CHINA BEST
國華集團

CHINA BEST GROUP HOLDING LIMITED
國華集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 370)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

The board of directors (the "Board") of China Best Group Holding Limited (the "Company") would like to announce the unaudited consolidated results of the Company and its subsidiaries (the"Group") for the six months ended 30 June 2011 together with the comparative figures for the six months ended 30 June 2010. Such results have been reviewed by the audit committee and the external auditors of the Company.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

		Six months ended	
	Notes	**30.6.2011** **HK$'000** **(unaudited)**	30.6.2010 *HK$'000* (unaudited)
Turnover	*3*	**99,983**	4,313
Revenue	*4*	**7,423**	4,313
Cost of sales		**(3,054)**	(2,161)
Gross profit		**4,369**	2,152
Gain on disposal of investments held for trading		**12,378**	–
Fair value loss on investments held for trading		**–**	(23,204)
Other income		**19**	481
Administrative expenses		**(13,496)**	(17,167)
Finance costs	*5*	**–**	(195)

* *For identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

		Six months ended	
		30.6.2011	30.6.2010
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Profit (loss) before taxation	*6*	**3,270**	(37,933)
Taxation	*7*	**–**	(55)
Profit (loss) for the period		**3,270**	(37,988)
Other comprehensive income for the period:			
Exchange differences arising on translation		**299**	1,290
Total comprehensive income (expenses) for the period		**3,569**	(36,698)
Profit (loss) for the period attributable to:			
Owners of the Company		**3,285**	(37,988)
Non-controlling interests		**(15)**	–
		3,270	(37,988)
Total comprehensive income (expenses) for the period			
Owners of the Company		**3,559**	(36,698)
Non-controlling interests		**10**	–
		3,569	(36,698)
Earnings (loss) per share	*9*		
– basic and diluted		**0.16 cents**	(1.80) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2011

	Notes	30.6.2011 HK$'000 (unaudited)	31.12.2010 HK$'000 (audited)
Non-current assets			
Plant and equipment	*10*	**508**	571
Investment property	*10*	**1,500**	1,500
Available-for-sale investments		**7,500**	7,500
		9,508	9,571
Current assets			
Deposit paid for acquisition of subsidiaries	*11*	**2,000**	–
Trade and other receivables	*12*	**1,933**	2,274
Investments held for trading		**–**	74,533
Deposits placed with security brokers		**5**	609
Bank balances and cash		**323,866**	248,196
		327,804	325,612
Current liabilities			
Trade and other payables	*13*	**13,402**	14,842
Tax liabilities		**5,600**	5,600
		19,002	20,442
Net current assets		**308,802**	305,170
Total assets less current liabilities		**318,310**	314,741
Capital and reserves			
Share capital		**105,490**	105,490
Reserves		**212,852**	209,278
Equity attributable to owners of the Company		**318,342**	314,768
Non-controlling interests		**(32)**	(27)
Total Equity		**318,310**	314,741

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL AND BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments, which are measured at fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the period ended 30 June 2011 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010 except as described below.

In the current interim period, the Group has applied, for the first time, the following new or revised standards, amendments and interpretations ("new or revised HKFRSs") issued by the HKICPA:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendment)	Classification of Rights Issue
HK (IFRIC) – INT 14 (Amendment)	Prepayments of a Minimum Funding Requirement
HK (IFRIC) – INT 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Group has not early applied the following new and revised standards and amendments that have been issued but are not yet effective.

HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[1]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
HKAS 1 (Revised)	Presentation of Financial Statements[3]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[2]
HKAS 19 (2011)	Employee Benefits[4]
HKAS 27 (2011)	Separate Financial Statements[4]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[4]

[1] *Effective for annual periods beginning on or after 1 July 2011.*

[2] *Effective for annual periods beginning on or after 1 January 2012.*

[3] *Effective for annual periods beginning on or after 1 July 2012.*

[4] *Effective for annual periods beginning on or after 1 January 2013.*

HKFRS 9 Financial Instruments issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors of the Company anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new standard will have a significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. Under HKFRS 10, there is only one basis for consolidation that is control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios. Overall, the application of HKFRS 10 requires a lot of judgement. The directors are in the process of assessing the impact from the application of HKFRS 10 on the results and consolidated financial position of the Group.

The directors of the Company anticipate that the application of the other new and revised standards, amendments will have no material impact on the condensed consolidated financial statements.

3. TURNOVER

Turnover represents the amounts received and receivable from the provision of international air and sea freight forwarding services, gross proceeds from disposal of investments held for trading and dividend income during the period.

	Six months ended	
	30.6.2011	30.6.2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Provision of international air and sea freight forwarding services	**3,980**	2,786
Gross proceeds from disposal of investments held for trading	**92,560**	–
Dividend income from investments held for trading	**3,443**	1,527
	99,983	4,313

4. REVENUE AND SEGMENTAL INFORMATION

The following is an analysis of the Group's revenue and results by reportable segments for the period under review:

For the six months ended 30 June 2011 (unaudited)

	International air and sea freight forwarding	**Securities trading**	**Manufacture and sales of coke**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Turnover	**3,980**	**96,003**	**–**	**99,983**
Revenue				
External	**3,980**	**3,443**	**–**	**7,423**
Segment (loss) profit	**(252)**	**15,801**	**(683)**	**14,866**
Unallocated corporate expenses				**(11,607)**
Unallocated other income				**11**
Profit before taxation				**3,270**

For the six months ended 30 June 2010 (unaudited)

	International air and sea freight forwarding *HK$'000*	Securities trading *HK$'000*	Manufacture and sales of coke *HK$'000*	Total *HK$'000*
Turnover	2,786	1,527	–	4,313
Revenue				
External	2,786	1,527	–	4,313
Segment loss	(603)	(20,277)	(584)	(21,464)
Unallocated corporate expenses				(16,688)
Unallocated other income				414
Finance costs				(195)
Loss before taxation				(37,933)

Segment results represent the profit (loss) from each segment without allocation of central administration costs, directors' emoluments, bank interest income and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Segment assets

The following is an analysis of the Group's assets by reportable segments.

	International air and sea freight forwarding ***HK$'000***	**Securities trading** ***HK$'000***	**Manufacture and sales of coke** ***HK$'000***	**Total** ***HK$'000***
At 30 June 2011 (unaudited)				
Segment assets	**3,650**	**5**	**2,000**	**5,655**

Segment assets (Continued)

	International air and sea freight forwarding	Securities trading	Manufacture and sales of coke	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 December 2010 (audited)				
Segment assets	3,471	75,142	–	78,613

For the purposes of monitoring segment performances and allocating resources between segments, all assets are allocated to reportable segments other than available-for-sale investments, bank balances and cash, the equipment of head office and part of other receivables.

5. FINANCE COSTS

	Six months ended	
	30.6.2011	30.6.2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on margin loan payables wholly repayable within five years	**–**	195

6. PROFIT (LOSS) BEFORE TAXATION

	Six months ended	
	30.6.2011	30.6.2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit (loss) before taxation has been arrived at after charging (crediting) the following items:		
Auditors' remuneration	**350**	350
Depreciation of plant and equipment	**55**	71
Employee benefit expenses (including directors' remuneration)	**3,285**	4,382
Plant and equipment written off	**8**	1
Operating lease payment in respect of rented premises and equipment	**2,251**	1,619
Interest income	**(11)**	(459)

7. TAXATION

	Six months ended	
	30.6.2011	30.6.2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current tax:		
Hong Kong Profits Tax	**–**	–
PRC Enterprise Income Tax	**–**	54
Singapore Enterprise Income Tax	**–**	1
	–	55

No tax is payable on the profit for the period ended 30 June 2011 arising in Hong Kong since the assessable profit is wholly absorbed by tax losses brought forward.

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit for the period ended 30 June 2010.

Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdictions.

8. DIVIDENDS

No dividend were paid, declared or proposed during the reporting period. The directors of the Company do not recommend the payment of an interim dividend (six months ended 30 June 2010: Nil).

9. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share for the period ended 30 June 2011 is based on the profit for the period attributable to the owners of the Company of approximately HK$3,285,000 (2010: loss for the period of approximately HK$37,988,000) and on the weighted average number of 2,109,796,000 (2010: 2,109,796,000) ordinary shares in issue during the period.

The computation of diluted earnings (loss) per share does not assume the exercise of the Company's outstanding share options because the exercise price of the Company's option was higher than the average market price for shares for the period ended 30 June 2011 and 30 June 2010.

10. MOVEMENTS IN PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

During the period ended 30 June 2010, the Group spent approximately HK$22,000 (six months ended 30 June 2011: HK$nil) on plant and equipment. There was no addition for investment property for the both periods ended 30 June 2011 and 2010.

In the opinion of the directors of the Company, there are no material difference between the carrying amounts of the investment property and their fair values at 30 June 2011 and 31 December 2010.

11. DEPOSIT PAID FOR ACQUISITION OF SUBSIDIARIES

On 28 March 2011, the Group entered into the agreement with Great Soar Holdings Limited (the "Vendor"), an independent third party of the Group, to acquire 55% equity interests in Suntech Worldwide Limited and its subsidiary (collectively referred to as the "Target Group"). The consideration is approximately HK$71,500,000 and will be settled by cash of HK$20,000,000 and by way of issue new ordinary shares of the Company of HK$51,500,000.

The Target Group is principally engaged in coal processing and marketing, and sales of coal and peat in the People's Republic of China (the "PRC").

During the period ended 30 June 2011, the Group paid a refundable deposit of HK$2,000,000 to the Vendor.

As at 30 June 2011, the capital commitment in respect of acquisition of subsidiaries is HK$69,500,000 (2010: nil), which would be satisfied by cash of approximately HK$18,000,000 and new ordinary shares of the Company of HK$51,500,000 upon the completion of the conditions precedents specified in the agreement.

Details of above acquisition are set out in the announcement of the Company dated 28 March 2011.

12. TRADE AND OTHER RECEIVABLES

The Group allows its trade customers with credit periods normally ranging from 30 days to 90 days. The following is an analysis of trade receivables by age, presented based on the invoice date, net of allowance for doubtful debts.

	Six months ended	
	30.6.2011	31.12.2010
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0-30 days	**445**	1,048
31-60 days	**117**	216
61-90 days	**20**	117
91-120 days	**301**	–
	883	1,381
Deposits and prepayments	**1,050**	893
	1,933	2,274

13. TRADE AND OTHER PAYABLES

The following is an analysis of trade payables by age, presented based on the invoice date.

	Six months ended	
	30.6.2011	31.12.2010
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0-30 days	**382**	622
31-60 days	**37**	14
Over 90 days	**1,388**	1,088
	1,807	1,724
Accrued charges and other payables	**11,595**	13,118
	13,402	14,842

MANAGEMENT DISCUSSION AND ANALYSIS

	2011 Interim	2010 Final	2010 Interim
	HK$'M	*HK$'M*	*HK$'M*
Financial Results Highlight			
Turnover	**100.0**	61.4	4.3
Gross Profit	**4.4**	3.1	2.2
Other Operating Income/(Loss)(net)	**–**	(24.7)	(22.7)
Total Expenses	**(13.5)**	(33.7)	(17.3)
Net Profit (Loss) before Taxation & Minority Interests	**3.3**	(55.3)	(37.9)
Net Profit (Loss) after Taxation & Minority Interests	**3.3**	(55.3)	(37.9)
Extract of Financial Position			
Total Assets	**337.3**	335.2	357.1
Total Liabilities	**(19.0)**	(20.4)	(24.4)
Net Current Assets	**308.8**	305.2	322.6
Cash and Bank Balance	**323.9**	248.2	300.1
Total Net Assets	**318.3**	314.7	332.7

The consolidated turnover of the Group amounted to HK$99,983,000 for the six months ended 30 June 2011 (six months ended 30 June 2010: HK$4,313,000). Total gross profit was approximately HK$4,369,000 (six months ended 30 June 2010: HK$2,152,000). For the six months ended 30 June 2011, the Group recorded net other operating profit of HK$19,000 (six months ended 30 June 2010: HK$22,723,000 net other operating loss) and total expenses of HK$13,496,000 (six months ended 30 June 2010: HK$17,362,000) and net profit before Taxation and Minority Interest HK$3,285,000 (six months ended 30 June 2010: HK$37,933,000 loss). Finally, the net profit after Taxation and Minority Interest was approximately HK$3,270,000 (six months ended 30 June 2010: HK$37,988,000 loss).

BUSINESS REVIEW

Coke Business

There was no turnover for coke/coal operation for the six months ended 30 June 2010 and 2011.

Freight Forwarding Business

The turnover of the Group's international forwarding agency business was HK$3,980,000 for the six months ended 30 June 2011 (six months ended 30 June 2010: HK$2,786,000), representing an increase of 43% as compared to the previous corresponding period. Total gross profit was HK$926,000, (six months ended 30 June 2010: HK$634,000), an increase of 48% comparing with the previous corresponding period.

Securities Investment

The total transaction volume of the Group's securities investment business was HK$96,003,000 for the six months ended 30 June 2011 (six months ended 30 June 2010: HK$1,527,000), representing a significant increase of 61.8 times as compared to the previous corresponding period. The realised gain for investments held for trading during the period under review was HK$12,378,000 (six months ended 30 June 2010: HK$23,204,000 realised and unrealised loss on a fair value adjustment).

FUTURE PROSPECT

The Board of the Company expects that in the second half of 2011, uncertainties will continue to overshadow the global economy and there will be challenges ahead of the freight forwarding business. In particular, the persistently weak economy and high unemployment rate in the U.S. as well as the European debt crisis may bring uncertainties and significant impact to the freight forwarding industry. The Board of the Company will closely monitor the situation and adjust its strategy in a timely manner.

In the second half of 2011, the Group will keep up investing in and expanding its core businesses centering around key mineral resources such as raw coal mining and coke manufacturing and processing. Although the global economic outlook remains gloomy, the Board of the Company believes that the PRC will continue to be one of the fastest growing economies in the world with many potentially rewarding investment chances. Therefore, the Group will study all kinds of investment opportunities with a view to enhancing the scale of the Group, creating synergies and offering greater return to the shareholders of the Company.

LIQUIDITY AND CASHFLOW RESOURCES

The gearing ratio maintained is zero as at 30 June 2011 (31 December 2010: zero). The calculation of gearing ratio is based on interest bearing borrowings of HK$nil (31 December 2010: HK$nil) and the shareholders' equity of HK$318,310,000 (31 December 2010: HK$314,741,000) as at 30 June 2011.

The current ratio increased from 15.9 as at 31 December 2010 to 17.3 as at 30 June 2011. The calculation of current ratio is based on the current assets of HK$327,804,000 (31 December 2010: HK$325,612,000) and the current liabilities of HK$19,002,000 (31 December 2010: HK$20,442,000) as at 30 June 2011.

The cash and bank balances was HK$323,866,000 (31 December 2010: HK$248,196,000) and the high liquid asset investment held for trading was HK$nil respectively as at 30 June 2011 (31 December 2010: HK$74,533,000). The Group has sufficient and readily available financial resources for both general working capital purpose and feasible acquisition of the proposed investments in the PRC or other countries may encounter or contemplate in the future.

CONTINGENT LIABILITIES

As at 30 June 2011, the Group has provided a financial guarantee in lieu of rental deposit in respect of the lease entered by a subsidiary of approximately of HK$131,000 (as at 31 December 2010: HK$131,000) to an independent third party.

PLEDGE OF ASSETS

As at 30 June 2011, there was no Group's securities pledged to brokers to secure the margin loan (31 December 2010: HK$nil). As at 30 June 2011, there was no other significant assets pledged to banks to secure general banking facilities granted to the Group and the post-dated bills payable (31 December 2010: HK$nil).

CAPITAL EXPENDITURE

There was no significant capital expenditure involved during the period under review (six months ended 30 June 2010: HK$22,000).

FOREIGN CURRENCY EXPOSURE

The Group's monetary assets, loans and transactions are principally denominated in Hong Kong dollars, US dollars and Renminbi. During the period under review, there was no significant fluctuation in the exchange rates of the Hong Kong dollars and US dollars. The appreciation in the currency value of the Renminbi may have some impact especially for the wholly owned foreign enterprise or joint venture in PRC. The monetary assets of the Group in the currency value of US dollars are also subject to the risk of exchange rate fluctuation. The Group will take a prudent approach for this impact but in the meant time do not engage in any derivative activities and not commit to any financial instruments to hedge its balance sheet exposure in 2011.

CHANGES OF DIRECTORSHIP

On 24 June 2011, Mr. Ng Tang and Mr. Ren Zheng resigned as executive directors of the Company. On the same day, Mr. Chan Ngai Sang Kenny and Ms. Xing Hua resigned as independent non-executive directors of the Company.

On 24 June 2011, Mr. Huang Boqi ("Mr. Huang") and Mr. Du Chunyu ("Mr. Du") have been appointed as executive directors; and Mr. Zhou Mingchi ("Mr. Zhou") and Ms. Wong Yan Ki, Angel ("Ms. Wong") have been appointed as independent non-executive directors of the Company. Mr. Huang has been also appointed as the Committee Member of Nomination Committee and Remuneration Committee and Mr. Du had been also appointed as the Committee Member of Remuneration Committee. Mr. Zhou and Ms. Wong have also been appointed as the Committee Member of both Audit Committee, Nomination Committee and Remuneration Committee.

EMPLOYEE AND HUMAN RESOURCES POLICY

The Group had approximately 32 staff as at 30 June 2011 (31 December 2010: 32). The employees including directors are remunerated based on their working performance, professional experiences and prevailing industry practice. The Group also makes contributions to the statutory mandatory provident funds scheme for the employees of the Group in Hong Kong and the central pension scheme for the employees of the Group in the overseas.

INTERIM DIVIDEND

The Board of the Company has resolved not to recommend the payment of any interim dividend for the six months ended 30 June 2011 (six months ended 30 June 2010: nil).

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2011.

AUDIT COMMITTEE

The Interim Report, which is prepared in accordance with HKAS 34 "Interim Financial Reporting", has also been reviewed by the Company's independent auditors Messrs. SHINEWING (HK) CPA Limited in accordance with the Hong Kong Standards on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

The Audit Committee of the Company, consisted of three independent non-executive directors, namely Ms. Chung Kwo Ling, Mr. Zhou Mingchi and Ms. Wong Yan Ki, Angel had reviewed and discussed with the management the Company's unaudited Interim Report and the internal control as well as financial reporting matter and recommended its adoption by the Board of the Company.

REMUNERATION COMMITTEE

A remuneration committee of the Company was established in January 2005 pursuant to the requirements of the Listing Rules. The remuneration committee comprises three independent non-executive directors, namely, Ms. Chung Kwo Ling, Mr. Zhou Mingchi and Ms. Wong Yan Ki, Angel and three executive directors, namely Ms. Ma Jun Li, Mr. Huang Boqi and Mr. Du Chunyu.

CODE ON CORPORATE GOVERNANCE PRACTICES OF THE LISTING RULES

None of the directors of the Company are aware of any information that would reasonably indicate that the Company was not for any part of the six months ended 30 June 2011 in compliance with the Code Provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules, except all of the non-executive directors of the Company are not appointed for a specific term (set out in Code Provision A.4.1 of the CG Code) but are subject to retirement by rotation once every three years and eligible for re-election at the annual general meeting under the Company's Bye-laws.

INTERNAL CONTROL

The Board of the Company acknowledges its responsibility for the Group's system of internal control to safeguard shareholder investment and reviewing the effectiveness of such on an annual basis pursuant to Code Provision C.2.1 of Code on Corporate Governance Practice as set out in Appendix 14 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code of conduct regarding directors' securities transactions. All directors of the Company have confirmed, immediately following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2011.

PUBLICATION OF INTERIM REPORT

This interim report of the Company will be published on the websites of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and the Company (http://www.cbgroup.com.hk).

The 2011 Interim Report of the Company containing all the information required under paragraphs 46(1) to 46(6) of Appendix 16 of the Listing Rules will be despatched to the shareholders of the Company as well as published on the aforesaid websites in due course.

By Order of the Board
China Best Group Holding Limited
Ma Jun Li
Chairman

Hong Kong, 30 August 2011

As at the date of this announcement, the Board of the Company comprises four executive Directors, namely Ms. Ma Jun Li, Mr. Zhang Da Qing, Mr. Huang Boqi and Mr. Du Chunyu and one non-executive Director, namely Ms. Yao Haixing and three independent non-executive Directors namely Ms. Chung Kwo Ling, Mr. Zhou Mingchi and Ms. Wong Yan Ki, Angel.