

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**CHINA BEST GROUP HOLDING LIMITED**  
**國華集團控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 370)**

**PROPOSED SHARE CONSOLIDATION**  
**AND**  
**CHANGE IN BOARD LOT SIZE**

**Financial adviser to the Company**



**KINGSTON CORPORATE FINANCE**

**PROPOSED SHARE CONSOLIDATION**

The Board proposes to put forward a proposal to the Shareholders to effect the Share Consolidation on the basis that every two (2) issued and unissued Existing Shares be consolidated into one (1) Consolidated Share.

The Share Consolidation is conditional upon (i) the passing of an ordinary resolution by the Shareholders at the SGM to approve the Share Consolidation; and (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

\* *For identification purpose only*

## **CHANGE IN BOARD LOT SIZE**

As at the date of this announcement, the Shares are traded in board lots of 20,000 Existing Shares. Conditional upon the Share Consolidation becoming effective, the Board also proposes to change the board lot size for trading on the Stock Exchange from 20,000 Existing Shares to 10,000 Consolidated Shares with effect from 9:00 a.m. on Thursday, 18 October 2018.

## **GENERAL**

The Share Consolidation will be proposed at the SGM for Shareholders' consideration and, if thought fit, approval. The Circular containing, among other things, further details in relation to the Share Consolidation, the Change in Board Lot Size and the notice of the SGM is expected to be despatched to the Shareholders on or around Friday, 28 September 2018.

## **PROPOSED SHARE CONSOLIDATION**

The Board proposes to put forward a proposal to the Shareholders to effect the Share Consolidation on the basis that every two (2) issued and unissued Existing Shares be consolidated into one (1) Consolidated Share.

### **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the SGM to approve the Share Consolidation; and
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares.

Subject to the above conditions being fulfilled, the Share Consolidation is currently expected to be effective on Thursday, 18 October 2018, being the business day immediately after the date of the SGM.

## **Effects of the proposed Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$2,500,000,000 divided into 50,000,000,000 Existing Shares with par value of HK\$0.05 each, of which 8,716,566,267 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming no further Existing Shares will be issued or repurchased from the date hereof until the date of the SGM, immediately upon the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$2,500,000,000 divided into 25,000,000,000 Consolidated Shares with par value of HK\$0.10 each, of which 4,358,283,133 Consolidated Shares will be in issue.

As set out in the announcement of the Company dated 31 August 2018, the Company entered into a placing agreement pursuant to which the Company conditionally agreed to place, through the placing agent on a best efforts basis, up to 1,452,000,000 Existing Shares. Assuming such placing proceeds to completion and the maximum number of 1,452,000,000 Existing Shares are allotted and issued to the placees under the placing, the Company will have 10,168,566,267 Existing Shares in issue immediately upon completion of the placing. Assuming there is no change in the issued share capital of the Company from the date hereof until the date of the SGM other than the allotment and issue of the aforementioned placing shares, immediately upon the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$2,500,000,000 divided into 25,000,000,000 Consolidated Shares with par value of HK\$0.10 each, of which 5,084,283,133 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

## **Application for the listing of the Consolidated Shares**

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

## **OTHER ARRANGEMENTS**

### **Fractional entitlement to Consolidated Shares following the Share Consolidation**

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be allocated to the Shareholders, but will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

### **Arrangement on odd lots trading**

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares arising from the Share Consolidation (if any), the Company will appoint a securities firm as an agent to provide matching services, on a best efforts basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Further details of the odd lots arrangement will be set out in the Circular.

### **Exchange of share certificates**

Subject to the Share Consolidation becoming effective, which is currently expected to be on Thursday, 18 October 2018, being the business day immediately after the date of the SGM, Shareholders may between 9:00 a.m. and 4:30 p.m. on any business day during the period from Thursday, 18 October 2018 to Friday, 23 November 2018 (both days inclusive), submit share certificates for the Existing Shares (in pink colour) to the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong to exchange for new share certificates for the Consolidated Shares (in green colour) at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 each (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Registrar for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates involved is higher.

After 4:00 p.m. on Wednesday, 21 November 2018, trading will only be in Consolidated Shares which share certificates will be issued in green colour. Existing share certificates in pink colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

### **ADJUSTMENTS IN RELATION TO OTHER SECURITIES OF THE COMPANY**

As at the date of this announcement, the Company has no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

## **CHANGE IN BOARD LOT SIZE**

As at the date of this announcement, the Shares are traded in board lots of 20,000 Existing Shares. Conditional upon the Share Consolidation becoming effective, the Board also proposes to change the board lot size for trading on the Stock Exchange from 20,000 Existing Shares to 10,000 Consolidated Shares with effect from 9:00 a.m. on Thursday, 18 October 2018.

Based on the closing price of HK\$0.118 per Existing Share (equivalent to the theoretical closing price of HK\$0.236 per Consolidated Share) as quoted on the Stock Exchange at the date of this announcement, the value of each existing board lot of 20,000 Existing Shares is HK\$2,360 and the theoretical value for each new board lot of 10,000 Consolidated Shares, assuming the Share Consolidation has become effective, would be HK\$2,360.

The Change in Board Lot Size will not result in change in the relative rights of the Shareholders.

## **REASONS FOR THE SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE**

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. In this regard, the Share Consolidation would enable the Company to comply with the trading requirements of the Listing Rules.

In view that the Share had been traded at around or below HK\$0.10 at certain time in the past 12 months (based on the closing price per Share as quoted on the Stock Exchange) and at the request of the Stock Exchange, the Board proposes to implement the Share Consolidation.

The proposed Share Consolidation will increase the nominal value of the Shares and will reduce the total number of Shares currently in issue. As such, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares.

Subject to the Share Consolidation becoming effective, the Board also proposes to change the board lot size for trading from 20,000 Existing Shares to 10,000 Consolidated Shares.

The Board considers that the Change in Board Lot Size would allow the trading value for each board lot to remain at the level before the Share Consolidation becoming effective and thus could improve the liquidity of the Shares.

Other than the expenses to be incurred in relation to the Share Consolidation and the Change in Board Lot Size which are expected to be insignificant in the context of the net asset value of the Company, the implementation of the Share Consolidation and the Change in Board Lot Size will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders. The Directors believe that the Share Consolidation and the Change in Board Lot Size will not have any material adverse effect on the financial position of the Group and are in the interest of the Company and the Shareholders as a whole.

## **EXPECTED TIMETABLE**

The expected timetable for the Share Consolidation and Change in Board Lot Size is set out below. The expected timetable is subject to the results of the SGM and is therefore for indicative purpose only. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

<b>Event</b>	<b>2018</b>
Despatch date of circular with notice of the SGM.....	Friday, 28 September
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the SGM .....	4:30 p.m. on Friday, 12 October
Latest date and time for lodging forms of proxy for the SGM.....	11:00 a.m. on Sunday, 14 October

Closure of register of members for  
determining the entitlement to attend and  
vote at the SGM ..... from Monday, 15 October to  
Tuesday, 16 October  
(both days inclusive)

Expected date and time of the SGM..... 11:00 a.m.  
on Tuesday, 16 October

Announcement of poll results of the SGM ..... Tuesday, 16 October

Register of members of the Company re-opens ..... Thursday, 18 October

***The following events are conditional upon the fulfilment of the conditions of the Share Consolidation as set out in the section headed “Conditions of the Share Consolidation” above.***

Effective date of the Share Consolidation ..... Thursday, 18 October

First day of free exchange of existing share certificates for  
new share certificates for the Consolidated Shares ..... Thursday, 18 October

Dealing in the Consolidated Shares commences. .... 9:00 a.m.  
on Thursday, 18 October

Original counter for trading in the Existing Shares  
in board lots of 20,000 Existing Shares  
(in the form of existing share certificates) temporarily closes ..... 9:00 a.m.  
on Thursday, 18 October

Temporary counter for trading in the Consolidated Shares  
in board lots of 10,000 Consolidated Shares  
(in the form of existing share certificates) opens ..... 9:00 a.m.  
on Thursday, 18 October



Original counter for trading in the Consolidated Shares  
in new board lots of 10,000 Consolidated Shares  
(in the form of new share certificates) re-opens . . . . .9:00 a.m.  
on Thursday, 1 November

Parallel trading in the Consolidated Shares  
(in the form of new share certificates for  
the Consolidated Shares and  
existing share certificates) commences . . . . .9:00 a.m.  
on Thursday, 1 November

Designated broker starts to stand in the market  
to provide matching services for  
odd lots of the Consolidated Shares . . . . .9:00 a.m.  
on Thursday, 1 November

Parallel trading in the Consolidated Shares  
(in the form of new share certificates for  
the Consolidated Shares and existing share certificates) ends . . . . .4:00 p.m.  
on Wednesday, 21 November

Designated broker ceases to stand in the market  
to provide matching services for odd lots of  
the Consolidated Shares . . . . .4:00 p.m.  
on Wednesday, 21 November

Temporary counter for trading in the Consolidated Shares  
in board lots of 10,000 Consolidated Shares  
(in the form of existing share certificates) closes . . . . .4:00 p.m.  
on Wednesday, 21 November

Last day for free exchange of existing share certificates for  
new share certificates for the Consolidated Shares . . . . .4:30 p.m.  
on Friday, 23 November

## GENERAL

The Share Consolidation will be proposed at the SGM for Shareholders' consideration and, if thought fit, approval. The Circular containing, among other things, further details in relation to the Share Consolidation, the Change in Board Lot Size and the notice of the SGM is expected to be despatched to the Shareholders on or around Friday, 28 September 2018.

**Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about any of the above matters.**

## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“CCASS”	Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Change in Board Lot Size”	the change in board lot size of the Shares for trading on the Stock Exchange from 20,000 Existing Shares to 10,000 Consolidated Shares
“Circular”	the circular to be despatched to the Shareholders containing, among other things, details of the Share Consolidation and the notice of the SGM

“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)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company upon the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“Existing Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company prior to the Share Consolidation becoming effective
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Registrar”	the Hong Kong branch share registrar of the Company, being Tricor Tengis Limited as at the date of this announcement
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Share Consolidation
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be

“Shareholder(s)”	the holder(s) of the issued Share(s)
“Share Consolidation”	the proposed consolidation of every two (2) issued and unissued Existing Shares into one (1) Consolidated Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board  
**China Best Group Holding Limited**  
**Mr. Liu Wei**  
*Executive Director and Chief Executive Officer*

Hong Kong, 7 September 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 Xiang.*