



September 2015

## “Connections · Dreams · 15 Years” Besunyen’s 15<sup>th</sup> Anniversary Celebration

### 2015 China’s Health Industry Peak Bulletin Board System Held

- On 17 September 2015 China’s Health Industry Peak Bulletin Board System and Besunyen’s 15<sup>th</sup> Anniversary Celebration hosted by Besunyen Group were held in Beijing. The new Food Safety Law, being regarded as the harshest one in history, would be implemented from 1 October 2015. Mr. Zhao Yihong, Chairman of Besunyen, interpreted the effect of the new Food Safety Law on enterprises from a business perspective.
- As for the substantial restructuring of health industry, Mr. Zhao Yihong expressed that, Besunyen has been undergoing restructuring in response to the change of the industry and would deploy resources in the pan-health industry and expand its business by mainly focusing on health products and health services. Besunyen would continue to produce products for weight loss and weight management as well as detoxing and health management in which it specialized, while exploring in medical service and health regimen service businesses.
- On 16 September, Huiyuan Group became the second largest shareholder of Besunyen. Mr. Zhu Xinli, Chairman of Huiyuan Group, attended Besunyen’s 15<sup>th</sup> Anniversary Celebration and expressed that mutual trust is the basic element in the cooperation between the two companies, which would enable the two parties to achieve complementary synergy and to share resources in the construction of industry chains and channels.



### Grand Opening of Besunyen’s 15<sup>th</sup> Anniversary Celebration

- On 17 September, guests from pharmaceutical, healthcare, and media sectors nationwide gathered together in Beijing to celebrate Besunyen’s 15<sup>th</sup> anniversary. Ms. Gao Yan, the Vice Chairman of Besunyen, delivered a speech themed with “Connections · Dreams · 15 Years”, expressing sincere gratitude to partners from all sectors for their support and help. “Herbal tea world, passing health from generation to generation”, which means Besunyen will carry forward its corporate spirit originated 15 years ago to adhere to Chinese tea culture under the trend of pan-health.
- At the celebration, Mr. Zhao Yihong expressed that since its establishment 15 years ago, Besunyen has been not only witnessing the development of the healthcare industry in China, but also playing a leading role in the healthcare food industry to actively cater for the new economic and market situation. Under the guidance of policies and market, Besunyen would continue to carry on scientific research and innovation while strategically allocating resources to the new pan-health industry by leveraging the capital market in Hong Kong. The 15<sup>th</sup> Anniversary Celebration, which marked a new journey for the development of Besunyen, would be a new beginning for the transformation of Besunyen.





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## Besunyen Signed Strategic Contracts with Plateno Xana Hotelle, Yunnan Phytopharmaceutical and 15 Chain pharmacies

- On 17 September 2015, Besunyen entered into strategic contracts with Plateno Hotel Group's Xana Hotelle, Yunnan Phytopharmaceutical and 15 chain pharmacies, in order to expand the distribution channels for "TEA+" herbal teas, and to closely work with chain pharmacies to promote the sales of Besunyen's Two Teas and "LARLLY". Meanwhile, as the Company's new product "TEA+" herbal teas were approved to be included in inflight meals, the Company signed a contract with Air China to provide "TEA+" herbal tea to all flights of Air China.
- As one of the largest hotel groups in China, Plateno Group operates 3,000 hotels with approximately 90 million members, among which Xana Hotelle is the first theme hotel targeting at female customers. With high-end female consumers as their shared target, Ms. Wang Juan, the CFO of Besunyen, believed that Xana Hotelle's positioning is in line with that of "TEA+". The two parties would cooperate to establish a hotel-centered experiential circle, providing customized products and services for customers. Chairman Zhao Yihong pointed out that, signing of the contract marked Besunyen's step into the hotel market as a "food supplier" with its teabags ranked as a special drink offered in starred hotels.
- Zhao Yihong remarked that in light of the blooming pan-health industry in Mainland China, Besunyen would develop pharmaceutical and medical service business and select brands and products with market potential in domestic and international markets. The group aimed to quickly introduce new products into market through mergers & acquisitions, equity participation, joint venture and agency. Facing "new normal" of Chinese Economy, Besunyen would response to the changing market by strategic transformation.



Signing ceremony of Besunyen with Plateno Group's Xana Hotelle



Signing ceremony of Besunyen with Yunnan Phytopharmaceutical Co., Ltd.





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## HK Financial Media Reverse Roadshow for 15<sup>th</sup> Anniversary Celebration Received Warm Responses



- On 16 September 2015, Chairman Zhao Yihong and CFO Wang Juan conducted the reverse roadshow with 7 Hong Kong-based financial media at Besunyen's production base in Fangshan for its 15<sup>th</sup> Anniversary Celebration. Ms. Wang Juan gave a detailed picture of the Company from 5 major aspects, including company profile, industry overview, business development, financial performance and future strategies. She also mentioned that with focus on Besunyen Detox Tea and Besunyen Slimming Tea and the main effort in the development of OTC pharmacy channels in the past 15 years, the Company would be well prepared to develop pharmaceutical products.
- The Company provided detailed answers patiently to what Hong Kong-based financial media concerned about, ranging from the sales data and future channel distribution of new products to the measures maintaining stable growth of the Two Teas; from the influence of RMB devaluation on the Company's production cost and gross profit margin to how the Company can expand business through investment in new products and projects. Zhao Yihong indicated that Besunyen would seek and evaluate future acquisition targets in the field of pharmaceutical and medical industries.
- After in-depth communication, the Company also guided the media around its production base and invited them to the 15<sup>th</sup> Anniversary Ceremony and banquet. After all the events, the media involved in the reverse roadshow reported the highlights of the event from various angles and expressed their opinions after their communication with Besunyen's management.



### 碧生源將拓醫藥醫療服務

碧生源(926)獲瀾源(1886)入股10%，瀾源成為其第二大股東。公司董事長趙一弘表示，公司自4月起每月銷售額已逾1000萬元(人民幣，下同)，下半年將拓展醫藥及醫療服務業，亦尋求國內外醫療和養生行業的併購機會，冀推出更多新產品。

碧生源成立15年間專注發展「常潤茶」與「減肥茶」兩茶產品，截至去年，市佔率分別為21.67%及42.69%。今年4月底，公司推出針對高檔消費者的「來利」奧利斯他減肥藥，截至上半年，銷售比重約為8%，之前僅在上海零售藥房及天貓平台推廣，下半年將開拓北京、廣東等新市場。公司首席財務官王娟冀該產品3至5年內與兩茶銷售比重相當，成為支柱產品之一。

王娟表示，公司5月推出的新產品「凝嘉」花草茶，近日獲批成為航空食品。

茶，近日獲批成為航空食品，與國航(753)簽訂協議，已在頭等艙成為飲品選擇，下半年亦有望於經濟艙推出。「凝嘉」此前僅在線上平台銷售，下半年亦將開始透過江浙地區的零售商進行推廣。

#### 與酒店合作供應產品

公司亦與鉅濟希岸酒店簽署合作協議，成為酒店供應商。鉅濟集團擁有9000萬名酒店會員及3000家門店，而希岸酒店為中國首家針對女性顧客的主題酒店。「凝嘉」的產品定位是高端女性消費者，雙方將合作建立以酒店為中心的體驗廳，為消費者度身訂造產品服務等。至於將產品打入港、澳、台市場，王娟表示須充分考慮當地政策，3至5年內有機會進入三地市場。



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## Besunyen Interim Results Gratifying, Net Profit Significantly Increased 128.5%



- On 7 August 2015, Besunyen Holdings Company Limited, the leading provider of therapeutic tea products in China, held the investor presentation and press conference for its 2015 interim results. Mr. Zhao Yihong, the Chairman and CEO, and Ms. Wang Juan, the CFO, introduced and analyzed the financial performance and business development and expressed their views on the outlook to securities analysts, investors and media. A total of 52 investors and 16 media agencies attended the interim results presentation/conference.
- Besunyen recorded a net profit of RMB39.3 million for the first half of 2015, representing an increase of 128.5% compared with the same period of 2014. The Board resolved to declare an interim dividend of HK1.25 cents per share. Orlistat under the brand of “LARLLY” had been well-received by high-end consumers since its first launch in Shanghai, contributing sales revenue of RMB20.5 million to the Group and generating net profit of RMB2.5 million in the two months of May and June of 2015. In the second half of 2015, Orlistat under the brand of “LARLLY” would be sold in retail pharmacies in nearly ten municipalities and provincial capitals nationwide and it is expected to contribute more sales revenue and profit to the Group.
- The investors and media actively raised their questions at the conference. They showed great interest in the Group’s introduction and R&D of new products, financial performance, future strategies, and the market position and outlook of orlistat under the brand of “LARLLY”. Other than announcing its interim results, the Group also provided certain statistics on the development and trend of the retail and healthcare market, which allows investors and media to better understand current development status of pan-health industry.



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