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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)

**CLARIFICATION ANNOUNCEMENT IN RELATION TO
THE ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

Reference is made to the annual report of Beautiful China Holdings Company Limited (the “**Company**”) and its subsidiaries for the year ended 31 December 2014 (the “**Annual Report**”). Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as defined in the Annual Report.

Further to the information disclosed in the Annual Report, the Company wishes to provide the shareholders of the Company (the “**Shareholders**”) and the public with the following supplementary information.

PLACING OF SHARES

On page 90 of the Annual Report, it was stated that a placing of shares (the “**Placing**”) was conducted during the year, and an aggregate principal amount of HK\$42,600,000 had been successfully placed.

The Company wishes to further disclose that an aggregate of 426,000,000 placing shares had been successfully placed to not less than six places at the placing price of HK\$0.4 per placing share. The net issue price of placing share was HK\$0.385 as at the date of the Annual Report. The aggregate nominal value of the 426,000,000 placing shares was HK\$42,600,000 as at the date of the Annual Report. The market price per the placing share as at 20 June 2014, being the date on which the terms of the issue were fixed, was HK\$0.415.

The Directors consider that the issue of the placing of shares is an appropriate means of raising additional capital for the Company to enhance its capital base and broaden its shareholders’ base.

As at the date of the Annual Report, the net proceeds from the placing was approximately HK\$164,000,000, of which approximately HK\$65,800,000 has been used for the development of the eco-environment construction, ecology rehabilitation and related business of the Group and approximately HK\$9,000,000 has been used as general working capital of the Group (i.e. for daily operating and administrative expenses). The remaining of approximately HK\$89,200,000 will be used as follows:

- (i) approximately HK\$81,800,000 will be used for the development of the eco-environment construction, ecology rehabilitation and related business of the Group; and
- (ii) approximately HK\$7,400,000 will be used as general working capital of the Group (i.e. for daily operating and administrative expenses).

SHARE OPTION SCHEME

The Company wishes to further disclose that the total number of securities available for issue under the Scheme was 413,808,492 shares, representing 9.07% of the issued shares of the Company as at the date of the Annual Report.

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

Hong Kong, 21 August 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. Lum Pak Sum, Mr. Chong Yiu Kan, Sherman and Mr. Liu Liyang as independent non-executive Directors.