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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)

### **PROFIT WARNING**

This announcement is made by Beautiful China Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a review of the Group’s unaudited consolidated management accounts for the year ended 31 December 2018 and the information currently available to the Company, the Group is expected to record a loss of approximately HK\$120 million to HK\$140 million for the year ended 31 December 2018. Such expected increase in loss was mainly attributable to:

1. an increase in administrative expenses of the Group, mainly in respect of the development of the pyrolysis processing business;
2. the Group is expected to record a property, plant and equipment revaluation loss and impairment losses relating to the production line for plastic waste pyrolysis; and
3. loss on fair value change of biological assets;

The Board wishes to draw the attention of the Shareholders and potential investors to the fact that the expected changes in fair value of (i) property, plant and equipment; and (ii) biological assets recorded in the profit and loss accounts of the Company are non-cash items and will have no effect on the Group's daily operations and cash flow. The Group remains in a healthy and solid financial condition.

As the Company is still in the process of finalising the consolidated results for the year ended 31 December 2018, the information contained in this announcement is only based on the preliminary assessment by the management of the Company of information currently available and is not based on any figures or information audited or reviewed by the independent auditors. Therefore, the actual results of the Group for the year ended 31 December 2018 may differ from the information contained in this announcement. Further details of the Group's financial results and performance will be disclosed in the Company's annual results announcement which is expected to be published in March 2019 in accordance with the requirements of the Listing Rules.

**Potential investors and the Shareholders are advised to exercise caution when dealing in securities of the Company.**

For and on behalf of  
**Beautiful China Holdings Company Limited**  
**Sze Wai, Marco**  
*Chairman*

Hong Kong, 15 March 2019

*As at the date of this announcement, the Board comprises Mr. Sze Wai Marco, Mr. Zhou Wei Feng and Mr. Tan Shu Jiang as executive Directors, Ms. Chai Lin as a non-executive Director, and Mr. Chong Yiu Kan, Sherman, Mr. Xie Jun and Mr. Liu Liyang as independent non-executive Directors.*