
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Circular or as to the action to be taken, you should consult a licensed securities dealer, or registered institution in securities, bank manager, solicitor, certified public 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, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

(1) PROPOSED CAPITAL REORGANISATION (2) CHANGE IN BOARD LOT SIZE AND (3) NOTICE OF SPECIAL GENERAL MEETING

A notice convening the SGM to be held at 26/F, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong at 11:00 a.m. on Monday, 31 August 2020 is set out on pages SGM-1 to SGM-2 of this Circular. A form of proxy for use at the SGM is enclosed with this Circular.

Whether or not you are able to attend the SGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM (i.e. no later than 11:00 a.m. on Saturday, 29 August 2020) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish and in such event, the form of proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE SGM

To safeguard the health and safety of Shareholders and to prevent the spreading of the novel coronavirus (COVID-19) pandemic, the following precautionary measures will be implemented at the SGM:

- (1) Compulsory body temperature screening/checks;
- (2) Compulsory wearing of surgical face mask;
- (3) No provision of food or beverages and no distribution of gifts; and
- (4) Number of people in each room limited to four or any other number legitimately allowed.

For the health and safety of Shareholders, the Company would strongly encourage Shareholders to exercise their rights to vote at the SGM by appointing the Chairman of the SGM as their proxy and to return their forms of proxy by the time specified above, instead of attending the SGM in person.

7 August 2020

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PRECAUTIONARY MEASURES FOR THE SGM

In consideration of the control and prevent of spreading of novel coronavirus disease (“COVID-19”) pandemic, the following precautionary measures will be implemented at the SGM so as to safeguard the health and safety of the Shareholders who might be attending the SGM in person:

Voting by proxy in advance of the SGM: The Company does not in any way wish to diminish the opportunity available to Shareholders to exercise their rights and to vote, but is conscious of the pressing need to protect Shareholders from possible exposure to the COVID-19 pandemic. For the health and safety of Shareholders, the Company would strongly encourage Shareholders to exercise their rights to vote at the SGM by appointing the Chairman of the SGM as their proxy instead of attending the SGM in person. Physical attendance is not necessary for the purpose of exercising Shareholders’ rights. **Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM or any adjournment thereof should they subsequently so wish.**

Completed forms of proxy must be returned to the Hong Kong branch share registrar of the Company, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM and any adjourned meeting thereof.

Shareholders are strongly encouraged to cast their votes by submitting a form of proxy and appointing the Chairman of the SGM as their proxy.

Taking into account the guidelines mentioned in the “Joint Statement in relation to General Meetings in light of the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation” published by the Securities and Futures Commission and the Stock Exchange on 1 April 2020, the Company will also implement the following additional precautionary measures at the SGM to ensure the health and safety of the attendees at the SGM:

- (1) Compulsory body temperature screening/checks will be carried out on every attendee before registration at the entrance of 26/F, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong. The Company reserves the right to deny entry of any person with a body temperature above the reference range quoted by the Department of Health of Hong Kong from time to time, or is exhibiting flu-like symptoms into the SGM venue or require such person to leave the SGM venue so as to ensure the health and safety of the attendees at the SGM;
- (2) Every attendee will be compulsorily required to wear a surgical face mask throughout the SGM and every attendee will be assigned a designated seat at the time of registration to ensure social distancing;
- (3) No food or beverages will be served and no gifts will be distributed to attendees at the SGM; and

PRECAUTIONARY MEASURES FOR THE SGM

- (4) multiple meeting rooms linked by telecommunication facilities and/or computer devices at the SGM venue will be arranged by the Company and Shareholders or their proxy will be directed to sit in certain meeting rooms to limit the number of people in each room to four or any other number allowed under the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Chapter 599G, Laws of Hong Kong) at the date of holding the SGM and to ensure adequate physical distancing between attendees.

Attendees are requested to observe and practise good personal hygiene at all times at the SGM venue.

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the SGM arrangements with short notice. Shareholders should check the Company's website (www.cbgroup.com.hk) for future announcements and updates on the SGM arrangements when necessary.

EXPECTED TIMETABLE

The expected timetable for the Capital Reorganisation and the Change in Board Lot Size is set out below. The expected timetable is for indicative purpose only and is subject to the Capital Reorganisation becoming unconditional, and may be extended or varied by the Company. Any change to the expected timetable will be announced in separate announcement(s) by the Company as and when appropriate. All times and dates in this Circular refer to Hong Kong local times and dates.

Event	Date
	2020
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the SGM	4:30 p.m. on Tuesday, 25 August
Closure of register of members for determining the entitlement to attend and vote at the SGM	from Wednesday, 26 August to Monday, 31 August (both days inclusive)
Latest date and time for lodging forms of proxy for the SGM	11:00 a.m. on Saturday, 29 August
Expected date and time of the SGM	11:00 a.m. on Monday, 31 August
Announcement of poll results of the SGM	Monday, 31 August
Register of members of the Company re-opens	Tuesday, 1 September
<p><i>The following events are conditional upon the fulfilment of the conditions of the Capital Reorganisation as set out in the section headed “Conditions of the Capital Reorganisation” in the letter from the Board.</i></p>	
Effective date of the Capital Reorganisation	Wednesday, 2 September
First day of free exchange of existing share certificates for new share certificates for the Adjusted Shares	Wednesday, 2 September
Dealing in the Adjusted Shares commences	9:00 a.m. on Wednesday, 2 September
Original counter for trading in the Existing Shares in board lots of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Wednesday, 2 September

EXPECTED TIMETABLE

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

DEFINITIONS

In this Circular, the following terms and expressions have the following meanings unless the context requires otherwise:

“Adjusted Shares”	ordinary share(s) of par value HK\$0.10 each in the share capital of the Company immediately after the Capital Reorganisation becoming effective
“Board”	the board of Directors
“Business Day(s)”	a day(s) (other than a Saturday, Sunday or a public holiday or a day on which typhoon signal number 8 or above or black rainstorm is hoisted in Hong Kong at 9:00 a.m.) on which banks are generally open for business in Hong Kong
“CCASS”	Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system
“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 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 Share Consolidation and the Capital Reduction
“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 10,000 Existing Shares to 6,000 Adjusted Shares
“Circular”	this circular despatched to the Shareholders containing, among other things, details of the Capital Reorganisation, the Change in Board Lot Size 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)
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time)
“Consolidated Share(s)”	ordinary share(s) of par value HK\$0.50 each in the share capital of the Company upon the Share Consolidation becoming effective

DEFINITIONS

“Contributed Surplus Account”	the account designated as the contributed surplus account of the Company within the meaning of the Companies Act
“Director(s)”	the director(s) of the Company
“Existing Share(s)”	ordinary share(s) of par value HK\$0.10 each in the share capital of the Company prior to the Capital Reorganisation 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
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	3 August 2020, being the latest practicable date prior to the printing of this Circular for ascertaining certain information for inclusion in this Circular
“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 Latest Practicable Date
“SGM”	the special general meeting of the Company to be convened and held on Monday, 31 August 2020 to consider and, if thought fit, approve the Capital Reorganisation
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s) and/or the Adjusted Share(s), as the case may be
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Share Consolidation”	the proposed consolidation of every five (5) issued Existing Shares into one (1) Consolidated Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



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. Wang Yingqian (*Chairman*)
Mr. Qin Jie (*Chief Executive Officer*)
Mr. Liu Wei
Mr. Chen Wei
Mr. Fan Jie

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Mr. Ru Xiangan
Mr. Liu Haiping
Mr. Liu Tonghui

Head office and principal place of

business in Hong Kong:
26/F, World-Wide House
19 Des Voeux Road Central
Central, Hong Kong

7 August 2020

To the Shareholders,

Dear Sir or Madam,

**(1) PROPOSED CAPITAL REORGANISATION
(2) CHANGE IN BOARD LOT SIZE
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcements of the Company dated 16 July 2020 and 24 July 2020 in relation to, among other things, the Capital Reorganisation and Change in Board Lot Size.

The purpose of this Circular is to provide you with further information on the Capital Reorganisation and the Change in Board Lot Size and to give you the notice of SGM at which a special resolution will be proposed to consider and, if thought fit, approve the Capital Reorganisation.

* For identification purposes only

LETTER FROM THE BOARD

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation which comprises:

- (i) the Share Consolidation whereby every five (5) Existing Shares in issue will be consolidated into one (1) Consolidated Share;
- (ii) the Capital Reduction whereby: (a) any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation shall be cancelled; and (b) the par value of all the then issued Consolidated Shares shall be reduced from HK\$0.50 each to HK\$0.10 each by cancelling the paid-up capital of the Company 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.

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;
- (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 Wednesday, 2 September 2020, being one clear Business Day after the date of the SGM.

Effects of the proposed Capital Reorganisation

As at the Latest Practicable Date, 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 Latest Practicable Date until the effective date of the Capital Reorganisation). Based on the number of the Existing Shares in issue as at the Latest Practicable Date, 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.

LETTER FROM THE BOARD

Assuming no Existing Shares are issued or repurchased from the Latest Practicable Date, the share capital structure of the Company will be as follows:

	As at the Latest Practicable Date	Immediately after the Share Consolidation becoming effective	Immediately after the Capital Reorganisation becoming effective
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.

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 Reorganisation 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.

LETTER FROM THE BOARD

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 has appointed Kingston Securities Limited as agent to provide matching service, on a best efforts basis, to those Shareholders who wish to top up or sell their holding of odd lots of the Adjusted Shares. Shareholders who wish to take advantage of this facility should contact Mr. James Lee (李文添) of Kingston Securities Limited at 72/F, The Center, 99 Queen's Road Central, Central, Hong Kong or at telephone number (852) 2298 6228 from 9:00 a.m. on Wednesday, 16 September 2020 to 4:10 p.m. on Thursday, 8 October 2020.

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.

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.

LETTER FROM THE BOARD

CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Shares are traded in board lots of 10,000 Existing Shares. Conditional upon the Capital Reorganisation becoming effective, the Board also proposed to change the board lot size for trading on the Stock Exchange from 10,000 Existing Shares to 6,000 Adjusted Shares with effect from 9:00 a.m. on Wednesday, 2 September 2020.

Based on the closing price of HK\$0.116 per Existing Share (equivalent to the theoretical closing price of HK\$0.580 per Adjusted Share) as quoted on the Stock Exchange at the Latest Practicable Date, the value of each existing board lot of 10,000 Existing Shares is HK\$1,160 and the theoretical value for each new board lot of 6,000 Adjusted Shares, assuming the Capital Reorganisation has become effective, would be HK\$3,480.

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

REASONS FOR THE CAPITAL REORGANISATION AND THE CHANGE IN BOARD LOT SIZE

It is expected that the Capital Reorganisation will bring about a corresponding upward adjustment in the trading price per Adjusted Share on the Stock Exchange. The Board believes that this will make investing in the Shares more attractive to a broader range of investors and thus further broaden the shareholder base of the Company.

The Board also considers that the Capital Reorganisation will provide the Company with greater flexibility in possible fund raising in the future.

Subject to the Capital Reorganisation becoming effective, the Board also proposed to change the board lot size for trading from 10,000 Existing Shares to 6,000 Adjusted Shares. The Board considers that the Change in Board Lot Size will help to reduce the overall transaction costs for dealing in the Adjusted Shares which are calculated on per board lot basis. The Board also believes that this will increase the liquidity of the trading of the Adjusted Shares on the Stock Exchange.

As at the Latest Practicable Date, the Company has no intention to carry out any equity fundraising, corporate action or arrangement that may affect the trading in the shares of the Company, including share consolidation, share subdivision and change in board lot size, in the next 12 months which would have a contradictory effect to the Capital Reorganisation.

Other than the expenses to be incurred in relation to the Capital Reorganisation 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 Capital Reorganisation 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 Capital Reorganisation 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.

LETTER FROM THE BOARD

ADJUSTMENTS IN RELATION TO THE OTHER SECURITIES OF THE COMPANY

As at the Latest Practicable Date, 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 Adjusted Shares, as the case may be.

SGM AND PROXY ARRANGEMENT

A notice convening the SGM is set out on pages SGM-1 to SGM-2 of this Circular. At the SGM, a special resolution will be proposed to approve the Capital Reorganisation. The SGM will be held at 26/F, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong at 11:00 a.m. on Monday, 31 August 2020.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, all resolutions will be put to vote by way of poll at the SGM. An announcement on the poll results will be made by the Company after the SGM in the manner prescribed under Rule 13.39(5) of the Listing Rules. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolution to be proposed at the SGM.

A form of proxy for use at the SGM is enclosed with this Circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cbgroup.com.hk). Whether or not you are able to attend the SGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and deliver it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority to the Registrar, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the SGM (i.e. no later than 11:00 a.m. on Saturday, 29 August 2020) or any adjournment thereof at which the person named in the form of proxy proposes to vote and in default the form of proxy will not be treated as valid. Completion and delivery of the form of proxy will not preclude you from attending and voting at the SGM and in such event, the form of proxy shall be deemed to be revoked.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Wednesday, 26 August 2020 to Monday, 31 August 2020, both dates inclusive, during which period no transfer of Existing Shares will be registered. In order to be eligible to attend and vote at the SGM, unregistered holders of Existing Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Registrar, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 25 August 2020.

RECOMMENDATION

The Directors consider that the Capital Reorganisation is in the interest of the Company and the Shareholders as a whole and so recommend all Shareholders to vote in favour of the resolution approving the Capital Reorganisation at the SGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this Circular misleading.

Yours faithfully,

By Order of the Board

China Best Group Holding Limited

Mr. Qin Jie

Executive Director and Chief Executive Officer

NOTICE OF SGM



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 SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT a special general meeting (the “SGM”) of China Best Group Holding Limited (the “Company”) will be held at 26/F, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong at 11:00 a.m. on Monday, 31 August 2020 for the purpose of considering, if thought fit, passing with or without amendments, the following resolution as special resolution of the Company:

SPECIAL RESOLUTION

“**THAT** subject to and conditional upon: (i) the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited the listing of, and permission to deal in, the Adjusted Shares (as defined below); and (ii) compliance with the relevant procedures and requirements under the laws of Bermuda to effect the Capital Reduction (as defined below), with effect from one clear business day after the date on which this resolution is passed by the shareholders of the Company:

- (a) every five (5) existing issued ordinary shares with a par value of HK\$0.10 each (the “**Existing Share(s)**”) in the authorised share capital of the Company be consolidated into one (1) consolidated share with a par value of HK\$0.50 (each a “**Consolidated Share**”) (the “**Share Consolidation**”);
- (b) any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation shall be cancelled and the par value of all issued Consolidated Shares shall be reduced from HK\$0.50 each to HK\$0.10 each (the “**Adjusted Share(s)**”) and the issued share capital of the Company shall be reduced by HK\$0.40 per Consolidated Share in issue (the “**Capital Reduction**” and together with the Share Consolidation, the “**Capital Reorganisation**”));
- (c) the credit arising from the Capital Reduction be credited to the contributed surplus account of the Company for use by the board of directors (the “**Board**”) of the Company (the “**Directors**”) in any manner permitted by the Companies Act 1981 of Bermuda and the bye-laws of the Company; and

* For identification purposes only

NOTICE OF SGM

- (d) any Director be and is hereby authorized to do all such acts and things and execute and deliver all such documents whether under the common seal of the Company or otherwise as may be necessary, desirable or expedient to carry out or give effect to any or all of the foregoing arrangements in respect of the Capital Reorganisation.”

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

Hong Kong, 7 August 2020

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one proxy or, if he is a holder of more than one share, more than one proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed.
2. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
3. For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Wednesday, 26 August 2020 to Monday, 31 August 2020, both dates inclusive, during which period no transfer of Existing Shares will be registered. In order to be eligible to attend and vote at the SGM, unregistered holders of Existing Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 25 August 2020.
4. A proxy form for use at the SGM is enclosed. Whether or not you intend to attend the SGM in person, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hands of any officer or attorney duly authorised.
6. In order to be valid, the proxy form, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the SGM (i.e. no later than at 11:00 a.m. Saturday, 29 August 2020) or any adjournment thereof (as the case may be).
7. Completion and return of a proxy form shall not preclude a member from attending and voting in person at the SGM or any adjournment thereof (as the case may be) and, in such event, the proxy form appointing a proxy shall be deemed to be revoked.

As at the date of this notice, 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.