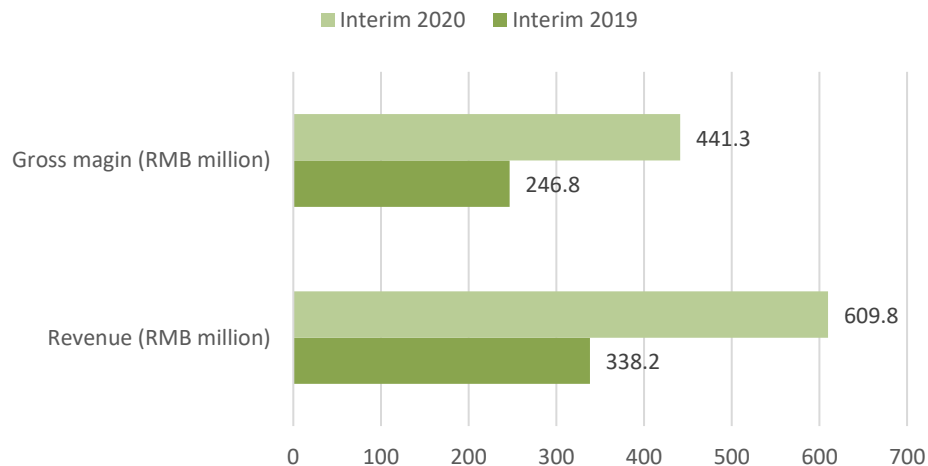




Interim Report Shows Gratifying Results Besunyen Continues to Maintain Industry leadership

Performance Results Summary



- * The revenue was approximately RMB609.8 million, representing an increase of 80.3% as compared with the same period of last year
- * The gross profit was approximately RMB441.3 million, representing an increase of 78.8% as compared with the same period of last year
- * The gross profit margin was 72.4%
- * The total income was RMB47.3 million
- * The basic and diluted earnings per share were both RMB0.59 cents

Revenue:

Besunyen Detox Tea: 93 million

Besunyen Slimming Tea: 105 million

Besunyen Xian Xian Tea: 45 million

Slimming medicines: 305 million

Other products and medicines: 61 million



Customer-oriented Approaches with Various Product Lines

- ◆ Besunyen continued to focus on weight loss and weight management as well as laxative and gastrointestinal health products, so as to further enrich our product lines. By way of launching new products, updating packaging and innovating marketing model, the Group expanded the consumer base to ensure rapid growths of the sales of weight management and gastrointestinal health series products, and improve their market share steadily.
- ◆ Besunyen successively launched new products on e-commerce platforms, focused on young consumer groups and continued to accurately communicate with them, so as to enhance our brand recognition and facilitate the expansion of product categories.
- ◆ Besunyen has formed a product pattern based on functional products of weight loss and weight management as well as laxative and gastrointestinal health series, integrating into a parallel development pattern of the three product categories of “OTC medicine + health food + ordinary food”.



企業通訊



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CRM·Besunyen Marketing Innovation Makes Private Flow Fission

- ◆ In response to the impact of COVID-19 pandemic, Besunyen adapted the sales strategy quickly during the period of working at home in the first half of the year. With the help of brands, products, sales teams, distributors/sub-distributors, and retail terminal resources, launched a full-staff marketing and social group fission project (“CRM marketing project”), which took employees as the point of origin to permeate into their WeChat Moments and WeChat groups, driving relatives and friends, distributors/sub-distributors, shop assistants and even consumers to promote goods. It also provided consumers with more direct and closer services through face-to-face sales.
- ◆ Since the launch of the CRM marketing project, more than 400,000 consumers have paid attention to our online microstores and the product repurchase rate has been greatly improved. The rapid growth in the number of distributors has also broken the previous situation in which the offline sales could not reach consumers directly.
- ◆ Besunyen has gradually realised an omni-channel sales model of traditional channel + Internet channel.





Strengthening Internal Innovation in R&D to Consolidate its Research and Development Strength

- ◆ Besunyen continuously adhered to “One Focus and Two Dimensions” as the product strategy in terms of the research and development, uphold “herbs and health regimen” as the cornerstone of Besunyen's diversified industrial footprint, and adjusted the research and development system, product strategy and competitive advantages in various ways such as self-research, external introduction and co-research.
- ◆ Besunyen participated in the key research and development plan of the Ministry of Science and Technology, the “Modernization of Chinese Medicine”, and built a platform for cooperation in research and development with a number of well-known research institutes such as Beijing University of Chinese Medicine.
- ◆ As the two core engines actively developed by Besunyen, Zhongshan Wanhan and Zhongshan Wanyuan continue to produce new products. In the first half of 2020, Zhongshan Wanhan and Zhongshan Wanyuan made breakthroughs in the research and development in the areas of endocrine metabolites, ophthalmic medicines and antiviral medicines.





The 6th Jinwu Awards Ended Successfully Besunyen Won Two Annual Marketing Awards



- ◆ More than 100 brands, advertising companies, media, technology companies, MCN and other industry institutions participated in the 2020 sixth JinWu Awards-Mobile Advertising Creative Festival in Shanghai. Besunyen stood out from its competitors, receiving two gold-plated awards in one fell swoop, another bloom moment for the Group.
- ◆ With the continuous deep cultivation in the marketing field in the past year, not only did Besunyen actively seize the main track of mobile marketing, its young line of consumer group positioning, but it also has been fully recognized by the health industry and the marketing field.
- ◆ At this Jinwu Awards, Besunyen and Momo's "Saving Overtime Dog Program" won the gold award in the brand marketing category, and Besunyen and Youdao's "Workplace Counterattack Plan" was named as a classic case in the brand marketing, becoming the winner of the 6th JinWu Awards-Mobile Advertising Creative Festival.





Besunyen Wins the Top Ten Healthcare Products Brands Embraced by Chinese College Students in 2020



- ◆ On 25 August, Besunyen won the top ten health care products brands that Chinese college students love to use in the "Youth List-Brands Favored by Chinese College Students in 2020". It stood out from more than 1,300 brands, won Chinese college students' brand-based high-scoring certification in the three aspects of awareness, cognition and recognition, and has become a young brand chosen, recognized and trusted by young people.
- ◆ As the market in various industries approaches saturation, Chinese enterprises begin to face the problem of brand rejuvenation on a large scale. China's Generation Z population (15-23 years old) is the largest, with a total of 149 million people, and will account for 40% of the overall consumption in 2020. As the main force in future market consumption, college students have their consumption preferences and consumption habits to a certain extent represents the consumption trend of the future society.





Continuous Creation on the Cloud “Online” Online Review of Besunyen Spring Competition Completes Successfully



- ◆ From 16 July to 25 July, expert judges from academia and industry and Besunyen’s enterprise judges formed an online jury to review and discuss more than 20,000 works collected from the public service advertisement of the “Besunyen Cup” for the Academy Awards.
- ◆ Besunyen Xian Xian Tea, which joined the Academy Awards for the first time, is well-loved for its mild herbal characteristics. The 18 live broadcast tours have been exposed to millions of college students, established a deep connection between the brand and young people, and opened up the channel of colleges and universities.

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Star Products Travel through Deep Palace Workplace Besunyen Joins Hands with Juhuasuan to Create Brand Celebration Day



- ◆ In this celebration day, Besunyen uses the theme of ““Be”, a strategy” in the deep palace workplace, and its star products such as Besunyen Orlistat Capsules, Xian Xian Tea, Slimming Tea, Day and Night White Recombinant Collagen Dressing and herbal tea ceremony to play through, and staged “oil-absorption meter”, “waist-catching meter”, “beauty meter” and “gong scheming”.
- ◆ The “Juhuasuan·Celebration day” event attracted a large number of audience. From 10:00 on 27 July to 9:00 on 30 July, the sales of Besunyen products continued to burst, and the reputation and popularity achieved double harvest. According to statistics, the total sales of Besunyen exceeded 11.99 million during the three days of celebration day, and the main store Besunyen official flagship store and Besunyen pharmaceutical flagship store were also ranked Top 2 in the industry category.



Besunyen Joins Hands with JD to Hold Super Brand Day



- ◆ Since the launch of brand-new big health retail strategy, Besunyen has fully entered all major e-commerce platforms. This time Besunyen offered the largest discount since “618” on JD’s Super Brand Day. As soon as the event was launched online, it quickly became popular, detonating the buying enthusiasm of the “getting thin by simply lying” family represented by foodies.

- ◆ “Orlistat Capsule”, an OTC product for weight loss approved by National Medical Products Administration, is the single product champion online among weight loss medicines. As one of the main products promoted at this event, Besunyen Orlistat Capsules fully covered all 7-11 stores in Beijing, providing strong support for its popularity at the Super Brand Day event.



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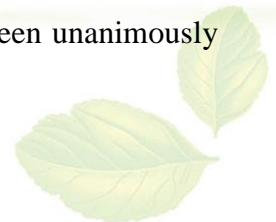
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Besunyen Honorably Listed on “Big Health New Retail Brand List” at 2020 West Lake Forum



- ◆ On 14 July, the “2020 West Lake Forum for Big Health Industry and the 11th Annual Meeting of the Chain Store Branch of the China Medical Pharmaceutical Material Association” continued to be held in Wuzhen, Zhejiang. Besunyen was honorably listed on the “Big Health New Retail Brand List” for its continuous deep cultivation and outstanding performance in new retail strategy of the big health industry!
- ◆ The year of 2020 coincides with the global economic adjustment under the epidemic, and the digital industry represented by 5G and AI has emerged in an all-round way, promoting the value reshaping of the big health industry chain. In terms of new retail, Besunyen has been closely following the development trend of the industry and successfully created a complete closed loop of online + offline in new retail. The award confirms that Besunyen’s layout thought in new retail is in line with industry development direction and has been unanimously recognized in the industry.





Besunyen Being "Lightweight" for 20 Years Mark and "Refresh" Everywhere for Birthday

- ◆ During the twenty years from 2000 to 2020, from being unknown to the public to well known to every household, Besunyen has always been adhering to the corporate purpose of "Spreading the Concept of Healthy Life" and continuously providing consumers with more and better health products. The eve of Mid-Autumn Festival this year coincides with Besunyen's 20th birthday. The large LED screens of landmark buildings in various provinces and cities across the country lit up the red picture of "Besunyen, Being Lightweight for 20 years" to celebrate Besunyen's birthday.
- ◆ Twenty years is a node, but also a new beginning. In the future, Besunyen will continue to dig into the field of big health, and empower the new ecology of health for the whole people. With a good reputation, we will continue to "Refresh" in the hearts of consumers, refresh the brand impression, enhance the corporate image, and contribute our strength to the course of health care for the whole people.

