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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 3.8 OF THE
TAKEOVERS CODE**

Reference is made to the announcement (“**Announcement**”) of Beautiful China Holdings Company Limited (“**Company**”) dated 29 April 2015 in relation to a possible transaction(s) regarding Shares which may result in Mr. Sze ceasing to be the controlling shareholder of the Company (“**Possible Transaction(s)**”). Unless otherwise defined, terms used in this announcement shall have the same meanings as those used in the Announcement.

UPDATE OF NUMBER OF RELEVANT SECURITIES OF THE COMPANY

The Board wishes to announce that on 8 May 2015, 100,000,000 new Shares have been allotted and issued pursuant to the exercise of the subscription rights attaching to Convertible Bonds in the amount of HK\$20,000,000 at an exercise price of HK\$0.2 per Share.

As at the date of this announcement (after the allotment and issuance of Shares as described above), the relevant securities (as defined in Note 4 of Rule 22 of the Takeovers Code) of the Company in issue comprise (i) a total of 5,099,084,922 Shares; (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 in aggregate amount of HK\$45,000,000 are convertible into a maximum of 225,000,000 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 Note 4 to Rule 22 of the Takeovers Code) as at the date hereof.

DEALING DISCLOSURE

The associates (as defined in the Takeovers Code) of the Company are hereby reminded to disclose their dealings in any securities of the Company pursuant to the requirements 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 other 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 HK\$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.”

Shareholders and potential investors of the Company should exercise in caution when dealing in the Shares as there is no certainty that the Possible Transaction(s) will proceed.

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

Hong Kong, 20 May 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.