This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are the leading provider of therapeutic tea (功能保健茶) products[(1)] in China, engaging in the development, production, sales and marketing of therapeutic tea and other health food products. According to the Euromonitor Study, which was commissioned by us, we had the largest market share among all therapeutic tea providers in China in terms of retail sales value in 2008 and 2009, with a market share of 11.2% and 18.8%, respectively. Produced using our proprietary blends of high quality Chinese medicinal herbs and teas, our products are designed and marketed as effective, safe, affordable and convenient-to-use health products for people with mild chronic or recurring health problems as well as those seeking to maintain a healthy body and lifestyle. We believe our 碧生源 (Besunyen) brand is a leading therapeutic tea brand in China. According to the Frost & Sullivan Brand Survey, a study commissioned by us and conducted in June 2010, our 碧生源 (Besunyen) brand has the highest brand awareness and is the first choice among consumers amongst all slimming and laxative products sold in China.[(2)] In March 2010, the China Health Care Association (中國保健協會) selected our brand as one of the "Ten Most Trustworthy Health Food Product Brands" in China. Our market leadership position, national brand recognition and established nationwide distribution and sales network, along with our strong product pipeline, provide us with significant competitive advantages in China's large and rapidly growing therapeutic tea market, which increased in size from RMB3.1 billion in 2005 to RMB4.1 billion in 2009, according to the Euromonitor Study.

Our best selling products, Besunyen Detox Tea (碧生源常潤茶) and Besunyen Slimming Tea (碧生源減肥茶), were the leading therapeutic tea products sold through retail pharmacies in China in the laxative product and slimming product markets in terms of retail sales value in 2009, respectively, according to the SMERI Study, a study commissioned by us. According to the SMERI Study, we were the leading provider of laxative products sold through retail pharmacies in 2009 in terms of retail sales value, enjoying a 25.2% market share. In the market for slimming products sold through retail pharmacies, our market share increased rapidly from 8.1% in 2008 to 15.9% in 2009, ranking as the second largest provider of slimming products and the largest provider of slimming tea in terms of retail sales value in 2009. Leveraging upon the success of our 碧生源 (Besunyen) brand, we plan to continue to expand our product offerings. We are expanding into the OTC tea market with the planned launch of our Besunyen MaiShuPing Tea (碧生源脈舒平袋泡茶), which we acquired through our acquisition of Zhuhai Qi Jia in January 2010. Because of the revocation of approvals for three advertisements, the production of which we were not involved in, with respect to MaiShuPing Tea by Guangdong SFDA in June 2010, we are not permitted to advertise our Besunyen MaiShuPing Tea until June 28, 2011. Taking into account market and business considerations, we currently expect to launch Besunyen MaiShuPing Tea some time after June 2011. Our product pipeline also includes four SFDA-approved health food products that we are planning to launch, starting in late 2010. We believe that our market-leading position and strong national brand name have allowed us to develop a broad customer base in China, which in turn will facilitate more rapid acceptance of our new products.

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(1) As used in this prospectus, therapeutic tea products are tea-based health food products approved by the SFDA as providing certain health benefits. The SFDA currently approves therapeutic tea products and other health food products for 27 categories of health benefits. For more information on the 27 categories of health benefits, please see the section headed "Industry Overview — Health Food Product Market in China." Upon approval by the SFDA, a "health" ("健") mark may be fixed on such product's packaging.

(2) The Frost & Sullivan Brand Survey was conducted by collecting responses for a designed questionnaire from 3,150 people, 900 of whom were from three first-tier cities and the rest were from 15 second-tier cities in China. Of the respondents, 78% were aged between 18 to 34 and 71% were female.

Our products are sold in over 100,000 retail outlets across China, more than 95% of which are retail pharmacies, through our nationwide network of distributors. Our network of distributors[(3)] has grown from 151 distributors covering four provinces and centrally administered municipalities in China as of December 31, 2007 to 409 distributors covering 30 provinces and centrally administered municipalities as of June 30, 2010. We also have expanded our presence in supermarkets and convenience stores, in particular large chains such as Wal-Mart and Watsons. Our on-the-ground sales teams, consisting of approximately 1,260 full-time employees in our 81 sales offices across China as of June 30, 2010, interact closely with and monitor our distributors and retail outlets to ensure consistency and quality in our sales promotion and brand-building while still tailoring their marketing efforts to local preferences. To strengthen our control over distribution channels, improve the efficiency of distribution, ensure quality control and maximize our profit margin, we operate a “flat” distribution system in which there is generally only one layer, or at most two layers, of distributors between our company and the retail outlet. We market our products and enhance our brand awareness through a wide range of targeted advertising activities, including primarily television commercials on selected national and regional satellite television networks and other media advertisements as well as sponsorships of television shows and events. In 2007, 2008, 2009 and the six months ended June 30, 2010, our total advertising expenses amounted to RMB49.1 million, RMB118.2 million, RMB196.7 million and RMB117.1 million, respectively, representing 30.1%, 33.0%, 30.4% and 31.8% of our total turnover in the relevant period.

Most members of our senior management team have been in the consumer or health food product industry for over 15 years, and they collectively have a strong proven track record of delivering growth and profitability. In particular, our core management team, including Mr. Zhao Yihong, our founder, Chairman and Chief Executive Officer, Mr. Mou Wenjun, our Vice President in charge of sales, and Mr. Yu Hongjiang, our Vice President in charge of internal control, have been instrumental to our Company’s development during almost the entire history of our Company. Other members of our senior management also have significant relevant experience in key aspects of our operations, including marketing, advertising, human resource and corporate financial management. To strengthen our expertise in Chinese medicinal herbal product development, in May 2010 we acquired a Shanghai-based research and development team led by Dr. Cai Ya, the director of the PRC research center of Unilever from 2002 to 2008, with extensive experience in the development of herbal food and tea products, including products sold under the Lipton brand.

We believe our market-leading position, strong national brand name and nationwide distribution and sales network in China, coupled with our experience and knowledge of the strict PRC regulatory requirements for health food products, create strong barriers to entry in our markets. We believe it is difficult for other market participants to replicate our success within a short period of time due to the significant investment and time required to establish strong brand awareness, a long safety record and a nationwide distribution and sales network. Furthermore, obtaining SFDA approval for health food products can take up to two years and we expect the regulatory approval process to become more stringent for new entrants as China’s health food product standards and testing regime continue to develop. Our established market reputation, experienced product development team, extensive distribution network and pipeline of SFDA-approved products give us a competitive advantage in bringing new products to the market.

Our turnover has increased rapidly during the Track Record Period, growing from RMB163.1 million in 2007 to RMB358.2 million in 2008 and RMB646.5 million in 2009, representing a CAGR of 99.1%, and from RMB223.7 million in the six months ended June 30, 2009 to RMB368.7 million in the six months ended June 30, 2010 representing a year to year growth of 64.8%. Our gross profit increased from RMB115.4 million in 2007 to RMB298.1 million in 2008 and RMB578.1 million in 2009, representing a CAGR of 123.9%, and from RMB201.7 million in the six months ended June 30, 2009 to RMB330.7 million in the six months ended June 30, 2010, while our total comprehensive income increased from RMB47.6 million in 2007 to RMB122.0 million in

(3) *These distributors operated in geographic markets covered by our on-the-ground local sales teams. During the Track Record Period prior to 2010, we also sold a small portion of our products to distributors located in markets which our local sales teams did not yet cover.*

2008 and RMB141.7 million in 2009, representing a CAGR of 72.6%. Our total comprehensive income in 2009 was negatively affected by a RMB33.5 million non-cash charge related to change in fair value on our Series A Preferred Shares in 2009. Our total comprehensive income decreased from RMB68.9 million in the first six months of 2009 to RMB21.1 million in the first six months of 2010, primarily due to a RMB56.7 million non-cash charge related to change in fair value on our Series A Preferred Shares, RMB14.7 million of expenses related to the Global Offering and RMB7.7 million of share-based compensation expenses. In the second half of 2010, we expect to incur an additional RMB34.2 million non-cash charge relating to change in fair value of the Series A Preferred Shares from June 30, 2010 to the time of their conversion into our Shares upon the completion of the Global Offering, assuming an Offer Price of HK$2.75 per Share, being the mid-point of the Offer Price range stated in this prospectus. GGV, one of our existing Shareholders, holds all of the Series A Preferred Shares, which are required to be converted into our Shares as part of our Shareholders' equity before Listing. Upon the conversion, the Series A Preferred Shares will no longer exist as our liabilities, and the holders of our Series A Preferred Shares will no longer have a priority claim to our assets and earnings. Therefore, per share value of Series A Preferred Shares will be the same as that of the Shares as of the Listing Date. For more details, please see the sections headed "History, Reorganization and Group Structure — Series A Investment by GGV" and "History, Reorganization and Group Structure — Shareholding and Group Structure before and after the Global Offering" in this prospectus.

PROFIT FORECAST FOR THE YEAR ENDING DECEMBER 31, 2010

The following sets forth certain forecast data for our Company for the year ending December 31, 2010, which should be read in conjunction with this prospectus:

Forecast consolidated net profit attributable to the equity holders of the Company for the year ending December 31, 2010[(1)]	not less than RMB80.3 million (approximately HK$91.8 million)
Adjustment[(2)]:	
Loss on increase in fair value of the Series A Preferred Shares[(3)]	RMB90.9 million (approximately HK$104.0 million)
Forecast consolidated net profit attributable to equity holders of the Company before loss on increase in fair value of the Series A Preferred Shares[(2)]	not less than RMB171.2 million (approximately HK$195.8 million)
Unaudited pro forma forecast profit per Share[(4)(5)]	RMB0.05 (approximately HK$0.06)

(1) The bases and assumptions on which the forecast consolidated profit for the year ending December 31, 2010 attributable to owners of the Company has been prepared are summarized in Appendix III to this prospectus.

(2) The calculation of forecast consolidated net profit before loss on increase in fair value of the Series A Preferred Shares attributable to the equity holders of the Company is based on the forecast consolidated net profit attributable to the equity holders of the Company for the year ending December 31, 2010, adjusted for the estimated fair value adjustment on the Series A Preferred Shares of RMB90.9 million (approximately HK$104.0 million) for the year ending December 31, 2010.

(3) Assumptions with respect to valuation of the Series A Preferred Shares — Changes in the fair value of the Series A Preferred Shares are dependent on market conditions and other factors that are beyond our control at the relevant time. The forecast profit of RMB80.3 million (approximately HK$91.8 million) for the year ending December 31, 2010 is after the fair value adjustment on Series A Preferred Shares and includes a charge in respect of the fair value adjustment estimated at RMB90.9 million (approximately HK$104.0 million) based on an assumed market price of HK$2.75 per Share, representing approximately the mid-point of the estimated range of the Offer Price and on the assumption that all of the Series A Preferred Shares are converted before the Listing Date. The fair value of the Series A Preferred Shares and/or any revaluation increase or decrease on the Series A Preferred Shares at the date of conversion may differ materially from our estimate.

(4) The calculation of the unaudited pro forma forecast profit per share is based on the forecast consolidated profit of the Company for the year ending December 31, 2010 attributable to equity holders of the Company and a weighted average of 1,560,441,305 shares assumed to be issued and outstanding during the year ending December 31, 2010. The weighted average of 1,560,441,305 shares is calculated based on the 1,114,560,000 shares issued and outstanding at January 1, 2010, the 25,601,305 shares issued in aggregate in May 2010 and 420,280,000 shares to be issued pursuant to the Global Offering on the assumption that the Global Offering and the Share Subdivision had been completed on January 1, 2010. The number of shares does not take into account the number of share to be issued upon conversion of the Series A Preferred Shares before the Listing. No account has been taken of any additional income we may have earned from the estimated net proceeds from the Global Offering, any shares which may fall to be allotted and issued pursuant to the exercise of the Over-allotment Option or the options which may be granted under the Share Option Scheme.

(5) The unaudited pro forma forecast profit per share are converted into Hong Kong dollars at an exchange rate of RMB0.8743 to HK$1, the rate of The People's Bank of China prevailing on September 9, 2010. No representation is made that the Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

(6) The forecast consolidated net profit attributable to the equity holders of the Company for the year ending December 31, 2010 would not be less than RMB49.9 million (approximately HK$57.1 million) and RMB110.7 million (approximately HK$126.6 million) based on a maximum Offer Price of HK$3.12 and a minimum Offer Price of HK$2.38, respectively.

There can be no assurance that such estimates will ultimately be realized, or if not realized, that the failure to realize such results will not have a material and adverse impact on our financial condition or results of operations.

The profit forecast depends on the charge on change in fair value of the Series A Preferred Shares, which in turn depends on the Offer Price. Once the Offer Price is determined on the Price Determination Date, the profit forecast will be updated and the final forecast amount will be disclosed in the company's results announcement of the Hong Kong public offering, which is expected to be published on Tuesday, September 28, 2010.

OUR COMPETITIVE STRENGTHS

- Market leader in the therapeutic tea segment of China's large and fast-growing health food product market
- Strong nationwide brand recognition and effective brand marketing strategy
- Extensive nationwide distribution network

- Strong pipeline of SFDA-approved products and product development capabilities
- Proven vertically integrated operating model
- Experienced management team with strong track record of effective leadership and execution

OUR STRATEGIES

- Continue to expand our market share to further strengthen our leading position in the therapeutic tea market
- Enhance our brand recognition through effective and targeted marketing
- Further develop and expand our extensive distribution network
- Expand our product portfolio and strengthen our research and development capabilities
- Attract, retain and motivate talented personnel

RISK FACTORS

An investment in the Offer Shares involves significant risks. The section headed "Risk Factors" in this prospectus describes events, uncertainties and circumstances that may create or enhance risks to our business, financial condition or results of operations or otherwise to the value of your investment in the Offer Shares. These risk factors include:

Risk Factors Relating to Our Business and Industry

- We have been, and may continue to be, substantially dependent on turnover from our two flagship products, Besunyen Detox Tea and Besunyen Slimming Tea.
- Changes in consumer preferences and demand for therapeutic tea and health food products based on Chinese medicinal herbs, and our therapeutic tea products in particular, could materially adversely affect our business prospects and results of operations.
- Any failure to develop and introduce new products or gain market acceptance of our new products could have a negative effect on our business.
- The success of our business depends significantly on our ability to maintain and enhance our brand awareness.
- Our marketing activities are critical to the success of our products, and if we fail to maintain or grow our marketing capabilities, the market share, brand name and reputation of our products could be materially adversely affected.
- Our rapid turnover growth has been largely attributable to our expansion into new markets and we may not be able to maintain our high growth rate as our presence in those markets matures.
- Our turnover has been, and may continue to be, significantly dependent on sales in certain geographic markets.

- We face intense competition, and if we fail to compete effectively, we may lose market share and our results of operations may be adversely affected.

- We may be unable to effectively manage our rapid growth, which could materially and adversely affect our business, financial condition and results of operations.

- The expansion of our distribution and retail network may not be as successful as we expect.

- We have experienced increasing trade and notes receivables as our business has expanded, and any significant defaults on these receivables could materially and adversely affect our liquidity, results of operations and financial position.

- If we fail to integrate acquired companies efficiently, or if the acquired companies do not perform to our expectations, we may not be able to realize the benefits envisioned for such acquisitions, and our overall profitability and growth plans may be adversely affected.

- Our high profit margin may not be sustainable.

- Any unexpected or undesirable side effects or injury caused by our products to consumers could result in costly product recalls or product liability claims, which in turn could lead to severe reputational damage, monetary losses or lawsuits.

- Unfavorable publicity or consumer perception of our products, or of similar products sold by other companies, could have a material adverse effect on our business.

- The health food product and pharmaceutical product industries are heavily regulated in China, and any failure to comply with, and changes in, the regulatory requirements or any regulatory actions against us or our products could adversely affect our business prospects and results of operations.

- We depend on distributors for most of our turnover, and failure to maintain relationships with our existing distributors or otherwise expand our distribution network could materially and adversely affect our business.

- We have limited control over the actions and practices of our distributors and retail outlets selling our products and actions and practices of our distributors and retail outlets may harm our brand and reputation and the competitiveness of our products or otherwise negatively affect our business prospects and results of operations.

- We may not be able to accurately track the sales and inventory levels of our distributors and retail outlets, which could cause us to predict sales trends incorrectly.

- Delays in delivery of our products by our distributors and logistics companies may affect our sales and damage our reputation.

- Our products and brand names may be subject to counterfeiting or imitation, which could adversely impact our reputation and lead to loss of consumer confidence, reduced sales and higher administrative costs.

- We consider the formulae of our products to be important trade secrets and know-how, and our ability to compete could be harmed if any such trade secrets and know-how are disclosed to third parties.

- Any failure to protect our intellectual property rights could undermine our competitive position, and litigation to protect our intellectual property rights may be costly and ineffective.

- We may be exposed to intellectual property infringement claims by third parties, which could disrupt our business and cause us to incur substantial legal costs, or damage our reputation.

- Our success and business operations are largely dependent on certain key personnel and our ability to attract and retain talented personnel.

- We experience seasonal fluctuations in our turnover and profitability.

- Any disruption to the supply of, any increase in the prices of, or any quality or safety problems in relation to, our raw materials or packaging materials could adversely affect our production, turnover and profitability.

- Our entry into international markets may expose us to certain risks.

- The recent global financial crisis and economic downturn had and may continue to have a material and adverse effect on our business, results of operations and financial condition.

- We may need additional capital and any failure by us to raise additional capital on terms favorable to us, or at all, could limit our ability to grow our business.

- We rely on an independent third-party employment agency to provide contract personnel for our operation, sales and promotional activities. We have limited control over these contract personnel and we may be liable for this employment agency's violation of applicable PRC labor laws.

- The majority of our production facilities are located at one single location, and any natural disaster or other event affecting these facilities may severely disrupt our business.

- Outbreaks of infectious diseases, such as the recent H1N1 influenza, severe acute respiratory syndrome (SARS) or avian influenza, in China may materially and adversely affect our business and operations.

- Our insurance coverage may not completely cover the risks related to our business and operations.

- A system failure or breakdown of our information technology infrastructure may cause interruptions of our business and operations.

- We have granted, and may continue to grant, share options and or other share-based compensation, which have resulted, and may continue to result, in significant share-based compensation expenses and, therefore, reduce our net income.

- Our legal right to lease certain properties could be challenged by property owners or other third parties.

Risk Factors Relating to Doing Business in China

- Adverse changes in political and economic policies of the PRC Government could have a material adverse effect on the overall economic growth of China, which could reduce the demand for our products and materially and adversely affect our competitive position.

- Uncertainties with respect to the PRC legal system could have a material adverse effect on us.

- A failure by the beneficial owners of our Shares who are PRC residents to comply with certain PRC foreign exchange regulations could restrict our ability to distribute profits, restrict our overseas and cross-border investment activities and subject us to liability under PRC laws.

- PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the proceeds of the Global Offering to make loans or additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

- Governmental control of currency conversion may limit our ability to use our turnover effectively and the ability of our PRC subsidiaries to obtain financing.

- Fluctuations in the value of the Renminbi may have a material adverse impact on our financial condition and results of operations and the value of your investment.

- The increase in the PRC enterprise income tax and the discontinuation of the preferential tax treatments available to us could decrease our net income and materially and adversely affect our financial condition and results of operations.

- We may be classified as a "resident enterprise" for PRC enterprise income tax purposes; such classification could result in unfavorable tax consequences to us and our non-PRC Shareholders.

- We rely on dividends paid by our subsidiaries for our cash needs, and limitations under PRC laws on the ability of our PRC subsidiaries to distribute dividends to us could adversely affect our ability to utilize such funds.

- PRC tax laws on dividend distribution may materially and adversely affect our business and results of operations and dividends payable by us to our foreign investors and gains on the sale of our Shares may be subject to withholding taxes under PRC tax laws.

- It may be difficult to effect service of process upon us or our Directors or executive officers who reside in China or to enforce against them in China any judgments obtained from non-PRC courts.

- We are subject to environmental regulations and may be exposed to liability and potential costs for environmental compliance.

Risk Factors Relating to the Global Offering

- There has been no prior public market for our Shares and their liquidity and market price may be volatile.

- Current volatility in the global financial markets could cause significant fluctuations in the price of our Shares.

- Mr. Zhao Yihong, our founder, Chairman and Chief Executive Officer, beneficially owns a substantial majority of our outstanding Shares and, as a result, he has significantly greater influence over us and our corporate actions relative to our public Shareholders and his interests may not be aligned with the interests of other Shareholders.

- Sale, or perceived sale, of substantial amounts of our Shares in the public market could materially and adversely affect the prevailing market price of our Shares.

- Your interest in us may be diluted in the future.

- As the Offer Price is higher than the net tangible asset value per Share, the asset value of any Shares you buy will be diluted immediately.

- You may face difficulties in protecting your interests because we are incorporated under Cayman Islands law, which may provide less protection to minority shareholders than the laws of Hong Kong and other jurisdictions.

- Facts and statistics in this prospectus relating to the PRC economy and the health food product and therapeutic tea product sector in the PRC may not be fully reliable.

- You should not rely on any information contained in press articles or other media regarding the Group and the Global Offering.

- Forward-looking statements contained in this prospectus are subject to risks and uncertainties.

- Due to a gap of up to five Business Days between pricing and trading of the Offer Shares and that our Offer Shares will not commence trading on the Hong Kong Stock Exchange until the Listing Date, the initial trading price of the Offer Shares could be lower than the Offer Price.

APPROVALS AND PERMITS

We operate in the health food industry, and we are planning to expand into the OTC tea market, both of which are heavily regulated by the PRC Government. We have adopted various measures to comply with applicable laws, regulations and procedures, and we intend to conduct our operations in accordance with any future laws, regulations and procedures issued by the PRC Government to regulate the health food industry that are applicable to us once they become effective. The following table sets forth the major approvals and permits possessed by us on our products and manufacturing facilities, including their respective expiry dates.

Permit/Approval	Grant Date	Expiry Date
Hygiene Permit[(1)]	June 17, 2010	June 16, 2014
ISO 9001 Certificate	October 11, 2002	October 7, 2011
Pharmaceutical Manufacturing Permit	January 1, 2006	December 31, 2011
National Industry Product Manufacturing Permit	August 12, 2009	August 11, 2012
Registration Certificate for Food Export Manufacturing Enterprise	July 3, 2009	July 2, 2012
Food Circulation Permit	March 4, 2010	March 3, 2013
Pharmaceutical GMP certificate	April 30, 2010	April 29, 2015
SFDA Approval		
Besunyen Detox Tea[(2)]	November 14, 1997	N/A[(3)]
Besunyen Slimming Tea[(2)]	April 15, 2004	N/A[(3)]
Besunyen Ganoderma Wolfberry Tea (碧生源牌靈芝枸杞茶)[(2)]	July 4, 2006	July 3, 2011
Besunyen Mei An Granule (碧生源牌美安顆粒)	April 22, 2005	N/A[(3)]
Besunyen Qing Zhi Yin (碧生源牌清之飲沖劑)	January 24, 2005	N/A[(3)]
Besunyen Shan Ge Granule (碧生源牌山葛顆粒)	May 11, 2007	May 10, 2012
Besunyen Rui De Meng Slimming Tea (碧生源牌瑞德夢減肥茶)	June 8, 2006	June 7, 2011
A-Shen Kang Li Yuan Slimming Tea (阿申牌康麗源減肥茶)[(2)]	February 13, 2003	N/A[(3)]
Besunyen Chang Qing Shuang Detox Tea (碧生源牌腸清爽茶)[(2)]	September 3, 1999	N/A[(3)]
Rui Meng BaiCao Slimming Tea (瑞夢牌百草減肥茶)[(2)]	October 12, 1998	N/A[(3)]
MaiShuPing Tea (脈舒平袋泡茶)	November 18, 2002	N/A[(4)]

(1) *There is no separately issued GMP certificate for production of health food products. GMP compliance is one of the pre-conditions to issue a hygiene permit for health food products.*

(2) *The grant date for the product was the date on which the SFDA approval was initially granted. Such approval was transferred to us subsequently in connection with the transfer of the product to us.*

(3) *SFDA approval certificates granted prior to July 1, 2005 bear no expiry date. The SFDA will commence the replacement work of all certificates granted prior to July 1, 2005 after the promulgation of the Regulations for the Supervision and Administration of Health Food (保健食品監督管理條例), the promulgation date of which is yet to be determined, and the SFDA will allow reasonably sufficient time for the relevant enterprises to replace their respective certificate.*

(4) *SFDA registration for pharmaceutical products has a renewable five-year term. The registration remains valid during the process once the re-registration application is accepted by the SFDA. The re-registration application of MaiShuPing Tea has been accepted by Guangdong SFDA on July 18, 2008 and remains pending.*

SUMMARY OF HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth, for the periods indicated, the selected financial data from our consolidated financial information. For more detailed information, please see the "Accountants' Report" in Appendix I to this prospectus.

Consolidated Statements of Comprehensive Income

	Year Ended December 31,			Six Months Ended June 30,	
	2007	2008	2009	2009	2010
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Turnover	163,100	358,231	646,535	223,679	368,684
Cost of sales	(47,728)	(60,114)	(68,401)	(21,999)	(37,962)
Gross profit	115,372	298,117	578,134	201,680	330,722
Other income (expenses)	1,853	(335)	13,338	5,425	(10,841)
Selling and marketing expenses	(63,740)	(162,872)	(343,808)	(112,719)	(186,686)
Administrative expenses	(5,522)	(11,524)	(27,800)	(11,436)	(29,952)
Finance costs	(366)	(1,353)	(8,654)	(439)	(2,734)
Change in fair value on redeemable convertible preferred shares	—	—	(33,497)	—	(56,661)
Profit before taxation	47,597	122,033	177,713	82,511	43,848
Taxation	(2)	(54)	(36,006)	(13,567)	(22,740)
Profit and total comprehensive income for the year/ period	47,595	121,979	141,707	68,944	21,108
Earnings per share					
Basic	0.04	0.11	0.13	0.06	0.02
Diluted	N/A	N/A	0.13	N/A	0.02

Consolidated Statements of Cash Flows

	Year Ended December 31,			Six Months Ended June 30,	
	2007	2008	2009	2009	2010
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Net cash from (used in) operating activities	41,902	121,428	96,564	12,834	(6,454)
Net cash used in investing activities	(10,459)	(68,310)	(131,735)	(73,509)	(79,872)
Net cash (used in) from financing activities	(9,122)	7,207	115,870	4,241	(21,516)
Increase (Decrease) in cash and cash equivalents	22,321	60,325	80,699	(56,434)	(107,842)
Cash and cash equivalents at beginning of the year/ period, representing bank balances and cash	5,432	27,753	88,078	88,078	168,777
Cash and cash equivalents at end of the year/period, representing bank balances and cash	27,753	88,078	168,777	31,644	60,935

Consolidated Statements of Financial Position

	As of December 31,			As of June 30,
	2007	2008	2009	2010
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Property plant and equipment	39,976	54,138	130,935	256,577
Prepaid lease payments	4,900	17,619	18,025	69,580
Intangible assets	5,902	5,343	7,138	24,466
Non-current deposits	4,672	28,480	93,056	22,168
Deferred tax assets	—	413	976	3,703
Goodwill	—	—	—	20,785
	55,450	105,993	250,130	397,279
Current assets				
Inventories	5,664	6,695	6,397	13,245
Trade and notes receivables	6,401	8,095	94,723	109,289
Deposits, prepayments and other receivables	2,095	22,217	44,506	121,119
Amounts due from related parties	2,283	29,802	20	20
Investment held for trading	6,791	5,151	—	—
Pledged bank deposits	500	12,154	1,955	—
Bank balances and cash	27,753	88,078	168,777	60,935
	51,487	172,192	316,378	304,608
Current liabilities				
Trade payables	376	4,756	10,512	3,113
Other payables and accrued expenses	28,126	49,418	31,981	63,644
Amounts due to related parties	4,911	883	—	1,500
Dividend payable	25,759	25,759	—	2,500
Taxation payable	—	425	13,436	15,258
Bank borrowings	7,800	—	50,000	32,000
	66,972	81,241	105,929	118,015
Net current (liabilities) assets	(15,485)	90,951	210,449	186,593
	39,965	196,944	460,579	583,872
Capital and reserves				
Paid-in capital/share capital	34,721	61,994	63	65
Reserves	3,244	97,950	299,451	332,104
	37,965	159,944	299,514	332,169
Non-current liabilities				
Bank borrowings	—	35,000	15,000	45,000
Deferred government grant	2,000	2,000	3,944	5,588
Deferred tax liabilities	—	—	6,200	9,526
Redeemable convertible preferred shares	—	—	135,921	191,589
	2,000	37,000	161,065	251,703
	39,965	196,944	460,579	583,872

OFFERING STATISTICS

	Based on an Offer Price per Share of HK$2.38	Based on an Offer Price per Share of HK$3.12
Market capitalization of our Shares(1)(3)	HK$4,001 million	HK$5,245 million
Unaudited pro forma adjusted consolidated net tangible asset value per Share(2)(3)	RMB0.70 (HK$0.80)	RMB0.87 (HK$0.99)

(1) *The calculation of market capitalization is based on 1,681,091,320 Shares expected to be in issue assuming all Series A Preferred Shares have been converted into the Shares of the Company immediately before completion of the Global Offering.*

(2) *The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per share has been arrived on the basis of a total of 1,578,302,680 Shares in issue immediately following completion of the Global Offering, which does not reflect the number of shares resulting from the conversion of the Series A Preferred Shares. It does not take into account any Share which may be issued upon exercise of the Over-allotment Option or the options which may be granted under the Share Option Scheme.*

Pursuant to the terms and conditions of the Series A Preferred Shares issued in 2009, as disclosed in note 34 to the Accountants' Report set out in Appendix I to this prospectus, the Series A Preferred Shares will automatically be converted into such number of fully paid ordinary shares upon the Listing as determined in accordance with the then effective conversion price. The above unaudited pro forma adjusted net tangible assets information has not been adjusted for the carrying amount of Series A Preferred Shares and the number of shares that will be issued resulting from the conversion.

Had the conversion of Series A Preferred Shares into ordinary shares been assumed to take place as of June 30, 2010, the net tangible assets of the Group would have been increased by RMB191,589,000, which represents the fair value and the carrying amount of the Series A Preferred Shares as of June 30, 2010. Assuming the conversion of Series A Preferred Shares and with the estimated net proceeds from the Global Offering as assumed in note 2 above, assuming at the offer price of lower limit and upper limit of HK$2.38 and HK$3.12 per Share, the unaudited pro forma adjusted net tangible assets would be RMB1,297,614,000 and RMB1,559,331,000, respectively, and the unaudited pro forma adjusted net tangible assets per share would be RMB0.77 (approximately HK$0.88) per Share and RMB0.93 (approximately HK$1.06) per Share, respectively. The computation of such unaudited pro forma adjusted consolidated net tangible assets per share is arrived on the basis of a total of 1,681,091,320 Shares in issue immediately following completion of Global Offering, which include 102,788,640 Shares resulting from the conversion of Series A Preferred Shares.

(3) *The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of our Company per share are converted into Hong Kong Dollars at an exchange rate of RMB0.8743 to HK$1, the rate of The People's Bank of China prevailing on September 9, 2010. No representation is made that the Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.*

DIVIDENDS AND DIVIDEND POLICY

We declared a dividend of RMB34.3 million to our then shareholders in 2007 with respect to our distributable profits for 2007, RMB8.6 million of which was paid in 2007 and the remainder of which was paid in 2009. We also declared a special cash dividend of an aggregate amount of the US Dollar equivalent of RMB47.5 million (the "Special Dividend") to Foreshore, one of our immediate holding companies, in April 2010. Each of our Shareholders other than Foreshore forfeited and waived in writing any and all of its rights and interest in the Special Dividend. The US Dollar equivalent of RMB45.0 million of the Special Dividend was paid in May 2010 and the remainder of the Special Dividend was paid in August 2010. We have not made any other dividends or distributions to our Shareholders during the Track Record Period. Our historical distributions of dividends are not indicative of our future declarations of dividends.

Our Board may declare dividends in the future after taking into account our financial and business conditions, earnings, capital requirements and other factors as it may deem relevant at such time. Any declaration and payment, as well as the amount of, dividends will be subject to the requirements of our constitutional documents and the Cayman Companies Law. Our Shareholders in general meeting must approve any declaration of dividends, which may not exceed the amount recommended by our Board. In addition, our Directors may from time to time pay such interim dividends as appear to our Board to be justified by our profits, or special dividends of such amounts and on such dates as they think fit. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

Future dividend payments will also depend upon the availability of dividends received from our subsidiaries, in particular those established in China. PRC laws require that dividends be paid only out of accumulated profits as determined in accordance with accounting standards and regulations in China. Each of our PRC subsidiaries is required to set aside at least 10% of its after-tax profit under PRC accounting standards each year to its general reserves or statutory capital reserve fund until the aggregate amount of such reserves reaches 50% of its respective registered capital. These reserves are not available for distribution as cash dividends.

Subject to the considerations and constraints above, we currently intend to distribute as dividends to all our Shareholders approximately 20% to 30% of our consolidated net profit after tax in respect of the year ended December 31, 2010 and each year thereafter.

PRE-IPO SHARE OPTION SCHEME

We have adopted the Pre-IPO Share Option Scheme to provide the Company with a means of incentivizing and retaining our employees, to encourage our Directors, senior management and employees to work towards enhancing the value of the Company and promote the long-term growth of the Company.

The total number of Shares which may be issued upon the exercise of options granted under the Pre-IPO Share Option Scheme is 118,830,000 Shares, representing (i) approximately 7.07% of the issued share capital of our Company immediately after the completion of the Global Offering (without taking into account any Shares which may be allotted and issued upon the exercise of any options which have been granted under the Pre-IPO Share Option Scheme or which may be granted under the Share Option Scheme or the exercise of the Over-allotment Option), and (ii) approximately 6.60% of the issued share capital of our Company immediately after the completion of the Global Offering and assuming that all options granted under the Pre-IPO Share Option Scheme are exercised at the same time (without taking into account any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme or the exercise of the Over-allotment Option). Assuming that all the options granted under the Pre-IPO Share Option Scheme had been exercised in full during the year ending December 31, 2010 and that 1,799,921,320 Shares, comprising 1,681,091,320 Shares to be in issue immediately after the Global Offering and 118,830,000 Shares to be issued upon the exercise of all the options granted under the Pre-IPO Share Option Scheme, were deemed to have been in issue throughout the year ending December 31, 2010, but not taking into account any Shares which may be allotted and issued upon the exercise of the Over-allotment Option or any option which may be granted under the Share Option Scheme, this will have a dilutive effect of approximately 6.6% on earnings per Share before loss on increase in fair value of the Series A Preferred Shares from approximately HK$0.12 to approximately HK$0.11 for the year ending December 31, 2010. As at the Latest Practicable Date, none of the options granted under the Pre-IPO Share Option Scheme have been exercised by the grantees. As of the Latest Practicable Date, none of the options granted under the Pre-IPO Share Option Scheme have been exercised by the grantees.

Out of the 118,830,000 Shares to be issued upon the exercise of all the options granted under the Pre-IPO Share Option Scheme, options representing 38,300,000 Shares were granted to seven Directors of the Company, options representing 52,800,000 Shares were granted to six senior management of the Company and options representing 27,730,000 Shares were granted to 79 other employees of the Group and one independent consultant.

Save as disclosed above, no options have been granted or will be granted under the Pre-IPO Share Option Scheme.

The table below sets out a summary of the terms of options granted to different categories of grantees under the Pre-IPO Share Option Scheme and the relevant offer letters in respect of the grant of options:

Grantees	Number of Options	Exercise Price	Exercise Period
Directors	38,300,000	RMB1.23, or the Hong Kong Dollar equivalent	The options are exercisable in the following manner: (a) up to 25% of the Shares that are subject to the option so granted to him/ her (rounded down to the nearest whole number) at any time during the period commencing from the first anniversary of the date upon which such option starts to vest and ending on the expiry of the exercise period; (b) up to 50% of the Shares that are subject to the option so granted to him/ her (rounded down to the nearest whole number) at any time during the period commencing from the second anniversary of the date upon which such option starts to vest and ending on the expiry of the exercise period; (c) up to 75% of the Shares that are subject to the option so granted to him/her at any time during the period commencing from the third anniversary of the date upon which such option starts to vest and ending on the expiry of the exercise period; and (d) up to 100% of the Shares that are subject to the option so granted to him/her at any time during the period commencing from the fourth anniversary of the date upon which such option starts to vest and ending on the expiry of the exercise period.
Senior management (other than Allen Chien Kun)	34,800,000	RMB1.23, or the Hong Kong Dollar equivalent	The options are exercisable in the following manner: (a) up to 25% of the Shares that are subject to the option so granted to him/her (rounded down to the nearest whole number) at any time during the period commencing from the first anniversary of the date upon which such option starts to vest and ending on the expiry of the exercise period; (b) up to 50% of the Shares that are subject to the option so granted to him/ her (rounded down to the nearest whole number) at any time during the period commencing from the second anniversary of the date upon which such option starts to vest and ending on the expiry of the exercise period; (c) up to 75% of the Shares that are subject to the option so granted to him/her at any time during the period commencing from the third anniversary of the date upon which such option starts to vest and ending on the expiry of the exercise period; and (d) up to 100% of the Shares that are subject to the option so granted to him/her at any time during the period commencing from the fourth anniversary of the date upon which such option starts to vest and ending on the expiry of the exercise period.

Grantees	Number of Options	Exercise Price	Exercise Period
Allen Chien Kun	14,000,000	RMB1.23, or the Hong Kong Dollar equivalent	The options are exercisable in the following manner: (a) up to 30% of the Shares that are subject to the option so granted to him (rounded down to the nearest whole number) at any time during the period commencing from May 6, 2011 and ending on the expiry of the exercise period; (b) up to 60% of the Shares that are subject to the option so granted to him (rounded down to the nearest whole number) at any time during the period commencing from May 6, 2012 and ending on the expiry of the exercise period; and (c) up to 100% of the Shares that are subject to the option so granted to him (rounded down to the nearest whole number) at any time during the period commencing from May 6, 2013 and ending on the expiry of the exercise period.
	4,000,000	Offer Price	The options are exercisable in the following manner: (a) up to 25% of the Shares that are subject to the option so granted to him/ her (rounded down to the nearest whole number) at any time during the period commencing from the first anniversary of the date upon which such option starts to vest and ending on the expiry of the exercise period; (b) up to 50% of the Shares that are subject to the option so granted to him/ her (rounded down to the nearest whole number) at any time during the period commencing from the second anniversary of the date upon which such option starts to vest and ending on the expiry of the exercise period; (c) up to 75% of the Shares that are subject to the option so granted to him/her at any time during the period commencing from the third anniversary of the date upon which such option starts to vest and ending on the expiry of the exercise period; and (d) up to 100% of the Shares that are subject to the option so granted to him/her at any time during the period commencing from the fourth anniversary of the date upon which such option starts to vest and ending on the expiry of the exercise period.

Grantees	Number of Options	Exercise Price	Exercise Period
Other employees and 1 independent consultant	27,730,000	RMB1.23, or the Hong Kong Dollar equivalent	The options are exercisable in the following manner: (a) up to 25% of the Shares that are subject to the option so granted to him/ her (rounded down to the nearest whole number) at any time during the period commencing from the first anniversary of the date upon which such option starts to vest and ending on the expiry of the exercise period; (b) up to 50% of the Shares that are subject to the option so granted to him/ her (rounded down to the nearest whole number) at any time during the period commencing from the second anniversary of the date upon which such option starts to vest and ending on the expiry of the exercise period; (c) up to 75% of the Shares that are subject to the option so granted to him/her at any time during the period commencing from the third anniversary of the date upon which such option starts to vest and ending on the expiry of the exercise period; and (d) up to 100% of the Shares that are subject to the option so granted to him/her at any time during the period commencing from the fourth anniversary of the date upon which such option starts to vest and ending on the expiry of the exercise period.

The Directors will not exercise any options if as a result of which our Company will not be able to comply with the public float requirements of the Listing Rules.

Please refer to the section headed "Pre-IPO Share Option Scheme'' in Appendix VI to this prospectus for further details of the Pre-IPO Share Option Scheme.

SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme, the purpose of which is to provide an incentive to motivate, attract and retain Directors, senior management, employees, advisers and such other persons approved by the Board and to optimize their performance efficiency, enhance the value of the Company and promote the long-term growth of the Company. Please refer to the section headed "Share Option Scheme" in Appendix VI for further details of the Share Option Scheme.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$1,069.8 million, after deducting the underwriting fees and expenses payable by us in the Global Offering, and assuming an Offer Price of HK$2.75 per Share, being the mid-point of the offer price range stated in this prospectus. We intend to use these net proceeds for the following purposes:

- approximately 40% of the net proceeds, or HK$427.9 million, to be used for capital expenditures to purchase new packaging equipment, principally including IMA C24 automatic packaging machines, of which we currently intend to purchase 25 by the end of 2012, each machine having an effective annual production capacity of 60,000,000 tea bags, and other production equipment and to establish new production facilities, in particular a new production facility on land already acquired in

Fangshan District, Beijing that will be used for production of our expanded line of Besunyen brand therapeutic teas;

- approximately 30% of the net proceeds, or HK$320.9 million, to be used for establishing an east China headquarters in Shanghai as our regional center, including building the facilities to accommodate our marketing, sales, and research and development teams located in Shanghai;

- approximately 5% of the net proceeds, or HK$53.5 million, to be used for expanding and enhancing our current distribution network and local sales teams and marketing and promoting our brand and existing and new products, including establishing and enhancing our distribution channels and sales teams to increase our penetration in second-tier and third-tier cities and expand into an additional 60-70 third-tier cities by the end of 2011, expanding our supermarket and convenience store distribution and retail network, expanding and improving our e-commerce platforms, increasing advertising, marketing and promotional activities as well as launching e-marketing campaigns;

- approximately 10% of the net proceeds, or HK$107.0 million, to be used for designing, researching and developing new tea products and improving our existing and pipeline products, including expenditures for designing improved packaging and preparing to apply for SFDA approvals for new products;

- approximately 8% of the net proceeds, or HK$85.6 million, to be used for repayment of our outstanding debt, which includes a bank loan borrowed in 2008 and maturing in April 2011 with RMB23.0 million outstanding and a bank loan used for purchasing additional packaging equipment borrowed in January 2010 and maturing in February 2013 with RMB50.0 million outstanding, both of which currently carry a 5.94% annual interest rate;

- approximately 3% of the net proceeds, or HK$32.1 million, to be used for upgrading our ERP system and overall IT system; and

- approximately 4% of the net proceeds, or HK$42.8 million, to be used for working capital and other general corporate purposes.

The above allocation of the proceeds, except for the proceeds allocated to purchase new packaging equipment, establish an east China headquarters in Shanghai and repay our outstanding debt, will be adjusted on a pro rata basis in the event that the Offer Price is fixed below or above the mid-point of the indicative price range. If the Offer Price is set at the lowest end of the price range (HK$2.38), the net proceeds will be approximately HK$920.1 million. If the Offer Price is set at the highest end of the price range (HK$3.12), the net proceeds will be approximately HK$1,219.4 million.

We will issue an appropriate announcement if there is any material change in the above-mentioned use of proceeds.

We will not receive any of the proceeds in the Global Offering from the Selling Shareholder.