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

(incorporated in Bermuda with limited liability)

(Stock code: 706)

**VOLUNTARY ANNOUNCEMENT:
UPDATE ON THE USE OF PROCEEDS
FROM THE SUBSCRIPTION FOR SHARES**

Reference is made to the circular of the Company dated 6 December 2013 (“**Circular**”) in relation to the Subscription for new Shares by a company wholly-owned by Mr. Sze (being a substantial Shareholder). Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Circular.

As disclosed in the Circular, the gross proceeds from the Subscription amounts to HK\$200 million and the net proceeds from the Subscription are estimated to be approximately HK\$198.8 million. The Board would like to update the Shareholders the use of such proceeds as at the date of this announcement as follows:

- about HK\$150 million was applied to the payment of deposit for purchasing North American maple seedlings (北美紅楓樹苗) from an independent third party supplier in the PRC for the Bengbu City Wuhe County Project, and specifically, for transplanting at the Group's nursery at Wuhe County, Bengbu City, Anhui Province. For further details of such project, please refer to the announcement of the Company dated 18 February 2014;
- about HK\$20 million was used as general working capital of the Group; and
- the remaining amount of the proceeds is unused as at the date of this announcement and is planned to be used as working capital of the Group in the future.

In such connection, the Directors consider the above use of proceeds from the Subscription is in line with that as disclosed in the Circular.

For and on behalf of
Beautiful China Holdings Company Limited
Tan Shu Jiang
Executive Director

Hong Kong, 15 September 2014

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