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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)

**SUBSCRIPTION OF NEW SHARES
UNDER GENERAL MANDATE**

On 10 March 2017 (after trading hours), the Company entered in to the Share Subscription Agreement with the Subscribers, pursuant to which the Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to issue and allot 165,000,000 Subscription Shares at the Subscription Price subject to the Lock-up Period. The Subscription Shares will be issued and allotted to the Subscribers in two tranches, namely the Tranche I Subscription Shares and the Tranche II Subscription Shares.

The 165,000,000 Subscription Shares represent approximately 11.26% of the issued share capital of the Company as at the date of this announcement, and approximately 10.12% of the issued capital of the Company as enlarged by the issue of Subscription Shares (assuming no other changes made to the issued share capital of the Company between the date of this announcement and the completion of the Subscription). The Subscription Shares will be issued under the General Mandate.

The Subscription Price of HK\$0.5 per Subscription Share was determined after arm's length negotiations between the Company and the Subscribers, and: (i) equals to the closing price of HK\$0.5 per Share as quoted on the Stock Exchange on 10 March 2017, being the date of this announcement and the date of the Share Subscription Agreement; and (ii) equals to the average closing price of HK\$0.5 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Share Subscription Agreement.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

The gross and net proceeds from the Subscription will be HK\$82.5 million and HK\$82.4 million, respectively. It is intended that the net proceeds from the Subscription will be used for, including but not limited to, replenishing the working capital of the Group and appropriate acquisitions and potential investment opportunities of the Group. The net price per Subscription Share is approximately HK\$0.5.

Completion of the Subscription is subject to the satisfaction of the conditions precedent in the Share Subscription Agreement and therefore, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

On 10 March 2017 (after trading hours), the Company entered in to the Share Subscription Agreement with the Subscribers, pursuant to which the Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to issue and allot 165,000,000 Subscription Shares at the Subscription Price. The Subscription Shares will be issued and allotted to the Subscribers in two tranches, namely the Tranche I Subscription Shares and the Tranche II Subscription Shares. The principal terms of the Share Subscription Agreement are set out below.

THE SHARE SUBSCRIPTION AGREEMENT

Date: 10 March 2017

Parties: (i) the Company; and
(ii) the Subscribers

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Subscribers are third parties independent of and not connected with the Company and its connected persons.

None of the Subscribers or their associate(s) will become a substantial shareholder of the Company as a result of the completion of the Subscription.

Subscription

The Company has conditionally agreed to issue and allot, and the Subscribers have conditionally agreed to subscribe for 165,000,000 Subscription Shares at the Subscription Price of HK\$0.5 per Subscription Share. The Subscription Shares will be issued and allotted to the Subscribers in two tranches, namely the Tranche I Subscription Shares and the Tranche II Subscription Shares.

Number of Subscription Shares

The 165,000,000 Subscription Shares represent approximately 11.26% of the issued share capital of the Company as at the date of this announcement, and approximately 10.12% of the issued capital of the Company as enlarged by the issue of Subscription Shares (assuming no other changes made to the issued share capital of the Company between the date of this announcement and the completion of the Subscription).

The aggregate nominal value of the Subscription Shares will be US\$1,375.00 (equivalent to approximately HK\$10,725, at the exchange rate of US\$1 = HK\$7.80).

Subscription Price

The Subscription Price was determined after arm's length negotiations between the Company and the Subscribers with reference to the average closing price of HK\$0.5 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Share Subscription Agreement. The Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Subscription Price of HK\$0.5 per Subscription Share:

- (i) equals to the closing price of HK\$0.5 per Share as quoted on the Stock Exchange on 10 March 2017, being the date of this announcement and the date of the Share Subscription Agreement; and
- (ii) equals to the average closing price of HK\$0.5 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Share Subscription Agreement.

Conditions of the Subscription

The issue of the Tranche I Subscription Shares and Tranche II Subscription Shares are conditional upon the fulfilment of the following conditions:

- (i) The Board and the Shareholders (if applicable) approving the issue of the Subscription Shares;
- (ii) The General Mandate remaining in effect and having not been revoked;
- (iii) The Listing Committee of the Stock Exchange granting and not having withdrawn or revoked the approval for the listing of, and permission to deal in, the Subscription Shares;
- (iv) Other approvals or permits in relation to the Subscription having been obtained by the Company and the Subscribers (if any); and
- (v) The representations and warranties by the parties to the Share Subscription Agreement remaining true, accurate and complete in all aspects.

The issue of the Tranche II Subscription Shares is also conditional upon the receipt of the First Payment by the Company.

If condition (iii) cannot be fulfilled before 30 September 2017, the Share Subscription Agreement will be automatically terminated and become null and void.

Completion of the Subscription

Completion of the subscription of the Tranche I Subscription Shares shall take place within three business days upon the Company's receipt of the First Payment from the Subscribers and the fulfilment of the conditions set out in the Share Subscription Agreement (or such other date as the Company and the Subscribers may agree).

Completion of the subscription of the Tranche II Subscription Shares shall take place within three business days upon the Company's receipt of the Second Payment from the Subscribers and the fulfilment of the conditions set out in the Share Subscription Agreement (or such other date as the Company and the Subscribers may agree).

Application for listing

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Lock-up Undertaking

The Subscribers have undertaken that without the prior written consent of the Company, they will not, whether directly or indirectly, at any time during the Lock-up Period dispose of any legal or beneficial interests in the Subscription Shares to any person (other than the associate(s) of the relevant Subscriber).

GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The Subscription is not subject to the Shareholders' approval as the Subscription Shares will be issued and allotted pursuant to the General Mandate, which was granted to the Directors pursuant to an ordinary resolution passed at the Company's annual general meeting held on 6 May 2016. The General Mandate provides that the Directors may issue, allot and deal with 312,674,164 additional Shares. As at the date of this announcement, no Share has been issued pursuant to the General Mandate, and the Subscription Shares represent approximately 52.77% of the maximum number of Shares which may be issued and allotted pursuant to the General Mandate.

RANKING OF THE SUBSCRIPTION SHARES

The Subscription Shares, when issued and fully paid, will rank *pari passu* among themselves and with Shares in issue at the time of issue and allotment of the Subscription Shares.

INFORMATION OF THE COMPANY AND THE SUBSCRIBERS

The Company

The Company is an investment holding company. The Group is a leading provider of therapeutic tea products in the PRC focusing on the development, manufacture and sales of therapeutic tea and other health food products.

The Subscribers

The Subscribers are:

- (i) Ms. LI Jiaozhi, a PRC citizen;
- (ii) Mr. WANG Jining, a PRC citizen;
- (iii) Mr. LUO Xuezhi, a PRC citizen; and
- (iv) Everyoung Investment Holdings Limited, a company incorporated in Hong Kong with limited liability and is principally engaged in investment consulting and investment management in Hong Kong and overseas for PRC enterprises and individuals.

REASONS FOR ENTERING THE SHARE SUBSCRIPTION AGREEMENT

The gross and net proceeds from the Subscription will be HK\$82.5 million and HK\$82.4 million, respectively. It is intended that the net proceeds from the Subscription will be used for, including but not limited to, replenishing the working capital of the Group and appropriate acquisitions and potential investment opportunities of the Group. The net price per Subscription Share is approximately HK\$0.5.

The terms of the Share Subscription Agreement (including the Subscription Price) were determined after arm's length negotiations between the Company and the Subscribers. The Directors are of the view that the Share Subscription Agreement (including the Subscription Price) is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE

Assuming there will be no other changes to the issued share capital of the Company between the date of this announcement and the completion of the Subscription, the shareholding structures of the Company: (i) as at the date of this announcement; and (ii) immediately after the completion of the Subscription, are as follows:

	As at the date of this announcement		Immediately after the completion of the Subscription	
	<i>Number of Shares</i>	<i>Approximate percentage of issued share capital (%)</i>	<i>Number of Shares</i>	<i>Approximate percentage of issued share capital (%)</i>
Substantial Shareholders				
Mr. ZHAO Yihong ⁽¹⁾	832,255,216	56.80%	832,255,216	51.05%
Mr. ZHU Xinli ⁽²⁾	167,143,424	11.41%	167,143,424	10.25%
Public Shareholders				
The Subscribers	—	—	165,000,000	10.12%
Other Shareholders	<u>465,809,180</u>	<u>31.79%</u>	<u>465,809,180</u>	<u>28.58%</u>
Total	<u>1,465,207,820</u>	<u>100%</u>	<u>1,630,207,820</u>	<u>100%</u>

Notes:

1. Mr. ZHAO Yihong, an executive Director, directly owns 1,741,000 Shares, and is also deemed or taken to be interested in the following Shares for the purposes of the SFO: (i) 816,259,176 Shares which are beneficially owned by Foreshore Holding Group Limited, a company controlled by Mr. ZHAO; and (ii) 14,255,040 Shares which are beneficially owned by Better Day Holdings Limited, a company controlled by Mr. ZHAO.
2. Mr. ZHU Xinli owns the 167,143,424 Shares through his indirectly wholly-owned company China Hui Yuan Juice Holdings Co., Ltd.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

There has not been any equity fund raising activity or any issue of equity securities of the Company in the 12 months preceding the date of this announcement.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“First Payment”	the consideration to be paid by the Subscribers to subscribe for the Tranche I Subscription Shares, being HK\$45.0 million
“General Mandate”	the general mandate granted to the Directors by an ordinary resolution of the Shareholders passed at the annual general meeting of the Company dated 6 May 2016 to allot, issue and deal with up to 312,674,164 additional Shares, being 20% of issued share capital of the Company as at the date of passing the said resolution
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lock-up Period”	a period of 1 year from the date of completion of the Subscription
“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
“Second Payment”	the consideration to be paid by the Subscribers to subscribe for the Tranche II Subscription Shares, being HK\$37.5 million, calculated based on the Subscription Price and the number of the Tranche II Subscription Shares
“SFO”	the Securities and Futures Ordinance
“Shareholder(s)”	the shareholder(s) of the Company
“Shares”	ordinary share(s) of the Company with a par value of US\$0.00000833333 each

“Share Subscription Agreement”	the share subscription agreement entered into between the Company and the Subscribers on 10 March 2017
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	the subscribers who entered into the Share Subscription Agreement with the Company in respect of the Subscription, being Ms. LI Jiaozhi, Mr. WANG Jining, Mr. LUO Xuezhi and Everyoung Investment Holdings Limited
“Subscription”	the subscription for the Subscription Shares by the Subscribers pursuant to the Share Subscription Agreement
“Subscription Price”	HK\$0.5 per Subscription Share
“Subscription Shares”	165,000,000 new Shares
“substantial shareholder(s)”	having the meaning ascribed thereto under the Listing Rules
“Tranche I Subscription Shares”	the corresponding number of Shares to be issued to the Subscribers calculated based on the Subscription Price and the First Payment, being 90,000,000 new Shares
“Tranche II Subscription Shares”	the number of the Tranche II Subscription Shares is equal to the number of total Subscription Shares minus the number of the Tranche I Subscription Shares, being 75,000,000 new Shares
“%”	per cent.

Completion of the Subscription is subject to the satisfaction of the conditions precedent in the Share Subscription Agreement and therefore, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 10 March 2017

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. Ren Guangming and Mr. He Yuanping.