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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 INVESTMENT AGREEMENT IN RELATION TO A POTENTIAL PROJECT

The Board is pleased to announce that on 24 September 2019 (after trading hours), the Company entered into the Agreement with Shuangqiao Management Committee in relation to the Shuangqiao Waste Tyre Pyrolysis Project.

THE AGREEMENT

Date: 24 September 2019 (after trading hours)

Parties: (1) the Company; and

(2) Shuangqiao Management Committee.

To the best of the Directors' knowledge and belief having made all reasonable enquiries, Shuangqiao Management Committee, its ultimate beneficial owner(s) and their respective associates were Independent Third Parties as at the date of this announcement.

The Shuangqiao Waste Tyre Pyrolysis Project

The Company intends to invest in the Shuangqiao Waste Tyre Pyrolysis Project by constructing waste tyre pyrolysis facilities with an aggregate expected annual processing capacity of 200,000 tonnes on the Land, which is situated at Chongqing Shuangqiao Economic and Technology Development Zone (重慶市雙橋經濟技術開發區) in the PRC. Pursuant to the Agreement, among others, the Group shall be responsible for the construction of the waste tyre pyrolysis facilities subsequent to the acquisition of the Land. Formal agreement(s) will be entered into between the Group and Shuangqiao Management Committee with respect to the Shuangqiao Waste Tyre Pyrolysis Project, including the acquisition of the Land.

INFORMATION ON THE GROUP

The Company is an investment holding company and its subsidiaries are principally engaged in the environmental construction and protection treatment service business.

INFORMATION ON SHUANGQIAO MANAGEMENT COMMITTEE

To the best of the Directors' knowledge, information and belief, Shuangqiao Management Committee is the management committee of the Chongqing Shuangqiao Economic and Technology Development Zone in the PRC.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

As part of its environmental protection treatment service business, the Group has been engaged in the waste tyre processing business, which production base in Shandong Province, the PRC, has been put into operation since 2018 and was one of the largest operating industrial waste tyre processing bases in the PRC. In line with the development strategy for the environment business segment of the Group, the Group is seeking to expand its waste tyre processing business to other key cities in the PRC.

As Chongqing was recently enlisted by the PRC government as one of the pilot cities for construction of waste-less cities in 2019, it is expected that favourable government policies will be implemented to promote environment protection businesses in Chongqing. Chongqing is also one of the cities which have the highest numbers of motor vehicles in the PRC, leading to vast amount of supply of waste tyres as raw material of the waste tyre processing and pyrolysis business. As such, the Board is optimistic about the waste tyre processing and pyrolysis business in Chongqing, and would like to capitalise the opportunity by entering into the Agreement with Shuangqiao Management Committee in order to establish a waste tyre recycling processing and distribution center covering the entire southwest region of the PRC.

Further announcement(s) will be made in compliance with the Listing Rules (if applicable) when the Company enters into formal agreement(s) pursuant to the Agreement.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

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| “Agreement” | the investment agreement dated 24 September 2019 and entered into between the Company and Shuangqiao Management Committee in relation to the Shuangqiao Waste Tyre Pyrolysis Project |
| “Board” | the board of Directors |
| “Company” | Beautiful China Holdings Company Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 706) |
| “connected persons” | have the meaning ascribed to such term in the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Group” | collectively, the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party(ies)” | third party(ies) independent of, and not connected with, the Company and its connected persons |
| “Land” | a piece of land parcel situated at Youting Industrial Park* (郵亭工業園區), Shuangqiao District, Chongqing, the PRC |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |

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| “Share(s)” | ordinary share(s) in the capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Shuangqiao Management Committee” | Chongqing Shuangqiao Economic and Technology Development Zone Management Committee* (重慶市雙橋經濟技術開發區管理委員會), which is an Independent Third Party |
| “Shuangqiao Waste Tyre Pyrolysis Project” | the construction of waste tyre pyrolysis facilities with an aggregate expected annual processing capacity of 200,000 tonnes in Chongqing Shuangqiao Economic and Technology Development Zone |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

By the order of the Board
Beautiful China Holdings Company Limited
Sze Wai, Marco
Chairman

Hong Kong, 24 September 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.

* *For identification purposes only*