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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)**

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO  
PROPOSED SHARE CONSOLIDATION AND  
CHANGE IN BOARD LOT SIZE;  
AND  
PROPOSED CAPITAL REORGANISATION**

Reference is made to the announcement of the Company dated 16 July 2020 in relation to the Share Consolidation and Change in Board Lot Size. Unless otherwise stated herein, capitalised terms used but not otherwise defined herein shall have the same meanings as that ascribed to them in the Announcement.

**REVISED SHARE CONSOLIDATION**

The Board proposed to change the basis of the share consolidation from “every five (5) issued and unissued Existing Shares into one (1) Consolidated Share” to “every five (5) issued Existing Shares into one (1) Consolidated Share” instead (the “**Revised Share Consolidation**”).

\* For identification purpose only

## **PROPOSED CAPITAL REORGANISATION**

The Board proposed to implement the Capital Reorganisation involving (i) Revised Share Consolidation; (ii) Capital Reduction whereby: (a) any fractional Consolidated Share in the issued share capital of the Company arising from the Revised Share Consolidation shall be cancelled; and (b) the par value of each issued Consolidated Share shall be reduced from HK\$0.50 to HK\$0.10 by cancelling the paid-up capital to the extent of HK\$0.40 on each of the then Consolidated Shares in issue; and (iii) the transfer of all credit arising from the Capital Reduction to the Contributed Surplus Account for use by the Board in any manner permitted by the Companies Act and the Bye-laws.

### **Effects of the Capital Reorganisation**

As at the date of this announcement, the authorised share capital of the Company is HK\$2,500,000,000 comprising 25,000,000,000 Existing Shares of a par value of HK\$0.10 each, of which 5,084,283,133 Existing Shares have been issued and fully paid or credited as fully paid. Immediately following the Capital Reorganisation, the authorised share capital of the Company will be HK\$2,500,000,000 divided into 25,000,000,000 Adjusted Shares of a par value of HK\$0.10 each, and the aggregate par value of the issued share capital of the Company will be HK\$101,685,662.6 (assuming that no further Existing Shares are issued or repurchased from the date of this announcement until the effective date of the Capital Reorganisation). Based on the number of the Existing Shares in issue as at the date of this announcement, a credit of HK\$406,742,650.7 will arise as a result of the Capital Reorganisation. Such credit will be transferred to the Contributed Surplus Account which will then be applied by the Board in any manner permitted by the Companies Act and the Bye-laws.

Assuming no Existing Shares are issued or repurchased from the date of this announcement, the share capital structure of the Company will be as follows:

	<b>As at the date of this announcement</b>	<b>Immediately after the Revised Share Consolidation becoming effective</b>	<b>Immediately after the Capital Reorganisation becoming effective</b>
Authorized share capital	HK\$2,500,000,000	HK\$2,500,000,000	HK\$2,500,000,000
Par value	HK\$0.10	HK\$0.50	HK\$0.10
Number of authorized shares	25,000,000,000	5,000,000,000	25,000,000,000
	Existing Shares	Consolidated Shares	Adjusted Shares
Amount of issued share capital	HK\$508,428,313.3	HK\$508,428,313.0	HK\$101,685,662.6
Number of issued shares	5,084,283,133	1,016,856,626	1,016,856,626
	Existing Shares	Consolidated Shares	Adjusted Shares
Amount of unissued share capital	HK\$1,991,571,686.7	HK\$1,991,571,687.0	HK\$2,398,314,337.4
Number of unissued shares	19,915,716,867	3,983,143,374	23,983,143,374

*Note: The above share capital structure of the Company is for illustration purpose only.*

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

Other than the expenses to be incurred in relation to the Capital Reorganisation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Group.

## **Conditions of the Capital Reorganisation**

The Capital Reorganisation is conditional upon:

- (i) the passing of a special resolution by the Shareholders approving the Capital Reorganisation at the SGM;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares arising from the Capital Reorganisation becoming effective;
- (iii) the compliance with the relevant procedures and requirements under the laws of Bermuda and the Listing Rules to effect the Capital Reorganisation; and
- (iv) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

The Capital Reorganisation will become effective on the Wednesday, 2 September 2020, being one clear Business Day after the date of the SGM.

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

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

Subject to the granting of the listing of, and permission to deal in, the Adjusted Shares on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the Adjusted 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 Adjusted 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 Adjusted 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 Capital Reorganization becomes effective, the Adjusted 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.

## **REVISED OTHER ARRANGEMENTS**

**Set out below are to restate the section “OTHER ARRANGEMENTS” in the Announcement.**

### **Fractional entitlement to Adjusted Shares following the Capital Reorganisation**

Fractional Adjusted Shares arising from the Capital Reorganisation, 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 Adjusted 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 Adjusted Shares arising from the Capital Reorganisation, the Company will procure an arrangement with an agent to stand in the market to provide matching services for sale and purchase of odd lots of the Adjusted Shares on a best effort basis.

Holders of odd lots of the Adjusted Shares should note that successful matching of the sale and purchase of odd lots of the Adjusted Shares are not warranted. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

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

### **Exchange of share certificates**

Subject to the Capital Reorganisation becoming effective, which is currently expected to be on Wednesday, 2 September 2020, being one clear Business Day 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 Wednesday, 2 September 2020 to Monday, 12 October 2020 (both days inclusive), submit share certificates for the Existing Shares (in green colour) to the Registrar at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong to exchange for new share certificates for the Adjusted Shares (in blue 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 Adjusted Shares, whichever the number of share certificates involved is higher.

After 4:10 p.m. on Thursday, 8 October 2020, trading will only be in Adjusted Shares which share certificates will be issued in blue colour. Existing share certificates in green 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.

## **REVISED CHANGE IN BOARD LOT SIZE**

As at the date of this announcement, the Shares are traded in board lots of 10,000 Existing Shares. Conditional upon the Capital Reorganisation becoming effective, the Board also proposes to revise “the change in board lot size for trading on the Stock Exchange from 10,000 Existing Shares to 6,000 Consolidated Shares with effect from Wednesday, 12 August 2020” to “the change in board lot size for trading on the Stock Exchange from 10,000 Existing Shares to 6,000 Adjusted Shares with effect from Wednesday, 2 September 2020” (the “**Revised Change in Board Lot Size**”).

Based on the closing price of HK\$0.103 per Existing Share (equivalent to the theoretical closing price of HK\$0.515 per Adjusted Share) as quoted on the Stock Exchange at the date of this announcement, the value of each existing board lot of 10,000 Existing Shares is HK\$1,030 and the theoretical value for each new board lot of 6,000 Adjusted Shares, assuming the Capital Reorganisation has become effective, would be HK\$3,090.

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

## **REASONS FOR THE CAPITAL REORGANISATION**

Save as disclosed in the Announcement, the Board considers that the Capital Reorganisation will provide the Company with greater flexibility in possible fund raising in the future.

## REVISED EXPECTED TIMETABLE

Set out below is the revised timetable for the Capital Reorganisation and Revised Change in Board Lot Size.

<b>Event</b>	<b>2020</b>
Expected date of despatch of the Circular in relation to the Capital Reorganisation to the Shareholders together with notice of SGM and proxy form for SGM. . . . .	Friday, 7 August
Latest time for lodging transfer documents to qualify for attendance and voting at the SGM . . . . .	4:30 p.m. on Tuesday, 25 August
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the SGM (both dates inclusive) . . . . .	From Wednesday, 26 August to Monday, 31 August
Latest time for lodging proxy forms for the SGM. . . . .	11:00 a.m. on Saturday, 29 August
Record date for attendance and voting at the SGM . . . . .	Monday, 31 August
Expected date of the SGM to approve the Capital Reorganisation. . . . .	11:00 a.m. on Monday, 31 August
Announcement of the poll result of the SGM . . . . .	Monday, 31 August
Register of members re-opens . . . . .	Tuesday, 1 September
Effective date of the Capital Reorganisation . . . . .	Wednesday, 2 September

**Event****2020**

Commencement of dealings in the Adjusted Shares . . . . . 9:00 a.m. on  
Wednesday, 2 September

Original counter for trading in the Existing Shares in board lots of  
10,000 shares (in the form of existing share certificates) temporarily closes . . . . . 9:00 a.m. on  
Wednesday, 2 September

Temporary counter for trading in board lots of  
2,000 Adjusted Shares (in the form of existing share certificates) opens . . . . . 9:00 a.m. on  
Wednesday, 2 September

First day of free exchange of existing share certificates for  
new share certificates for the Adjusted Shares. . . . . Wednesday, 2 September

Designated broker starts to stand in the market to provide  
matching services for odd lots of the Adjusted Shares. . . . . 9:00 a.m. on  
Wednesday, 16 September

Original counter for trading in the Adjusted Shares in new board lots of  
6,000 Adjusted Shares (in the form of new share certificates) re-opens. . . . . 9:00 a.m. on  
Wednesday, 16 September

Parallel trading in the Adjusted Shares (in the form of both existing  
share certificates in board lots of 2,000 Adjusted Shares and new  
share certificates in board lots of 6,000 Adjusted Shares) commences . . . . . 9:00 a.m. on  
Wednesday, 16 September

Temporary counter for trading in board lots of 2,000 Adjusted  
Shares (in the form of existing share certificates) closes . . . . . 4:10 p.m. on  
Thursday, 8 October

Parallel trading in Adjusted Shares (in the form of both existing  
share certificates in board lots of 2,000 Adjusted Shares and  
new share certificates in board lots of 6,000 Adjusted Shares) ends . . . . . 4:10 p.m. on  
Thursday, 8 October



**Event****2020**

Designated broker ceases to provide matching services for  
odd lots of the Adjusted Shares . . . . . 4:10 p.m. on  
Thursday, 8 October

Last day for free exchange of existing share certificates for  
new share certificates for the Adjusted Shares . . . . . 4:30 p.m. on  
Monday, 12 October

All times and dates stated above refer to Hong Kong local times and dates. The revised expected timetable for the for the Capital Reorganisation and Revised Change in Board Lot Size set out above and all dates and deadlines specified in this announcement are indicative only and may be varied. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

**GENERAL**

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation. A circular containing, among other things, (i) further details of the Capital Reorganisation; and (ii) a notice convening the SGM, is expected to be despatched to the Shareholders on or before Friday, 7 August 2020.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Capital Reorganisation and no Shareholders are required to abstain from voting at the SGM.

**As the Capital Reorganisation is subject to the satisfaction of conditions set out in this announcement, it may or may not become effective. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

## DEFINITIONS

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

“Adjusted Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company immediately after the Capital Reorganisation becoming effective
“Announcement”	the announcement of the Company dated 16 July 2020 in relation to the Share Consolidation and the Change in Board Lot Size
“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“Bye-laws”	the bye-laws of the Company as amended from time to time
“Capital Reduction”	the proposed reduction in the issued share capital of the Company whereby: (i) any fractional Consolidated Share in the issued share capital of the Company immediately after the Revised Share Consolidation shall be cancelled; and (ii) the par value of each issued Consolidated Share shall be reduced from HK\$0.50 to HK\$0.10 by cancelling the paid-up capital to the extent of HK\$0.40 on each of the then Consolidated Shares in issue
“Capital Reorganisation”	the Revised Share Consolidation and the Capital Reduction
“Circular”	the circular to be despatched to the Shareholders by the Company, relating to, among other things, the Capital Reorganisation
“Company”	China Best Group Holding Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on the main board of the Stock Exchange
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time)

“Consolidated Share(s)”	consolidated ordinary share(s) of HK\$0.50 each in the share capital of the Company immediately after the Revised Share Consolidation becoming effective but prior to the Capital Reduction taking effect
“Contributed Surplus Account”	the account designated as the contributed surplus account of the Company within the meaning of the Companies Act
“Existing Share(s)”	existing ordinary share(s) of HK\$0.10 each in the share capital of the Company prior to the Revised Share Consolidation becoming effective
“Group”	the Company and its subsidiaries
“Revised Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 10,000 Existing Shares to 6,000 Adjusted Shares
“Revised Share Consolidation”	the proposed consolidation of every five (5) issued Existing Shares of HK\$0.10 each into one (1) Consolidated Share of HK\$0.50 each
“SGM”	a special general meeting of the Company to be convened and held for the Shareholders to consider, and, if thought fit, to approve, among other things, the Capital Reorganisation
“Share(s)”	Existing Share(s) and/or Consolidated Share(s) and/or Adjusted Share(s), as the case may be
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board  
**China Best Group Holding Limited**  
**Mr. Qin Jie**  
*Executive Director and Chief Executive Officer*

Hong Kong, 24 July 2020

*As at the date of this announcement, the Board comprises five executive Directors, namely, Ms. Wang Yingqian (Chairman), Mr. Qin Jie (Chief Executive Officer), Mr. Liu Wei, Mr. Chen Wei and Mr. Fan Jie, and three independent non-executive Directors, namely, Mr. Ru Xiangan, Mr. Liu Haiping and Mr. Liu Tonghui.*