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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)

**TERMINATION OF DISCLOSEABLE TRANSACTION
IN RELATION TO COOPERATION AGREEMENTS IN RESPECT OF
A PRC RECONSTRUCTION PROJECT**

References are made to the announcements (the “**Announcements**”) of China Best Group Holding Limited (the “**Company**”) dated 19 July 2021 and 1 September 2021 in relation to the Cooperation Agreement and the Yachen Cooperation Agreement. Unless the context otherwise requires, capitalised terms used in this announcement have the same meanings as defined in the Announcements.

As at the date of this announcement, Guohua Jianye (an indirect wholly-owned subsidiary of the Company) had paid the deposit of RMB5 million (the “**Deposit**”) to the Target Company in accordance with the Cooperation Agreement, which was funded by Beijing Yachen pursuant to the Yachen Cooperation Agreement, and 30% equity interest in the Target Company had been transferred to Guohua Jianye. The Target Company has not yet entered into the Project Agreement, nor has it been successfully appointed as the designated contracting entity for the Project.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that on 22 November 2023:

* *For identification purpose only*

- (1) Zhonghaihang Guangdong, Guohua Jianye and Zhongjing Tianyuan entered into a termination agreement (the “**Termination Agreement**”), pursuant to which the parties agreed, among other things, (i) to terminate the Cooperation Agreement with effect from 22 November 2023; (ii) that a total amount of approximately RMB4.5 million (being the amount of the Deposit less the expenses already incurred in the ordinary course of business of the Project, the final amount of which is subject to confirmation by the parties) shall be returned to Guohua Jianye; and (iii) that Guohua Jianye shall transfer its 30% equity interest in the Target Company back to Zhonghaihang Guangdong; and
- (2) Guohua Jianye and Beijing Yachen entered into a termination agreement (the “**Yachen Termination Agreement**”), pursuant to which the parties agreed, among other things, (i) to terminate the Yachen Cooperation Agreement with effect from 22 November 2023; and (ii) that the entire amount of refund received by Guohua Jianye under the Termination Agreement shall be repaid to Beijing Yachen, provided that if Guohua Jianye fails to recover any amount of such refund from Zhonghaihang Guangdong for reasons not caused by Guohua Jianye, Beijing Yachen shall not be entitled to claim such unrecovered amount from Guohua Jianye.

As disclosed in the Announcements, by entering into the Cooperation Agreement and the Yachen Cooperation Agreement, it was expected that the Group would generate revenue by providing project development and management services to the Project. Taking into account the PRC policy concern, the prevailing market conditions and uncertainty about the Project’s progress, the Board considered that the services of Group might not be required for the Project in the foreseeable future. As such, the Board is of the view that the termination arrangement under the Termination Agreement and the Yachen Termination Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole, and will not have material adverse impact on the business, operations and financial position of the Group.

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

Executive Director and Chief Executive Officer

Hong Kong, 22 November 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.