

For Immediate Release

9 March 2015



Besunyen Holdings Company Limited
(stock code: 926.HK)

Revenue Increased by 15.7% Significantly
Total Operating Expenses Decreased by 7.4%
Annual Results Turn Loss to Profit
The Board Recommends for Payment of Dividend

2014 Annual Results Summary:

- Revenue amounted to RMB563.9 million, representing an increase of 15.7%.
- Gross profit increased to RMB475.3 million, representing an increase of 17.0%. The gross profit margin increased to 84.3% in 2014 from 83.3% in 2013.
- The total operating expenses (including selling and marketing expenses, administrative expenses and research and development costs) in 2014 were RMB466.0 million, representing a decrease of 7.4% as compared with RMB503.4 million in 2013.
- A profit and total comprehensive income was RMB45.0 million for 2014, as compared to a loss and total comprehensive expense of RMB90.0 million in 2013.
- The Board has resolved to recommend for payment of a final dividend of HK2 cents per share for the year ended 31 December 2014.

(Hong Kong, 9 March 2015) China's leading provider of therapeutic teas, **Besunyen Holdings Company Limited ("the Company" or "Besunyen"; stock code: 926.HK)**, is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2014.

The Group's revenue in 2014 was RMB563.9 million, representing an increase of 15.7% as compared with the revenue of RMB487.5 million in 2013. Gross profit increased from RMB406.1 million in 2013 to RMB475.3 million in 2014, representing an increase of 17.0%. The gross profit margin increased from 83.3% in 2013 to 84.3% in 2014. The total operating expenses (including selling and marketing expenses, administrative expenses and research and development costs) in 2014 were RMB466.0 million, representing a decrease of 7.4% as compared with those in 2013. Due to the aforementioned factors, the Group turned loss to profit successfully and recorded a profit and total comprehensive income of RMB45.0 million in 2014. In appreciation for the continued

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support and trust of shareholders, the Board has resolved to recommend for payment of a final dividend of HK2 cents per share.

Package and Price Adjusting with Quality Advisement and Promotion

Besunyen comprehensively revised the graphic designs of its packages on 1 January 2014 and the price of Besunyen Slimming Tea had been increased to the same level as Besunyen Detox Tea from 1 January 2014. In 2014, Besunyen continued to embark on various promotional and interactive activities through various media, including TV, print media, outdoor media, public transportation mobile media, internet and new media. In which, its sponsorship for the hit show “Besunyen Divas Hit the Road”(《碧生源花兒與少年》) on Hunan Satellite TV and the popular show “King Wang”(《大王小王》) on Hubei Satellite TV received extremely positive feedback, thereby achieving deep placement of the advertisements of Besunyen Detox Tea and Besunyen Slimming Tea.

At the end of 2014, Besunyen kept caring about the sports development in China continuously, and was invited by the Winter Sports Management Center of the General Administration of Sport of China to become the “Official Cooperation Partner of the Chinese Figure Skating Team”. The positive market image enhances Besunyen to establish its brand position and helps Besunyen products to be long recognized by consumers.

Close Cooperation with Channel Allies and Increase Sales

Besunyen divides its sales regions across the country into 13 large regions and 44 districts, spanning across 31 provinces, autonomous regions and municipals, and serves about 125,000 OTC pharmacies and retail terminals in shopping malls and supermarkets via its distributors, sub-distributors and direct sales team of the Group while its products have a coverage of 400,000 pharmacies across the country. In 2014, the Company formulated clear distributors and sub-distributors standards, to further enhance its control in the product pricing system and the sales channels.

During 2014, the Group formed strategic alliance and conducted close cooperation with 103 large scale pharmacy chains in China. Close cooperation with channel allies, facilitated the sales of Besunyen’s products in the pharmacies actively, and also pharmacies can be benefited from the increased selling amount of Besunyen’s products.

In 2014, the Group fully put in place a mobile terminal management system for sales staff. This system successfully helped its sales team to realize a flatting, highly efficient and standard management model.

Accredited High and New Technology Enterprise Certificate and Obtained Preferential Tax Rate

A wholly-owned subsidiary of the Group, Beijing Outsell Health Product Development Co., Ltd., (“**Beijing Outsell**”) received a High and New Technology Enterprise Certificate issued by Beijing Municipal Science & Technology Commission on 30 October 2014 for an effective term of three years. Therefore, Beijing Outsell obtained the approval from tax bureau in respect of the application of the preferential tax rate of 15% which applies to High and New Technology Enterprise for three years from 2014 to 2016.

Talents Admission and Share Option Incentives

In August 2014, upon approval from the Board, the company engaged Ms. Zhao Yuanhua (who used to work as the vice president of sales and marketing of Mongolia Mengniu Dairy (Group) Company Limited) as the Chief Operating Officer of Besunyen in August 2014 who was responsible for the management of production, marketing, sales, e-commerce and human resources. In October 2014, upon approval by the Board, a total of 44,860,000 share options had been granted under the share option scheme to 91 participants, including executives, staff and advisors.

Looking Forward: Promoting the Concept of Healthy Living

Looking forward in 2015, **Mr. ZHAO Yihong, Chairman and CEO of Besunyen Holdings Company Limited**, said, “In 2015, the Group establishes its brand positioning continuously. In addition, by leveraging on the cooperation with the Chinese Figure Skating Team to strengthen positive promotional effects, it could also sponsor some TV programs to form a three-dimension communication model with wide coverage and in-depth communications. The Group will adhere to the sales strategy of last year and will continue to focus on implementing its marketing initiatives for Besunyen Detox Tea and Besunyen Slimming Tea. It will launch a 40-bag tailor-made package in 2015 for exclusive supply to large scale chain pharmacies with key cooperation. At the same time, we will keep optimizing the sales channel system and further enhance the management of sales terminals. As a result, we will seek to deliver further contribution to the shareholders by increasing income and saving cost.”

Simultaneously, the Group has always leveraged on its own resource advantages in the healthcare industry, and keeps abreast of the development of related healthcare functional products. We will take the initiative to expand into the pharmaceutical and medical services industry to enhance Besunyen’s competitive position in the industry by way of merger and acquisition or cooperation, aiming at enriching product structure, and bringing higher profits for the Group.”

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About Besunyen Holdings Company Limited (stock code: 926.HK)

The Group is a leading provider of therapeutic teas in China, mainly engaging in the development, production, sale and promotion of therapeutic teas. The products of the Group are formulated on the basis of natural Chinese herbal-based medicine and tea leaves, providing safe, effective, price-competitive and convenient-to-use healthcare products for those with mild or recurring health problems, as well as those seeking to maintain healthy body and lifestyle. Two best-selling products, named Besunyen Detox Tea and Besunyen Slimming Tea, contribute the most of sales revenue to the Group. In 2014, both of Besunyen Detox Tea and Besunyen Slimming Tea continuously outperformed in the leadership positions with their market shares of 21.67% and 42.69% respectively, maintaining the leading position of Besunyen in the market.

This press release is distributed by Wonderful Sky Financial Group Limited on behalf of Besunyen Holdings Company Limited.

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