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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) RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF
TWO (2) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING SHARES
HELD ON THE RECORD DATE;
AND
(2) ADJUSTMENTS TO THE SHARE OPTIONS**

Reference is made to the prospectus of China Best Group Holding Limited (the “**Company**”) dated 25 August 2023 (the “**Prospectus**”) and the announcements of the Company dated 8 September 2023 and 12 September 2023 (the “**Announcements**”) in relation to, among others, the Rights Issue. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Prospectus and the Announcements.

RESULTS OF THE RIGHTS ISSUE

As disclosed in the announcement of the Company dated 12 September 2023, as at 4:00 p.m. on Monday, 11 September 2023, being the Rescheduled Latest Time for Acceptance of and payment for the Rights Shares, the Company had received 9 valid acceptances for a total of 505,446,052 Rights Shares provisionally allotted under the Rights Issue, representing approximately 82.84% of the total number of Rights Shares offered under the Rights Issue. Accordingly, the Rights Issue was under-subscribed by 104,667,923 Rights Shares, representing approximately 17.16% of the total number of the Rights Shares available for subscription under the Rights Issue.

* For identification purpose only

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.

COMPENSATORY ARRANGEMENT OF THE UNSUBSCRIBED RIGHTS SHARES AND NQS UNSOLD RIGHTS SHARES

As disclosed in the announcement of the Company dated 12 September 2023, 104,667,923 Unsubscribed Rights Shares (each a “**Placing Share**”), representing approximately 17.16% of the total number of Rights Shares available for subscription under the Rights Issue, were subject to the Compensatory Arrangement.

The Board is pleased to announce that as at 4:00 p.m. on Tuesday, 19 September 2023, being the rescheduled latest time of placing of the Unsubscribed Rights Shares by the Placing Agent under the Placing Agreement, 60,770,000 Unsubscribed Rights Shares had been successfully placed to not less than six Placees at the placing price of HK\$0.16 per Placing Share, which is equivalent to the Subscription Price. Accordingly, there is no Net Gain available to be distributed to the No Action Shareholders under the Compensatory Arrangement. To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, (i) each of the Placees and where appropriate, their respective ultimate beneficial owners, is independent of and not connected with the Company and its connected persons; and (ii) none of the Placees shall become a substantial Shareholder (as defined under the Listing Rules) upon completion of the Placing.

THE RIGHTS ISSUE AND THE PLACING BECOMING UNCONDITIONAL

All conditions with respect to the Rights Issue and the Placing set out in the Prospectus have been fulfilled and the Rights Issue and the Placing became unconditional at 4:00 p.m. on Wednesday, 20 September 2023. The gross proceeds raised from the Rights Issue (including the Placing) are approximately HK\$90.6 million before expenses.

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of Directors' knowledge and information, the shareholding structure of the Company immediately before and after the completion of the Rights Issue is set out below:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>Approx. % (Note 5)</i>	<i>Number of Shares</i>	<i>Approx. % (Note 6)</i>
Sunbow Int'l Enterprise Limited (“Sunbow”) <i>(Note 1)</i>	244,296,000	16.02%	244,296,000	11.68%
South Leader Limited (“South Leader”) <i>(Note 4)</i>	84,598,110	5.54%	537,980,154	25.72%
Directors				
Mr. Liu Tonghui	10,000,000	0.66%	12,200,000	0.58%
Mr. Qin Jie	6,000,000	0.39%	8,400,000	0.40%
Mr. Li Haitao	3,000,000	0.20%	3,000,000	0.14%
Ms. Tao Lei	2,692,000	0.18%	2,692,000	0.13%
Public Shareholders				
Independent placees				
– Ping Pacific Limited (“Ping Pacific”) <i>(Note 2)</i>	115,935,000	7.60%	124,305,000	5.94%
– Other independent placees	199,450,000	13.07%	251,850,000	12.05%
Wang Yicheng <i>(Note 3)</i>	90,720,000	5.95%	90,720,000	4.34%
Other public shareholders	768,593,829	50.39%	816,057,837	39.02%
Total	<u>1,525,284,939</u>	<u>100.00%</u>	<u>2,091,500,991</u>	<u>100.00%</u>

Notes:

1. 244,296,000 Shares are held by Sunbow. Mr. Wang Baoning is the sole shareholder of Sunbow and, by virtue of the SFO, he is deemed to be interested in all the Shares beneficially held by Sunbow.
2. 115,935,000 Shares immediately before completion of the Rights Issue and 124,305,000 Shares immediately after completion of the Rights Issue are held by Ping Pacific. Mr. Yeung Yat Ping is the sole shareholder of Ping Pacific and, by virtue of the SFO, he is deemed to be interested in all the Shares beneficially held by Ping Pacific.
3. 59,970,000 Shares and 30,750,000 Shares are beneficially held by Mr. Wang Yicheng and Glorious Investment Enterprise Ltd., respectively. Mr. Wang Yicheng is the sole shareholder of Glorious Investment Enterprise Ltd. and, by virtue of the SFO, he is deemed to be interested in all the Shares beneficially held by Glorious Investment Enterprise Ltd.
4. 84,598,110 Shares immediately before completion of the Rights Issue and 537,980,154 Shares immediately after completion of the Rights Issue are held by South Leader. Mr. Li Meng Zhe is the sole shareholder of South Leader and, by virtue of the SFO, he is deemed to be interested in all the Shares beneficially held by South Leader.
5. The percentage is calculated on the basis of 1,525,284,939 Shares as at the Latest Practicable Date.
6. The percentage is calculated on the basis of 2,091,500,991 Shares as enlarged by the issue of 566,216,052 Shares under the Rights Issue and the Placing.

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES

Share certificates in respect of valid acceptances of the Rights Shares under the PALs are expected to be despatched to those entitled thereto by ordinary post to their respective registered address at their own risks on Thursday, 21 September 2023.

COMMENCEMENT OF DEALINGS OF THE RIGHTS SHARES IN FULLY-PAID FORM

Dealings in the Rights Shares, in their fully-paid form, and the Placing Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Friday, 22 September 2023.

ADJUSTMENTS TO THE SHARE OPTIONS

As a result of the Rights Issue, adjustments are made to the exercise price and the number of Shares falling to be allotted and issued in respect of the Share Options in accordance with the terms and conditions of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the supplementary guidance dated 5 September 2005 issued by the Stock Exchange (the “**Supplementary Guidance**”) and the Note immediately after the Rule attached to the Frequently Asked Question No. 072–2020 issued by the Stock Exchange. The adjustments to the exercise price of and the number of Shares falling to be issued upon exercise of the Share Options are as follows and will become effective from Thursday, 21 September 2023, being the date on which the fully-paid Rights Shares and the Placing Shares are allotted and issued:

Date of grant	Immediately prior to the adjustments as a result of completion of the Rights Issue	Exercise price per Share	Immediately after the adjustments as a result of completion of the Rights Issue	Adjusted exercise price per Share
	Number of Shares to be issued upon full exercise of the Share Options		Adjusted number of Shares to be issued upon full exercise of the Share Options	
28 April 2022	90,000,000	HK\$0.80	100,083,403	HK\$0.7194

ZHONGHUI ANDA CPA Limited, the auditor of the Company, has issued a report of factual findings addressed to the Board on agreed-upon procedures performed on the calculation in respect of the adjustments to the exercise price and the number of outstanding Share Options, stating the aforesaid calculation is mathematically accurate and in compliance with Rule 17.03(13) of the Listing Rules and in accordance with the Share Option Scheme.

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

Hong Kong, 20 September 2023

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. Fan Jie, Mr. Li Haitao and Ms. Tao Lei, and three independent non-executive Directors, namely, Mr. Liu Tonghui, Ms. Yin Meiqun and Mr. Ye Jianmu.