

# Newsletter



碧生源控股有限公司  
Besunyen Holdings Company Limited

Company Website: <http://www.besunyen.com/> Stock Code: 926  
Investor Relationship: [http://ir.besunyen.com/s/ir\\_highlights.php](http://ir.besunyen.com/s/ir_highlights.php)



August 2017



Revenue for the first half of 2017:  
RMB288.2 million  
Gross profit: RMB234.7 million  
Gross profit margin: 81.4%



Net profit: RMB 27.4 million,  
representing an increase of 640.5% as  
compared with the same period of 2016



Total operating expenses: RMB208.0  
million, representing a decrease of  
25.2% as compared with the same  
period of 2016



The basic and diluted earnings per share:  
RMB1.91 cents (for the same period of  
2016: RMB0.24 cents)

Besunyen has achieved an encouraging performance in the interim announcement and the net profit rose 640.5% as compared with the same period of 2016.

Besunyen announced the interim performance ended 30 June 2017 on 15 August 2017. The net profit accounted to RMB27.4 million, representing an increase of 640.5% as compared with the same period of 2016, among which the therapeutic tea business experienced a recovery.



According to the performance of the health food market in the first half of 2017, Besunyen has implemented several powerful steps which made the market of the Group coming alive among the similar products. Keeping in step with the market occasions, Besunyen adjusted the strategies in many aspects including the product category, the product packing, the sales strategy and the sales platform.

## Acquisitions & Cooperation Develop the Layout in the Big Health Industry

Besunyen, Zhongshan Wanhan and Zhongshan Wanyuan has entered into an investment agreement for Besunyen to own 51% equity interest in each of Zhongshan Wanhan and Zhongshan Wanyuan at a consideration of nearly RMB138 million. This transaction will facilitate the Group to obtain more comprehensive qualifications in pharmaceutical research and development, manufacture and medical e-commerce, and also lay a good foundation for the Group's comprehensive layout and development in pharmaceutical industry.

In February 2017, Besunyen entered into a strategic cooperation agreement with m.111.com.cn. The strategic cooperation between the Group and m.111.com.cn would enable mutual sharing of superior resources, both parties will develop brand new partnerships for strategic cooperation for mutual success in the big health industry.

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## **New Media & New Platform Expand Broader Approaches for Brand Promotion**

In view of the decreasing age of consumer groups, Besunyen has also diversified to variety shows on the mobile internet, live broadcast, etc. in terms of the channel and form of its advertising placements. During the first half of 2017, Besunyen provided a title sponsorship for “We Are 17”, its contents and form are more in line with the interests of young consumers. This innovative attempt at new media marketing has enabled the Group to stay in tune with young consumers through more diversified approaches, effectively tapping the Weibo population and gained direct access to younger fans leveraging the “Internet Star” .

The Group sought to increase sales by implementing a sales strategy of differentiation for pharmacy chain stores and terminal pharmacies in different regions, this has contributed to notable growth in sales to partner pharmacies, which has in turn increased sales of the entire pharmacy network in the surrounding regions of such pharmacies.



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## New Product & New Strategy Underpin Young and Energetic Brand Positioning

Besunyen has been launching new products on e-commerce platform and the Group's slimming product line features a portfolio of weight-control products, i.e. "OTC pharmaceutical product: LARLLY Orlistat" + "health food products: Slimming Tea and Xian Xian Tea" + "other food products: nutritious meal replacement milkshakes and L-carnitine coffee". As for digestive health product line, a rich portfolio of digestive health food is formed with fruit and vegetable composite enzyme powder drink, health food product Detox Tea and probiotic powder drink products.

In the advancement of new products, Besunyen will develop new-generation slimming and laxative health food, as well as new health food products for throat-clearing and hepatotoxicity in the forms of tea bag, tablet and capsule.