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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)

**ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE
TAKEOVERS CODE AND RULE 13.09 OF THE LISTING RULES AND
INSIDE INFORMATION PROVISIONS UNDER
PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE**

This announcement is made pursuant to Rule 3.7 of The Hong Kong Code on Takeovers and Mergers (“**Takeovers Code**”) and Rule 13.09 of the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and the Inside Information Provision under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”).

The board (“**Board**”) of directors (“**Directors**”) of Beautiful China Holdings Company Limited (“**Company**”) was informed that Mr. Sze Wai Marco (“**Mr. Sze**”), the Chairman, an executive Director and the controlling shareholder of the Company (through his personal and corporate interests, currently holding a total of approximately 48.57% of the issued share capital of the Company, of which approximately 48.52% of the issued share capital of the Company is held by Leading Value Industrial Limited, a company wholly owned by Mr. Sze) are in preliminary discussion with an independent third party of a possible transaction(s) regarding shares of the Company (“**Shares**”) which may result in Mr. Sze ceasing to be the controlling shareholder of the Company. The Board understands that at present the discussion is at an initial stage and no definitive terms have been agreed. Shareholders and prospective investors should note that were the transaction(s) between Mr. Sze and such independent third party be materialised or eventually be consummated, it may result in a mandatory general offer, in accordance with Rule 26.1 of the Takeovers Code, being made to all shareholders of the Company (other than the incoming shareholder and its concert parties) and to make comparable offers for all outstanding share options and convertible bonds of the Company.

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the aforesaid discussions will be made until any announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

In compliance with Rule 3.8 of the Takeovers Code, associates (including persons holding 5% or more of a class of relevant securities) of the Company are hereby reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, as at the date of this announcement, the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company comprised (i) a total of 4,999,084,922 Shares in issue; (ii) a total of 32,200,000 outstanding options granted under the share option schemes of the Company with rights to subscribe for a total of 32,200,000 Shares; and (iii) convertible bonds (“**Convertible Bonds**”) in aggregate amount of HK\$65,000,000 are convertible into a maximum of 325,000,000 Shares upon exercise in full of the subscription rights attaching to the Convertible Bonds. Save for the aforesaid, the Company has no other relevant securities (as defined in the Note 4 to Rule 22 of the Takeovers Code) as at the date hereof.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and others persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

There is no assurance that any transaction mentioned in this announcement will materialise or eventually be consummated and the discussions may or may not lead to an offer for the Shares. Shareholders and public investors are urged to exercise extreme caution when dealing in the Shares.

By order of the Board
Beautiful China Holdings Company Limited
Tan Shu Jiang
Executive Director

Hong Kong, 29 April 2015

As at the date of this announcement, the Board comprises Mr. Sze Wai Marco, Mr. Zhou Wei Feng, Mr. Tan Shu Jiang and Mr. Pan Tingxuan 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.

All the Directors jointly and severally accept fully responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.