



**Besunyen Holdings Company Limited**  
**2014 Interim Results Announcement**

**Turning Loss to Profit**  
**Products Gained Authoritative Certifications**  
**Integrated Sales Strategy Achieved Remarkable Success**  
**Revenue Increased by 24.7% Significantly**

**2014 Interim Results Summary**

- Revenue increased to RMB314.0 million, representing an increase of 24.7%
- Gross profit increased from RMB216.8 million in 1H 2013 to RMB270.1 million in 1H 2014, up 24.6%.
- The gross profit margin slightly decreased from 86.1% in the first half of 2013 to 86.0% in the same period of 2014.
- Net profit of RMB17.2 million in the first half of 2014 as compared to the net loss of RMB4.6 million in the same period of 2013.
- The Board has resolved to declare an interim dividend of HK1.25 cents per share for the six months ended 30 June 2014 (for the same period of 2013: Nil) to the shareholders of the Company whose names appear on the register of members of the Company on 28 August 2014. The interim dividend will be paid on 8 September 2014.

(Hong Kong, 11 August 2014) China's leading provider of therapeutic tea, **Besunyen Holdings Company Limited** ("the Company" or "**Besunyen**"; **Stock code: 926**), is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2014 ("Reporting Period").

Our revenue for the first half of 2014 was RMB314.0 million, representing an increase of 24.7% as compared with the revenue of RMB251.8 million in the corresponding period in 2013. Gross profit increased from RMB216.8 million in the first half of 2013 to RMB270.1 million in the same period of 2014, representing an increase of 24.6%. The gross profit margin slightly decreased from 86.1% in the first half of 2013 to 86.0% in the corresponding period in 2014. Due to the aforementioned

factors, the net profit of the Group in the first half of 2014 amounted to RMB17.2 million while the net loss of the Group in the corresponding period in 2013 amounted to RMB4.6 million.

Subsequent to the second half of 2013, the Group completed the restructuring of sales team of traditional channels and the integration of sales channels. The sales area in China was reclassified into 13 regions for management while the sales team of traditional channels put much effort in market expansion in the first half of 2014, with remarkable success. At present, the sales network of the Group has already covered all the provinces, autonomous regions and centrally administered municipalities in Mainland China.

In the first half of 2014, in order to maintain the stability of the channels and manage the pricing system of the Company's products effectively, the Company formulated clear targets for distributors and sub-distributors. Through the integration of the channels of distributors and sub-distributors, the Company's products were able to be circulated in a fixed direction in accordance with the designated channels of the Company, which further enhanced the management and control of the sales channels of products. In the first half of 2014, the Company downgraded distributors which were unable to comply with our requirements to sub-distributors, and ceased to cooperate with those sub-distributors which failed to reach our targets. The number of distributors of the Group decreased from 148 in the end of 2013 to 125 as at 30 June 2014, while the number of sub-distributors decreased from 630 in the end of 2013 to 558 as at 30 June 2014. The optimization on numbers of distributors and sub-distributors will not yield negative impacts on coverage of retail stores or on sales volume.

In the second half of 2013, the Group's sales team established the operations management department, which was gradually improved in the first half of 2014. The sales team was streamlined in 2013, while the number of retail outlets covered remained at 125,000 in the first half of 2014.

From 1 January 2014, the Group adopted new packages for Besunyen Detox Tea and Besunyen Slimming Tea. Meanwhile, the retail price of Besunyen Slimming Tea also increased by 32.9%, reaching the same price of Besunyen Detox Tea. In the first half of 2014, both the sales volume and revenues of Besunyen Detox Tea and Besunyen Slimming Tea increased. In the first half of 2014, compared with the corresponding period of 2013, the sales volume of Besunyen Detox Tea increased by 7.8% from RMB81.7 million bags to RMB88.1 million bags, and the sales revenue increased by 8.4% from RMB117.7 million to RMB127.5 million, while the sales volume of Besunyen Slimming Tea increased by 9.9% from 117.7 million bags to 129.3 million bags, and the sales revenues increased by 39.8% from RMB130.8 million to RMB182.9 million. The increase in both the sales volume and revenues of the two products made a great contribution to the income growth of the Company in the first half of 2014.

Sales through e-business channel is at its initial stage with great potential to explore. It contributed 4.5% of total revenue for the Group in the first half of the year. In the second half of the year, the Group planned to put emphasis upon maintaining existing customers and developing new customers.

In June 2014, the fifth Healthplex & Nutraceutical China was grandly held, and announced that Besunyen detox tea and Besunyen slimming tea are effective, safe and applicable. Besunyen detox tea and Besunyen slimming tea received the verifications from the Evidence-based Medicine Project of Health Food, which verified the quality of the Group's products again.

Looking forward, Mr. ZHAO Yihong, Chairman, Executive Director and CEO of Besunyen Holdings Company Limited, said, "We were excited on the significant growth in our revenue, which was mainly driven by our dedicated integrated business strategies. In the second half of 2014, the Group will continue to follow the business strategies for the first half. It will continue to focus on implementing its existing marketing initiatives for Besunyen Detox Tea and Besunyen Slimming Tea. We look forward to a steady growth in sales revenue in the second half as compared to the same period of the previous year and in turn a reasonable level of profit for the Group, although the second half will not be a hot sale season for the Group's products. In addition, the Group will be strict in controlling the expenses for the second half. It will further expand the influence of the advertising which was successfully broadcasted in the first half by means of online-offline interactive media communication, and aims to deepen the brand influence of the Group."

— End —

#### **About Besunyen Holdings Company Limited (Stock code: 926)**

The Group is a leading provider of therapeutic teas in China, mainly engaging in the operations on the R&D, production, sales, advertising and promotion of therapeutic teas. The products of the Group are formulated by using high quality Chinese herbs along with tea leaves, which provide people who suffer chronic health problems or seek to maintain health with effective, safe, affordable and convenient solutions. Two best-selling products, named Besunyen Detox Tea and Besunyen Slimming Tea, contribute the most of sales revenue to the Group. In 2013, both of Besunyen Detox Tea and Besunyen Slimming Tea continuously outperformed in the leadership positions with their market shares of 22.7% and 38.2% respectively.

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

For further information, please contact: Wonderful Sky Financial Group Limited

Kevin Mao / Rebecca Yu / Chloe Chiu

Tel: (852) 3970 2157 / (852) 3970 2156 / (852) 3970 2279

Fax : (852) 2815 1352

E-mail: kevinmao@wsfg.hk / rebeccayu@wsfg.hk / chloechiu@wsfg.hk