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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)

**COMPLETION OF SUBSCRIPTION
FOR TRANCHE B CONVERTIBLE BONDS**

The Board is pleased to announce that the conditions applicable to the Subscription for the Tranche B NSCB pursuant to the Subscription Agreement (as amended from time to time) had been fulfilled and that Tranche B Completion took place on 26 August 2016. The Tranche B NSCB being in the aggregate principal amount of HK\$58,000,000 had been issued to the Subscriber. The Company received net proceeds of approximately HK\$57,000,000 from the Subscription for the Tranche B NSCB.

Reference is made to the announcements of Beautiful China Holdings Company Limited (the “**Company**”) dated 21 June 2016, 5 July 2016, 12 July 2016 and 19 August 2016 (the “**Announcement(s)**”) in relation to, among other things, the Subscription. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless defined otherwise herein.

COMPLETION OF SUBSCRIPTION FOR TRANCHE B NSCB

As disclosed in the Announcements dated 5 July 2016 and 19 August 2016, pursuant to the Subscription Agreement (as amended from time to time), completion of the Subscription for the Tranche B NSCB (“**Tranche B Completion**”) shall be subject to, among others, the appointment of the Designated Director. Accordingly, after due and careful consideration from each of the nomination committee, the remuneration committee and the Board, all the required procedures for the appointment of Mr. Chen as the Designated Director as disclosed in the Announcement dated 5 July 2016 had been complied with.

As disclosed in the Announcement dated 21 June 2016, Tranche B Completion shall complete on the NS Closing Date (i.e. 31 July 2016 or such other date as agreed in writing by parties to the Subscription Agreement, but no later than 12 December 2016). Pursuant to the terms of the Subscription Agreement, the parties have mutually agreed that the intended date of Tranche B Completion shall be on or about 26 August 2016.

The Board is pleased to announce that the conditions applicable to the Subscription for the Tranche B NSCB pursuant to the Subscription Agreement (as amended from time to time) had been fulfilled and that Tranche B Completion took place on 26 August 2016. The Tranche B NSCB being in the aggregate principal amount of HK\$58,000,000 had been issued to the Subscriber. The Company received net proceeds of approximately HK\$57,000,000 from the Subscription for the Tranche B NSCB.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purpose only, assuming that there will be no further changes in the issued shareholding structure of the Company prior to the conversion of the NSCB (including the Tranche A NSCB and the Tranche B NSCB) and no adjustment to the Conversion Price, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Tranche B Completion (assuming conversion in full of the NSCB (including the Tranche A NSCB and the Tranche B NSCB)) are as follows:

Shareholders	As at the date of this announcement		Immediately after full conversion of the NSCB (including the Tranche A NSCB and the Tranche B NSCB)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Leading Value Industrial Limited (<i>Note</i>)	2,425,769,906	46.20	2,425,769,906	40.51
Global Prize Limited (<i>Note</i>)	2,040,000	0.04	2,040,000	0.03
The Guarantor	2,500,000	0.05	2,500,000	0.04
The Subscriber	–	–	737,500,000	12.32
Public Shareholders (excluding the Subscriber)	<u>2,820,775,016</u>	<u>53.71</u>	<u>2,820,775,016</u>	<u>47.10</u>
Total	<u>5,251,084,922</u>	<u>100.00</u>	<u>5,988,584,922</u>	<u>100.00</u>

Note: Each of Leading Value Industrial Limited and Global Prize Limited is a company wholly owned by the Guarantor.

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

Hong Kong, 26 August 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.