

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of Besunyen Holdings Company Limited.*



**碧生源控股有限公司**

**BESUNYEN HOLDINGS COMPANY LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 926)**

## **ISSUE OF NEW SHARES UNDER GENERAL MANDATE**

The Board is pleased to announce that on 6 May 2018, the Company and the Subscriber entered into the Share Subscription Agreement in relation to the subscription of an aggregate of 293,041,564 Subscription Shares at the Subscription Price of HK\$0.5 per Subscription Share.

The Subscription Shares represent approximately: (i) 17.98% of the existing issued share capital of the Company as at the date of this announcement; and (ii) 15.24% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming no other changes made to the issued share capital of the Company between the date of this announcement and the date of the Completion). The Subscription Shares will be issued and allotted under the General Mandate.

The gross proceeds of the Subscription will be HK\$146,520,782. The net proceeds of the Subscription, after the deduction of the related expenses, will be approximately HK\$146.4 million, representing a net subscription price of approximately HK\$0.5 per Subscription Share. The Company intends to apply the net proceeds of the Subscription for, including but not limited to, replenishing the working capital of the Group and appropriate acquisitions and potential investment opportunities of the Group.

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

**Completion of the Subscription is subject to the satisfaction of the conditions precedent of the Share Subscription Agreement. Accordingly, the Subscription may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

## **INTRODUCTION**

The Board is pleased to announce that on 6 May 2018, the Company and the Subscriber entered into the Share Subscription Agreement in relation to the subscription of an aggregate of 293,041,564 Subscription Shares at the Subscription Price of HK\$0.5 per Subscription Share.

## **THE SHARE SUBSCRIPTION AGREEMENT**

### **Date**

6 May 2018

### **Parties**

the Company as the issuer; and

the Subscriber as the subscriber.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons.

### **The Subscription**

Pursuant to the Share Subscription Agreement, the Company has conditionally agreed to issue and allot, and the Subscriber has conditionally agreed to subscribe for, 293,041,564 Subscription Shares at the Subscription Price of HK\$0.5 per Subscription Share. The total Subscription Consideration is HK\$146,520,782.

### **The Subscription Shares**

The Subscription Shares represent approximately: (i) 17.98% of the existing issued share capital of the Company as at the date of this announcement; and (ii) 15.24% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming no other changes made to the issued share capital of the Company between the date of this announcement and the date of the Completion).

The Subscription Shares will be issued and allotted under the General Mandate.

## **Completion**

Upon the fulfilment (or agreed to be waived by both parties in writing) of the conditions precedent, the Company shall send the payment instruction to the Subscriber, and the Subscriber shall pay the Subscription Consideration in full to the account designated by the Company, within thirty (30) business days (or on such other date agreed by the Company) after the receipt of the payment instruction. In case the Subscriber delays the payment of Subscription Consideration in full or in part, liquidated damages shall be paid to the Company at an amount of 0.05% of the delayed payment per day.

The Completion shall take place when the Subscription Shares are registered under the name of the Subscriber at the Hong Kong branch share register of the Company, being Computershare Hong Kong Investor Services Limited.

## **Ranking**

The Subscription Shares, when issued and allotted, shall rank *pari passu* in all respects among themselves and with all the Shares in issue as at the date of the issue and allotment of the Subscription Shares.

## **Lock-up**

For a period of 6 months from the Completion, the Subscriber has agreed that it will not dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or other third party rights in respect of the Subscription Shares, except for a disposal to a Subscriber's associate or otherwise with the prior written consent of the Company.

## **The Subscription Price**

The Subscription Price of HK\$0.5 per Subscription Share was determined after arm's length negotiations between the Company and the Subscriber with reference to recent stock prices of the Company. The Subscription Price represents:

- (a) a premium of approximately 9.89% to the closing price of HK\$0.455 per Share as quoted on the Stock Exchange on 4 May 2018, being the trading day immediately preceding the date of the Share Subscription Agreement; and
- (b) a premium of approximately 8.93% to the average closing price for the five consecutive trading days immediately preceding the date of the Share Subscription Agreement of approximately HK\$0.459 per Share, as quoted on the Stock Exchange.

The net Subscription Price, after the deduction of the related expenses, is estimated to be approximately HK\$0.5 per Subscription Share.

The aggregate nominal value of the Subscription Shares will be US\$2,442.01 (equivalent to approximately HK\$19,047.69, calculated based on the exchange rate of US\$1 = HK\$7.80).

The Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Conditions Precedent**

The issue and allotment of the Subscription Shares is conditional upon fulfilment of the following conditions (or agreed to be waived by the parties in writing):

- (i) the Board and the Shareholders (if applicable) approving the issue and allotment of the Subscription Shares;
- (ii) the General Mandate remaining in effect and having not been revoked;
- (iii) the Listing Committee granting and not having withdrawn or revoked the approval for the listing of, and permission to deal in, the Subscription Shares;
- (iv) the obtaining of other relevant approval and permission (if any) in relation to the issue and allotment of the Subscription Shares; and
- (v) the representations and warranties by the parties to the Share Subscription Agreement remaining true, accurate and complete in all material aspects.

If the above conditions precedent fail to be fulfilled or agreed to be waived by the parties in writing before the Long Stop Date, the Share Subscription Agreement will be automatically terminated and become null and void.

### **APPLICATION FOR LISTING OF THE SUBSCRIPTION SHARES**

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

### **GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES**

The Subscription is not subject to the Shareholders' approval as the Subscription Shares will be issued and allotted pursuant to the General Mandate, which was granted to the Directors pursuant to an ordinary resolution passed at the Company's annual general meeting held on 15 May 2017. The General Mandate provides that the Directors may issue, allot and deal with up to 293,041,564 additional Shares. As at the date of this announcement, no Share has been issued pursuant to the General Mandate, and the Company is entitled to issue up to 293,041,564 Shares pursuant to the General Mandate.

## EFFECT OF THE SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company: (i) as at the date of this announcement; and (ii) immediately after the Completion (assuming there is no change in the issued share capital of the Company other than the issue of the Subscription Shares between the date of this announcement and the date of Completion).

	As at the date of this announcement		Immediately after the Completion	
	<i>Number of Shares</i>	<i>Approximate percentage of issued share capital (%)</i>	<i>Number of Shares</i>	<i>Approximate percentage of issued share capital (%)</i>
<b>Substantial Shareholder(s)</b>				
Mr. ZHAO Yihong <sup>Note 1</sup>	832,255,216	51.05%	832,255,216	43.27
The Subscriber	—	—	293,041,564	15.24
<b>Public Shareholders</b>	<u>797,952,604</u>	<u>48.95%</u>	<u>797,952,604</u>	<u>41.49</u>
<b>Total</b>	<u><u>1,630,207,820</u></u>	<u><u>100%</u></u>	<u><u>1,923,249,384</u></u>	<u><u>100%</u></u>

Notes:

- Mr. ZHAO Yihong, an executive Director, directly owns 1,741,000 Shares, and is also deemed or taken to be interested in the following Shares for the purposes of the SFO: (i) 816,259,176 Shares which are beneficially owned by the Subscriber, a company controlled by Mr. ZHAO; and (ii) 14,255,040 Shares which are beneficially owned by Better Day Holdings Limited, a company controlled by Mr. ZHAO.
- Any discrepancies in the above table between totals and sums of amounts listed therein are due to rounding.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS**

Save as disclosed below, the Company has not conducted any equity fund raising activities in the 12 months immediately preceding the date of this announcement:

<b>Date of Announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
10 March 2017	Issue of new Shares under general mandate	HK\$82.4 million	replenishing the working capital of the Group and appropriate acquisitions and potential investment opportunities of the Group	Utilised as intended

## **INFORMATION ON THE COMPANY AND THE SUBSCRIBER**

### **The Company**

The Company is an investment holding company. The Group is a leading provider of therapeutic tea products in the PRC focusing on the development, manufacture and sales of therapeutic tea and other health food products.

### **The Subscriber**

Aurum Credo Limited, a limited company incorporated in Hong Kong, is mainly engaged in equity investment.

## **REASONS FOR THE SUBSCRIPTION AND THE USE OF PROCEEDS**

The gross proceeds of the Subscription will be HK\$146,520,782. The net proceeds of the Subscription, after the deduction of the related expenses, will be approximately HK\$146.4 million, representing a net subscription price of approximately HK\$0.5 per Subscription Share. The Company intends to apply the net proceeds of the Subscription for, including but not limited to, replenishing the working capital of the Group and appropriate acquisitions and potential investment opportunities of the Group.

The terms of the Share Subscription Agreement (including the Subscription Price) were determined after arm's length negotiations between the Company and the Subscriber. The Directors are of the view that the terms of the Share Subscription Agreement (including the Subscription Price) is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

**Completion of the Subscription is subject to the satisfaction of the conditions precedent of the Share Subscription Agreement. Accordingly, the Subscription may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

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

“associate(s)”	has the meaning given to it under the Listing Rules
“Board”	the board of Directors of the Company
“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
“Completion”	the completion of the subscription of the Subscription Shares under the Share Subscription Agreement
“connected person(s)”	has the meaning given to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by an ordinary resolution of the Shareholders passed at the annual general meeting of the Company dated 15 May 2017 to issue, allot and deal with up to 293,041,564 additional Shares, being 20% of issued share capital of the Company as at the date of passing the said resolution
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 September 2018

“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 yuan, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company with a par value of US\$0.00000833333 each
“Shareholder(s)”	the shareholder(s) of the Company
“Share Subscription Agreement”	the share subscription agreement dated 6 May 2018 entered into between the Company and the Subscriber
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Aurum Credo Limited, a limited company incorporated in Hong Kong
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Share Subscription Agreement
“Subscription Consideration”	the total consideration to be paid by the Subscriber to subscribe for the Subscription Shares
“Subscription Price”	the price of HK\$0.5 per Share for the issue and allotment of each Subscription Share
“Subscription Shares”	293,041,564 new Shares to be issued and allotted to the Subscriber pursuant to the Share Subscription Agreement
“US\$”	United States dollars, the lawful currency of United States of America
“%”	per cent

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

Hong Kong, 6 May 2018

*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.*