

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 926)

DISCLOSEABLE TRANSACTION
ENTERING INTO THE LIMITED PARTNERSHIP AGREEMENT

The Board hereby announces that on 29 March 2016, Beijing Besunyen Pharmaceutical, the Co-Partner and the Fund Management Company entered into the Limited Partnership Agreement to establish the Fund in the PRC with the total capital commitment of RMB100 million and owned as to 89%, 10% and 1% by Beijing Besunyen Pharmaceutical, the Co-Partner and the Fund Management Company respectively and the Fund Management Company is jointly owned by Beijing Besunyen Pharmaceutical and the Co-Partner and the General Partner in the Fund.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions under the Limited Partnership Agreement (after aggregation with the establishment of the Fund Management Company) exceed 5% but less than 25%, accordingly, the transactions under the Limited Partnership Agreement constitute the discloseable transaction of the Company under Chapter 14 of the Listing Rules.

I. INTRODUCTION

Reference is made to the Company dated 17 December 2015 in relation to the possible joint venture arrangements of the Company.

On 29 March 2016, Beijing Besunyen Pharmaceutical, the Co-Partner and the Fund Management Company entered into the Limited Partnership Agreement to establish the Fund in the PRC with the total capital commitment of RMB100 million and owned as to 89%, 10% and 1% by Beijing Besunyen Pharmaceutical, the Co-Partner and the Fund Management Company respectively and the Fund Management Company is jointly owned by Beijing Besunyen Pharmaceutical and the Co-Partner and the General Partner in the Fund.

II. THE LIMITED PARTNERSHIP AGREEMENT

Details of the Limited Partnership Agreement are as follows:

Date: 29 March 2016

Parties: (i). the Fund Management Company, as the General Partner;

(ii). Beijing Besunyen Pharmaceutical, as a Limited Partner; and

(iii). the Co-Partner, as a Limited Partner.

Capital Commitment: the total capital commitment is RMB100 million, among which: RMB89 million, RMB10 million and RMB1 million shall be contributed by Beijing Besunyen Pharmaceutical, the Co-Partner and the Fund Management Company respectively in cash.

Payment of the capital commitment: The first capital commitment of the Partners, being 30% of their corresponding capital commitment shall be paid in cash within 90 days after the bank account of the Fund has been set up, the rest part of the capital commitment shall be paid in cash on or before each of the payment dates notified by the General Partner in accordance with the actual investment needs of the Fund.

Term of the Fund: The term of the Fund shall be five (5) years from the date of completion of registration of establishment of the Fund to the relevant administrative authority for industry and commerce, and may be extended to no more than seven (7) years as unanimously agreed by the parties according to the operation of the Fund.

Investment Focus of the Fund: Upon the incorporation of the Fund, it will mainly focus on investment projects in health care industry, TMT (technology, media and telecommunications) industry and consumer industry, etc., as well as the investment in certain early stage partnerships. The investment amount in the aforesaid partnerships shall not exceed 30% of the total capital commitment of the Fund, and the investment amount in each investment project shall not exceed 20% of the total capital commitment of the Fund.

Management of the Fund: The Fund Management Company, the General Partner, is appointed as the executive Partner of the Fund and is responsible for other executive functions of the Fund.

Fees: The Fund will pay a management fee to the executive Partner for the provision of management and other services on a yearly basis:

- (i) 2% per year of the total capital commitment of the Fund during the first half term of the Fund (the first three years); and
- (ii) 2% per year of the total investment amount of the Fund during the second half term of the Fund (since the fourth year).

Profit distribution: When each project successfully exit, the return will be shared among all the Partners in proportion to their respective paid-in capital contributions until the Partners recover all their principal invested into the Fund.

After the Partners recover all their paid-in capital contributed into the Fund, the accumulated return (the part of which the total return is more than the principal investment amount) shall be shared as following: (i) the executive Partner will charge the performance incentive fee of 20% of the remaining amount of the accumulated return, and (ii) the remaining balance of the accumulated return, being 80% of the remaining amount of the accumulated return, will be shared among the Partners (including the General Partner) in proportion to their respective paid-in capital contributions.

Loss Participation: The Limited Partners shall be responsible for the loss of the Fund with limited liability in proportion to their respective capital commitments under the Limited Partnership Agreement, whereas the General Partner shall be jointly and several responsible with unlimited liability for the loss of the Fund under the Limited Partnership Agreement.

III. REASONS FOR AND BENEFIT OF THE LIMITED PARTNERSHIP AGREEMENT

The Board is of the view that investment in pan-health field in the PRC presents a wealth of attractive investment opportunities and is also likely to flourish in the future, and the Fund will provide an effective platform for the Company to invest in the projects in pan-health industries. Accordingly, the establishment of the Fund will be conducive to realize substantial long-term capital appreciation of the Group and enhance the Group's industry position in the pan-health field.

As such, the Directors (including the independent non-executive Directors) are of the view that the Limited Partnership Agreement was entered into on normal commercial terms, and the terms and conditions therein are fair and reasonable and in line with the overall development strategy of the Group as well as in the interests of the Company and its shareholders as a whole.

IV. GENERAL INFORMATION OF THE PARTIES

Beijing Besunyen Pharmaceutical

Beijing Besunyen Pharmaceutical is an indirect wholly-owned subsidiary of the Company, and is principally engaged in the research, manufacturing and sales of herbal and medical teas.

The Co-Partner

The Co-Partner is an individual who is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

The Fund Management Company

The Fund Management Company is a limited liability company incorporated under the laws of the PRC and is principally engaged in investment management and investment consulting services. The Fund Management Company with the capital commitment of RMB1 million is jointly owned by Beijing Besunyen Pharmaceutical and the Co-Partner and together with its ultimate beneficial owner(s), are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

V. HONG KONG LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions under the Limited Partnership Agreement (after aggregation with the establishment of the Fund Management Company) exceed 5% but less than 25%, accordingly, the transactions under the Limited Partnership Agreement constitute the discloseable transaction of the Company under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, and save as disclosed above, there is no other transaction which would be, together with the aforesaid transactions, aggregated under Rule 14.22 of the Listing Rules.

None of the Directors are deemed to have material interest in the Limited Partnership Agreement, and thus have been required to abstain from voting on the relevant resolution at the Board meeting.

VI. DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Beijing Besunyen Pharmaceutical”	Beijing Besunyen Pharmaceutical Co., Ltd. (北京碧生源藥業有限公司), a company incorporated under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors of the Company

“Company”	Besunyen Holdings Company Limited (碧生源控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Co-Partner”	Mr. Bai Jiguang, an individual who is a third party independent of the Company and its connected persons.
“Director(s)”	the director(s) of the Company
“Fund”	Ningbo Yuanyuan Liuchang Investment Centre (Limited Partnership)* (寧波源遠流長投資中心(有限合夥)), a limited partnership established under the laws of the PRC
“Fund Management Company” or “General Partner”	Ningbo Yuanyuan Liuchang Investment Management Co., Ltd.* (寧波源遠流長投資管理有限公司), a limited liability company incorporated under the laws of the PRC, the partner to the Fund who shall bear unlimited joint and several liability under the Limited Partnership Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Limited Partner(s)”	Beijing Besunyen Pharmaceutical and the Co-Partner, the partners to the Fund with limited liability in proportion to their respective capital contributions under the Limited Partnership Agreement
“Limited Partnership Agreement”	the partnership agreement entered into on 29 March 2016, among which the Fund Management Company, as the General Partner, and Beijing Besunyen Pharmaceutical and the Co-Partner, as the Limited Partners
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Partner(s)”	the partner(s) under the Limited Partnership Agreement, including the General Partner and the Limited Partner(s)
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	means Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company

“%”

per cent

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

Hong Kong, 29 March 2016

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 Ms. Zhang Guimei; and the independent non-executive Directors are Mr. Huang Jingsheng, Mr. Wang Jing and Mr. Ren Guangming.

* *For identification purposes only*