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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)

QUARTERLY UPDATE ON PROGRESS OF RESUMPTION AND BUSINESS OPERATIONS

This announcement is made by Beautiful China Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.24A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to (i) the announcements of the Company dated 31 March 2020, 6 May 2020, 2 June 2020, 30 June 2020, 15 July 2020, 20 August 2020 and 1 September 2020 in relation to the delay in publication of 2019 Annual Results, delay in despatch of 2019 Annual Report, delay on 2020 Annual General Meeting, delay in publication of 2020 Interim Results and suspension of trading in shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 1 September 2020; and (ii) the announcements of the Company dated 9 September 2020, 30 November 2020 and 26 February 2021 in relation to the Resumption Guidance (collectively, the “**Announcements**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements, unless the context requires otherwise.

Resumption Guidance

As disclosed in the Announcements dated 9 September 2020, 30 November 2020 and 26 February 2021, the Company has been notified by the Stock Exchange of the following Resumption Guidance:

- (i) publish all outstanding financial results and address any audit modifications;
- (ii) inform the market of all material information for shareholders and investors to appraise the Company’s position; and
- (iii) demonstrate compliance with Rule 13.24 of the Listing Rules.

Pursuant to Rule 13.24A of the Listing Rules, the Board wishes to update the shareholders and potential investors of the Company that, as at the date of this announcement, the latest development on the progress of the Company's efforts to fulfil the Resumption Guidance and the development of its principal businesses are as follows:

Update on business operations

The Group has two major segments of operations, namely (i) tree plantation – cultivation and trading of tree seedlings; and (ii) waste pyrolysis – production and trading of pyrolysis oils and other materials. The Group has continued its normal business operations since the suspension of trading in the Company's shares. In respect of the waste pyrolysis business segment, the Group will continue to liaise with business partners for other business cooperation opportunities, including exploring the opportunity of constructing waste tyre pyrolysis facility(ies) in the PRC as a means to expand the production capacity of the Group. In respect of tree plantation business segment, the Group has been exploring opportunities with overseas business partners in relation to fruit trees growing as a means to diversify the Group's tree seedling business and improve the tree plantation and cultivation technology.

As disclosed in the announcement of the Company dated 26 February 2021, due to the implementation of social distancing measures in Anhui Province in the PRC during the year ended 31 December 2020, there were minimal irrigation and fertilisation given to the Group's tree seedlings in the Nurseries. The Group is still in the progress of assessing the impact of the COVID-19 outbreak on the tree seedlings of the Group as at the date of this announcement. The Group will pay close attention to the development of the COVID-19 outbreak and continue to evaluate its impact on the financial position and operating results of the Group.

Update on progress of resumption

Pursuant to Rule 13.46(2), Rule 13.49(1), Rule 13.49(6) and Rule 13.48(1) of the Listing Rules, the Company is required to publish the 2019 Annual Results on or before 31 March 2020, despatch the 2019 Annual Report to the Shareholders on or before 30 April 2020, publish the 2020 Interim Results on or before 31 August 2020, despatch the 2020 Interim Report to the Shareholders on or before 30 September 2020, publish the annual results for the year ended 31 December 2020 (“**2020 Annual Results**”) on or before 30 March 2021 and dispatch the annual report for the year ended 31 December 2020 (“**2020 Annual Report**”) to the Shareholders on or before 30 April 2021. As a result of the delay in publication of the 2019 Annual Results, (i) the despatch of 2019 Annual Report; (ii) the publication of the 2020 Interim Results; (iii) the despatch of the 2020 Interim Report; (iv) the publication of the 2020 Annual Results; and (v) the despatch of the 2020 Annual Report were delayed. The Board acknowledges that the delay in publication of the 2019 Annual Results, the 2019 Annual Report, the 2020 Interim Results, the 2020 Interim Report, the 2020 Annual Results and the 2020 Annual Report will constitute non-compliance with Rule 13.46(2), Rule 13.49(1), Rule 13.49(6) and Rule 13.48(1) of the Listing Rules.

As disclosed in the Announcements dated 20 August 2020, 30 November 2020 and 26 February 2021, the Company was in the progress of negotiating with the Auditor regarding the provision of audit works. As at the date of this announcement, the Company continued to negotiate with the Auditors and intended to issue the 2019 Annual Results, the 2019 Annual Report, the 2020 Interim Results, the 2020 Interim Report, the 2020 Annual Results and the 2020 Annual Report as soon as practicable. The Company will publish further announcement(s) to inform Shareholders and potential investors of the Company of any material developments in connection with the 2019 Annual Results, the 2020 Interim Results and the 2020 Annual Results as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Company’s 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 of the Company.

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

Hong Kong, 25 May 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, Mr. Wu Shuyang as a non-executive Director, and Mr. Chong Yiu Kan, Sherman, Mr. Xie Jun and Mr. Liu Liyang as independent non-executive Directors.