the “**Board**”) announces that on 21 August 2018, the Company has entered into a letter of intent (the “**LOI**”) with Dongfeng Design Research Institute Company Limited\* (東風設計研究院有限公司) (“**Dongfeng Design**”) and Wuhan Donghe Zhiye Company Limited\* (武漢東合置業有限公司) (“**Wuhan Donghe**”) in respect of a potential cooperation between the Company on the one hand and Dongfeng Design and Wuhan Donghe on the other hand in the development of new energy vehicles special towns in the People’s Republic of China (the “**Potential Cooperation**”).

**THE POTENTIAL COOPERATION**

Under the Potential Cooperation, new energy vehicles special towns will be developed. The target is to negotiate not less than five projects and to secure one to two projects in 2018.

\* *For identification purpose only*

It is expected that the Group will contribute not less than HK\$50 million for each project secured.

For each project, each party will appoint representatives to form a project team which will discuss and make decisions together and each party's representatives will work together according to their respective functions and responsibilities.

The LOI shall remain in effect for a term of three years from the date of the LOI or such longer period as may be agreed by the parties.

The LOI is not legally binding in nature. The parties will enter into a formal cooperation agreement in respect of each project secured to govern their respective rights and obligations.

## **INFORMATION ON DONGFENG DESIGN AND WUHAN DONGHE**

Dongfeng Design is an engineering and technology enterprise in China with research and development, design, consulting and management capabilities in the fields of automobiles, machineries and construction engineering. Wuhan Donghe is a wholly owned subsidiary of Dongfeng Design.

## **REASONS FOR THE POTENTIAL COOPERATION**

The Chinese Government has been promoting the development of special towns in recent years. Furthermore, the new energy vehicles industry is a focused area for development under the "Made In China 2025" initiative.

The Board is of the view that the Potential Cooperation is in line with the national policies and may bring a new source of income to the Group. The Potential Cooperation would also enable the parties to leverage their respective strengths, resources and expertise to build a mutually-beneficial strategic partnership. The Board is therefore of the view that the Potential Cooperation, if materialized, will be in the interests of the Group and the shareholders of the Company as a whole.

## **GENERAL**

The Company will keep its shareholders and potential investors informed of any material development in connection with the Potential Cooperation by way of further announcement(s) as and when appropriate in compliance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**The Potential Cooperation is subject to further negotiation and may or may not materialize. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By Order of the Board

**China Best Group Holding Limited**

**Mr. Liu Wei**

*Executive Director and Chief Executive Officer*

Hong Kong, 21 August 2018

*As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Liu Wei, Mr. Chen Wei and Mr. Fan Jie, one non-executive director, namely, Ms. Wang Yingqian, and three independent non-executive directors, namely, Mr. Liu Haiping, Mr. Liu Tonghui and Mr. Ru Xiangnan.*