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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)**

**DISCLOSEABLE TRANSACTION –  
FINANCE LEASE AGREEMENT**

On 16 April 2018, Rongjinda Finance entered into the Finance Lease Agreement with Jiangsu Shenhuang, pursuant to which Rongjinda Finance agreed to purchase the Leased Assets from Jiangsu Shenhuang at a total consideration of RMB5,000,000 (equivalent to approximately HK\$6,000,000), which will be leased back to Jiangsu Shenhuang for a term of 12 months.

On 22 February 2017, China Best Finance entered into the Previous Loan Agreement with Mr. Wang, who holds 36.36% equity interest in Jiangsu Shenhuang, pursuant to which China Best Finance granted to Mr. Wang the Previous Loan in the principal amount of HK\$50,000,000, bearing interest at a rate of 10% per annum for a term of 18 months.

\* For identification purpose only

## **LISTING RULES IMPLICATIONS**

The Finance Lease Agreement and the Previous Loan Agreement were entered into by China Best Finance and Rongjinda Finance, wholly-owned subsidiaries of the Company, with customers related to each other, namely Jiangsu Shenhuang and Mr. Wang who holds 36.36% equity interest in Jiangsu Shenhuang. As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Finance Lease Agreement and the Previous Loan Agreement (in aggregate) exceed 5% and all of such ratios are lower than 25%, the Finance Lease Agreement and the Previous Loan Agreement, in aggregate, constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules and are therefore subject to notification and announcement pursuant to Chapter 14 of the Listing Rules. The Previous Loan Agreement did not constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

## **FINANCE LEASE AGREEMENT**

The principal terms of the Finance Lease Agreement are summarised as follows:

Date: 16 April 2018

Purchaser/Lessor: Rongjinda Finance

Vendor/Lessee: Jiangsu Shenhuang

The Finance Lease Agreement comprised (i) the sale and purchase of the Leased Assets and (ii) the lease back of the Leased Assets to Jiangsu Shenhuang, details of which are set out below.

### **Sale and purchase arrangement**

Pursuant to the Finance Lease Agreement, Rongjinda Finance agreed to purchase the Leased Assets from Jiangsu Shenhuang as specified in the Finance Lease Agreement for a total consideration of RMB5,000,000 (equivalent to approximately HK\$6,000,000) payable within 3 business days of the date of the Finance Lease Agreement.

The consideration in respect of the sale and purchase of the Leased Assets was determined after arm's length negotiations between Rongjinda Finance and Jiangsu Shenhua by reference to the carrying values of the Leased Assets as at 28 February 2018, being approximately RMB5,102,000 and/or prevailing market price of the Leased Assets.

The consideration for the Leased Assets is intended to be funded by the internal resources of the Group.

### **Lease back arrangement**

Pursuant to the Finance Lease Agreement, Rongjinda Finance agreed to lease the Leased Assets back to Jiangsu Shenhua for a term of 12 months, commencing on the date of payment of the consideration for the Leased Assets.

### **Lease payments**

Pursuant to the Finance Lease Agreement, the lease payments (after tax) payable by Jiangsu Shenhua to Rongjinda Finance shall be approximately RMB5,377,000 (equivalent to approximately HK\$6,453,000), being the principal lease cost of RMB5,000,000 (equivalent to approximately HK\$6,000,000) plus the interest (after tax) of approximately RMB377,000 (equivalent to approximately HK\$453,000).

The lease payment was determined after arm's length negotiations between the parties to the Finance Lease Agreement by reference to the principal amount of the lease and the prevailing market interest rate.

The lease payments shall be payable by Jiangsu Shenhua to Rongjinda Finance in two installments, that is, interest payable semi-yearly and principal amount payable on maturity.

If Jiangsu Shenhua fails to pay the lease payment in accordance with the terms of the Finance Lease Agreement, Jiangsu Shenhua shall pay to Rongjinda Finance further interest at a daily rate of 0.1% of the delayed payment.

### **Ownership of the Leased Assets**

The ownership of the Leased Assets under the Finance Lease Agreement will be vested in Rongjinda Finance throughout the lease period. At the end of the lease period and subject to payment by Jiangsu Shenhua of all amounts due under the Finance Lease Agreement, the ownership of the Leased Assets will be vested in Jiangsu Shenhua.

## Security

The Leased Assets are pledged as security in favour of Rongjinda Finance to secure the payment obligations of Jiangsu Shenhuang under the Finance Lease Agreement.

## PREVIOUS LOAN AGREEMENT

The principal terms of the Previous Loan Agreement are summarised as follows:

Date:	22 February 2017
Lender:	China Best Finance
Borrower:	Mr. Wang
Principal amount:	HK\$50,000,000
Purpose of the Previous Loan:	Mr. Wang shall use the loan proceeds for personal investment and/or other personal financial purpose.
Maturity date:	18 months after drawdown.
Repayment:	Mr. Wang shall repay the outstanding amount of the Previous Loan in full and the unpaid interest accrued thereon 18 months after drawdown or on demand by China Best Finance upon occurrence of an event of default set out in the Previous Loan Agreement, whichever occurs first.
Early repayment:	Each of China Best Finance and Mr. Wang may request early repayment of part or all of the Previous Loan after 2 months after drawdown provided that 5 business days' written notice is given to the other party.
Interest:	Interest shall accrue at the rate of 10% per annum payable semi-annually.

The Previous Loan was funded by the internal resources of the Group.

The terms of the Previous Loan Agreement (including the interest rate) were arrived at by China Best Finance and Mr. Wang after arm's length negotiation, having regard to the commercial practice and the amount of the Previous Loan. The Directors considered that the terms of the Previous Loan Agreement are on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE AGREEMENT AND THE PREVIOUS LOAN AGREEMENT**

Rongjinda Finance is an indirect wholly-owned subsidiary of the Company and is principally engaged in finance leasing business in the PRC. The entering into of the Finance Lease Agreement is part of the ordinary and usual course of business of Rongjinda Finance which will enable Rongjinda Finance to earn an aggregate interest income of approximately RMB377,000 (equivalent to approximately HK\$453,000).

China Best Finance is an indirect wholly-owned subsidiary of the Company and a money lender licensed in Hong Kong under the Money Lenders Ordinance. The Previous Loan Agreement was conducted in the ordinary and usual course of business of China Best Finance which would provide interest income of approximately HK\$7,500,000 to the Group.

The Directors believe that the terms of the Finance Lease Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in (i) trading of fuel oil, electronic devices and other commodities, (ii) the finance leasing business, (iii) the money lending business, (iv) the brokerage business, (v) international air and sea freight forwarding and the provision of logistics services and (vi) trading of securities.

## **INFORMATION ON THE LESSEE AND THE BORROWER**

Jiangsu Shenhuang is a company established in the PRC which is principally engaged in software research and development, sales of electronic products, catering service and cultural creative activities. It has established strategic cooperation relationships with Apple, Microsoft, etc.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, Jiangsu Shenhuang and its ultimate beneficial owners are independent of the Company and connected persons (as defined in Chapter 14A of the Listing Rules) of the Company.

Mr. Wang holds 36.36% equity interest in Jiangsu Shenhuang.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, Mr. Wang is independent of the Company and connected persons (as defined in Chapter 14A of the Listing Rules) of the Company.

## **LISTING RULES IMPLICATIONS**

The Finance Lease Agreement and the Previous Loan Agreement were entered into by China Best Finance and Rongjinda Finance, wholly-owned subsidiaries of the Company, with customers related to each other, namely Jiangsu Shenhuang and Mr. Wang who holds 36.36% equity interest in Jiangsu Shenhuang. As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Finance Lease Agreement and the Previous Loan Agreement (in aggregate) exceed 5% and all of such ratios are lower than 25%, the Finance Lease Agreement and the Previous Loan Agreement, in aggregate, constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules and are therefore subject to notification and announcement pursuant to Chapter 14 of the Listing Rules. The Previous Loan Agreement did not constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Board”	the board of Directors
“China Best Finance”	China Best Finance Limited, an indirect wholly-owned subsidiary of the Company and a licensed money lender in Hong Kong under the Money Lenders Ordinance
“Company”	China Best Group Holding Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	directors of the Company
“Finance Lease Agreement”	the finance lease agreement entered into between Rongjinda Finance and Jiangsu Shenhuang dated 16 April 2018 in relation to the sale and purchase of the Leased Assets and the lease back of the Leased Assets
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jiangsu Shenhuang”	江蘇神凰集團有限公司 (Jiangsu Shenhuang Group Limited*), a company established in the PRC
“Leased Assets”	IPADs and Apple computers, being the subject matter of the Finance Lease Agreement

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Money Lenders Ordinance”	Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
“Mr. Wang”	王一誠(Wang Yicheng), the 36.36% shareholder of Jiangsu Shenhuang and the borrower under the Previous Loan Agreement
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Loan”	the loan to Mr. Wang in the principal amount of HK\$50,000,000 pursuant to the terms of the Previous Loan Agreement
“Previous Loan Agreement”	the loan agreement entered into between China Best Finance and Mr. Wang dated 22 February 2017
“RMB”	Renminbi, the lawful currency of the PRC
“Rongjinda Finance”	融金達融資租賃有限公司(Rongjinda Finance Lease Limited*), a wholly foreign-owned enterprise in the PRC and an indirect wholly-owned subsidiary of the Company
“Shareholders”	holder(s) of share(s) of the Company



“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

*\* The unofficial English translations or transliterations are for identification purposes only*

*The figures in RMB are converted into HK\$ at the rate of RMB1: HK\$1.2 throughout this announcement for indicative purpose only.*

By Order of the Board  
**China Best Group Holding Limited**  
**Mr. Li Yang**  
*Deputy Chairman*

Hong Kong, 16 April 2018

*As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Li Yang, Mr. Liu Wei, Mr. Chen Wei and Mr. Fan Jie, and three independent non-executive Directors, namely, Mr. Liu Haiping, Mr. Liu Tonghui and Mr. Ru Xiang.*