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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 BUSINESS DEVELOPMENT

This is a voluntary announcement made by Beautiful China Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

Reference is made to the interim results announcement of the Group for the six months ended 30 June 2016 dated 29 August 2016 (“**2016 Interim Announcement**”). As disclosed in the 2016 Interim Announcement, regarding the development of the Group’s ecological environmental protection business in the Heilongjiang province, preliminary preparation works for 紅星垃圾填埋場修復治理工程 (Hongxing landfill restoration and treatment project*) in Qiqihar City, Heilongjiang province, the People’s Republic of China (the “**PRC**”) have been completed, and it was expected that the project will commence after execution of the relevant project contract.

The board (the “**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that on 23 September 2016, an indirect wholly owned subsidiary of the Company entered into an agreement regarding the provision of waste landfill treatment services (the “**Agreement**”), being the official contract for the implementation of the restoration and treatment project for 紅星垃圾填埋場 (the “**Hongxing Landfill**”), with 中國環境保護集團有限公司 (China National Environmental Protection Group*), a wholly-owned subsidiary of 中國節能環保集團公司 (China Energy Conservation And Environmental Protection Limited*). Pursuant to the Agreement, the Group has agreed to provide landfill management and treatment services to the Hongxing Landfill for a period of approximately one year. The services to be provided by the Group include waste sorting and treatment, and polluted sites treatment and other related environmental protection works.

The Directors believe that the implementation of the Agreement enables the reduction of soil pollution, water pollution, odour pollution and air pollution caused by the Hongxing Landfill, and improve the quality of the surrounding ecological environment.

* For identification purposes only

REASONS FOR AND BENEFITS OF THE TRANSACTION

Starting in 2013, the Group has been seeking business and investment opportunities to develop its business operations into the ecological and environmental industry. As disclosed in the annual report of the Group for the year ended 31 December 2015, the Group has been expanding its solid waste management businesses during the year ended 31 December 2015, including domestic waste treatment, landfill management and treatment, and renewable resources businesses. As disclosed in the 2016 Interim Announcement, the Company has sought for and identified a number of relevant potential projects for its ecological environmental protection business in various regions across the PRC, and has been actively engaged in the negotiation with the governmental and corporate clients for detail terms thereof, so as to facilitate the implementation of the plans.

To the best of the Directors' knowledge and belief, due to rapid development in the PRC, including Qiqihar City, waste landfills have been causing pollution to the surrounding area which in turn has affected the health of citizens in the PRC. Due to rapid development of cities in the PRC with increasing population and, in turn, solid wastes and increasing environmental awareness of the general public in the PRC, the Directors believe that the solid waste and landfill management and treatment industry will provide enormous business opportunities for the development of the Group's environmental protection business segment.

The Board considers that by entering into the Agreement, the Group can (i) expand its scale of operation in its solid waste and landfill management and treatment businesses; and (ii) enhance its overall competitiveness in the solid waste and landfill management businesses related industry in the PRC to achieve better financial performance, which is beneficial and in the interests of the Company and its shareholders as a whole.

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

Hong Kong, 23 September 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 and Mr. Chen Chun Tung, Jason as non-executive Directors, and Mr. Chong Yiu Kan, Sherman, Mr. Lum Pak Sum and Mr. Liu Liyang as independent non-executive Directors.