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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)**

**(1) DISCLOSEABLE TRANSACTION: ENTERING INTO  
CONSTRUCTION GENERAL CONTRACTING AGREEMENT  
(2) UPDATE ON THE DISCLOSEABLE TRANSACTION IN RELATION  
TO DISPOSAL OF 100% EQUITY INTEREST IN BESUNYEN FOOD  
AND BEVERAGE**

**I. ENTERING INTO CONSTRUCTION GENERAL CONTRACTING AGREEMENT**

The Board hereby announces that on 10 July 2019 (after trading hours), Beijing Outsell, an indirect wholly-owned subsidiary of the Company, entered into the Construction General Contracting Agreement with the Contractor, pursuant to which the Contractor agreed to undertake the construction and installation of the No. 2 Production Workshop. The total consideration payable to the Contractor under the Construction General Contracting Agreement is RMB113,783,798.65.

As one or more applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the Construction General Contracting Agreement exceed 5% but are less than 25%, therefore the transaction contemplated thereunder constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

**II. UPDATE ON THE DISCLOSEABLE TRANSACTION IN RELATION TO  
DISPOSAL OF 100% EQUITY INTEREST IN BESUNYEN FOOD AND BEVERAGE**

References are made to the announcements of the Company dated 10 March 2017, 25 July 2017, 31 December 2018 and 26 March 2019 (the “Announcements”) in relation to the disposal of 100% equity interest in Besunyen Food and Beverage. In accordance with the agreement arrangement disclosed in the Announcements and as agreed by Tibet Besunyen

Trading, the purchaser to the equity transfer changed from Zhonghang Tuohong to its designated Tenglong Shengyuan. Therefore, on 10 July 2019 (after trading hours), Beijing Outsell, an indirectly wholly-owned subsidiary of the Company, Tenglong Shengyuan, Zhonghang Tuohong, Besunyen Food and Beverage and Tibet Besunyen Trading entered into an agreement, pursuant to which Beijing Outsell, Zhonghang Tuohong, Besunyen Food and Beverage and Tibet Besunyen Trading confirmed that the Previous Equity Transfer Agreement entered into among Beijing Outsell, Zhonghang Tuohong and Besunyen Food and Beverage on 10 March 2017 and its supplementary agreements will no longer have legal binding force on Zhonghang Tuohong, and all parties confirmed that Tenglong Shengyuan will, as the purchaser, purchase 100% equity interest in Besunyen Food and Beverage from Beijing Outsell and sign an equity transfer agreement separately.

On 10 July 2019 (after trading hours), Beijing Outsell (currently holding 100% equity interest in Besunyen Food and Beverage), Tenglong Shengyuan and Besunyen Food and Beverage entered into an equity transfer agreement, pursuant to which (i) Beijing Outsell agreed to sell and Tenglong Shengyuan agreed to acquire 100% equity interest in Besunyen Food and Beverage for a consideration of RMB75,000,000, which is the same as the consideration agreed in the Previous Equity Transfer Agreement; and (ii) Tenglong Shengyuan agreed to repay the debt of RMB50,000,000 to Beijing Outsell on behalf of Besunyen Food and Beverage. Upon completion of the equity transfer, the Group will receive a cash inflow of RMB125,000,000.

## **I. ENTERING INTO CONSTRUCTION GENERAL CONTRACTING AGREEMENT**

The Board hereby announces that on 10 July 2019 (after trading hours), Beijing Outsell, an indirect wholly-owned subsidiary of the Company, entered into the Construction General Contracting Agreement with the Contractor, pursuant to which the Contractor agreed to undertake the construction and installation of the No. 2 Production Workshop. The total consideration payable to the Contractor under the Construction General Contracting Agreement is RMB113,783,798.65.

The major terms of the Construction General Contracting Agreement are as follows:

### **(1) Date**

10 July 2019

### **(2) Parties**

- (i) Principal: Beijing Outsell Health Product Development Co., Ltd.
- (ii) Contractor: Beijing Hengtong Innovation Whole House Assembly Co., Ltd.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Contractor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

### **(3) Subject Matter**

According to the Construction General Contracting Agreement, the Contractor will be responsible for the ground and foundation, main structure, decoration and fitting-out, roofings, water supply, drainage and electrical systems of the buildings, the fire control of the No. 2 Production Workshop and the warehouse, the reinforcement of the warehouse and other items, as shown in the drawings.

### **(4) Contract Term**

- (i) Planned start date: 12 July 2019
- (ii) Planned completion date: 31 December 2019

### **(5) Total Consideration and Payment Terms**

The total consideration payable to the Contractor under the Construction General Contracting Agreement is RMB113,783,798.65, which is determined after arm's length negotiations between the parties, with reference to the scope, complexity and scale of the construction works and the market conditions, and will be funded by the internal resources of Beijing Outsell.

The specific payment terms are as follows:

- (i) according to the progress of the works every month, 70% of the consideration of completed work confirmed last month shall be paid on or before the 10th day of each month; up to a total of RMB80,000,000.00 shall be paid on or before 31 December 2019;
- (ii) up to a total of RMB30,370,284.70 shall be paid on or before 31 July 2020; and
- (iii) remaining payment: RMB3,413,513.95, i.e. 3% of the total consideration, shall be paid after expiry of 24-month period from the completion of construction.

### **(6) Effectiveness of Agreement**

The Construction General Contracting Agreement shall take effect from the date of execution by both parties.

## **(7) Reasons for and Benefits of Entering into the Construction General Contracting Agreement**

In order to revitalize idle assets, the Group intends to lease the No. 2 Production Workshop to a proposed third-party tenant or purchaser, and to renovate the building according to the requirements of the proposed tenant. After conducting relevant assessments and considering various factors such as technical experience, professional qualifications, business reputation and project management capabilities, the Group has appointed Beijing Hengtong as the Contractor and signed the Construction General Contracting Agreement. The Construction General Contracting Agreement is negotiated on an arm's length basis and on normal commercial terms.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the terms and conditions of, and the transaction contemplated thereunder, the Construction General Contracting Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **(8) General Information of the Group and the Parties**

### ***The Group***

The Group is a leading provider of therapeutic tea products in the PRC, mainly engaging in the research and development, production, sale and promotion of therapeutic teas and medicines.

### ***Beijing Outsell***

Beijing Outsell is a limited liability company incorporated in the PRC and is an indirect wholly-owned subsidiary of the Company and the primary operating entity of the Group. Beijing Outsell is principally engaged in the business of development, production, sales and promotion of therapeutic teas.

### ***The Contractor***

The Contractor is a limited liability company incorporated in the PRC and is a wholly-owned subsidiary of Beijing Hengtong Innovation Luxwood Technology Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 300374). The Contractor is principally engaged in the business of assembly of prefabricated building parts and supporting construction services.

## **(9) Listing Rules Implications**

As one or more applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the Construction General Contracting Agreement exceed 5% but are less than 25%, therefore the transaction contemplated thereunder constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## II. UPDATE ON THE DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF 100% EQUITY INTEREST IN BESUNYEN FOOD AND BEVERAGE

References are made to the announcements of the Company dated 10 March 2017, 25 July 2017, 31 December 2018 and 26 March 2019 (the “**Announcements**”) in relation to the disposal of 100% equity interest in Besunyen Food and Beverage. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements.

In accordance with the agreement arrangement disclosed in the Announcements and as agreed by Tibet Besunyen Trading, the purchaser to the equity transfer changed from Zhonghang Tuohong to its designated Tenglong Shengyuan. Therefore, on 10 July 2019 (after trading hours), Beijing Outsell, an indirectly wholly-owned subsidiary of the Company, Tenglong Shengyuan, Zhonghang Tuohong, Besunyen Food and Beverage and Tibet Besunyen Trading entered into an agreement, pursuant to which Beijing Outsell, Zhonghang Tuohong, Besunyen Food and Beverage and Tibet Besunyen Trading confirmed that the equity transfer agreement entered into among Beijing Outsell, Zhonghang Tuohong and Besunyen Food and Beverage on 10 March 2017 (the “**Previous Equity Transfer Agreement**”) and its supplementary agreements will no longer have legal binding force on Zhonghang Tuohong, and all parties confirmed that Tenglong Shengyuan will, as the purchaser, purchase 100% equity interest in Besunyen Food and Beverage from Beijing Outsell and sign an equity transfer agreement separately.

On 10 July 2019 (after trading hours), Beijing Outsell (currently holding 100% equity interest in Besunyen Food and Beverage), Tenglong Shengyuan and Besunyen Food and Beverage entered into an equity transfer agreement (the “**New Equity Transfer Agreement**”), pursuant to which (i) Beijing Outsell agreed to sell and Tenglong Shengyuan agreed to acquire 100% equity interest in Besunyen Food and Beverage for a consideration of RMB75,000,000, which is the same as the consideration agreed in the Previous Equity Transfer Agreement; and (ii) Tenglong Shengyuan agreed to repay the debt of RMB50,000,000 to Beijing Outsell on behalf of Besunyen Food and Beverage. Upon completion of the equity transfer, Besunyen Food and Beverage will cease to be a subsidiary of the Company. Tenglong Shengyuan is a limited liability company incorporated in the PRC, and is principally engaged in the business of technical service, data processing and basic software service. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Tenglong Shengyuan and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Upon signing of the New Equity Transfer Agreement, Tenglong Shengyuan will pay the first instalment of the consideration, i.e., RMB10,000,000 to Beijing Outsell. Upon completion of the change of registration with administration of industry and commerce with respect to the equity transfer, completion of transfer of the original licenses, seals and etc. of Besunyen

Food and Beverage to Tenglong Shengyuan and on or before 31 August 2019, Tenglong Shengyuan shall pay the remaining consideration of RMB65,000,000 and the debt of RMB50,000,000 to Beijing Outsell.

The consideration and commercial nature under the New Equity Transfer Agreement are the same as those under the Previous Equity Transfer Agreement, and the signing of the New Equity Transfer Agreement can facilitate the disposal. Upon completion of the equity transfer, the Group will receive a cash inflow of RMB125,000,000. As such, the Directors are of the view that the terms and conditions of the New Equity Transfer Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## DEFINITIONS

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

“Beijing Hengtong” or “Contractor”	Beijing Hengtong Innovation Whole House Assembly Co., Ltd.(北京恒通創新整體房屋組裝有限公司), a company incorporated in the PRC with limited liability
“Beijing Outsell” or “Principal”	Beijing Outsell Health Product Development Co., Ltd. (北京澳特舒爾保健品開發有限公司), an indirect wholly-owned subsidiary of the Company
“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
“Construction General Contracting Agreement”	the construction general contracting agreement entered into on 10 July 2019 between the Principal and the Contractor
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“No. 2 Production Workshop”	the No. 2 production workshop, the warehouse and two guard rooms located in Doudian Town, Fangshan District, Beijing
“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”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the same meaning ascribed to it under the Listing Rules
“Tenglong Shengyuan”	Tenglong Shengyuan (Beijing) Data Technology Co., Ltd.(騰龍盛源（北京）數據科技有限公司), a company incorporated in the PRC with limited liability
“%”	per cent

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

Hong Kong, 10 July 2019

*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 Director is Mr. Zhuo Fumin; and the independent non-executive Directors are Mr. Ren Guangming, Mr. He Yuanping and Mr. Fu Shula.*