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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO
DISCLOSEABLE TRANSACTION
ACQUISITION OF 51% EQUITY INTEREST IN
EACH OF ZHONGSHAN WANHAN AND ZHONGSHAN WANYUAN**

Reference is made to the announcement (the “**Announcement**”) dated 10 March 2017 of Besunyen Holdings Company Limited (the “**Company**”) in relation to the proposed acquisition of 51% equity interest in each of Zhongshan Wanhan and Zhongshan Wanyuan. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

VALUATION AND LISTING RULES IMPLICATIONS

According to the valuation report issued by the Independent Valuer on 20 March 2017 with respect to the valuation of 100% equity interest in Zhongshan Wanyuan, the appraised market value of 100% equity interest in Zhongshan Wanyuan as at 31 December 2016 is RMB15,000,000. The Independent Valuer adopted asset-based approach for the valuation of Zhongshan Wanyuan.

According to the valuation report issued by the Independent Valuer on 20 March 2017 with respect to the valuation of 100% equity interest in Zhongshan Wanhan (the “**Wanhan Valuation**”), the appraised market value of 100% equity interest in Zhongshan Wanhan as at 31 December 2016 is RMB207,000,000. The Independent Valuer adopted income approach for the Wanhan Valuation. Accordingly, the Wanhan Valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules. This announcement is therefore subject to the requirements under Rules 14.60A and 14.62 of the Listing Rules.

PRINCIPAL ASSUMPTIONS ADOPTED IN WANHAN VALUATION

The principal assumptions adopted in the Wanhan Valuation are set out below:

- all relevant legal approvals and business certificates or licenses to operate the business in the localities in which Zhongshan Wanhan operates or intends to operate have been or would be officially obtained and renewable upon expiry;
- the projections outlined in the financial information provided are reasonable, reflecting market conditions and economic fundamentals, and will be materialized;
- there will be no major change in the current taxation laws in the localities in which Zhongshan Wanhan operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- there will be no major change in the political, legal, economic or financial conditions in the localities in which Zhongshan Wanhan operates or intends to operate, which would adversely affect the revenues attributable to and the profitability of Zhongshan Wanhan;
- interest rates and exchange rates in the localities for the operation of Zhongshan Wanhan will not differ materially from those presently prevailing;
- the core business operation of Zhongshan Wanhan will not differ materially from those of present or expected; and
- Zhongshan Wanhan will retain competent management and key personnel to support the ongoing business operations.

PricewaterhouseCoopers, the auditor of the Company, has reported on the calculations of the discounted future estimated cash flows used in connection with the Wanhan Valuation.

The Board confirms that the profit forecast of Zhongshan Wanhan has been made after due and careful enquiry.

A letter from the Board and a report from PricewaterhouseCoopers in relation to the profit forecast of Zhongshan Wanhan are set out as Appendix I and Appendix II to this announcement respectively.

EXPERT AND CONSENT

The qualification of the expert who has given its opinion and advice included in this announcement is as follows:

Name	Qualification
PricewaterhouseCoopers	Certified Public Accountants

PricewaterhouseCoopers has given and has not withdrawn its consent to the publication of this announcement with inclusion of its report and all references to its name in the form and context in which it is included.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, PricewaterhouseCoopers is a third party independent from the Group and its connected persons.

As at the date of this announcement, PricewaterhouseCoopers does not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for the securities in any member of the Group.

Save as disclosed above, there are no other supplements or changes to the Announcement.

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

Hong Kong, 27 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.

APPENDIX I — LETTER FROM THE BOARD

The following is the text of a letter from the Board relating to the Wanhan Valuation for the purpose of incorporation in this announcement.

Listing Division
The Stock Exchange of Hong Kong Limited
11/F., One International Finance Centre,
1 Harbour View Street, Central, Hong Kong

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION: ACQUISITION OF 51% EQUITY INTEREST IN EACH OF ZHONGSHAN WANHAN AND ZHONGSHAN WANYUAN

We refer to the announcement of the Company dated 27 March 2017.

We have reviewed the bases and assumptions based upon which the valuation of Zhongshan Wanhan Pharmacy Co., Ltd. (the “**Zhongshan Wanhan**”) has been prepared by DTZ Cushman & Wakefield Limited. We have also considered the report from the auditor of the Company, PricewaterhouseCoopers, regarding whether the discounted future estimated cash flows in connection with the valuation of Zhongshan Wanhan, so far as the calculations are concerned, have been properly complied, in all material respects, in accordance with their respective bases and assumptions.

On the basis of the foregoing, in accordance with the requirements under Rule 14.62(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, we confirm that the profit forecast of Zhongshan Wanhan has been made after due and careful enquiry by us.

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

27 March 2017

APPENDIX II — REPORT FROM PRICEWATERHOUSECOOPERS

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this announcement.



羅兵咸永道

INDEPENDENT AUDITOR’S ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF ZHONGSHAN WANHAN PHARMACY CO., LTD.

TO THE BOARD OF DIRECTORS OF BESUNYEN HOLDINGS COMPANY LIMITED (THE “COMPANY”)

We have completed our assurance engagement to report on the calculations of the discounted future estimated cash flows on which the business valuation (the “**Valuation**”) dated 20 March 2017 prepared by DTZ Cushman & Wakefield Limited in respect of the appraisal of the market value of the 100% equity interests in Zhongshan Wanhan Pharmacy Co., Ltd. (the “**Target Company**”) is based. The Valuation is in connection with the acquisition of a 51% equity interest in the Target Company by Beijing Outsell Health Product Development Co., Ltd., an indirect wholly-owned subsidiary of the Company, as set out in the Company’s announcement dated 10 March 2017 (the “**Initial Announcement**”) and the supplemental announcement dated 27 March 2017 (the “**Supplemental Announcement**”). The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

DIRECTORS’ RESPONSIBILITY FOR THE DISCOUNTED FUTURE ESTIMATED CASH FLOWS

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and as set out on page 2 of the Supplemental Announcement. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

*PricewaterhouseCoopers, 22/F Prince’s Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

AUDITOR'S RESPONSIBILITIES

It is our responsibility to report, as required by paragraph 14.62(2) of the Listing Rules, on the calculations of the discounted future estimated cash flows on which the Valuation is based. We are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future estimated cash flows are based and our work does not constitute any valuation of the Target Company.

We conducted our work in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, has been properly compiled in accordance with the bases and assumptions as set out on page 2 of the Supplemental Announcement. We reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the bases and assumptions.

The discounted cash flows do not involve the adoption of accounting policies. The discounted cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

OPINION

In our opinion, based on the foregoing, so far as the calculations are concerned, the discounted future estimated cash flows, has been properly compiled in all material respects in accordance with the bases and assumptions made by the directors of the Company as set out on page 2 of the Supplemental Announcement.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 27 March 2017