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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)

**APPLICATIONS FOR THE RIGHTS SHARES
AND
NUMBER OF UNSUBSCRIBED RIGHTS SHARES
AND NQS UNSOLD RIGHTS SHARES
SUBJECT TO THE COMPENSATORY ARRANGEMENTS
PURSUANT TO THE RIGHTS ISSUE ON THE BASIS OF ONE
(1) RIGHTS SHARE FOR EVERY TWO
(2) EXISTING SHARES HELD ON RECORD DATE ON
A NON-UNDERWRITTEN BASIS**

Financial Adviser to the Company



**英皇融資有限公司
Emperor Capital Limited**

Placing Agent to the Rights Issue



**英皇證券(香港)有限公司
Emperor Securities Limited**

As at 4:00 p.m. on Friday, 2 July 2021, being the Latest Time for Acceptance, the Company had received 11 valid acceptances for a total of 238,436,203 Rights Shares provisionally allotted under the Rights Issue (representing approximately 46.9% of the total number of Rights Shares offered under the Rights Issue). Accordingly, the Rights Issue was approximately 46.9% subscribed.

* For identification purpose only

The remaining 269,992,110 Unsubscribed Rights Shares, representing approximately 53.1% of the total number of Rights Shares offered under the Rights Issue, will be subject to the Compensatory Arrangements.

Reference is made to the prospectus of China Best Group Holding Limited (the “**Company**”) dated 17 June 2021 (the “**Prospectus**”) in relation to, among others, the Rights Issue. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

APPLICATIONS FOR THE RIGHTS SHARES

The Company announces that (i) as at the Record Date, there was one (1) Non-Qualifying Shareholder holding an aggregate of 800,000 Shares. The Company had disposed all of the nil-paid form of the Rights Shares that would have been provisionally allotted to such Non-Qualifying Shareholder in the market and accordingly there was no NQS Unsold Rights Share; and (ii) as at 4:00 p.m. on Friday, 2 July 2021, being the Latest Time for Acceptance, the Company had received 11 valid acceptances for a total of 238,436,203 Rights Shares provisionally allotted under the Rights Issue (representing approximately 46.9% of the total number of Rights Shares offered under the Rights Issue). Accordingly, the Rights Issue was approximately 46.9% subscribed.

The remaining 269,992,110 Unsubscribed Rights Shares, representing approximately 53.1% of the total number of Rights Shares offered under the Rights Issue, will be subject to the Compensatory Arrangements.

THE COMPENSATORY ARRANGEMENTS

Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company have made arrangements to dispose of the 269,992,110 Unsubscribed Rights Shares by offering the Unsubscribed Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. There were no excess application arrangements in relation to the Rights Issue. The Company entered into the Placing Agreement with the Placing Agent and appointed the Placing Agent to place the Unsubscribed Rights Shares to independent placees on a best effort basis. Any Net Gain will be paid to those No Action Shareholders on a pro-rata basis.

The Placing Agent will on a best effort basis, procure, by no later than 4:00 p.m. on Monday, 12 July 2021, placees for all (or as many as possible) of those Unsubscribed Rights Shares. Any Unsubscribed Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the relevant No Action Shareholders whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for on pro rata basis.

If and to the extent in respect of any Net Gain, any No Action Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) in Hong Kong dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

An announcement of the results of the Rights Issue (including the results of the Placing) is expected to be published on the Stock Exchange's website and the Company's website on Tuesday, 13 July 2021.

WARNING OF THE RISKS OF DEALING IN THE SHARES

Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed. The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

The Rights Issue will proceed on a non-underwritten basis. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level, any Unsubscribed Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Any Shareholders or other persons contemplating any dealings in the Shares are recommended to consult their professional advisers.

Any Shareholder or investor dealing in the Shares up to the latest time for the Rights Issue and/or the Placing to become unconditional will accordingly bear the risk that the Rights Issue and/or the Placing may not become unconditional and may not proceed. Any Shareholder or investor contemplating any dealings in the Shares are recommended to consult their professional advisers.

By Order of the Board
China Best Group Holding Limited
Mr. Qin Jie

Executive Director and Chief Executive Officer

Hong Kong, 5 July 2021

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.