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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)

CHANGE IN USE OF PROCEEDS

Reference is made to the prospectus of Besunyen Holdings Company Limited (the “Company”) dated 16 September 2010 relating to initial public offering (“IPO”) of the Company on the main board of The Stock Exchange of Hong Kong Limited, and the announcement of the Company dated 11 July 2011 in relation to the change in use of proceeds. The net proceeds received by the Company from the IPO were about RMB1,033.2 million, of which about RMB280,526,000 remained unutilized up to date. A breakdown of the utilized and unutilized of net proceeds up to date as set out below:

Proposed use of proceeds	Available	Used	unused
	<i>RMB,000</i>	<i>RMB,000</i>	<i>RMB,000</i>
Acquisition of new packaging equipment and other production equipment, and building new production facilities	364,913	275,094	89,819
Establishment of the East China Regional Headquarters	150,000	77,518	72,482
Beijing new office building	123,664	123,664	—
Expansion of distribution network, channels and brand building	73,092	73,092	—
Design and research and development of new products	146,185	62,981	83,204
Upgrading of ERP and overall IT system	43,855	8,834	35,021
Loan repayment	73,000	73,000	—
Working capital	58,474	58,474	—
Total	<u>1,033,183</u>	<u>752,657</u>	<u>280,526</u>

In order for the Company to seize the business opportunities in the medical and pharmaceutical industries and to utilize the net proceeds of the Company more efficiently, the board of directors (the “**Board**”) of the Company resolved to change the proposed use of the unutilized net proceeds from the IPO as follows:

- (i) approximately RMB150,000,000, to be used for investing in the traditional and internet medical and pharmaceutical industries;
- (ii) approximately RMB80,000,000, to be used for expansion of traditional and internet distribution network, channels and brand building; and
- (iii) approximately RMB50,526,000, to be used for supplement the general working capital.

The Board is of the view that the change in use of proceeds from the IPO will facilitate the Company and its subsidiaries to extend its business, broaden its revenue base and enhance the its competitiveness and is in the best interests of the Company and its shareholders as a whole.

In addition, in order to better achieve the preserving and appreciation of values of the proceeds, to the extent that the net proceeds from the IPO are not immediately applied to the above changed purposes, the Board intends to place such proceeds in short-term interest-bearing instruments, money market funds or principal-preservation financial wealth management products with licensed banks in the PRC or licensed banks or financial institutions in Hong Kong.

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

Hong Kong, 16 June 2015

As at the date of this announcement, the executive directors of the Company are Mr. Zhao Yihong (Chairman and Chief Executive Officer) and Ms. Gao Yan (Vice Chairman); the non-executive director of the Company is Mr. Zhuo Fumin; and the independent non-executive directors of the Company are Mr. Huang Jingsheng, Mr. Wang Jing and Mr. Ren Guangming.