

*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)**

## **INSIDE INFORMATION**

This announcement is made by China Best Group Holding Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to the announcement of the Company dated 23 March 2023 (the “**Announcement**”), the annual report of the Company for the year ended 31 March 2023 and the interim results announcement of the Company for the six months ended 30 September 2023 in relation to the progress of actions against the Defaulted Persons. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

## **PROCEEDINGS INITIATED AGAINST THE DEFAULTED PERSONS**

Further to the Announcement, the Group had engaged the PRC legal adviser and initiated court proceedings against the Defaulted Persons on behalf of the Group. On 14 June 2023, the Group filed (i) a civil complaint (民事起訴狀) in Luohu District People’s Court in Shenzhen (深圳市羅湖區人民法院) against Mr. Fang Zhuoyuan\* (房卓源) and Mr. Yang Feng\* (楊峰) (being the ultimate beneficial owners of Feng Lei), and Mr. Li Enqiang\* (李恩強) (being the ultimate beneficial owner of Shi Jia Hao) for the repayment of the outstanding amount due from Feng Lei as contemplated under one sales contract and the related late payment penalty (the “**Civil Complaint in relation to Feng Lei**”); and (ii) seven civil complaints (民事起訴狀) in Yantian District People’s Court in Shenzhen (深圳市鹽田區人民法院) against Mr. Luo Cunchun\* (羅存春) (being the ultimate beneficial owner of Wu Feng Ying) and Mr. Li Enqiang\* (李恩強) (being the ultimate beneficial owner of Shi Jia Hao) for the repayment of the outstanding amount due from Wu Feng Ying as contemplated under seven sales contracts and the related late payment penalty (the “**Civil Complaints in relation to Wu Feng Ying**”). Luohu District People’s Court in Shenzhen (深圳市羅湖區人民法院) and Yantian District People’s Court in Shenzhen (深圳市鹽田區人民法院) acknowledged the acceptance of the relevant civil complaints on 20 July 2023 and 23 October 2023 respectively.

\* For identification purpose only

For the Civil Complaint in relation to Feng Lei, the case was first heard in Luohu District People's Court in Shenzhen (深圳市羅湖區人民法院) in September 2023. The Group received a civil ruling (民事裁定書) dated 20 October 2023 adjudicating in favor of the Group, pursuant to which, *inter alia*, (i) Mr. Fang Zhuoyuan\* (房卓源) and Mr. Yang Feng\* (楊峰) shall repay the outstanding amount due from Feng Lei of approximately RMB23.7 million (equivalent to approximately HK\$26.1 million) and the related late payment penalty to the Group within seven (7) days from the effective date of the civil ruling; and (ii) Mr. Li Enqiang\* (李恩強) shall bear joint and several liability for the repayment of the aforesaid outstanding amount and late payment penalty due from Feng Lei with a maximum limit of approximately RMB24.0 million (equivalent to approximately HK\$26.4 million). On 12 December 2023, the Group confirmed with its PRC legal adviser that the relevant court did not receive any appeal from the defendants regarding the judgment within the prescribed period and the judgment became effective on 16 November 2023. As at the date of this announcement, the Group has not received any repayment from the defendants.

For the Civil Complaints in relation to Wu Feng Ying, the case will be first heard in Yantian District People's Court in Shenzhen (深圳市鹽田區人民法院) on 19 December 2023. The Company will make further announcement(s) in relation to the progress of court proceedings against the Defaulted Persons as and when appropriate in accordance with the requirements of the Listing Rules.

Having considered that (i) as advised by the PRC legal adviser of the Group, even though the Group prevails in the civil proceedings, the recoverability of the amounts due from the Defaulted Persons mainly depends on the traceability and possibility in enforcement of the assets or properties of the Defaulted Persons; and (ii) the Group had fully recognised the impairment loss on the trade receivables due from the Defaulted Persons of approximately RMB157.0 million (equivalent to approximately HK\$172.7 million) in aggregate in the consolidated financial statements of the Group for the year ended 31 March 2023 and the full impairment loss remained unchanged in the consolidated financial statements of the Group for the six months ended 30 September 2023, the Board is of the view that the above proceedings will not have any further material and adverse impacts on the overall business, operation or financial performance of the Group.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**China Best Group Holding Limited**  
**Mr. Qin Jie**

*Executive Director and Chief Executive Officer*

Hong Kong, 15 December 2023

*As at the date of this announcement, the Board comprises five executive Directors, namely, Ms. Wang Yingqian (Chairman), Mr. Qin Jie (Chief Executive Officer), Mr. Fan Jie, Mr. Li Haitao and Ms. Tao Lei, and three independent non-executive Directors, namely, Mr. Liu Tonghui, Ms. Yin Meiqun and Mr. Ye Jianmu.*