

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.



BEAUTIFUL CHINA HOLDINGS COMPANY LIMITED
美麗中國控股有限公司

(incorporated in Bermuda with limited liability)

(Stock code: 706)

MEMORANDUM OF UNDERSTANDING
RELATING TO A PROPOSED INVESTMENT

MEMORANDUM OF UNDERSTANDING RELATING TO A PROPOSED INVESTMENT

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Board is pleased to announce that on 9 April 2014, the Company, China International Construction, CDB Urban and Kunming Management Committee entered into the Memorandum of Understanding in relation to the Kunming Vacation Zone Project.

The Memorandum of Understanding is non-legally binding.

As the Memorandum of Understanding may or may not lead to the entering into of any Formal Agreement(s) and the Kunming Vacation Zone Project may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

In the event that the Kunming Vacation Zone Project materialises, it may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

This announcement is made by pursuant to Rule 13.09(1) of the Listing Rules and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Board is pleased to announce that on 9 April 2014, the Company, China International Construction, CDB Urban and Kunming Management Committee entered into the non-legally binding Memorandum of Understanding in relation to the Kunming Vacation Zone Project. After signing of the Memorandum of Understanding, the parties thereto shall enter into good faith negotiation for the Formal Agreement(s) and other documentation and matters relating to the Kunming Vacation Zone Project and the provisions of the Memorandum of Understanding shall form the basis for the preparation of the said documents.

THE MEMORANDUM OF UNDERSTANDING

Date: 9 April 2014

Parties:

Party A: Kunming Management Committee

Party B: (i) the Company;
(ii) China International Construction; and
(iii) CDB Urban.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Kunming Management Committee, China International Construction, CDB Urban and their respective associates are Independent Third Parties of the Company and its connected persons.

Principal terms

The Company, China International Construction, CDB Urban and the Kunming Management Committee proposed to invest in the construction of the landscape ecosystem and related infrastructure in the Kunming Dian Lake West Coast Vacation Zone.

The Company, China International Construction and CDB Urban shall establish a project company. Together with such project company, the Company, China International Construction and CDB Urban shall be responsible to develop the Kunming Vacation Zone Project, the estimated total investment amount of which is expected to be approximately RMB10 billion, whereby the actual final total investment amount shall be subject to further negotiation and finalisation in the Formal Agreement(s).

The Kunming Management Committee shall be responsible for providing support in relation to land, tax, industry development and financing in accordance with the existing laws and regulations as well as policy requirements regarding the implementation of the Kunming Vacation Zone Project, while the Company, China International Construction and CDB Urban shall be responsible for, including, among others, consolidating the capital and industry resources and arranging for financing of the Kunming Vacation Zone Project.

“CDB Urban”	國開城市交通投資發展基金管理有限公司 (CDB Urban Transportation Investment Development Fund Management Co. Limited*), a limited liability company established in the PRC
“China International Construction”	捷運國際建設投資控股(香港)有限公司 (China International Construction Investment Holding (Hong Kong) Limited), a limited company incorporated in BVI
“Company”	Beautiful China Holdings Company Limited (美麗中國控股有限公司), a company incorporated in Bermuda with limited liability, and the Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules and the word “connected” shall be construed accordingly
“Director(s)”	the director(s) of the Company
“Formal Agreement(s)”	formal legally-binding implementation agreement(s) to be entered into between the Company, Jie Yun Construction, Guo Kai Company and the Kunming Management Committee in the event that the parties proceed with the Kunming Vacation Zone Project
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party which is not a connected person of the Company and independent of the Company and its connected person
“Kunming Management Committee”	昆明滇池西岸開發建設管委會 (Kunming Dian Lake West Coast Development and Construction Management Committee*)
“Kunming Vacation Zone Project”	昆明滇池西岸度假休閒區生態景觀系統及相關基礎設施的投資建設項目 (Kunming Dian Lake West Coast Vacation Zone Ecosystem and Related Infrastructure Investment Project*), being the construction of the landscape ecosystem and related infrastructure in the Kunming Dian Lake West Coast Vacation Zone
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Understanding”	the memorandum of understanding dated 9 April 2014 entered into between the Company, Jie Yun Construction, Guo Kai Company and the Kunming Management Committee in relation to the Kunming Vacation Zone Project

“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By the order of the Board
Sze Wai, Marco
Chairman

Hong Kong, 9 April 2014

** For identification purposes only*

As at the date of this announcement, the Board comprises Mr. Sze Wai, Marco and Mr. Tan Shu Jiang as executive Directors, Mr. Law Fei Shing as non-executive Director, and Mr. Chong Yiu Kan, Sherman and Mr. Lum Pak Sum as independent non-executive Directors.