Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 2013

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 2013 together with the comparative figures for the six months ended 30 June 2012.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2013

		Six months ended	
		30.6.2013	30.6.2012
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Turnover	*3*	**45,169**	68,114
Revenue	*4*	**40,857**	44,015
Cost of sales		**(43,648)**	(28,628)
Gross (loss) profit		**(2,791)**	15,387
Other income		**1,594**	1,578
Selling and distribution expenses		**(3,385)**	(126)
Administrative and other expenses		**(12,020)**	(7,771)
Realised loss on investments held for trading		**(1,308)**	(6)
Fair value changes on investments held for trading		**(4,343)**	(12,229)
Finance costs	*5*	**(1,265)**	(1,114)

* *For identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

	Notes	Six months ended 30.6.2013 HK$'000 (unaudited)	Six months ended 30.6.2012 HK$'000 (unaudited)
Loss before tax	6	**(23,518)**	(4,281)
Income tax expense	7	**(145)**	(1,667)
Loss for the period		**(23,663)**	(5,948)
Other comprehensive income for the period:			
Exchange differences arising on translation		**2,739**	395
Total comprehensive expenses for the period		**(20,924)**	(5,553)
(Loss) profit for the period attributable to:			
Owners of the Company		**(16,763)**	(9,216)
Non-controlling interests		**(6,900)**	3,268
		(23,663)	(5,948)
Total comprehensive (expenses) income for the period attributable to:			
Owners of the Company		**(14,467)**	(8,875)
Non-controlling interests		**(6,457)**	3,322
		(20,924)	(5,553)
Loss per share	9		
– basic and diluted		**(0.69 HK cents)**	(0.38 HK cents)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2013

	Notes	**30.6.2013** *HK$'000* **(unaudited)**	31.12.2012 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment		**50,484**	52,204
Prepaid lease payment		**11,765**	178
Available-for-sale investments		**7,500**	7,500
Goodwill		**37,323**	36,729
		107,072	96,611
Current assets			
Prepaid lease payment		**241**	24
Inventories		**17,041**	21,439
Trade and other receivables	*10*	**61,570**	69,074
Held for trading investments		**11,309**	21,272
Bank balances and cash		**242,971**	236,345
		333,132	348,154
Investment property classified as held for sale		**–**	3,000
		333,132	351,154
Current liabilities			
Trade and other payables	*11*	**50,122**	36,992
Loan from a non-controlling interest of a subsidiary		**39,903**	38,637
Tax liabilities		**12,135**	13,168
		102,160	88,797
Net current assets		**230,972**	262,357
		338,044	358,968
Capital and reserves			
Share capital		**121,584**	121,584
Reserves		**207,674**	222,141
Equity attributable to owners of the Company		**329,258**	343,725
Non-controlling interests		**6,634**	13,091
Total Equity		**335,892**	356,816
Non-current liability			
Deferred tax liabilities		**2,152**	2,152
		338,044	358,968

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as 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").

2. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

In the current interim period, the Group has applied, for the first time, the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle
Amendments to HKFRS 1	First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

The application of the above new and 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.

The Group has not early applied the following new or revised Hong Kong Accounting Standards ("HKASs"), HKFRSs, amendments and interpretation that have been issued but are not yet effective.

Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[2]
HKFRS 9	Financial Instruments[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount for Non-Financial Assets[1]
Amendments to HKAS 39	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC) Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014.

2 Effective for annual periods beginning on or after 1 January 2015.

Save as disclosed in the annual report for the year ended 31 December 2012, the directors of the Company anticipate that the application of the other new and revised standards and amendments issued but not yet effective 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 manufacture and 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 period.

	Six months ended	
	30.6.2013	30.6.2012
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Manufacture and sales of coal	**36,347**	39,184
Provision of international air and sea freight forwarding services	**4,231**	3,277
Gross proceeds from disposal of investments held for trading	**4,312**	24,099
Dividend income from investments held for trading	**279**	1,554
	45,169	68,114

4. REVENUE AND SEGMENTAL INFORMATION

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

Six months ended 30 June 2013 (unaudited)

	International air and sea freight forwarding	**Securities trading**	**Manufacture and sales of coal**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Turnover	**4,231**	**4,591**	**36,347**	**45,169**
Revenue				
External	**4,231**	**279**	**36,347**	**40,857**
Segment profit (loss)	**245**	**(5,371)**	**(13,403)**	**(18,529)**
Unallocated corporate expenses				**(4,185)**
Unallocated other income				**461**
Finance costs				**(1,265)**
Loss before tax				**(23,518)**

Six months ended 30 June 2012 (unaudited)

	International air and sea freight forwarding	Securities trading	Manufacture and sales of coal	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	3,277	25,653	39,184	68,114
Revenue				
External	3,277	1,554	39,184	44,015
Segment (loss) profit	(9)	(11,090)	11,000	(99)
Unallocated corporate expenses				(4,640)
Unallocated other income				1,572
Finance costs				(1,114)
Loss before tax				(4,281)

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 30 June 2013 (unaudited)				
Segment assets	**2,413**	**12,507**	**174,847**	**189,767**

	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 2012 (audited)				
Segment assets	800	21,272	176,657	198,729

	International air and sea freight forwarding	**Securities trading**	**Manufacture and sales of coal**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
At 30 June 2013 (unaudited)				
Segment liabilities	**2,219**	**–**	**15,631**	**17,850**

	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 2012 (audited)				
Segment liabilities	1,305	–	13,072	14,377

5. FINANCE COSTS

	Six months ended	
	30.6.2013	30.6.2012
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on:		
– loan from a related company	**–**	263
– loan from a non-controlling interests of a subsidiary	**1,265**	766
Others	**–**	85
	1,265	1,114

6. LOSS BEFORE TAX

	Six months ended	
	30.6.2013	30.6.2012
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss before tax has been arrived at after charging (crediting) the following items:		
Auditors' remuneration	**516**	446
Depreciation of property, plant and equipment	**3,142**	3,064
Amortisation of prepaid lease payment	**67**	12
Employee benefit expenses (including directors' remuneration)	**3,643**	2,588
Cost of inventories recognised as an expenses	**40,419**	26,168
Minimum lease payments under operating lease charges	**966**	919
Net exchange gain (included in other income)	**(1,061)**	(263)
Compensation paid for cancellation of a sales agreement (included in administrative and other expenses)	**2,057**	–
Interest income (included in other income)	**(493)**	(1,309)

7. INCOME TAX EXPENSE

	Six months ended	
	30.6.2013	30.6.2012
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current tax:		
Hong Kong Profits Tax	**–**	–
PRC Enterprise Income Tax	**–**	1,667
	–	1,667
Under provision in prior years:		
PRC Enterprise Income Tax	**145**	–
	145	1,667

No provision for PRC Enterprise Income Tax had been made for the period ended 30 June 2013 as the Group had no assessable profit for the period.

No provision for Hong Kong Profits Tax had been made for the periods ended 30 June 2013 and 30 June 2012 as the Group had no assessable profit for the periods.

8. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period (six months ended 30 June 2012: Nil).

9. LOSS PER SHARE

The calculation of the basic loss per share for the period ended 30 June 2013 is based on the loss for the period attributable to the owners of the Company of approximately HK$16,763,000 (six months ended 30 June 2012: loss for the period of approximately HK$9,216,000) and on the weighted average number of 2,431,670,845 (six months ended 30 June 2012: 2,431,670,845) ordinary shares in issue during the period.

The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options because the exercise price of those option is higher than the average market price for shares for the both periods ended 30 June 2013 and 30 June 2012.

10. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period normally ranging from 30 days to 120 days to its trade customers.

The following is an aged analysis of trade receivables by age, presented based on the invoice date, which approximate the revenue recognition date, net of allowance for doubtful debt.

	30.6.2013	31.12.2012
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 30 days	**739**	2,868
31 – 60 days	**48**	186
61 – 90 days	**19,621**	13
91 – 120 days	**320**	43,805
Over 120 days	**37,608**	10,830
Trade receivables	**58,336**	57,702
Bills receivables	**–**	2,455
Deposits, prepayments and other receivables	**3,234**	8,917
	61,570	69,074

11. TRADE AND OTHER PAYABLES

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

	30.6.2013	31.12.2012
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 30 days	**2,913**	716
61 – 90 days	**5**	9
Over 90 days	**2,730**	4,736
Trade payables	**5,648**	5,461
Accrued charges and other payables	**44,474**	31,531
	50,122	36,992

12. CONTINGENCY

On 17 April 2013, the Company, as one of the respondents, and certain of its former directors have been served a petition (the "**Petition**") by the Securities and Futures Commission in relation to certain past transactions of the Group. The hearing for preliminary directions relating to the Petition was heard in the High Court on 31 July 2013. A second hearing for further directions will be heard at the High Court upon compliance of the order in the previous hearing. The directors of the Company consider that the Petition does not have significant financial and operating impact on the Group.

Details of the Petition are set out in the announcements of the Company dated 18 April 2013 and 31 July 2013.

13. EVENTS AFTER THE REPORTING PERIOD

On 11 June 2013, the Company as the purchaser entered into a memorandum of understanding ("**MOU**") with Rich Planet Investments Limited, Noble Justice Holdings Limited and Evergreen Lake International Limited as the vendors in relation to a possible acquisition of the entire issued share capital of Lead Best Asia Company Limited (the "**Possible Acquisition**"). Details in relation to the MOU are set out in the Company's announcement dated 13 June 2013.

On 16 August 2013, the Company was suspended for trading pending the release of the announcement in relation to the Possible Acquisition. Details of the Possible Acquisition will be set out in the said announcement and will be released to the public in due course.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Highlights

	Six months ended 30 June	
	2013	2012
	HK$'M	*HK$'M*
Financial Results Highlight		
Turnover	**45.2**	68.1
Gross (loss) profit	**(2.8)**	15.3
Other operating loss(net)	**(4.1)**	(10.7)
Total expenses	**(16.7)**	(9.0)
Net loss before taxation & non-controlling interests	**(23.5)**	(4.3)
Net loss after taxation & non-controlling interests	**(16.8)**	(9.2)

	30 June	31 December
	2013	2012
	HK$'M	*HK$'M*
Extract of Financial Position		
Total assets	**440.2**	447.8
Total liabilities	**(104.3)**	(90.9)
Net current assets	**231.0**	262.4
Bank balances and cash	**243.0**	236.3
Total net assets	**335.9**	356.8

Overview

For the six months ended 30 June 2013, the Group's turnover was approximately HK$45.2 million, representing a decrease of 33.6% as compared with HK$68.1 million in last corresponding period. The Group recorded a gross loss of approximately HK$2.8 million for the six months ended 30 June 2013, compared with a gross profit of approximately HK$15.3 million in last corresponding period. Finally, the net loss for the period attributable to equity shareholders of the Company reached approximately HK$16.8 million, representing an increase of 82.6% as compared with the net loss of approximately HK$9.2 million in last corresponding period. Such increase is principally due to the deteriorated result of the Group's coal business.

BUSINESS AND FINANCIAL REVIEW

Coal Business

For the six months ended 30 June 2013, the turnover of the Group's coal business amounted to approximately HK$36.3 million (30 June 2012: approximately HK$39.1 million). Due to the continued decline in the price of and demand for coal products in the Mainland China market in 2013, the Group turned to have a gross loss of approximately HK$4.1 million in this core business for the six months ended 30 June 2013 (30 June 2012: gross profit of approximately HK$13.0 million). Coupled with the increase in selling, distribution and sales related expenses, this business segment incurred a loss of approximately HK$13.4 million for the six months ended 30 June 2013 (30 June 2012: segment profit of approximately HK$11.1 million).

Freight Forwarding Business

For the six months ended 30 June 2013, the turnover of the Group's freight forwarding business amounted to approximately HK$4.2 million (30 June 2012: approximately HK$3.3 million). Corresponding gross profit of approximately HK$1.0 million and segment profit of approximately HK$245,000 were made for the six months ended 30 June 2013 respectively (30 June 2012: gross profit of approximately HK$0.8 million and segment loss of approximately HK$9,000). There was no significant change in the Group's strategy and plan in its freight forwarding business. The improvement in this segment is mainly attributable to the moderate recovery in the freight forwarding industry after a long time downturn.

Securities Investment Business

For the six months ended 30 June 2013, the turnover of the Group's securities investment business amounted to approximately HK$4.6 million (30 June 2012: approximately HK$25.6 million). During the six-month period, the Group recorded realised loss of approximately HK$1.3 million (30 June 2012: approximately HK$6,000) and net unrealised loss of the listed securities of approximately HK$4.3 million (30 June 2012: approximately HK$12.2 million). For the six months ended 30 June 2013, the Group received dividend income of approximately HK$0.3 million (30 June 2012: approximately HK$1.6 million). As at 30 June 2013, the Group was holding trading securities of approximately HK$11.3 million in value (31 December 2012: approximately HK$21.3 million).

LIQUIDITY AND CASHFLOW RESOURCES

As at 30 June 2013, the equity and net current assets of the Group amounted to approximately HK$335.9 million (31 December 2012: approximately HK$356.8 million) and HK$231.0 million (31 December 2012: approximately HK$262.4 million) respectively. On the same date, the Group had bank balances and cash of approximately HK$243.0 million (31 December 2012: HK$236.3 million) and the current ratio was 3.26 (31 December 2012: 3.95).

As at 30 June 2013, the gearing ratio of the Group was 0.08 (31 December 2012: 0.08). The gearing ratio is measured on the basis of interest bearing borrowings over total assets. As at 30 June 2013, the interest bearing borrowings and total asset of the Group amounted to approximately HK$36.5 million (31 December 2012: approximately HK$36.5 million) and HK$440.2 million (31 December 2012: approximately HK$447.8 million) respectively.

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 potential investments in the PRC which may encounter or contemplate in the future.

PLEDGE OF ASSETS

As at 30 June 2013 and 2012, there were none of the Group's securities pledged to brokers to secure the margin loan. As at 30 June 2013 and 2012, there were no other significant assets pledged to banks to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 30 June 2013, the Group provided a financial guarantee of approximately HK$61,000 (31 December 2012: approximately HK$63,000) to an independent third party for assurance of their customers in the event they default in payment.

CAPITAL EXPENDITURE

During the six months ended 30 June 2013, the Group incurred approximately HK$12.1 million as capital expenditure mainly in respect of acquisition of a land use right classified under prepaid lease payment which was funded by the Group's internal resources.

During the six months ended 30 June 2012, the Group had no material capital expenditure.

CAPITAL COMMITMENTS

The Group had no material capital expenditure contracted for but not provided in the consolidated financial statements as at 30 June 2013 and 31 December 2012.

SIGNIFICANT INVESTMENTS HELD

As at 30 June 2013, the Group held available-for-sale investments of approximately HK$7.5 million (31 December 2012: approximately HK$7.5 million) and held for trading investments of approximately HK$11.3 million (31 December 2012: approximately HK$21.3 million).

FOREIGN CURRENCY EXPOSURE

The Group's monetary assets, loans and transactions are principally denominated in Hong Kong dollars, Renminbi, Singapore dollars, and US dollars. During the period under review, 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 on the Group's operation in the PRC. The monetary assets of the Group in US dollars are also subject to the risk of exchange rate fluctuation. The Group will take a prudent approach for this impact but currently do not engage in any derivative activities and not commit to any financial instruments to hedge its balance sheet exposure.

EMPLOYEE AND HUMAN RESOURCES POLICY

As at 30 June 2013, the Group had 63 staff (31 December 2012: 92 staff). The remuneration of employees was determined with reference to the market circumstances, the Group's performance as well as individual qualification and experience. Pursuant to the Listing Rules, the staff of the Company's accounting and financial reporting function have adequate training programs and budget.

Pursuant to a share option scheme adopted on 22 May 2012, the Board may grant options to directors (including non-executive directors and independent non-executive directors), employees of the Company and any of its subsidiaries or associated companies, to subscribe for shares of the Company. During the period under review, no options were granted under the 2012 Share Option Scheme.

MATERIAL ACQUISITION OR DISPOSAL

(a) On 10 December 2012, the Group entered into a sale and purchase agreement with an independent third party to dispose of an investment property at a cash consideration of HK$3,000,000. Accordingly, the investment property of HK$3,000,000 was reclassified to investment property classified as held for sale in the consolidated statement of financial position as at 31 December 2012. The aforesaid disposal had been completed on 28 February 2013.

(b) On 31 January 2013, Jet-Air (H.K.) Limited ("**Jet-Air**"), a wholly owned subsidiary of the Company, entered into a placing letter with KCG Securities Asia Limited (the "**Placing Agent**") to subscribe for the convertible bonds and the promissory notes issued by North Asia Resources Holdings Limited, a company listed on the Main Board of the Stock Exchange, each in a principal amount of US$7 million (equivalent to approximately HK$54.6 million) respectively at their face values, which will be satisfied by cash. The aforesaid placing letter was terminated on 11 June 2013 by mutual agreement between Jet-Air and the Placing Agent. Details of the said subscription and reasons for termination are set out in the Company's announcements dated 5 February 2013, 22 March 2013 and 13 June 2013.

(c) On 10 April 2013, Gujiao City Hongxiang Coal Industry Co. Ltd., a non-wholly owned subsidiary of the Company, entered into the Contract for Grant of State-owned Construction Land Use Right with the Land Resources Bureau of Gujiao City to acquire the land use right of a land parcel 11026, with a site area of 49,661.56 square meters and is located at Yongshuqu Village, Xiqu Street, Gujiao City at a price of RMB9,400,000 (equivalent to approximately HK$11,750,000). Details of the aforesaid acquisition are set out in the Company's announcement dated 22 April 2013.

Save as disclosed above, there was no other material acquisition or disposal of the Group for the six months ended 30 June 2013.

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 2013 (30 June 2012: 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 2013.

INTERNAL CONTROL

The Board 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 Corporate Governance Code as set out in Appendix 14 of the Listing Rules.

CORPORATE GOVERNANCE CODE OF THE LISTING RULES

In the opinion of the Board, save as disclosed below, 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 2013 in compliance with the Code Provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules.

Under Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Mr. Huang is the chairman of the Board. The Company has no such title as the chief executive currently. Given the current size and structure of the Company, the Board is of the view that though there is no chief executive, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and meetings between the directors and the management are held from time to time to discuss issues relating to the operation of the Company. All directors are properly briefed on the matters arising at the Board meetings with adequate, complete and reliable information received in a timely manner. The Board also believes that the current structure is conducive to strong and consistent leadership, enabling the Company to make and implement decisions promptly and efficiently.

Although the responsibilities of the chairman is not set out in writing, power and authority are not concentrated in one individual and all major decisions are made in consultation with members of the Board and appropriate Board committees, as well as senior management. The Board will consider setting out in writing the roles and duties of the chairman in due course.

Going forward, the Board will periodically review the effectiveness of this arrangement, the board composition as well as division of responsibilities to enhance best interest of the Company and its shareholders as a whole.

Under Code Provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. All of the non-executive directors of the Company are not appointed for a specific term 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.

Under Code Provision A.6.7 of the CG Code, the independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Due to their various work commitments, one executive director and all independent non-executive directors of the Company were unable to attend the annual general meeting held on 20 May 2013; and one executive director and two independent non-executive directors of the Company were unable to attend the special general meeting held on 22 April 2013.

AUDIT COMMITTEE

The Audit Committee of the Company comprises three independent non-executive directors, namely, Mr. Zhou Mingchi, Ms. Wong Yan Ki, Angel and Mr. Zhang Liang.

The primary duties of the Audit Committee are to review the financial statements and reports and to review the adequacy and effectiveness of the Group's financial reporting system, internal control system and risk management system and associated procedures.

The Group's unaudited results for the six months ended 30 June 2013 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such financial statements complied with the applicable accounting standards and requirements of the Stock Exchange and legal requirements, and that adequate disclosures have been made.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 2013.

PUBLICATION OF INTERIM REPORT

The interim results announcement has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cbgroup.com.hk).

The 2013 Interim Report of the Company containing all the information required under Appendix 16 of the Listing Rules will be dispatched 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
Huang Boqi
Chairman

Hong Kong, 21 August 2013

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.