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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 2015**

Reference is made to the annual report of Beautiful China Holdings Company Limited (the “**Company**”) and its subsidiaries for the year ended 31 December 2015 (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 CONVERTIBLE BONDS

On page 94 of the Annual Report, it was stated that a placing of convertible bonds (the “**Convertible Bonds**”) was conducted during the year, and an aggregate principal amount of HK\$152,000,000 had been successfully placed.

The Company wishes to further disclose that as at the date of the Annual Report, the net proceeds from the placing of the Convertible Bonds of approximately HK\$150,000,000 has been utilised as intended (as disclosed in the announcement of the Company dated 17 March 2015) as to (i) approximately HK\$135,000,000 for the development of the eco-environment construction, ecology rehabilitation and related business of the Group (i.e. for the purchase of biological assets which are

North American red maple tree seedlings); and (ii) approximately HK\$15,000,000 as general working capital (i.e. for daily operating and administrative expenses, including but not limited to office rental expenses and staff costs.).

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

Hong Kong, 28 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. Lum Pak Sum, Mr. Chong Yiu Kan, Sherman and Mr. Liu Liyang as independent non-executive Directors.