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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)

INSIDE INFORMATION
FRAMEWORK AGREEMENT IN RELATION
TO A POSSIBLE INVESTMENT

The Board hereby announces that on 19 August 2016, the Board approved the Framework Agreement in relation to the Possible Investment, it is expected that the Purchaser, an indirectly wholly-owned subsidiary of the Company, will enter into the Framework Agreement with the Vendors on 22 August 2016.

If the Possible Investment materializes, it may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. Further announcement(s) in respect of the Possible Investment will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

The Board wishes to emphasize that the Possible Investment is subject to, among other things, the conclusion of a definitive agreement. Shareholders and potential investors of the Company should note that the Possible Investment may or may not materialize and the terms of the Possible Investment, which are still subject to further negotiations between the parties, have yet to be finalized and may deviate from those set out in the Framework Agreement. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares of the Company.

This announcement is made by Besunyen Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that on 19 August 2016, the Board approved a framework agreement (the “**Framework Agreement**”) in relation to a possible investment (the “**Possible Investment**”) in two companies jointly owned by the Vendors and incorporated under the laws of the PRC with limited liability (the “**Target Companies**”), it is expected that an indirectly wholly-owned subsidiary of the Company (the “**Purchaser**”) will enter into the Framework Agreement with two Chinese

individuals (the “**Vendors**”) on 22 August 2016. The Possible Investment will be made by the Purchaser through (i) acquisition of certain existing equity interest owned by the Vendors in the Target Companies at a cash consideration of RMB8,000,000; and (ii) subscription of the additional registered capital of the Target Companies at a cash consideration of RMB50,000,000. Upon completion of the Possible Investment, the Purchaser will own 80% equity interest in each of the Target Companies and one of the Vendors (the “**Retained Vendor**”) will own 20% equity interest in each of the Target Companies. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Vendors are third parties independent of the Company and its connected persons.

According to the Framework Agreement, before the completion of the qualified initial public offering and listing of the Target Companies (on whatever stock exchange) or the quotation and open transfer of shares thereof, the Purchaser shall ensure that the Retained Vendor owns not less than 5% equity interest in the Target Companies unless otherwise agreed in writing by the Retained Vendor.

Save and except for the provisions relating to exclusivity, confidentiality, governing law and dispute resolutions, conclusion of agreement and expenses, other provisions of the Framework Agreement do not have any legally binding effect.

The Target Companies are principally engaged in the manufacture and sales of pharmaceutical products (mainly in form of tea bags) which share the same sales channels with the Group’s existing products. The Company expects the Possible Investment will expand the business of the Group, and the sales of the pharmaceutical products manufactured by the Target Companies will bring more profits to the shareholders of the Company.

If the Possible Investment materializes, it may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. Further announcement(s) in respect of the Possible Acquisition will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

The Board wishes to emphasize that the Possible Acquisition is subject to, among other things, the conclusion of a definitive agreement. Shareholders and potential investors of the Company should note that the Possible Acquisition may or may not materialize and the terms of the Possible Acquisition, which are still subject to further negotiations between the parties, have yet to be finalized and may deviate from those set out in the Framework Agreement. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 19 August 2016

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. Wang Jing and Mr. Ren Guangming.