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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
IN RELATION TO THE MEMORANDUM OF UNDERSTANDING
REGARDING INVESTMENT IN THE UK PYROLYSIS PROJECT**

This is a voluntary announcement made by the Company.

The Board is pleased to announce that on 16 March 2021, the Company and (i) China National; (ii) Mishergas; and (iii) Koen Power entered into the MOU in relation to the investment in the UK Pyrolysis Project, subject to further negotiation and execution of formal binding contracts.

THE MOU

The summary of major terms of the MOU are as follows:

- Date: 16 March 2021
- Parties:
- (1) the Company;
 - (2) China National;
 - (3) Mishergas; and
 - (4) Koen Power.

To the best of the Directors' knowledge and belief having made all reasonable enquiries, each of (i) China National; (ii) Mishergas; and (iii) Koen Power and its respective ultimate beneficial owner(s) and associates were Independent Third Parties of the Company and its connected persons as at the date of this announcement.

The UK Pyrolysis Project

Subject to further negotiation and the entering into of formal binding contract(s), the parties to the MOU intend to cooperate and jointly develop the UK Pyrolysis Project in the field of waste tyres recycling, by establishing a waste tyre recycling plant in United Kingdom that has a targeted annual processing capacity of 50,000 to 60,000 tonnes, with an estimated annual output of 29,000 tonnes of pyrolysis oil and 16,500 tonnes of pyrolysis carbon black.

Exclusivity

The parties to the MOU have agreed to an exclusivity period of six months from the date of the MOU whereby neither party shall, directly or indirectly, enter into any discussions, negotiations, understandings, agreements or arrangements with any third party in respect of the UK Pyrolysis Project. The parties have also agreed to enter into a definitive formal agreement (the “**Formal Agreement**”) with detailed terms and conditions in respect of the UK Pyrolysis Project within six months from the date of the MOU.

In the event that the Formal Agreement cannot be entered into within six months from the date of the MOU, save and except for the provisions in relation to, among others, confidentiality and governing law, the MOU shall be terminated and cease to have effect.

Non-binding nature

The MOU is non-legally binding and only records the direction of the strategic cooperation between the parties to the MOU. Details of the cooperation on the UK Pyrolysis Project shall be subject to negotiations and entering into of the Formal Agreement. The Company will make further announcement(s) as and when appropriate pursuant to the requirements of the Listing Rules.

INFORMATION ON THE PARTIES TO THE MOU

The Company is an investment holding company and its subsidiaries are principally engaged in (i) tree plantation – cultivation and trading of tree seedlings; and (ii) waste pyrolysis – production and trading of pyrolysis oils and other materials.

China National is a company established under the laws of the PRC, and to the best of the Directors’ knowledge, information and belief, it is principally engaged in construction and execution of engineering-procurement-construction project in the fields of power generation, energy transmission, environmental protection and mining projects.

Mishergas is a company incorporated under the laws of England and Wales, and to the best of the Directors' knowledge, information and belief, it owns intellectual property rights relating to the refinement of the commodities produced by the pyrolysis of tyres, and is the promotor of three energy recovery developments in United Kingdom utilising such intellectual property rights.

Koen Power is a company incorporated under the laws of United Kingdom, and to the best of the Directors' knowledge, information and belief, it is principally engaged in international project and risk managements, project structuring, investment and financing in the field of renewable energy.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU

As part of its waste pyrolysis business, the Group has been engaged in the waste tyre processing and production and trading of pyrolysis oils business in the PRC. In line with the development strategy of the Group, the Group is seeking to expand its waste pyrolysis business. It is expected that pyrolysis is a new environmental protection technology and future mainstream mode for recycling waste tyres, thus pyrolysis has a broad development prospects and market potential. It is believed that the parties to the MOU have experiences in the field of waste tyres recycling, and possess the technical and/or financial capabilities of developing the UK Pyrolysis Project. As such, the Board would like to capitalise the opportunity to develop the UK Pyrolysis Project with other experienced parties and in turn develop the waste pyrolysis business of the Group.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 September 2020 and will remain suspended until further notice.

Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of Directors
“China National”	China National Electric Engineering Co., Ltd, which is an Independent Third Party

“Company”	Beautiful China Holdings Company Limited, a company incorporated in Bermuda, 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
“Koen Power”	Koen Power Engineering (UK) Ltd, which is an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mishergas”	Mishergas Limited, which is an Independent Third Party
“MOU”	the memorandum and understanding dated 16 March 2021 and entered into between the Company and (i) China National; (ii) Mishergas; and (iii) Koen Power in relation to the UK Pyrolysis Project
“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
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“UK Pyrolysis Project”

the proposed establishment of a waste tyre recycling plant in the United Kingdom that has a targeted annual processing capacity of 50,000 to 60,000 tonnes, with an estimated annual output of 29,000 tonnes of pyrolysis oil and 16,500 tonnes of pyrolysis carbon black

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

Hong Kong, 16 March 2021

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.