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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)

DECISION OF THE LISTING COMMITTEE ON CANCELLATION OF LISTING

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; (ii) the announcements of the Company dated 9 September 2020, 30 November 2020, 26 February 2021, 25 May 2021, 26 August 2021, 30 November 2021 and 21 March 2022 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.

DECISION OF THE LISTING COMMITTEE ON CANCELLATION OF LISTING

On 11 March 2022, the Company received a letter (the “**Letter**”) from the Stock Exchange stating that the Listing Committee of the Stock Exchange (the “**Listing Committee**”) has decided that the Company has failed to fulfill the Resumption Guidance by the resumption deadline on 28 February 2022 and decided to cancel the Company’s listing under Rule 6.01A of the Listing Rules (the “**Decision**”). In making the Decision, the Listing Committee has considered the following:

Resumption Guidance 1: publish all outstanding financial results and address audit modifications

1. To date, the Group had not published its outstanding audited financial results for the financial year ended 31 March 2019 (“**FY2019**”) and the subsequent periods, and did not provide a timeline for doing so.

Resumption Guidance 2: demonstrate sufficient level of operation and assets under Rule 13.24 of the Listing Rules

2. As the Company had failed to publish its audited financial results since FY2019, there had not been sufficient information to assess the Company’s business activities, operation status and financial performance. Based on the information available, there was an issue that the Company did not have sufficient operations and assets to meet the continued listing requirement under Rule 13.24 of the Listing Rules. The Listing Committee’s observations were below:

On operation

- (i) It was uncertain whether the Company’s two businesses were viable and sustainable based on the following:
 - (a) For the tree plantation business, it did not record any revenue for FY2019. The Company did not disclose any concrete plan to resume this business operation.
 - (b) For the waste pyrolysis business, despite the Company’s assertion that it recorded revenue of approximately RMB59 million for 10 months ended 31 October 2021, it only generated a profit of approximately RMB725,000 which did not appear to be sufficient to cover the Group’s corporate expenses, which was over HK\$82 million for FY2019.

On assets

- (ii) It was also uncertain whether the Company had sufficient assets to meet Rule 13.24 of the Listing Rules based on the following:
- (a) The Company recorded total assets of HK\$588 million as at 31 December 2019, which included biological assets of HK\$339 million. However, there had been minimal irrigation and fertilization given to the Group's tree seedlings. Therefore, it was questionable whether the value of the biological assets was fairly stated and should be impaired.
 - (b) The Company had net current liabilities of HK\$125 million and overdue convertible bonds of HK\$118 million as at 31 December 2019. The Company was also subject to labour claims of HK\$2.4 million. There was an issue whether the Company had sufficient assets to support its business operation and meet its payment obligations.

Resumption Guidance 3: inform the market of material information

3. Fulfillment of Resumption Guidance 3 was to be assessed when the Company had met all the other resumption guidance. For the above reasons, the Listing Committee consider that Resumption Guidance 3 remained unsatisfied.
4. Given the above, the Listing Committee considered that by the resumption deadline on 28 February 2022 and to date, the Company had not fulfilled all the resumption guidance. Therefore, the Stock Exchange was entitled to delist the Company under Rule 6.01A of the Listing Rules.

It is indicated in the Letter that unless the Company applies for a review of the Decision in accordance with its rights under Chapter 2B of the Listing Rules, the last day of listing of the Company's shares (the "**Shares**") will be on 25 March 2022 (the "**Last Listing Date**") and the listing of the Shares will be cancelled with effect from 9:00 a.m. on 28 March 2022.

Given that the Company no longer had a proposal for enabling the Company to re-comply with Rule 13.24 of the Listing Rules and resume trading. As such, the Company does not intend to apply for a review of the Decision in accordance with its rights under Chapter 2B of the Listing Rules.

CONSEQUENCES TO THE SHAREHOLDERS

All Shareholders and investors of the Company should note that after the Last Listing Date, whilst the share certificates of the Shares shall remain valid, the Shares will not be listed on, and will not be tradeable on the Stock Exchange. Thereafter, the Company will no longer be subject to the Listing Rules.

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.

The listing of the Company on the Stock Exchange will be cancelled with effect from 9:00 a.m. on 28 March 2022. Thereafter, the Shares will no longer be traded on the Stock Exchange.

The Shareholders and investors of the Company who have any queries about the implications of the cancellation of listing of the Shares are advised to obtain appropriate professional advice.

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

Hong Kong, 22 March 2022

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 and Mr. Xie Jun as independent non-executive Director.