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 RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

The board of directors (the "Board") of China Best Group Holding Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2011, together with the comparative figures for the year ended 31 December 2010, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	NOTES	**2011** **HK$'000**	2010 HK$'000
Turnover	*3*	**190,553**	61,417
Revenue	*4*	**34,044**	7,860
Cost of sales		**(26,831)**	(4,781)
Gross profit		**7,213**	3,079
Other income	*5*	**1,717**	406
Selling and distribution expenses		**(151)**	–
Administrative expenses		**(24,549)**	(33,439)
Fair value changes on investment property		**420**	(360)
Realised gain on investments held for trading		**24,359**	127
Fair value changes on investments held for trading		**(1,423)**	(23,619)
Loss on deregistration of subsidiaries		**–**	(1,208)
Finance costs	*6*	**(734)**	(268)
Profit (loss) before tax		**6,852**	(55,282)
Income tax expenses	*7*	**(1,231)**	(10)

* *For identification purpose only*

	NOTE	2011 HK$'000	2010 HK$'000
Profit (loss) or the year		**5,621**	(55,292)
Other comprehensive income (expenses)			
Exchange differences arising on translation		**124**	6,649
Exchange reserve upon disposal of subsidiaries		**(340)**	–
Exchange reserve upon deregistration of subsidiaries		**–**	(5,971)
Total comprehensive income (expenses) for the year		**5,405**	(54,614)
Profit (loss) for the year attributable to:			
Owners of the Company		**5,896**	(55,255)
Non-controlling interests		**(275)**	(37)
		5,621	(55,292)
Total comprehensive income (expenses) attributable to:			
Owners of the Company		**5,679**	(54,587)
Non-controlling interests		**(274)**	(27)
		5,405	(54,614)
Earnings (loss) per share			
– Basic and diluted (HK cents)	*8*	**0.27 cents**	(2.62) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	NOTES	2011 HK$'000	2010 HK$'000
Non-current assets			
Property, plant and equipment		**53,228**	571
Prepaid lease payment		**202**	–
Investment property		**1,920**	1,500
Available-for-sale investments		**7,500**	7,500
Goodwill		**36,365**	–
		99,215	9,571
Current assets			
Prepaid lease payment		**24**	–
Inventories		**3,198**	–
Trade and other receivables	*9*	**32,466**	2,274
Held for trading investments		**27,956**	74,533
Deposits placed with security brokers		**355**	609
Bank balances and cash		**302,883**	248,196
		366,882	325,612
Current liabilities			
Trade and other payables	*10*	**58,778**	14,842
Loan from a related company		**23,346**	–
Loan from a non-controlling interest of a subsidiary		**21,125**	–
Tax liabilities		**6,870**	5,600
		110,119	20,442
Net current assets		**256,763**	305,170
		355,978	314,741
Capital and Reserves			
Share capital		**121,584**	105,490
Reserves		**224,613**	209,278
Equity attributable to owners of the Company		**346,197**	314,768
Non-controlling interests		**7,378**	(27)
Total Equity		**353,575**	314,741
Non-current liability			
Deferred tax liabilities		**2,403**	–
		355,978	314,741

Notes:

1. BASIS OF PRESENTATION

The consolidated financial statements have been prepared on the historical cost basis except for certain investment property and financial instruments that are measured at fair values.

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised HKFRSs issued by the HKICPA.

HKFRS 1 Amendment	Limited Exemption from Comparative HKFRS 7 Disclosure for First-time Adopters
Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
HKAS 24 (as revised in 2009)	Related Party Disclosures
Amendments to HKAS 32	Classification of Rights Issues
Amendments to Hong Kong International Financial Reporting Interpretations Committee ("HK(IFRIC)") – Int 14	Prepayments of a Minimum Funding Requirement
HK (IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
Amendments to HKFRS 1	First time Adoption of Hong Kong Financial Reporting Standards – Government Loans[2]
Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets[1]
	Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[5]
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets[4]
HKAS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[6]
HK(IFIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

1 *Effective for annual periods beginning on or after 1 July 2011.*
2 *Effective for annual periods beginning on or after 1 January 2013.*
3 *Effective for annual periods beginning on or after 1 January 2015.*
4 *Effective for annual periods beginning on or after 1 January 2012.*
5 *Effective for annual periods beginning on or after 1 July 2012.*
6 *Effective for annual periods beginning on or after 1 January 2014.*

HKFRS 9 Financial Instruments

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

Key requirements of HKFRS 9 are described as follows:

– 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 reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

– The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of 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 presented 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 presented in profit or loss.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and HK (SIC)-Int 12 *Consolidation – Special Purpose Entities*. 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) the 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.

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK (SIC)-Int 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The directors of the Company anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The application of these five standards may have significant impact on amounts reported in the consolidated financial statements. However, the directors of the Company have not yet performed a detailed analysis of the impact of the application of these standards and hence have not yet quantified the extent of the impact.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 *Financial Instruments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors of the Company anticipate that HKFRS 13 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 may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 12 Deferred Tax – Recovery of Underlying Assets

The amendments to HKAS 12 provide an exception to the general principles in HKAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 *Investment Property* are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The amendments to HKAS 12 are effective for annual periods beginning on or after 1 January 2012.

The directors of the Company anticipate that the application of the amendments to HKAS 12 Deferred Tax: Recovery of Underlying Assets will not have a significant impact on the results and the financial position of the Group.

Except for the above disclosed, the directors of the Company anticipate that the application of other new and revise standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. TURNOVER

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

	2011	2010
	HK$'000	*HK$'000*
Manufacture and sales of coal	**24,054**	–
Dividend income from investments held for trading	**3,443**	1,526
Provision of international air and sea freight forwarding services	**6,547**	6,334
Gross proceeds from disposal of investments held for trading	**156,489**	53,557
	190,533	61,417

4. SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on the type of goods sold or services delivered or provided.

Specifically, the Company's reportable segments same as operating segments under HKFRS 8 are as follows:

a) International air and sea freight forwarding segment engages in the provision of international air and sea freight forwarding and logistic services to customers

b) Securities trading segment engages in trading of equity securities

c) Manufacture and sales of coal segment engages in manufacture and sales of coal products to customers

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments.

	International air and sea freight forwarding	**Securities trading**	**Manufacture and sales of coal**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Year ended 31 December 2011				
Turnover	**6,547**	**159,932**	**24,054**	**190,533**
Revenue				
External	**6,547**	**3,443**	**24,054**	**34,044**
Segment results	**(602)**	**26,379**	**152**	**25,929**
Unallocated corporate expenses				**(19,990)**
Unallocated other income				**1,647**
Finance costs				**(734)**
Profit before tax				**6,852**

	International air and sea freight forwarding	Securities trading	Manufacture and sales of coal	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 December 2010				
Turnover	6,334	55,083	–	61,417
Revenue				
External	6,334	1,526	–	7,860
Segment results	(1,121)	(21,993)	(1,167)	(24,281)
Unallocated corporate expenses				(31,117)
Unallocated other income				384
Finance costs				(268)
Loss before tax				(55,282)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of central administration costs, directors' emoluments, gain on disposal of subsidiaries, loss on deregistration of subsidiaries, net exchange gain (loss), 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 and liabilities

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

	International air and sea freight forwarding	**Securities trading**	**Manufacture and sales of coal**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
At 31 December 2011				
ASSETS				
Segment assets	**928**	**28,311**	**123,107**	**152,346**
Unallocated corporate assets				**313,751**
Total assets				**466,097**
LIABILITIES				
Segment liabilities	**1,704**	**–**	**399**	**2,103**
Unallocated corporate liabilities				**110,419**
Total liabilities				**112,522**

	International air and sea freight forwarding *HK$'000*	Securities trading *HK$'000*	Manufacture and sales of coal *HK$'000*	Total *HK$'000*
At 31 December 2010				
ASSETS				
Segment assets	3,471	75,142	–	78,613
Unallocated corporate assets				256,570
Total assets				335,183
LIABILITIES				
Segment liabilities	1,989	–	–	1,989
Unallocated corporate liabilities				18,453
Total liabilities				20,442

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; and

– all liabilities are allocated to reportable segments other than loan from a related company and a non-controlling interest of a subsidiary, tax payable, deferred tax liabilities and part of other payables.

Other segment information

	International air and sea freight forwarding	Securities trading	Manufacture and sale of coal	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 December 2011					
Amounts included in the measure of segment profit or loss or segment assets:					
Gain on disposal of subsidiaries	–	–	–	(340)	(340)
Amortisation of prepaid lease payment	–	–	–	5	5
Fair value changes on investment property	–	–	–	(420)	(420)
Additions to non-current assets *(Note)*	22	–	171	–	193
Depreciation of property, plant and equipment	6	–	857	660	1,523
Gain on disposal of plant and equipment	(24)	–	–	–	(24)
Written off of plant and equipment	8	–	–	–	8
Realised gain on investment held for trading	–	(24,359)	–	–	(24,359)
Fair value changes on investments held for trading	–	1,423	–	–	1,423

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss on segment assets:

Interest revenue	–	–	(5)	(1,302)	(1,307)
Interest expenses	–	–	–	734	734
Income tax expenses	–	1,092	139	–	1,231

Note: Non-current assets excluded available-for-sale investments and goodwill.

	International air and sea freight forwarding	Securities trading	Manufacture and sales of coal	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 December 2010					
Amounts included in the measure of segment profit or loss or segment assets:					
Depreciation of property, plant and equipment	7	–	–	135	142
Impairment loss recognised in respect of trade receivables	180	–	–	–	180
Realised gain on investment held for trading	–	(127)	–	–	(127)
Fair value changes on investment property	–	–	–	360	360
Fair value changes on investments held for trading	–	23,619	–	–	23,619

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss on segment assets:

Interest revenue	–	–	–	(228)	(228)
Interest expenses	–	268	–	–	268
Income tax expenses	10	–	–	–	10

Note: Non-current assets excluded available-for-sale investments.

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	2011	2010
	HK$'000	*HK$'000*
Manufacture and sale of coal	**24,054**	–
Dividend income	**3,443**	1,526
Provision of international air and sea freight forwarding	**6,547**	6,334
	34,044	7,860

Geographical information

International air and sea freight forwarding services are carried out in Singapore, North and South America. Trading of securities are carried out in Hong Kong. The manufacture and sales of coal are carried out in the People's Republic of China ("PRC").

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of assets.

	Revenue from external customers		**Non-current assets**	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
North and South America	**2,838**	3,658	–	**–**
PRC	**24,054**	–	**89,323**	**–**
Hong Kong	**3,443**	1,526	**2,375**	2,071
Singapore	**3,709**	2,676	**17**	–
	34,044	7,860	**91,715**	2,071

Non-current assets exclude available-for-sale investments.

Information about major customers

	2011	2010
	HK$'000	*HK$'000*
Customer A for revenue from manufacture and sale of coal.	**24,054**	N/A

5. OTHER INCOME

	2011	2010
	HK$'000	*HK$'000*
Interest income	**1,307**	228
Net exchange gain	**–**	156
Gain on disposal of property, plant and equipment	**24**	–
Gain on disposal of subsidiaries	**340**	–
Government grants *(Note)*	**30**	11
Sundry income	**16**	11
	1,717	406

Note: During the year ended 31 December 2011, a government grant of approximately HK$30,000 (2010: HK$11,000) was granted to the Group in relation to the job credit scheme in Singapore on the condition that the Group has made CPF contributions in Singapore during the year.

6. FINANCE COSTS

	2011	2010
	HK$'000	*HK$'000*
Interest on:		
– loan from a related company	**609**	–
– loan from a non-controlling interest of a subsidiary	**125**	–
– margin loan payables wholly repayable within five years	**–**	268
	734	268

7. TAXATION

	2011	2010
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**1,092**	–
PRC Enterprise income tax	**139**	–
	1,231	–
Under provision in prior years		
Other jurisdictions	**–**	10
	1,231	10

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

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

The tax charge for the year can be reconciled to the profit (loss) per the consolidated statement of comprehensive income as follows:

	2011	2010
	HK$'000	*HK$'000*
Profit (loss) before tax	**6,852**	(55,282)
Tax at the domestic income tax rate of 16.5% (2010: 16.5%)	**1,130**	(9,121)
Tax effect of expenses not deductible for tax purpose	**3,432**	5,280
Tax effect of income not taxable for tax purpose	**(775)**	(289)
Tax effect of utilisation of tax loss	**(2,004)**	–
Tax effect of tax losses not recognised	**151**	4,292
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(703)**	(162)
Under provision in respect of prior years	**–**	10
Tax expenses for the year	**1,231**	10

The major deferred tax liabilities (assets) recognised and movements thereof during the current year and prior year are summarised below:

	Accelerated tax depreciation *HK$'000*	**Tax losses** *HK$'000*	**Revaluation of property, plant and equipment** *HK$'000*	**Total** *HK$'000*
At 1 January 2010	63	(63)	–	–
(Credit) charge to consolidated statement of comprehensive income	(8)	8	–	–
At 31 December 2010 and 1 January 2011	55	(55)	–	–
(Credit) charge to consolidated statement of comprehensive income	(6)	6	–	–
Acquired on acquisition of subsidiaries	–	–	2,403	2,403
At 31 December 2011	49	(49)	2,403	2,403

At 31 December 2011, the Group has estimated unutilised tax losses of approximately HK$140,306,000 (2010: HK$151,572,000) available for offset against future profits. A deferred tax asset has been recognised in respect of estimated unutilised tax losses of approximately HK$297,000 (2010: HK$333,000). No deferred tax asset has been recognised of the remaining tax losses due to the unpredictability of future profit streams. The estimated unutilised tax losses of approximately HK$140,009,000 (2010: HK$151,239,000) will not expire under the current tax legislation in Hong Kong. The estimated tax losses attributable to a subsidiary in Singapore amounted to approximately HK$153,000 (2010: HK$123,000). The use of such estimated unutilised tax losses is subject to the agreement of the tax authority and compliance with certain provision of the tax legislation in Singapore.

8. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share is based on the profit for the year attributable to owners of the Company of approximately HK$5,896,000 (2010: loss for the year attributable to owners of the Company of approximately HK$55,255,000) and on the weighted average number of 2,197,980,777 (2010: 2,109,795,845) ordinary shares in issue during the year.

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options because the exercise price of those options is higher than the average market price for shares for the years ended 31 December 2011 and 2010.

9. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period normally ranging from 30 days to 90 days to its trade customers. The following is an aged analysis of trade receivables (net of allowance for doubtful debt) presented based on the invoice date at the end of the reporting period. The Group does not hold any collateral over these balances.

	2011	2010
	HK$'000	*HK$'000*
0 – 30 days	**29,033**	1,048
31 – 60 days	**326**	216
61 – 90 days	**5**	117
Over 90 days	**1,342**	–
Trade receivables	**30,706**	1,381
Deposits and prepayments	**1,760**	893
	32,466	2,274

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK$1,342,000 (2010: nil) which were past due at the end of the reporting period and for which the Group has not provided for doubtful debt. Aging of trade receivables which are past due but not impair:

The aging analysis of trade receivables that are past due but not impaired is as follow:

	2011	2010
	HK$'000	*HK$'000*
Over 90 days	**1,342**	–

Trade receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a number of independent customers that have a good track record with the Group. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Movement in allowance for doubtful debts of trade receivables were as follows:

	2011	2010
	HK$'000	*HK$'000*
1 January	**1,639**	1,459
Impairment losses recognised	**–**	180
31 December	**1,639**	1,639

Before accepting any new customer, the Group uses a system to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed on a regular basis.

At the end of each reporting period, the Group's trade receivables are individually determined to be impaired. The individually impaired receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. Consequently, specific impairment loss is recognised.

10. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2011	2010
	HK$'000	*HK$'000*
0 – 30 days	**571**	622
31 – 60 days	**6**	14
61 – 90 days	**1**	–
Over 90 days	**968**	1,088
Trade payables	**1,546**	1,724
Accrued charges and other payables	**57,232**	13,118
	58,778	14,842

The average credit period on purchases of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

As at 31 December 2011, included accrued charges and other payables of approximately HK$42,229,000 (equivalent to approximate RMB34,597,000) were amounts due to former shareholders of a subsidiary of Suntech Worldwide Limited, which is acquired during the year ended 31 December 2011. The balances are unsecured, interest free and repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Highlights

	2011 Final	2010 Final	**2011 Vs 2010**	
	HK$'M	*HK$'M*	*HK$'M*	*%*
Financial Results Highlight				
Turnover	**190.5**	61.4	**129.1**	**210%**
Gross Profit	**7.2**	3.1	**4.1**	**132%**
Other operating Income/(Loss)(net)	**25.1**	(24.7)	**N/A**	**N/A**
Total expenses	**(25.4)**	(33.7)	**(8.3)**	**-25%**
Net Profit (Loss) before tax & minority interests	**6.8**	(55.3)	**N/A**	**N/A**
Net Profit (Loss) after tax & minority interests	**5.9**	(55.3)	**N/A**	**N/A**
Extract of Financial Position				
Total Assets	**466.0**	335.2	**130.8**	**39%**
Total Liabilities	**(112.5)**	(20.4)	**92.1**	**451%**
Net Current Assets	**256.7**	305.2	**(48.5)**	**-16%**
Cash and Bank Balance	**302.8**	248.2	**54.6**	**22%**
Total Net Assets	**353.5**	314.7	**38.8**	**12%**

For the year ended 31 December 2011, the Group's turnover was approximately HK$190.5 million, representing an increase of 210% as compared with 61.4 million in last year. Group's gross profit for the year ended 31 December 2011 was approximately HK$7.2 million, representing an increase of 132% as compared with HK$3.1 million in last year. Finally, the Group recorded profit attributable to equity shareholders of the Company amounted to approximately HK$5.9 million (2010: loss HK$55.3 million).

BUSINESS AND FINANCIAL REVIEW

Coal Business

For the year ended 31 December 2011, the turnover of coal business was amounted to HK$24.0 million (2010: Nil). Gross profit of HK$2.1 million was made for the year ended 31 December 2011 (2010: Nil).

Freight Forwarding Business

The turnover of the Group's freight forwarding business was amounted to HK$6.5 million, representing an increase of 3% as compared with HK$6.3 million in last year. Total gross profit was amounted to HK$1.6 million, an increase of 5% comparing with HK$1.5 million in last year.

The increase in turnover and gross profit for the freight forwarding business was mainly attributable to the increase in turnover in Singapore business.

Securities Investment

The global equity market had been unstable throughout the year of 2011. Despite of that, the Group still achieved a satisfactorily results in the year reviewed. The total turnover of the Group's securities investment business for the year ended 31 December 2011 was amounted to HK$159.9 million, representing an increase of 190% as compared with HK$55.0 million in 2010. Under the year reviewed, the Group recorded realized gain of approximately HK$24.3 million (2010: HK$0.1 million) and net unrealized loss of the listed securities of approximately HK$1.4 million (2010: HK$23.6 million). For the year ended 31 December 2011, the Group received dividend income of approximately HK$3.4 million (2010: HK$1.5 million). As at 31 December 2011, the Group was holding trading securities of approximately HK$27.9 million in value (2010: HK$74.5 million).

LIQUIDITY AND CASHFLOW RESOURCES

As at 31 December 2011 the equity and net current assets of the Group amount to approximately HK$353.5 million (2010: HK$314.7 million) and HK$256.7 million (2010: HK$305.1 million) respectively. On the same date, the Group had cash and bank balance of approximately HK$302.8 million (2010: HK$248.1 million) and the current ratio was 3.33 (2010: 15.93).

The gearing ratio of the Group as at the balance sheet date was 0.05 (2010: zero). The gearing ratio is measured on the basis of interest bearing borrowings over total assets. As at the balance sheet date, the interest bearing borrowings and total asset of the Group was amounted to approximately HK$23.3 million (2010: Nil) and HK$466.0 million (2010: HK$335.1 million) respectively. The interest bearing borrowings was raised by a newly acquired company located in the PRC before the acquisition. The borrowings had been fully repaid in January 2012.

The Group kept strong cash position. 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 may encounter or contemplate in the future.

PLEDGE OF ASSETS

At as 31 December 2011 and 2010, there were no Group's securities pledged to brokers to secure the margin loan. At as 31 December 2011 and 2010, there were no other significant assets pledged to banks to secure general banking facilities granted to the Group and the post-dated bills payable.

CAPITAL EXPENDITURE

The Group had no material capital expenditure for years ended 31 December 2011 and 2010.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's monetary assets, loans and transactions are principally denominated in Hong Kong dollars, Singapore dollars, US dollars and Renminbi. During the period, there was no significant fluctuation in the exchange rates of the Hong Kong dollars, Singapore dollars and US dollars. The appreciation in the currency value of the Renminbi may have some impact especially for the WOFE 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.

CHANGE OF DIRECTORSHIP

On 24 June 2011, Mr. Huang Boqi and Mr. Du Chunyu were appointed as executive directors and Mr. Zhou Mingchi and Ms. Wong Yan Ki, Angel were appointed as independent non-executive directors of the Company. On the same date, Mr. Ng Tang and Mr. Ren Zheng resigned as executive directors and Mr. Chan Ngai Sang, Kenny and Ms. Xing Hua resigned as independent non-executive directors of the Company.

On 4 October 2011, Mr. Zhang Liang was appointed as independent non-executive director of the Company. On the same date, Ms. Ma Jun Li, Mr. Zhang Da Qing resigned as executive directors, Ms. Yao Haixing resigned as non-executive director and Ms. Chung Kwo Ling resigned as independent non-executive director of the Company.

EMPLOYEE AND HUMAN RESOURCES POLICY

The Group had approximately 86 staff as at 31 December 2011 (31 December 2010: 32). The total staff cost incurred for the year ended 31 December 2011 was approximately HK$6.7 million (year ended 31 December 2010: HK$7.9 million). The remuneration of employees was determined with reference to the market terms, their qualification, experience and performance to the Company. As per the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), the staff of the issuer's accounting and financial reporting function should have adequate training programs and budget.

BUSINESS PROSPECT

The Group is principally engaged in coal processing, international air and sea freight forwarding and the provision of logistics services as well as trading of securities.

Even the economic growth rate of the PRC is expected to be slow down in the year of 2012, we expect the demand of resources, including coal, will be still very high. After the acquisition of Gujiao City Hongxiang Coal Industry Co. Ltd. ("Hongxiang"), we will focus on strengthening its profitability through enhancing its customer and supplier bases, improving its production efficiency as well as its internal control system.

In the first quarter of 2012, the global economy was still unstable and filled with uncertainties. The global air and sea freight forwarding industry is expected to face a number of difficulties and challenges in 2012. The Board still has to make continuous efforts to overcome the challenges.

Under the current fragile and volatile market environment, the investors confidence is correspondingly low. The Board will adopt a more conservative attitude towards the securities trading business.

In order to strengthen the core business, we will continue to explore different investment opportunities for business development mainly in the PRC. The Board will closely monitor the business environment for the aim to maximize the returns of the shareholders of the Company.

FINAL DIVIDEND

The Board of Directors has resolved not to recommend the payment of any final dividend for the year ended 31 December 2011 (2010: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the year ended 31 December 2011 (2010: Nil).

REVIEW OF FINANCIAL INFORMATION

The Board has established an audit committee ("Audit Committee") in accordance with the Listing Rules. The Committee comprises Mr. Zhou Mingchi, Ms. Wong Yan Ki, Angel, and Mr. Zhang Liang the three independent non-executive directors. Summary of duties and works of the Audit Committee is set out in the "Corporate Governance Report" in the 2011 annual report which will be despatched to the shareholders later.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the results of the Group for the year ended 31 December 2011.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2011 as set out in this announcement have been agreed by the Group's auditors, Messrs. SHINEWING (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. SHINEWING (HK) CPA Limited on this announcement.

CODE OF BEST PRACTICE AND CORPORATE GOVERNANCE

Details of corporate governance are set out in the section headed "Corporate Governance Report" in the 2011 annual report. During the year ended 31 December 2011, the Company has fully complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules, with deviation from Code Provision A.4.1. All of the non-executive directors are not appointed for a specific term (Code Provision A.4.1) but are subject to retirement by rotation once every three years and re-election at the annual general meeting under the Company's Bye-Laws.

INTERNAL CONTROL

The Board acknowledges its responsibility for the Group's internal control system to safeguard shareholders' investment and reviewing the effectiveness of such on an annual basis under Code Provision C.2.1.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules. Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 18 May 2012 to Tuesday, 22 May 2012 (both days inclusive), during which time no transfer of shares will be registered. In order to qualify to be shareholders of the Company to attend, act and vote at the annual general meeting to be held on 22 May 2012, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 17 May 2012.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement of the Group for the year ended 31 December 2011 is published on the websites of The Stock Exchange of Hong Kong Limited (http://www.hkexnews.hk) and the Company (http://www.cbgroup.com.hk) respectively. The 2011 annual report and notice of annual general meeting of the Company will be despatched to the shareholders and made available on the above websites later.

By the order of the Board
China Best Group Holding Limited
Huang Boqi
Chairman

Hong Kong, 29 March 2012

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Huang Boqi and Mr. Du Chunyu and three independent non-executive Directors namely Mr. Zhou Mingchi, Ms. Wong Yan Ki, Angel and Mr. Zhang Liang.