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碧生源控股有限公司
BESUNYEN HOLDINGS COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 926)

**REVISED ANNUAL CAPS FOR
CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement of the Company dated 28 March 2011 in relation to the Distribution Agreement and the Lease Agreement dated 30 September 2010, and the Structure Contracts, the Supplemental Distribution Agreement and the Supplemental Lease Agreement dated 28 March 2011 entered into between Beijing Outsell and Pincha.

Due to reasons as set out in this announcement, the Board expected that the existing aggregate annual caps for the Transactions for the three years ending 31 December 2013 would no longer be sufficient, and therefore the Board has proposed to revise the existing aggregate annual caps for the Transactions for the three years ending 31 December 2013. On 27 September 2011, the Board approved that the existing aggregate annual caps for the Transactions for the three years ending 31 December 2011, 2012 and 2013 be increased from RMB9,603,000 to RMB14,584,500, RMB20,694,782 to RMB30,463,782 and RMB31,014,096 to RMB41,439,596 respectively. Despite the above revised aggregate annual caps, the terms of the Structure Contracts, the Distribution Agreements and Lease Agreements shall remain unchanged.

As at the date of this announcement, Pincha is wholly-owned by Mr. Zhao, an executive Director. Pincha is therefore an associate of Mr. Zhao and hence a connected person of the Company for the purpose of the Listing Rules. Accordingly, the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the highest applicable percentage ratios for the revised aggregate annual caps for the Transactions are less than 5%, the continuing connected transactions contemplated under the Structure Contracts, the Distribution Agreements and Lease Agreements are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Unless otherwise defined, capitalized terms used in this announcement carry the same meaning as defined in the announcement of the Company dated 28 March 2011.

REVISED ANNUAL CAPS FOR THE TRANSACTIONS

Reference is made to the announcement of the Company dated 28 March 2011 in relation to the Distribution Agreement and the Lease Agreement dated 30 September 2010, and the Structure Contracts, the Supplemental Distribution Agreement and the Supplemental Lease Agreement dated 28 March 2011 entered into between Beijing Outsell and Pincha.

Due to reasons as set out in this announcement, the Board expected that the existing aggregate annual caps for the Transactions for the three years ending 31 December 2013 would no longer be sufficient, and therefore the Board has proposed to revise the existing aggregate annual caps for the Transactions for the three years ending 31 December 2013. On 27 September 2011, the Board approved that the existing aggregate annual caps for the Transactions for the three years ending 31 December 2011, 2012 and 2013 be increased from RMB9,603,000 to RMB14,584,500, RMB20,694,782 to RMB30,463,782 and RMB31,014,096 to RMB41,439,596 respectively. Despite the above revised aggregate annual caps, the terms of the Structure Contracts, the Distribution Agreements and Lease Agreements shall remain unchanged.

The Board proposed and approved on 27 September 2011 that the existing aggregate annual caps for the Transactions for the aggregate amount of the Structure Contracts, the Distribution Agreements and the Lease Agreements for the years ending 31 December 2011, 2012 and 2013 be revised as follows:

	Historical transaction amounts during the period from 1 January 2011 to 31 August 2011 (in RMB)	Existing annual caps for the year ending 31 December 2011 (in RMB)	Revised annual caps for the year ending 31 December 2011 (in RMB)
Structure Contracts	0	0	0
Distribution Agreements	5,633,222	9,130,500	14,112,000
Lease Agreements	175,000	472,500	472,500
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Total (on aggregated basis)	<u>5,808,222</u>	<u>9,603,000</u>	<u>14,584,500</u>

	Existing annual caps for the year ending 31 December 2012 (in RMB)	Revised annual caps for the year ending 31 December 2012 (in RMB)
Structure Contracts	1,938,500	2,047,500
Distribution Agreements	17,640,000	27,300,000
Lease Agreements	1,116,282	1,116,282
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Total (on aggregated basis)	<u>20,694,782</u>	<u>30,463,782</u>

	Existing annual caps for the year ending 31 December 2013 (in RMB)	Revised annual caps for the year ending 31 December 2013 (in RMB)
Structure Contracts	5,266,500	6,142,500
Distribution Agreements	24,575,500	34,125,000
Lease Agreements	1,172,096	1,172,096
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Total (on aggregated basis)	<u>31,014,096</u>	<u>41,439,596</u>

In arriving at the above revised aggregate annual caps for the Transactions for the three years ending 31 December 2011, 2012 and 2013, the Directors have considered the historical and estimated amounts for the Transactions and the anticipated revenue growth to be generated under the Structure Contracts and the Distribution Agreements.

REASONS FOR REVISING THE AGGREGATE ANNUAL CAPS FOR THE TRANSACTIONS

Due to the better than expected fast growing e-commerce business of Pincha for the period from 1 January to 31 August 2011, the Board expects that the annual transaction amounts for the Structure Contracts and the Distribution Agreements between Beijing Outsell and Pincha will be increased significantly for the three years ending 31 December 2011, 2012 and 2013. Therefore, the Board proposed to revise the existing aggregate annual caps for the Transactions.

CONSIDERATION BY THE BOARD AND RECOMMENDATION BY THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Directors (including the independent non-executive Directors) consider that the Transactions have been entered into in the ordinary and usual course of business of the Company and conducted on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors are of the view that the revised aggregate annual caps for the Transactions for the three years ending 31 December 2013 also are fair and reasonable.

Mr. Zhao, being an executive Director and sole shareholder of Pincha, and Ms. Gao Yan, being an executive Director and spouse of Mr. Zhao, had abstained from voting on the Board resolutions in respect of approving the revised aggregate annual caps for the Transactions. Save for Mr. Zhao and Ms. Gao, none of the Directors has material interests in the Transactions. Except for Mr. Zhao and Ms. Gao, all the Directors (including all the independent non-executive Directors) voted unanimously to pass the resolutions in respect of the revised aggregate annual caps for the Transactions.

INFORMATION ON THE GROUP AND PINCHA

Information on the Group

The Group is a leading provider of therapeutic tea products in China focusing on the development, manufacture and sales of therapeutic tea and other health food products. Beijing Outsell, an indirect wholly-owned subsidiary of the Company, is a limited liability company established in the PRC and the Company's primary operating entity.

Information on Pincha

Pincha is a limited liability company established in the PRC on 18 June 2010 and wholly-owned by Mr. Zhao. It is principally engaged in online sales and marketing of therapeutic tea and other tea products. Following the execution of the Structure Contracts, Pincha became the Company's subsidiary and the Group would obtain financial and operational control of Pincha through Beijing Outsell.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Pincha is wholly-owned by Mr. Zhao, an executive Director. Pincha is therefore an associate of Mr. Zhao and hence a connected person of the Company for the purpose of the Listing Rules. Accordingly, the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the highest applicable percentage ratios for the revised aggregate annual caps for the Transactions are less than 5%, the continuing connected transaction contemplated under the Structure Contracts, the Distribution Agreements and Lease Agreements are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

By order of the Board
Besunyen Holdings Company Limited
Zhao Yihong
Chairman and Chief Executive Officer

Hong Kong, 27 September 2011

As at the date of this announcement, the executive Directors are Mr. Zhao Yihong (Chairman and Chief Executive Officer) and Ms. Gao Yan (Vice Chairman); the non-executive Directors are Mr. Zhuo Fumin and Mr. Wang Bing; and the independent non-executive Directors are Mr. Huang Jingsheng, Mr. Wong Lap Tat Arthur and Ms. Xin Katherine Rong.