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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)**

**CLARIFICATION ANNOUNCEMENT IN RELATION TO THE INTERIM REPORT FOR SIX MONTHS ENDED 30 JUNE 2015**

Reference is made to the interim report (the “**Interim Report**”) of China Best Group Holding Limited (the “**Company**”) for the six months ended 30 June 2015 published on 22 September 2015. Unless otherwise stated, definitions and terms used herein shall bear the same meanings as defined in the Interim Report.

**SIGNIFICANT INVESTMENTS HELD**

As at 30 June 2015, the Group had held for trading investments in listed securities in Hong Kong (collectively, the “**Investments**”) with a market value of approximately HK\$354.2 million, representing an investment portfolio of eight listed equities in Hong Kong. The Board would like to provide further information of the Investments as at 30 June 2015 as stated in the Interim Report as follows:

| Company Name/Stock Code                             | Number of shares held |                        | % of shareholding  |                        | Realised gain                                 | Unrealised gain on fair value change          | Fair Value                     |                                  | % of Net Assets    |                        | Dividend received                             |   | Total Investment Cost          |
|---|-----------------------|------------------------|--------------------|------------------------|---|---|--------------------------------|----------------------------------|--------------------|------------------------|---|---|--------------------------------|
|   | ('000)                |                        | (% )               |                        | (HK\$'000)                                    | (HK\$'000)                                    | (HK\$'000)                     |                                  | (% )               |                        | (HK\$'000)                                    |   | (HK\$'000)                     |
|   | As at 30 June 2015    | As at 31 December 2014 | As at 30 June 2015 | As at 31 December 2014 | (Unaudited) For the period ended 30 June 2015 | (Unaudited) For the period ended 30 June 2015 | (Unaudited) As at 30 June 2015 | (Audited) As at 31 December 2014 | As at 30 June 2015 | As at 31 December 2014 | (Unaudited) For the period ended 30 June 2015 | (Audited) For the year ended 31 December 2014 | (Unaudited) As at 30 June 2015 |
|   |                       |                        |                    |                        |   |   |                                |                                  |                    |                        |   |   |                                |
| Leyou Technologies Holdings Ltd.<br>(1089) (“LTHL”) | 117,905               | 13,000                 | 4.11               | 0.65                   | 174   | 58,786  | 176,858                        | 11,050                           | 19.39              | 3.42                   | -   | -   | 117,505                        |

\* For identification purpose only

| Company Name/Stock Code                                    | Number of shares held<br>( <i>'000</i> ) |                              | % of shareholding<br>(%) |                              | Unrealised gain on                         |  | Fair Value<br>( <i>HK\$'000</i> ) |                              | % of Net Assets<br>(%)   |                              | Dividend received<br>( <i>HK'000</i> )     |  | Total Investment Cost<br>( <i>HK\$'000</i> ) |
|--|--|------------------------------|--------------------------|------------------------------|--|--|-----------------------------------|------------------------------|--------------------------|------------------------------|--|--|--|
|  |  |                              |                          |                              | Realised gain<br>( <i>HK\$'000</i> )       | fair value change<br>( <i>HK\$'000</i> )   |                                   |                              |                          |                              |  |  |  |
|  |  |                              |                          |                              | (Unaudited)                                | (Unaudited)                                | (Unaudited)                       | (Audited)                    | (Unaudited)              | (Audited)                    | (Unaudited)                                |  |  |
|  | As at<br>30 June<br>2015                 | As at<br>31 December<br>2014 | As at<br>30 June<br>2015 | As at<br>31 December<br>2014 | For the<br>period ended<br>30 June<br>2015 | For the<br>period ended<br>30 June<br>2015 | As at<br>30 June<br>2015          | As at<br>31 December<br>2014 | As at<br>30 June<br>2015 | As at<br>31 December<br>2014 | For the<br>period ended<br>30 June<br>2015 | For the<br>year ended<br>31 December<br>2014 | As at<br>30 June<br>2015                     |
| China Minsheng Drawin Technology Group Ltd. (726) ("CMDT") | 63,500                                   | -                            | 0.62                     | -                            | 19,293                                     | 38,258                                     | 53,975                            | -                            | 5.92                     | -                            | -  | -  | 15,717                                       |
| China Water Industry Group Ltd. (1129) ("CWIG")            | 21,100                                   | -                            | 1.32                     | -                            | -  | 11,100                                     | 45,787                            | -                            | 5.02                     | -                            | -  | -  | 34,687                                       |
| Co-Prosperity Holdings Ltd. (707) ("CPHL")                 | 64,900                                   | -                            | 3.83                     | -                            | -  | 11,745                                     | 39,589                            | -                            | 4.34                     | -                            | -  | -  | 27,844                                       |
| Others ( <i>Note</i> )                                     | -  | -                            | -                        | -                            | 7,003                                      | 3,665                                      | 37,987                            | 86,980                       | 4.16                     | 26.88                        | 525  | 405  | 39,720                                       |
| <b>Total</b>   |  |                              |                          |                              | <b>26,470</b>                              | <b>123,554</b>                             | <b>354,196</b>                    | <b>98,030</b>                | <b>38.83</b>             | <b>30.30</b>                 | <b>525</b>                                 | <b>405</b>                                   | <b>235,473</b>                               |

*Note:* Each of these investments represented less than 5% of the total investment amount of the Group as at 30 June 2015.

LTHL is principally engaged in trading and manufacturing of chicken meat products, animal feeds and chicken breeds, and since the second half of 2015, it has commenced its business diversification beyond the poultry business into the multi-media and gaming business as well. CMDT is principally engaged in property development and investment. CWIG is principally engaged in provision of water supply and sewage treatment services; construction of water supply and sewage treatment infrastructure; and exploitation and sale of renewable energy in the PRC. CPHL is principally engaged in processing, printing and sales of finished fabrics; and trading of fabrics and clothing, and has also been looking to develop, among others, new businesses in the media, cultural and entertainment industry since the last quarter of 2015.

During the six months ended 30 June 2015, the Group also recognized fair value gain on available-for-sale investments in the amount of approximately HK\$21,352,000 in other comprehensive income for the period. The Group's available-for-sale investments as at 30 June 2015 comprised of (i) listed equity investment in London at a fair value of approximately HK\$5,715,000; (ii) unlisted investment in funds at fair value of approximately HK\$61,249,000; and (iii) unlisted equity securities in Hong Kong at cost less impairment loss, i.e. the carrying amount of approximately HK\$7,500,000.

As at 31 December 2014 and 30 June 2015, all financial assets at fair value through profit and loss represented listed securities in Hong Kong. The significant increase in unrealised fair value gain for investments held for trading for the six months ended 30 June 2015 was primarily attributable to the positive investment sentiment in the stock market of Hong Kong in the first half of 2015. In the second half of 2015, the Hang Seng Index dropped significantly from its record high in recent years of 28,442.75 points in April 2015 to 21,914.40 points as at 31 December 2015 for a number of reasons, including the extraordinary upheaval in the PRC stock market and the pressure from the economic slowdown in the PRC itself and the global economy. Based on the preliminary assessment by the management of the Company with reference to the information currently available, it is expected that the Group will record an unrealised fair value losses of approximately HK\$48 million in respect of investment in listed securities held for trading as at 31 December 2015.

The Board acknowledges that the performance of the equities may be affected by the degree of volatility in the Hong Kong stock market and susceptible to other external factors that may affect their values. Accordingly, in order to mitigate possible financial risks related to the equities, the Board will continue to maintain a diversified investment portfolio across various segments of the market and also closely monitor the performance progress of its investment portfolio from time to time going forward.

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

Hong Kong, 26 January 2016

*As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Tan Xiangdong, Mr. Li Yang and Mr. Wang Jian, and three independent non-executive Directors, namely, Mr. Chan Fong Kong Francis, Mr. Chen Zhenguo and Mr. Li Yu.*