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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)

FURTHER SUPPLEMENTAL ANNOUNCEMENT REGARDING SUBSCRIPTION FOR CONVERTIBLE BONDS UNDER GENERAL MANDATE; AND LAPSE OF PLACING AGREEMENT

Reference is made to the (i) announcement of Beautiful China Holdings Company Limited (the “**Company**”) dated 21 June 2016; and (ii) announcement of the Company dated 5 July 2016 in relation to, among other matters, the Subscription and the Placing (the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

SIDE AGREEMENT TO THE SUBSCRIPTION AGREEMENT

The Board announces that after arm’s length negotiations, a side agreement (the “**Side Agreement**”) was entered into between the Company, the Guarantor and the Subscriber on 12 July 2016 (after trading hours) whereby the parties agreed, among others, that the NSCB would be issued in two tranches, the first tranche being in the aggregate principal amount of HK\$60,000,000 (the “**Tranche A NSCB**”). Pursuant to the Side Agreement, the parties further agreed that completion of the Subscription in respect of the Tranche A NSCB shall take place on 12 July 2016 or any other date as finally determined by the parties in writing. For the purposes of completion of Tranche A NSCB subscription, the parties agreed that certain conditions set out in the Subscription Agreement shall not apply, which includes the appointment of the Designated Director and the execution of the Account Control Agreement.

Completion of the Subscription of the remaining amount of HK\$58,000,000 of NSCB (the “**Tranche B NSCB**”) shall take place on 31 July 2016 subject to the fulfillment of the conditions as set out in the Subscription Agreement.

LAPSE OF PLACING AGREEMENT

The Board wishes to supplement the information regarding the Placing whereby completion of the Placing shall take place within three weeks from the date of the Placing Agreement.

As certain conditions precedent under the Placing Agreement has not been fulfilled upon expiry of three weeks from the date of the Placing Agreement (i.e. on or before 12 July 2016), the Placing Agreement has lapsed. Pursuant to the Placing Agreement, all obligations and liabilities of the Placing Agent and the Company under the Placing Agreement shall cease and determine. Neither the Company nor the Placing Agent has any claim against each other save for any antecedent breach of the terms of the Placing Agreement.

The Directors are of the view that the lapse of the Placing Agreement has no material adverse impact on the operation and financial position of the Group.

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

Hong Kong, 12 July 2016

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.