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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action should be taken, you should consult your stockbroker or other licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Best Group Holding Limited** (“the Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other registered dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

### PROPOSALS FOR GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES AND RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

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A notice convening an annual general meeting of the Company to be held at Room 3405, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Tuesday, 31 May 2011 at 11:00 a.m. (“2011 AGM”) or any adjournment thereof is set out on pages 14 to 17 of this circular.

Whether or not you are able to attend the 2011 AGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return as soon as practicable to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong and in any event not less than 48 hours before the time appointed for holding of the 2011 AGM or any adjourned meeting. Such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cbgroup.com.hk](http://www.cbgroup.com.hk)). Completion and the delivery of form of proxy will not preclude you from attending and voting at the 2011 AGM or any adjourned meeting should you so wish.

20 April 2011

\* For identification purpose only

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## DEFINITIONS

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

“Annual General Meeting”	an annual general meeting of the Company to be held at Room 3405, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Tuesday, 31 May 2011 at 11:00 a.m., or any adjournment thereof, to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 14 to 17 of this circular
“Board”	the board of Directors of the Company
“Bye-laws”	the Bye-laws of the Company adopted at a special general meeting of the Company held on 5 March 1996 and subsequently amended at the annual general meetings of the Company held on 30 August 2004, 26 May 2006 and 7 June 2010 respectively
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as amended from time to time
“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
“Director(s)”	the director(s) of the Company
“Issuance Mandate”	as defined in the section headed “REPURCHASE AND ISSUANCE MANDATES” of the Letter from the Board
“Latest Practicable Date”	15 April 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Repurchase Mandate”	as defined in the section headed “REPURCHASE AND ISSUANCE MANDATES” of the Letter from the Board

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## DEFINITIONS

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“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.05 each in the capital of the Company (or such other nominal value as shall result from a subdivision, consolidation, reclassification or restructuring of such shares from time to time)
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the same meaning ascribed in the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission in Hong Kong, as amended from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of The Peoples’s Republic of China

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Ms. Ma Jun Li (*Chairman*)

Mr. Ng Tang (*Deputy Chairman*)

Mr. Zhang Da Qing (*Chief Executive Officer*)

Mr. Ren Zheng

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Non-executive Director:*

Ms. Yao Haixing

*Head office and principal place*

*of business in Hong Kong:*

Room 3405

Bank of America Tower

12 Harcourt Road

Central

Hong Kong

*Independent non-executive Directors:*

Ms. Chung Kwo Ling

Mr. Chan Ngai Sang, Kenny

Ms. Xing Hua

20 April 2011

*To the Shareholders*

Dear Sir and Madam,

**PROPOSALS FOR GENERAL MANDATES  
TO REPURCHASE SHARES AND TO ISSUE SHARES  
AND  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the Annual General Meeting for the approval of (i) the granting of the Repurchase Mandate and the Issuance Mandate to the Directors; and (ii) the re-election of the retiring Directors.

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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### 2. REPURCHASE AND ISSUANCE MANDATES

The Listing Rules contain provisions to regulate the repurchase by companies with primary listings on the Stock Exchange of their own Shares on the Stock Exchange.

At the annual general meeting of the Company held on 7 June 2010, general mandates were given to the Directors to exercise the powers of the Company to undertake repurchases of the Company's fully paid up shares of an aggregate nominal amount of up to a maximum of 10% of the issued share capital of the Company on the date of passing the said ordinary resolution at the annual general meeting and to allot, issue and deal with new shares of an aggregate nominal amount of up to 20% of the issued share capital of the Company on the date of passing the said ordinary resolution at the annual general meeting. Such general mandates will continue in force until the conclusion of the forthcoming Annual General Meeting.

Hence, ordinary resolutions will be proposed at the Annual General Meeting of the Company:

- (i) to grant to the Directors a general mandate to exercise the powers of the Company to undertake repurchases of the Company's fully paid up shares (the "Shares") up to a maximum of 10% of the issued share capital of the Company on the date of passing the relevant ordinary resolution (the "Repurchase Mandate");
- (ii) to grant a general mandate to the Directors to issue new Shares up to a maximum of 421,959,169 shares representing 20% of the issued share capital of the Company on the date of passing the relevant ordinary resolution (the "Issuance Mandate"); and
- (iii) to extend the Issuance Mandate by the number of shares repurchased by the Company under the Repurchase Mandate.

The Repurchase Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in resolution nos. 4A and 4B set out in the notice of Annual General Meeting.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the grant of the Repurchase Mandate. An explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix I of this circular.

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## LETTER FROM THE BOARD

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### 3. RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of eight Directors namely Ms. Ma Jun Li, Mr. Ng Tang, Mr. Zhang Da Qing and Mr. Ren Zheng as executive Directors, Ms. Yao Haixing as non-executive Director, Ms. Chung Kwo Ling, Mr. Chan Ngai Sang, Kenny and Ms. Xing Hua as independent non-executive Directors.

In accordance with Bye-law 87(1) of the Bye-laws, Mr. Ng Tang, Ms. Chung Kwo Ling and Mr. Chan Ngai Sang, Kenny shall retire at the Annual General Meeting and all of them, being eligible, will offer themselves for re-election at the Annual General Meeting.

Details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II of this circular.

### 4. ANNUAL GENERAL MEETING

The notice of Annual General Meeting is set out on pages 14 to 17 of this circular. At the Annual General Meeting, resolutions will be proposed to approve the granting of the Repurchase Mandate and the Issuance Mandate and the re-election of retiring Directors.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. An announcement on the poll vote results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cbgroup.com.hk](http://www.cbgroup.com.hk)). If you intend to appoint a proxy to attend the Annual General Meeting, you are requested to complete and sign the proxy form and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or adjourned meeting (as the case may be). Completion and return of the form of proxy will not prevent you from attending and voting at the Annual General Meeting or any adjourned meeting if you so wish.

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## LETTER FROM THE BOARD

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### 5. RECOMMENDATIONS

The Directors consider that the proposed granting of the Repurchase Mandate and the Issuance Mandate and the re-election of retiring Directors of the Company are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

### 6. GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendix I (Explanatory Statement on the Repurchase Mandate) and Appendix II (Details of Retiring Directors proposed to be re-elected at the Annual General Meeting) of this circular.

Yours faithfully,  
By Order of the Board  
**China Best Group Holding Limited**  
**Ma Jun Li**  
*Chairman*



*The following is the explanatory statement required to be sent to the Shareholders under the Listing Rules to enable them to make an informed decision on whether to vote for or against the ordinary resolution in relation to the granting of the Repurchase Mandate to be proposed at the Annual General Meeting.*

*The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their fully-paid up shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:*

### **1. REASONS FOR SHARE REPURCHASE**

The Directors believe that it is in the best interest of the Company and the Shareholders for the Directors to have general authority from the Shareholders to enable the Company to repurchase shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset per Share and/or earnings per Share and will only be made if the Directors believe such repurchase will benefit the Company and the Shareholders.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued and fully paid up share capital of the Company comprised 2,109,795,845 Shares of HK\$0.05 each.

Subject to the passing of the ordinary resolution to approve the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 210,979,584 Shares.

### **3. FUNDING OF REPURCHASES**

In repurchasing Shares under the Repurchase Mandate, the Company may only apply funds legally available for such purpose in accordance with its Bye-laws, the Listing Rules and the applicable laws of Bermuda. It is envisaged that the funds required for any purchase would be derived from the distributable profits of the Company.

There might be material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

**4. GENERAL**

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

**5. MARKET PRICES OF SHARES**

The highest and lowest prices per Share at which the Shares have been traded on the Stock Exchange during the previous 12 months preceding the Latest Practicable Date were as follows:

Month	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2010</b>		
April	0.285	0.193
May	0.225	0.190
June	0.210	0.186
July	0.200	0.178
August	0.205	0.143
September	0.155	0.125
October	0.148	0.125
November	0.173	0.127
December	0.179	0.146
<b>2011</b>		
January	0.174	0.130
February	0.160	0.125
March	0.197	0.141
April (up to the Latest Practicable Date)	0.205	0.171

**6. DISCLOSURE OF INTEREST**

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

No connected person (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company or has undertaken not to do so in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

**7. EFFECT OF THE TAKEOVERS CODE**

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in concert, would obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all Shares not already owned by such Shareholder or group of Shareholders.

As at the latest Practicable Date, Best Chance Holdings Limited ("Best Chance"), the Substantial Shareholder of the Company, was interested in aggregate of 634,161,600 Shares, representing approximately 30.06% of the Shares currently issued by the Company. Since Mr. Wang Jian Hua is holding more than one third of the voting rights of Best Chance, he was deemed to be interested in the same 634,161,600 Shares held by Best Chance in addition to his personal interest in 26,396,400 Shares of the Company. Mr. Wang Jian Hua was therefore interested in aggregate of 660,558,000 Shares, representing approximately 31.31% of the issued Shares of the Company. On the basis that no further Shares are issued or repurchased between the Latest Practicable Date and prior to the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, if so approved, in the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, the shareholding of Best Chance and Mr. Wang Jian Hua in the Company would be increased by more than 3% to approximately 33.40% and 34.79% of the total issued share capital of the Company respectively. Therefore, Best Chance and Mr. Wang Jian Hua may be required under the Takeovers Code to make a general offer for all the issued shares other than those already owned by them. The Directors currently have no intention to exercise the power to repurchase shares to such extent as would result in a takeover obligation on the part of Best Chance and Mr. Wang Jian Hua.

Save as aforesaid, the Directors are not aware of any consequences which will arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

The Directors will not make repurchase of Shares on the Stock Exchange if the result of the repurchase would reduce the issued share capital of the Company in the public to less than 25%.

#### **8. SHARE REPURCHASES MADE BY THE COMPANY**

No repurchase of Shares has been made by the Company nor any of its subsidiaries (whether on the Stock Exchange or otherwise) during the last six months immediately preceding the Latest Practicable Date.

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## APPENDIX II                      DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT ANNUAL GENERAL MEETING

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*Stated below are the details of the following Directors who will retire and be eligible for re-election at the Annual General Meeting according to the Bye-laws of the Company:*

(a) **Mr. Ng Tang**, aged 49, *Deputy Chairman and Executive director*

Mr. Ng Tang (“Mr. Ng”), aged 49, appointed on 31 October 2001. He is also a members of Nomination Committee and Remuneration Committee of the Company. He has over 15 years’ experience in corporate management both in Hong Kong and the PRC. He graduated in The East China University of Politics and Law Department (中國華東政法學院法律專業(大專)) and was the manager of 中國汽車工業進出口廈門公司 from early 1990 to August, 1992. He was also appointed managing director of 中國汽車工業進出口(香港)有限公司 since May, 1995.

Mr. Ng is an executive director of China Nonferrous Metals Company Limited and an independent non-executive director of Sino Union Energy Investment Group Limited, whose shares listed on the Main Board of the Hong Kong Exchange. As at the Latest Practicable Date, Mr. Ng holds 9,259,200 shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Ng has no relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Mr. Ng has not entered into any service contracts with the Company and is subject to retirement by rotation and be eligible for re-election at the Annual General Meeting in accordance with the Bye-Laws of the Company. Mr. Ng is entitled to a director’s remuneration of HK\$45,000 per month from the Company, which is determined by the board of the Company with reference to his duties, responsibilities and market condition.

Save as disclosed herein, there are no matters that are required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor is there any other matter which needs to be brought to the attention of the shareholders in connection with Mr. Ng’s re-election.

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**APPENDIX II                      DETAILS OF THE RETIRING DIRECTORS PROPOSED  
TO BE RE-ELECTED AT ANNUAL GENERAL MEETING**

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(b) **Ms. Chung Kwo Ling**, aged 38, *Independent non-executive director*

Ms. Chung Kwo Ling (“Ms. Chung”), aged 38, appointed on 21 June 2000 as independent non-executive director and the members of Audit Committee, Remuneration Committee and Nomination Committee of the Company. She has over 11 years of experience in the PRC, Hong Kong and international trading business.

Ms. Chung does not have other directorship held or major appointments held in other listed public companies in the past three years. As at the Latest Practicable Date, Ms. Chung does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO. Ms. Chung does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Ms. Chung has not entered into any service contracts with the Company and is subject to retirement by rotation and be eligible for re-election at the Annual General Meeting in accordance with the Bye-Laws of the Company. Ms. Chung is entitled to an annual fee of HK\$120,000. The directors’ fee of Ms. Chung is determined by the board of the Company subject to the market condition and there is no proposed length of service.

Save as disclosed herein, there are no matters that are required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor is there any other matter which needs to be brought to the attention of the shareholders in connection with Ms. Chung’s re-election.

(c) **Mr. Chan Ngai Sang, Kenny**, aged 46, *Independent non-executive director*

Mr. Chan Ngai Sang, Kenny (“Mr. Chan”), aged 46, appointed on 21 August 2008 as independent non-executive director and members of the Nomination Committee, the Remuneration Committee and the Audit Committee of the Company.

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**APPENDIX II                      DETAILS OF THE RETIRING DIRECTORS PROPOSED  
TO BE RE-ELECTED AT ANNUAL GENERAL MEETING**

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Mr. Chan is the founder and a partner of Kenny Chan & Co., a firm of Certified Public Accountants. Mr. Chan has over twenty years of experience in accounting, taxation, auditing and corporate finance and has been involved in several merger and acquisition and initial public offering projects. He holds a Bachelor of Commerce degree from the University of New South Wales and is a member of the Institute of Chartered Accountants of New Zealand, the Association of International Accountants, CPA Australia, the Hong Kong Institute of Certified Public Accountants and the Taxation Institute of Hong Kong. Mr. Chan served as the District Governor of Lions Clubs International District 303 – Hong Kong & Macao, China in 2009/2010. Mr. Chan also serves on several tribunals of the HKSAR Government which includes The Administration Appeals Board, The Registration of Persons Tribunal and The Solicitors Disciplinary Tribunal Panel. He is a Honorary President of Tsuen Wan District Junior Police Call. He also serves as a committee member of the Association of International Accountants Hong Kong Branch. Mr. Chan is an independent non-executive director of Combest Holdings Limited (formerly known as Goldmond Holdings Limited), a company listed on the Growth Enterprise Market of the Hong Kong Exchange and TSC Group Holdings Limited, a company listed on the Main Board of the Hong Kong Exchange.

Mr. Chan does not have other directorship held or major appointments held in other listed public companies in the past three years. As at the Latest Practicable Date, Mr. Chan does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO. Mr. Chan does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Chan has not entered into any service contract with the Company and is subject to retirement by rotation and be eligible for re-election at the Annual General Meeting in accordance with the Bye-Laws of the Company. Mr. Chan is entitled to an annual fee of HK\$120,000. The directors' fee of Mr. Chan is determined by the board of the Company subject to the market condition and there is no proposed length of service. Mr. Chan will, at the discretion of the Board, be entitled to annual bonus and/or stock option of such amount as determined by the Board from time to time with reference to their scope of duties and performance.

Save as disclosed herein, there are no matters that are required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor is there any other matter which needs to be brought to the attention of the shareholders in connection with Mr. Chan's re-election.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Annual General Meeting**”) of China Best Group Holding Limited (the “Company”) will be held at Room 3405, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Tuesday, 31 May 2011 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and of the auditors for the year ended 31 December 2010;
2. To elect Directors, to fix the maximum number of Directors, and to authorize the board of Directors to appoint additional directors not exceeding the maximum number determined and to fix directors’ remuneration;
3. To re-appoint auditors and to authorize the board of Directors to fix their remuneration;
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

#### ORDINARY RESOLUTIONS

A. “**THAT**

- (a) subject to paragraph (b) below, the directors of the Company be hereby generally and unconditionally authorized to exercise during the Relevant Period (as defined below) all the powers of the Company to issue, allot and deal with additional shares of the Company and to make or grant offers, agreements and options which would or might require the exercise of any of such powers during or after the end of the Relevant Period;

\* For identification purpose only



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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate nominal amount of the shares allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, other than pursuant to (i) a Rights Issue (as defined below); or (ii) an issue of shares of the Company by way of scrip dividend pursuant to the bye-laws of the Company from time to time; or (iii) the exercise of any option granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or its subsidiaries, of options to subscribe for, or rights to acquire, shares of the Company, shall not in total exceed 20% of the total nominal amount of the share capital of the Company in issue on the date of passing this resolution; and
  
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
  - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and

“**Right Issue**” means an offer of shares for subscription open for a fixed period by the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, or in any territory outside Hong Kong).”

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## NOTICE OF ANNUAL GENERAL MEETING

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B. “**THAT**

- (a) the directors of the Company be generally and unconditionally authorized to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws;
- (b) the total nominal amount of shares which may be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing this resolution; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
  - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held.”

- C. “**THAT** conditional upon the ordinary resolutions no. 4A and no. 4B contained in the notice of the Annual General Meeting of which this resolution forms part being approved, the aggregate nominal amount of the shares in the capital of the Company which are repurchased by the Company pursuant to and in accordance with ordinary resolution no. 4B shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with ordinary resolution no. 4A.”

By Order of the Board  
**China Best Group Holding Limited**  
**Ma Jun Li**  
*Chairman*

Hong Kong, 20 April 2011

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## NOTICE OF ANNUAL GENERAL MEETING

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*As at the date of this notice, the Board comprises 4 executive directors namely Ms. Ma Jun Li, Mr. Ng Tang, Mr. Zhang Da Qing and Mr. Ren Zheng; 1 non-executive director namely Ms. Yao Haixing; and 3 independent non-executive directors namely Ms. Chung Kwo Ling, Mr. Chan Ngai Sang, Kenny and Ms. Xing Hua.*

*Notes:*

- (1) For the purpose of determining the Shareholders who are entitled to attend and vote at the 2011 Annual General Meeting, the Register of Members of the Company will be closed from Thursday, 26 May 2011 to Tuesday, 31 May 2011, both days inclusive. In order to qualify for attending and voting at the 2011 Annual General Meeting, all transfer documents should be lodged for registration with Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, by 4:30 p.m. Wednesday, 25 May 2011.
- (2) In accordance with the relevant requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and for good corporate governance practice, the Chairman of the Board has indicated that she would direct that each of the resolutions set out in the notice of the Annual General Meeting be voted on by poll. The results of the poll will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cbgroup.com.hk](http://www.cbgroup.com.hk)) respectively.
- (3) A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Annual General Meeting. A proxy need not be a member of the Company.
- (4) In order to be valid, the form of proxy must be deposited at the Company's branch share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong together with the power of attorney or other authority (if any) under which it is signed or certified copy of such power of attorney or authority, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof.
- (5) A form of proxy for use in connection with the Annual General Meeting is enclosed and such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cbgroup.com.hk](http://www.cbgroup.com.hk)) respectively.