

**【For Immediate Release】**



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

**2010 annual results announcement**

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**Turnover increased by 35.2% reaching RMB 874.2 million**  
**Adjusted\* profit and total comprehensive income for the year**  
**reached RMB 181.02 million**

**Rapid sales growth of the two best selling products**  
**Expanded market share capturing the first place in the market**

**Financial Highlights**

12 months ended 31 December	<b>2010</b> RMB '000	<b>2009</b> RMB '000	Change %
Turnover	876,216	646,535	35.2
Gross profit	783,081	578,134	35.4
Profit before taxation	101,146	177,713	(43.1)
Profit and total comprehensive Income for the year	59,655	141,707	(57.9)
Adjusted* profit and total comprehensive Income for the year	181,016	175,204	3.3
Earnings per share (RMB yuan)			
— Basic	0.05	0.13	(61.5)
— Diluted	0.05	0.13	(61.5)
Adjusted* earnings per share (RMB yuan)			
— Basic	<b>0.14</b>	<b>0.16</b>	(9.8)
— Diluted	<b>0.13</b>	<b>0.16</b>	(12.4)
Year-end dividend	<b>HKD 0.01</b>	--	--

*\*excluding the effect of the change in fair value of the Preferred Shares of the Group*

(March 13 2011— Hong Kong) – The board of directors ( the “Board”) of Besunyen Holdings Company Limited, a leading provider of therapeutic tea products in China (“Besunyen” or the “Group”, stock code: 926) was pleased to announce the first annual results of the Group since its listing in The Stock Exchange of Hong Kong Limited (“HKEX”).

For the year ended 31 December 2010, as a result of rapid growth in product sales under the Group’s efforts in developing new markets and expanding the distribution network, the Group achieved a turnover of RMB874.22 million (2009: RMB 646.54 million), representing an increase of 35.2% compared to the same period last year; gross profit reached RMB 783.08 million (2009: RMB 578.13 million), up 35.4% compared to last year; the gross profit margin showed a slight increase of 0.2 percentage points to 89.6% in 2010 (2009: 89.4%).

During the year, the Profit for the year and the comprehensive income of the Group was RMB59.66 million. Excluding the effect from change in fair value of the Preferred Shares of the Group, the adjusted Profit for the year and the comprehensive income of the Group was RMB 181.02 million, representing an increase of 3.3% compared to last year, meeting the Group’s profit forecast of not less than RMB 171.2 million.. The Board recommended to distribute a year-end cash dividend of HKD 0.01 per share for the year 2010, equivalent to a dividend payout ratio of 23.8%, in line with the Group’s guidance of a dividend payout ratio of 20%-30% as stated in the listing documents . .

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Commenting on the annual results 2010, Mr. Zhao Yihong, the Chairman and Chief Executive Officer of the Group said, "In 2010, while establishing a national-wide distribution network in China, the Group has also diversified in sales channels, and achieved expected progress in research and development and launch of new products. The successful listing of the Group on HKEX on 29 September 2010 bridged us to the international capital market, strengthened our capital structure and reinforced the 'Besunyen' brand among its customers. These will all allow the Group to achieve better business growth in the future."

In 2010, the rapid sales growth of the two besting-selling products drove up the total turnover of the Group. During the year, the turnover contributed by "Besunyen detox tea" and "Besunyen slimming tea" were RMB 566.2 million and RMB 304.2 million, representing an increase of 51.7% and 14.5% respectively. The two products also performed well in capturing new market shares. Based on a survey conducted by China Southern Medicine Economy Research Institute, the two products accounted for a market share of 25.8% and 25.5% among the laxative and slimming products respectively sold in retail pharmacies in China. The Group's detox tea remained at its leading position in the laxative product market, while the slimming tea lapsed from its second place in 2009 to the first place in the slimming product market this year.

In respects of new product launch, Mei An Granules (美安顆粒), designated for improving sleeping quality, was launched in 9 trial cities including Beijing, Wenzhou, Wuhan, Shenzhen and Guangzhou. As at 31 December 2010, Mei An Granules were sold on a trial basis in over 1,000 retail pharmacies and several dozens of terminal shops in supermarkets and hypermarkets. National-wide sales expansion of Mei An Granules is expected to start in June this year. Meanwhile, the Group was also started to use the more advanced IMAC24 packaging machines imported from Italy, which has improved quality and image of the Group's products.

During the year, the Group has completed the development of its national-wide market network in all provinces, autonomous regions and centrally administrated municipalities in mainland China. Through the direct and good working relationship with 462 reputable distributors and 161 sub-distributors, our products are currently supplied in about 119,000 retail terminals (in which over 95% were retail pharmacies) throughout mainland China. In order to further expand its market share, the Group has also expanded its distribution of products to supermarkets and hypermarkets, which include Carrefour, Tesco, RTMart, Auchan, Century Lianhua, Hualian Mall, Nong Gong Shang Supermarkets, and E-Mart, in addition to Watsons and Walmart which the Group had previously.

In line with the Group's national-wide marketing strategy, the Group has gradually reduced input in advertising at provincial and municipal levels, while increasing its advertising effort in satellite TV stations in China, during the year, the Group had cooperation with over 14 satellite TV stations. Besides adopting the sponsorships and TV commercials, the Group has also started appointing spokespersons, this has further enhanced the impact of the "Besunyen" brand and brought favourable results to product sales.

The Group also achieved considerable progress in research and development of new products. It has successfully acquired Jianshixing Biotech Research & Development (Shanghai) Co., Ltd. in May 2010, turning it into the Research and Development Center of the Group and substantially expanded its R&D capacity. In July 2010, the Group's submitted a product candidate designated to alleviate physical fatigue and assist in improving memory to the authorized testing institution of the State Food and Drug Administration of China.

Looking forward, Mr Zhao Yihong, the Chairman and Chief Executive Officer of the Group believes, "The economy of China will see a golden age in consumption in the next decade. As consumption continues to grow strong, structural changes in consumption pattern will also take place. We expect expenditure on health products will take up a larger proportion in consumer spending, in pursuit of products with a healthcare concept. In the future, we will continue to reinforce our sales network, strengthen our national-wide retail network and presence in 2<sup>nd</sup> tier and 3<sup>rd</sup> tier cities, and sales channels in supermarkets and hypermarkets; increase recognition of the "Besunyen" brand through the use of brand spokespersons, brand promotion activities and TV Commercials; ensure the successful market launch of new products, including Mei An Granules and Maishuping OTC blood pressure reduction tea (脈舒平 OTC 降壓茶) in 2011; and target to complete the development of one to two new products every year. At the moment, the Group focuses on developing new products for the fine market of herbal tea and health food drinks with prominent effectiveness and relatively high technical requirements. As a leading brand and operator in herbal tea in China, we will take consumer needs for health food products as a drive and work hard in maintaining the Group's leading market position, so as to maximize corporate value of the Group."

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### **Besunyen Holdings Company Limited**

The Group is a leading provider of therapeutic tea products in China, engaging in the development, production, sales and marketing therapeutic tea and other health food products. According to a survey conducted by Euromonitor, in terms of sales turnover in 2009, the Group accounted for the largest market share among all the therapeutic tea providers in China, having a market share of 18.8%. The Group's products use exclusive formula and are manufactured with high quality traditional Chinese medicine and tea leaves, providing effective, safe, affordable and convenient to use health products for those with mild chronic or recurring health problems as well as those seeking to maintain a healthy body and lifestyle. The majority of the Group's sales turnover comes from the Group's two best-selling products, namely Besunyen Detox Tea and Besunyen Slimming Tea. Based on a survey conducted by China Southern Medicine Economy Research Institute, in 2010, these two products of the Group were both the leading products in the detox and slimming categories distributed through retail pharmacies in China. In terms of sales turnover, these two products accounted for a market share of 25.8% and 25.5% in detox and slimming category respectively in retail pharmacies in China. As of 31 December 2010, the Group's products have been sold in over 119,000 retail outlets all over China, among which over 95% are retail pharmacies. The Group's distribution network has expanded to cover 462 distributors in 31 provinces, autonomous regions and Centrally administrated municipalities in China.

### **For further inquiries, please contact:**

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