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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)**

**CONNECTED TRANSACTION  
SUBSCRIPTION OF INTERESTS IN A FUND**

On 26 February 2021, Besunyen Healthcare Investment, an indirect wholly-owned subsidiary of the Company, and Vstar Partners Limited entered into the Subscription Agreement. Pursuant to the Subscription Agreement, Besunyen Healthcare Investment, as a Limited Partner, has made a capital commitment in an amount of USD2.3505 million to the Fund, while Vstar Partners Limited, as the General Partner, has agreed to accept the capital commitment of Besunyen Healthcare Investment. The Fund will invest in a Singaporean company which engages in the research and development of infection-related immunotherapy and antiviral and anti-bacterial medications and vaccines.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, the General Partner is controlled by Mr. Zhuo, the non-executive Director of the Company. Therefore, the General Partner is an associate of Mr. Zhuo and hence a connected person of the Company. The Subscription constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Subscription exceed 0.1% but are less than 5%, the Subscription is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

## **I. INTRODUCTION**

On 26 February 2021, Besunyen Healthcare Investment, an indirect wholly-owned subsidiary of the Company, and Vstar Partners Limited entered into the Subscription Agreement. Pursuant to the Subscription Agreement, Besunyen Healthcare Investment, as a Limited Partner, has made a capital commitment in an amount of USD2.3505 million to the Fund, while Vstar Partners Limited, as the General Partner, has agreed to accept the capital commitment of Besunyen Healthcare Investment. The Fund will invest in a Singaporean company which engages in the research and development of infection-related immunotherapy and antiviral and anti-bacterial medications and vaccines.

## **II. THE SUBSCRIPTION AGREEMENT**

The principal terms of the Subscription Agreement are summarized below:

Date: 26 February 2021

Parties: (1) Besunyen Healthcare Investment (as the subscriber);  
and  
(2) Vstar Partners Limited (as the General Partner).

Subscription amount: USD2.3505 million

Upon the Subscription, the Fund will not become a subsidiary of the Company and will not be included in the Company's consolidated financial statements.

The amount of the capital commitment was determined between Besunyen Healthcare Investment and the General Partner after arm's length negotiations with reference to, among others, the expected investment prospect of the Fund and the financial information available for the Group. The Group intends to finance the capital commitment by its internal resources.

## **III. THE LIMITED PARTNERSHIP AGREEMENT**

On the date of entering into of the Subscription Agreement, Vstar Partners Limited (as the General Partner), Vstar Partners Limited (as attorney-in-fact of the Limited Partner(s) of the Fund) and the Initial Limited Partner entered into the Limited Partnership Agreement to regulate their relationships and stipulate, among others, the operation and management methods of the Fund.

The principal terms of the Limited Partnership Agreement are summarized below:

Name of the Fund: Vstar Investment Fund Limited Partnership, an exempted limited partnership registered in the Cayman Islands

Parties: (1) Vstar Partners Limited, acts as the General Partner of the Fund providing management services for the Fund and acts as the attorney-in-fact of each of the persons who may be recognized as a Limited Partner from time to time; and

(2) The Initial Limited Partner.

Investment target: Invest directly or indirectly in the Target Company.

The Target Company is an innovative drug research and development enterprise headquartered in Singapore with branches in Asia and Europe. It is mainly engaged in the research and development of infection-related immunotherapy and antiviral medications and vaccines for proposed application to treatments of liver cancer caused by virus and bacteria infection, gastrointestinal infection diseases and other clinical fields. Its team and consultants have introduced well-known academic leaders and professional research and development teams. With its research and development pipeline ranking the world's leading echelon in similar fields, the Target Company is expected to take the lead in the transformation of its achievements in Asia. Its outstanding highlights include:

— Its scientist founder has been engaged in the research of viral infection diseases for nearly 30 years and is not only an internationally renowned expert in Hepatitis B field, with more than 30 invention patents, but also the core inventor of patents in the world's four major immunotherapy technology platforms. The core members of the research and development team are mostly professionals from well-known pharmaceutical research and development institutions, with outstanding overall research and development capabilities.

- Its clinical application focuses on the treatment of diseases caused by viral and bacterial infections or related diseases, and its research and development projects have future application to the treatments of highly infectious diseases, including liver cancer caused by Hepatitis B and Helicobacter pylori infection. Enterprises under its group have research and development branches in the PRC. Since there is less competition in similar research and development at the same level, the prospects for transformation of its achievements in topics to be selected are promising.
- Its major projects are expected to obtain clinical approvals in the next three years, which will enhance the value of the Target Company.

Initial closing date: The date on which the General Partner accepts the first subscription agreement on behalf of the Fund.

Final closing date: The date on which the General Partner accepts the last subscription agreement on behalf of the Fund, which shall occur no later than 18 months after the initial closing date unless otherwise agreed by the partners in writing.

Term of the Fund: The term of the Fund commenced on the date that the statement is filed in accordance with section 9 of the Cayman Islands Exempted Limited Partnerships Act with the Cayman Islands Registrar of Exempted Limited Partnerships and shall continue in full force and effect until on or around the seventh anniversary of the final closing date. However, (i) the General Partner shall have the right, in its sole discretion, to extend the term of the Fund for a maximum of two additional one-year periods, or (ii) the Fund will be early terminated in accordance with the laws or the terms under the Limited Partnership Agreement, in which case the General Partner will terminate the businesses of the Fund and initiate liquidation proceedings.

- Management fees: Payment will be made to the General Partner as consideration for the management and other services provided by the General Partner to the Fund, and will be borne by the Limited Partners based on their respective capital contribution ratios.
- Distribution: The investment income received by the Fund may, as soon as practicable within 90 days after receipt by the Fund, be distributed to the Limited Partners of the Fund based on their respective capital contribution ratios to the Fund (after deducting the expected expenses, obligations and appropriate reserves of the contribution to be borne by the Fund as reasonably determined and set by the General Partner).
- Transfer: Without the prior written consent of the General Partner, the Limited Partner shall not sell, assign, transfer, pledge, hypothecate or otherwise dispose of its interests in the Fund or terminate its participation in the Fund.

#### **IV. GENERAL INFORMATION ABOUT THE GENERAL PARTNER AND BESUNYEN HEALTHCARE INVESTMENT**

##### **Besunyen Healthcare Investment**

Besunyen Healthcare Investment is a company incorporated in the PRC with limited liability, which is principally engaged in investment and is an indirect wholly-owned subsidiary of the Company. The Company is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange. The Group is a leading provider of therapeutic tea products in the PRC and is principally engaged in the research and development, production, sales and marketing of therapeutic tea and pharmaceutical products. The ultimate beneficial owner of the Company is Mr. Zhao Yihong.

##### **The General Partner**

Vstar Partners Limited is a fund management company incorporated in the Cayman Islands controlled and ultimately beneficially owned by Mr. Zhuo. Mr. Zhuo is a non-executive Director of the Company and possesses extensive investment experience in the healthcare and medical industry.

## **V. REASONS FOR AND BENEFITS OF ENTERING INTO THE SUBSCRIPTION AGREEMENT**

The Company is a market leader in two core sectors of weight management and gastrointestinal health management. The Company's self-manufactured consumer products are mainly tea bags and other health products. After the product sales scope is expanded to include weight-loss drugs, the performance structure and product mix of the Company have been improved. The Company considers the expansion from weight management and gastrointestinal health sectors to other healthcare and medical sectors is worth exploring.

Under the aforesaid background, taking into account of the professionalism of the team and the phasal achievement in the innovative pharmaceutical related research and development field of the projects selected by the Fund as well as the professional investment experience in the relevant sectors and the competency to manage such projects of the General Partner, the Directors (including the independent non-executive Directors) are of the view that the Fund is worth investing, and consider that the Subscription Agreement and the Limited Partnership Agreement are entered into on normal commercial terms, and although the transactions contemplated thereunder are not conducted in the course of ordinary business of the Group, their terms and conditions are still fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

## **VI. LISTING RULES IMPLICATIONS**

As at the date of this announcement, the General Partner is controlled by Mr. Zhuo, the non-executive Director of the Company. Therefore, the General Partner is an associate of Mr. Zhuo and hence a connected person of the Company. The Subscription constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Subscription exceed 0.1% but are less than 5%, the Subscription is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

Since Mr. Zhuo has material interests in the Subscription, he has to and had abstained from voting on the Subscription. Saved as disclosed above, none of the Directors has material interests in the Subscription Agreement and Limited Partnership Agreement and the transaction(s) contemplated thereunder and is required to abstain from voting on the Subscription.

## VII. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings below:

“associate”	has the meaning ascribed thereto under the Listing Rules
“Besunyen Healthcare Investment”	Hainan Besunyen Healthcare Investment Limited* (海南碧生源健康投資有限公司), a company incorporated in the PRC with limited liability, and is an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors of the Company
“Company”	Besunyen Holdings Company Limited, 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”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Fund”	Vstar Investment Fund Limited Partnership, an exempted limited partnership registered in the Cayman Islands
“General Partner”	Vstar Partners Limited, a limited company incorporated in the Cayman Islands
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Limited Partner”	Mr. Zhuo Fumin, the non-executive Director of the Company
“Limited Partner(s)”	any one or more limited partner(s) of the Fund
“Limited Partnership Agreement”	the amended and restated Limited Partnership Agreement entered into between Vstar Partners Limited (as the General Partner), Vstar Partners Limited (as an attorney-in-fact of the Limited Partner(s) of the Fund) and the Initial Limited Partner on 26 February 2021
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mr. Zhuo”	Mr. Zhuo Fumin, the non-executive Director of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of limited partner interests in the Fund by Besunyen Healthcare Investment in accordance with the Subscription Agreement and the Limited Partnership Agreement
“Subscription Agreement”	the Subscription Agreement entered into between Besunyen Healthcare Investment (as the subscriber) and Vstar Partners Limited (as the General Partner) on 26 February 2021 in relation to the subscription of the interests in the Fund by Besunyen Healthcare Investment
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“USD”	US Dollar, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 26 February 2021

*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.*

\* *for identification purpose only*