HISTORY AND DEVELOPMENT

Corporate History

Our primary operating entity Beijing Outsell was established by Mr. Zhao Yihong in September 2000 through Ruilongxiang, a PRC domestic company controlled by Mr. Zhao. Since our inception, we have been focusing on the development, manufacture and sales of therapeutic tea products in China.

Our trademark "碧生源" was originally registered by Ruilongxiang in 2001 and subsequently transferred to us in 2004 in connection with the increase of Ruilongxiang's registered capital in Beijing Outsell. We acquired the formula of our Besunyen Detox Tea from Huaiyin Huayi, an independent third party, in 2001 and commenced the production and sale of Besunyen Detox Tea in the same year. In 2004, we acquired the formula of our Besunyen Slimming Tea from Beijing Ruipule, a company controlled by Mr. Zhao Yihong and commenced the production and sale of Besunyen Slimming Tea in the same year. Beijing Ruipule was deregistered in December 2007.

Prior to mid-2007, we engaged two third-party manufacturers to handle the processing of raw materials into semi-finished products for a portion of our products. Following the expansion of our production facilities in Fangshan District, Beijing in 2007, we moved the production process for our products in-house. As of June 30, 2010, our production facility had an effective annual production capacity of approximately 1.3 billion tea bags based on two eight-hour shifts per day and 250 working days per year. We obtained our ISO9001:2000 quality management certificate for our manufacturing facility in Beijing in 2002 and have maintained such certificate since then. From 2000 to 2006, we gradually expanded our operations in and focused on four geographic markets. Prior to 2006, Beijing Outsell had been loss-making as its distribution and sales network and customer recognition of its products were not sufficient to generate turnover greater than costs and expenses. Beijing Outsell made a profit for the first time in 2006 and recovered all historical losses in 2007, primarily due to the rapid geographical expansion of our distribution and sales network and improved gross margins as a result of moving our production process in-house.

In order to raise funds for our long-term growth and to benefit from GGV's knowledge and experience in business strategy development, corporate governance, mergers and acquisitions and capital markets, on September 9, 2009, the Company, GGV, Foreshore and Mr. Zhao Yihong entered into the Series A Preferred Shares Purchase Agreement, pursuant to which GGV subscribed for 712,000 Series A Preferred Shares for a total consideration of US$15,000,000 in cash. In addition, with a view to enhancing our in-house research and product development capability, we strategically acquired Jian Shi Xing, a Shanghai-based company focused on the research and development of tea and Chinese medicinal herbal products, in May 2010. Details of the Series A investment and our acquisition of Jian Shi Xing are described in the subsections headed "Series A Investment by GGV" and "Acquisition of Jian Shi Xing," respectively.

History of Beijing Outsell

Beijing Outsell is our primary operating entity and has undergone several shareholding changes since its incorporation in 2000. The following chart summarizes the changes in the shareholding and registered capital of Beijing Outsell.

Date of Shareholding Change	Ruilongxiang		Wang Xian		Xue Jiaxin		Cui Shan		Besunyen HK		Total Registered Capital
	US$'000	%	US$'000	%	US$'000	%	US$'000	%	US$'000	%	US$'000
September 26, 2000	225	75%	75	25%							300
September 24, 2001	225	75%			75	25%					300
July 18, 2002	425	53%			375	47%					800
September 24, 2004	1,500	75%			500	25%					2,000
April 15, 2005							2,000	100%			2,000
May 29, 2006							4,000	100%			4,000
December 26, 2008							8,000	100%			8,000
July 23, 2009							33,000	100%			33,000
September 9, 2009									33,000	100%	33,000
December 11, 2009									46,500	100%	46,500

The following table sets forth a summary of the transactions in connection with each shareholding change.

Date of Shareholding Change	Summary of Transaction in Connection with Shareholding Change
September 26, 2000	In order to pursue opportunities in the therapeutic tea market in China, Ruilongxiang, a PRC domestic company controlled by Mr. Zhao Yihong, and Mr. Wang Xian, a Hong Kong citizen and an independent third party, jointly incorporated Beijing Outsell as a Sino-foreign equity joint venture. Ruixinglong contributed US$225,000 and Mr. Wang Xian contributed US$75,000 into the registered capital of Beijing Outsell. These capital contributions were arrived at after arms-length negotiations between the parties with reference to the future capital need of Beijing Outsell. Except for his prior investment in Beijing Outsell, Mr. Wang Xian does not have any relationship with Mr. Zhao Yihong.
September 24, 2001	Mr. Wang Xian decided to exit his investment in Beijing Outsell and transferred his equity interest in Beijing Outsell to Ms. Xue Jiaxin, a Singapore citizen and an independent third party. The parties agreed, after arms-length negotiations, that such equity interest transfer shall be made for no consideration as, at the time of the transfer, Beijing Outsell was loss-making. Except for her prior investment in Beijing Outsell, Ms. Xue Jiaxin does not have any relationship with Mr. Zhao Yihong.
July 18, 2002	The registered capital of Beijing Outsell was increased to US$800,000, with Ruilongxiang and Ms. Xue Jiaxin owning approximately 53% and 47% of the equity interest of Beijing Outsell, respectively.
September 24, 2004	The registered capital of Beijing Outsell was increased to US$2,000,000, with Ruilongxiang and Ms. Xue Jiaxin owning 75% and 25% of the equity interest of Beijing Outsell, respectively.

Date of Shareholding Change	Summary of Transaction in Connection with Shareholding Change
April 15, 2005	Ruilongxiang and Ms. Xue Jiaxin transferred their respective equity interests in Beijing Outsell to Mr. Cui Shan for no consideration pursuant to a trust arrangement for the benefit of Mr. Zhao Yihong the detail of which is described below. Mr. Cui Shan is a Singapore citizen and the cousin of Ms. Gao Yan, Mr. Zhao Yihong's wife. Upon the completion of such transfers, Beijing Outsell transformed from a Sino-foreign equity joint venture to a wholly foreign-owned company. Ms. Xue Jiaxin and Mr. Cui Shan agreed, after arms-length negotiations, that the transfer of Ms. Xue Jiaxin's equity interest in Beijing Outsell shall be made for no consideration as, at the time of the transfer, Beijing Outsell was loss-making. Ruilongxiang and Mr. Cui Shan agreed that the transfer of Ruilongxiang's equity interest in Beijing Outsell shall be made for no consideration because of the trust arrangement described below and the fact that, at the time of the transfer, Beijing Outsell was loss-making. Since he became a shareholder of Beijing Outsell and before the Reorganization, Mr. Cui Shan held the entire equity interest of Beijing Outsell on behalf of Mr. Zhao Yihong pursuant to a trust arrangement and did not own any beneficial interest in Beijing Outsell. On July 8, 2006, Mr. Zhao Yihong and Mr. Cui Shan entered into an equity entrustment agreement to confirm and document such trust arrangement. Our PRC legal advisor, Global Law Office, has confirmed that such trust arrangement does not violate applicable PRC laws, rules or regulations. Mr. Cui Shan has not received any benefits, consideration or advantages from entering into such trust arrangement. Immediately following the completion of the Reorganization discussed below, Mr. Cui Shan became the beneficial owner of 15.85% of the equity interest of Beijing Outsell (indirectly through his interest in Foreshore as described below) as Mr. Zhao Yihong donated such equity interest to him in connection with the Reorganization as a gift for personal reasons.
May 29, 2006	The registered capital of Beijing Outsell was increased to US$4,000,000.
December 26, 2008	The registered capital of Beijing Outsell was increased to US$8,000,000.
July 23, 2009	The registered capital of Beijing Outsell was increased to US$33,000,000.
September 9, 2009	In connection with the Reorganization, Mr. Cui Shan transferred all of his equity interest in Beijing Outsell to Besunyen HK for a consideration RMB230,591,269, which is the RMB equivalent of the then registered capital of Beijing Outsell.
December 11, 2009	The registered capital of Beijing Outsell was increased to US$46,500,000.

According to our PRC legal advisor, Global Law Office, Beijing Outsell has obtained all necessary approvals from the relevant PRC authorities for each of these shareholding changes.

History of Subsidiaries of Beijing Outsell

Outsell Trade

Outsell Trade was established by Beijing Outsell as a PRC domestic company with limited liability on May 26, 2008 with the registered capital of RMB5,000,000. Since its incorporation, Outsell Trade's registered capital has remained unchanged.

Besunyen Trade

Besunyen Trade was established by Beijing Outsell as a PRC domestic company with limited liability on May 26, 2008 with the registered capital of RMB5,000,000. Since its incorporation, Besunyen Trade's registered capital has remained unchanged.

Guangzhou Outsell

Guangzhou Outsell was established by Beijing Outsell as a PRC domestic company with limited liability on September 19, 2008 with the registered capital of RMB5,000,000. Since its incorporation, Guangzhou Outsell's registered capital has remained unchanged.

Besunyen Food and Beverage

Besunyen Food and Beverage was established by Ms. Zhang Hongli, a Singapore citizen and Mr. Cui Shan's wife, as a wholly foreign-owned company on June 29, 2007 with the registered capital of US$300,000. Ms. Zhang Hongli held the equity interest of Besunyen Food and Beverage on behalf of Mr. Zhao Yihong pursuant to a trust agreement dated June 1, 2007, Ms. Zhang Hongli did not hold any beneficial interest in Besunyen Food and Beverage and has not received any benefits, consideration or advantages in entering into such trust arrangement. This trust arrangement was entered into based on an understanding that, through such arrangement, it would be easier and more efficient to obtain and arrange financing offshore in the future as Besunyen Food and Beverage would already be approved as a wholly foreign-owned enterprise prior to such financing. Our PRC legal advisor, Global Law Office, has confirmed that such trust arrangement does not violate PRC laws, rules or regulations. On November 6, 2008, Ms. Zhang Hongli reached an agreement with BSYI, a PRC domestic company controlled by Mr. Zhao Yihong, to transfer all of her equity interest in Besunyen Food and Beverage to BSYI for a consideration of US$300,000. The consideration for such equity transfer to BSYI was arrived at after arms-length negotiations between the parties with reference to the then registered capital of Besunyen Food and Beverage. Following this equity transfer, Besunyen Food and Beverage transformed from a wholly foreign-owned company to a PRC domestic company with the registered capital of RMB2,200,000. On October 9, 2009, BSYI transferred all of its equity interest in Besunyen Food and Beverage to Beijing Outsell for a consideration of RMB2,200,000. Such consideration for the equity transfer to Beijing Outsell was arrived at after arms-length negotiations between the parties with reference to the then registered capital of Besunyen Food and Beverage. On October 22, 2009, the registered capital of Besunyen Food and Beverage was increased to RMB20,000,000. On January 18, 2010, Besunyen Food and Beverage changed its name from Beijing Besunyen Food and Beverage Limited Liability Company (北京碧生源食品飲料有限責任公司) to Beijing Besunyen Food and Beverage Limited Co. (北京碧生源食品飲料有限公司).

Dissolved Subsidiaries

To facilitate the hiring and retaining of our on-the-ground sales and marketing employees in our sales offices across China, Beijing Outsell established 12 domestic subsidiaries during the Track Record Period. As we gradually turned to an independent third party employment agency for the hiring and retaining of our on-the-ground sales and marketing employees, we dissolved 11 of these 12 subsidiaries during the Track Record Period and the remaining subsidiary Xian Benefit Trading Co., Ltd. in August 2010. None of these dissolved subsidiaries has any outstanding liabilities as of the date of its dissolution. For more details about these dissolved subsidiaries, please see the Accountants' Report in Appendix I of this prospectus.

Acquisition of Zhuhai Qi Jia

On January 13, 2010, Beijing Outsell, Zhuhai Qi Jia, Ms. Zhang Guiying and Mr. Wang Hongshan entered into an equity acquisition agreement, under which Beijing Outsell agreed to acquire all equity interest of

Zhuhai Qi Jia, a PRC domestic company established in Zhuhai, Guangdong on July 6, 2001, for a consideration of up to RMB19,050,000 (consisting of RMB2,000,000 as a purchase consideration and RMB17,050,000 as a capital injection), subject to minor adjustments, in a three-step transaction:

- Step one: Pursuant to a resolution approved by the shareholders of Zhuhai Qi Jia on January 19, 2010, the registered capital of Zhuhai Qi Jia was increased to RMB12,000,000, with Beijing Outsell contributing the first installment of the consideration, RMB10,000,000, to the registered capital (representing 83.33% of Zhuhai Qi Jia's enlarged equity interest). This step was completed in January 2010.

- Step two: Within five business days from obtaining the building ownership certificate of Zhuhai Qi Jia's factory and the satisfaction of other customary closing conditions, such as representations and warranties being accurate, execution of capital contribution agreement and amendment to articles of association, Beijing Outsell will contribute the second installment of RMB6,550,000 (reflecting an adjustment of RMB50,000 increase based on the status for the termination of certain business contracts) to the registered capital (representing 89.22% of Zhuhai Qi Jia's enlarged equity interest). This step is expected to be completed prior to Listing.

- Step three: Within five business days from the satisfaction of customary closing conditions, such as representations and warranties being accurate, execution of capital contribution agreement and equity transfer agreement and amendment to articles of association, and six months from the completion of the second step, Beijing Outsell will contribute the third installment of RMB500,000 to the registered capital and acquire all the equity interests held by Ms. Zhang Guiying and Mr. Wang Hongshan for a consideration of RMB2,000,000. Following the completion of the third step, Beijing Outsell will become the sole shareholder of Zhuhai Qi Jia. We expect to complete this step in February 2011.

Zhuhai Qi Jia is primarily engaged in the research, development, manufacture and sale of Chinese medicinal herbal tea products including MaiShuPing Tea, which had been sold on the market before the acquisition. For the year ended December 31, 2009, the total revenue of Zhuhai Qi Jia was RMB1.4 million among which RMB0.2 million was attributable to sales of MaiShuPing Tea and the remaining RMB1.2 million was attributable to OEM services provided by Zhuhai Qi Jia to its clients. The amount of goodwill arising as a result of the Group's acquisition of Zhuhai Qi Jia was RMB5.3 million. Upon the Group's acquisition of Zhuhai Qi Jia, the amount of appraised net liabilities of Zhuhai Qi Jia was RMB3.3 million.

Prior to the acquisition, Zhuhai Qi Jia was held by Ms. Zhang Guiying and Mr. Wang Hongshan, with each holding 45% and 55%, respectively, of the equity interest of Zhuhai Qi Jia, the registered capital of which was RMB2,000,000. Each of Ms. Zhang Guiying and Mr. Wang Hongshan is an independent third party and they agreed in the equity acquisition agreement to indemnify Zhuhai Qi Jia for claims and liabilities resulting from the activities of Zhuhai Qi Jia prior to the acquisition. To the knowledge of our Directors, prior to the acquisition, Zhuhai Qi Jia had neither received any material complaints or claims against, nor did Zhuhai Qi Jia have any outstanding liabilities as of the date of our acquisition of Zhuhai Qi Jia in relation to the sales of, MaiShuPing Tea. On June 28, 2010, Guangdong SFDA revoked the approvals for three advertisements with respect to MaiShuPing Tea created in 2009 on the basis that advertisements for MaiShuPing Tea, the production of which we were not involved in, were misleading and improperly claimed the effect of MaiShuPing Tea. Pursuant to applicable PRC laws and regulations, such revocation of approvals will cause us to be unable to obtain SFDA approvals for new advertisements for MaiShuPing Tea until June 28, 2011. Under the equity acquisition agreement, we can bring claims against Ms. Zhang Guiying and Mr. Wang Hongshan for the loss suffered as a result of the revocation of the three advertisements, but currently have no intention to bring such claims for business and marketing considerations.

The consideration for the Zhuhai Qi Jia acquisition was arrived at after arms-length negotiations between the parties after a rigorous valuation process using several valuation methods which took into account all key financial aspects, including the net liabilities, of Zhuhai Qi Jia. In particular, we value the future earning capacity of Zhuhai Qi Jia, which is a key assumption in the discounted cash flow analysis, and believe that such capacity will not be materially affected by the delayed launch of Besunyen MaiShuPing Tea. In addition, we believe the Zhuhai Qi Jia acquisition is commercially justifiable because its business and product match our future expansion strategy.

Acquisition of Jian Shi Xing

In May 2010, in order to enhance our in-house research and product development capability, we acquired Jian Shi Xing and its parent Ever Assure, a company incorporated in Hong Kong on April 23, 2010 solely for the purpose of holding the equity interest in Jian Shi Xing. During the Track Record Period, Jian Shi Xing was solely engaged in the research and development of tea and Chinese medicinal herbal products. Prior to the acquisition, Jian Shi Xing was owned by High Star Limited, a company incorporated in the Cayman Islands.

Pursuant to the Share Exchange Agreement dated May 21, 2010 entered into by and among our Company, Besunyen Investment (formerly known as Tea-Care Holding Co. Universal Ltd), High Star Limited, Dr. Cai Ya, GGV, Qiming, Ignition, NewMargin, FMCG and Mr. Zhao Xiaoluo (an independent third party), on May 31, 2010, Besunyen Investment acquired all of the issued and outstanding shares of Ever Assure from High Star Limited in consideration of the allotment and issuance of 53,241, 5,916, 94,652, 15,212 and 48,292 Shares to Qiming, Ignition, NewMargin, FMCG and Dr. Cai Ya, respectively, each a shareholder of High Star Limited, in proportion to its interest in High Star Limited. These Shares were valued, among the parties, at US$4.5 million. Based on the aggregate consideration for the Jian Shi Xing acquisition valued at US$4.5 million, and taking into account the Share Subdivision, the cost per Share paid by each of Qiming, Ignition, NewMargin, FMCG and Dr. Cai Ya was US$0.17. Based on the Offer Price of HK$2.38 (being the lower end of the estimated Offer Price range) and HK$3.12 (being the higher end of the estimated Offer Price range), the cost per Share represents a respective 44.51% and 57.67% discount to the Offer Price. Such consideration for the acquisition was arrived at after arms-length negotiations between the parties with reference to the financial position and future earning capacity of the Group and Jian Shi Xing. Neither Qiming, Ignition, NewMargin, FMCG or Dr. Cai Yai, nor these Shares acquired by them, have been granted any special rights that are different from those of our other Shareholders. The amount of goodwill arising as a result of the Group's acquisition of Jian Shi Xing was RMB15.5 million. Upon the Group's acquisition of Jian Shi Xing, the amount of appraised net assets of Jian Shi Xing was RMB15.4 million.

In addition, concurrently with the closing of the acquisition of Jian Shi Xing and Ever Assure contemplated under the Share Exchange Agreement, NewMargin and FMCG subscribed for an aggregate of 144,876 new Shares at an aggregate purchase price of US$3,000,000. Based on the aggregate purchase price of US$3,000,000, and taking into account the Share Subdivision, the cost per Share paid by each of NewMargin and FMCG was US$0.17. Based on the Offer Price of HK$2.38 (being the lower end of the estimated Offer Price range) and HK$3.12 (being the higher end of the estimated Offer Price range), the cost per Share represents a respective 44.51% and 57.67% discount to the Offer Price. The consideration for the subscription was arrived at after arms length negotiations among us and each of NewMargin and FMCG with reference to the financial position and future earning capacity of the Group. We use the proceeds from the investment by NewMargin and FMCG for capital contribution to Jian Shi Xing and working capital and general corporate purposes. Immediately following the completion of the Global Offering, NewMargin and FMCG will hold 26,336,160 Shares and 4,232,640 Shares, representing approximately 1.57% and 0.25%, respectively, of our enlarged share capital. Under the Share Exchange Agreement, neither NewMargin nor FMCG is subject to any clawback arrangement in respect of each of their Shares following the completion of the Global Offering and no special rights were granted to each of NewMargin and FMCG under the terms of its investment. Upon the listing of the Shares on the Hong Kong Stock Exchange, each of NewMargin and FMCG will not have any special rights which are different from the other Shareholders.

Qiming

Qiming Venture Partners, L.P. and Qiming Managing Directors Fund, L.P. are exempted limited partnerships registered in the Cayman Islands. Each of Qiming Venture Partners, L.P. and Qiming Managing Directors Fund, L.P. is a venture capital fund which focuses on investment in select, high growth Chinese companies in the sectors of media and Internet, information technology, consumer and retail, healthcare and clean technology. The general partner of Qiming Venture Partners, L.P. is Qiming GP, L.P., a Cayman Islands exempted limited partnership. The general partner of both Qiming Managing Directors Fund, L.P. and Qiming GP, L.P. is Qiming Corporate GP, Ltd., a Cayman Islands limited company. Voting and investment power of the shares held by Qiming Venture Partners, L.P. and Qiming Managing Directors Fund, L.P. is exercised by the investment committee of Qiming Corporate GP, Ltd., which consists of Duane Kuang, Gary Rieschel, JP Gan and Robert Headley. The registered address of Qiming Venture Partners, L.P., Qiming Managing Directors Fund, L.P., Qiming GP, L.P. and Qiming Corporate GP, Ltd. is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. Each of Qiming Venture Partners, L.P. and Qiming Managing Directors Fund, L.P. is an independent third party of our Group.

Ignition

Ignition Venture Partners III, L.P. is a limited partnership registered in the State of Delaware. Ignition Managing Directors Fund III, LLC is a limited liability company registered in the State of Delaware. Each of Ignition Venture Partners III, L.P. and Ignition Managing Directors Fund III, LLC Ignition is a venture capital fund which focuses on early stage high-technology investments. The registered office of Ignition Venture Partners III, L.P. and Ignition Managing Directors Fund III, LLC is 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808. Ignition is an independent third party of our Group.

NewMargin

NewMargin Growth Fund, L.P. is a venture capital fund which focuses on investment in the sectors of broader IT, sustainable growth technology, healthcare, consumer goods and high margin manufacturing. NewMargin Growth Ventures LLC is the sole general partner of NewMargin Growth Fund, L.P. Messrs. Feng Tao, Greg W. Ye, Zhou Shuiwen, Cary Zhou and Hans Xu are members of the investment committee of NewMargin Growth Ventures LLC and share voting and dispositive power over all such shares held by NewMargin Growth Fund, L.P. NewMargin Growth Fund, L.P.'s business address is Radisson Plaza (Xing Guo) Hotel, 78 Xing Guo Road, Villa 3, 200052, Shanghai, China. NewMargin is an independent third party of our Group.

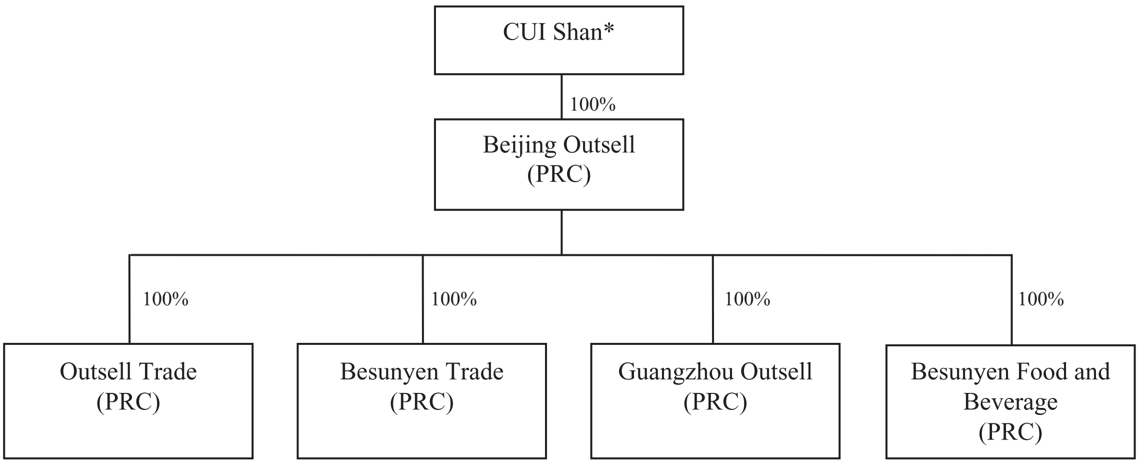
FMCG

International FMCG Investments Ltd. is an investment company. FMCG is a private equity fund which focuses on investment in the fast moving consumer products sector. Mr. Wang Yaping is the sole managing director of FMCG. Messrs. Wang Yaping, Frank Fang and Chen Zhaoming are the members of the investment committee of FMCG. The business address of International FMCG Investments Ltd is Akara Bldg, 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands. Mr. Wang Yaping and FMCG are independent third parties of our Group.

REORGANIZATION

In 2009, we commenced the Reorganization of our Group in preparation for the Series A investment described below and the Global Offering. Immediately prior to the Reorganization, Mr. Cui Shan held the equity interest of Beijing Outsell on behalf of Mr. Zhao Yihong pursuant to a trust agreement dated July 8, 2006. Mr. Cui Shan is a Singapore citizen and the cousin of Ms. Gao Yan, Mr. Zhao Yihong's wife. This trust arrangement was entered into based on an understanding that, through such arrangement, it would be easier and more efficient to obtain and arrange financing offshore as Beijing Outsell would already be approved as a wholly foreign-owned enterprise prior to such financing. Our PRC legal advisor, Global Law Office, has confirmed that such trust arrangement does not violate applicable PRC laws, rules or regulations. In October 2009, Mr. Cui Shan returned the entrusted equity interest of Beijing Outsell to Mr. Zhao Yihong through the transfer of the entire equity interest in Beijing Outsell to Besunyen HK in connection with the Reorganization. Mr. Zhao Yihong donated 15.85% of the equity interest of Foreshore to Mr. Cui Shan as a gift for personal reasons.

The following chart illustrates the corporate structure of our Group immediately prior to the Reorganization.



* Note: Mr. Cui Shan held the equity interest in Beijing Outsell on behalf of Mr. Zhao Yihong.

Incorporation of Our Company

Our Company was incorporated in the Cayman Islands with limited liability on August 5, 2009. On the same day, one Share was issued to Stockton Nominees Limited, and such Share was transferred to Mr. Zhao Yihong. On September 25, 2009, such Share was transferred to Foreshore and subsequently cancelled. On October 21, 2009, 9,288,000 Shares (representing approximately 92.88% of the then issued share capital of the Company) were issued to Foreshore and 712,000 Series A Preferred Shares (representing approximately 7.12% of the then issued share capital of the Company) were issued to GGV in connection with the Series A investment described below. In June 2010, the name of our Company was changed from Tea-Care Group Ltd to Besunyen Holdings Company Limited (碧生源控股有限公司).

Establishment of Offshore SPVs

Foreshore

Foreshore was incorporated in the BVI with limited liability on August 11, 2009 as an investment holding vehicle. On August 26, 2009, one share was issued to Mr. Zhao Yihong. On September 25, 2009, an additional 8,414 shares were issued to Mr. Zhao Yihong and 1,585 shares were issued to Mr. Cui Shan. On September 10, 2010, Mr. Zhao Yihong's entire interest in Foreshore was transferred to Sea Network Holdings Limited, a company incorporated in the BVI and is wholly owned by KCS Trust Limited, in its capacity as trustee of a family trust established by Mr. Zhao Yihong as the settlor for the benefit of himself and his family members.

Besunyen Investment

Besunyen Investment was incorporated in the BVI with limited liability on August 11, 2009 as an intermediate holding vehicle. One share was issued to Mr. Zhao Yihong on August 11, 2009, and such share was transferred to our Company on September 25, 2009. On June 9, 2010, the name of Besunyen Investment was changed from Tea-Care Holding Co. Universal Ltd to Besunyen Investment (BVI) Co., Ltd.

Besunyen HK

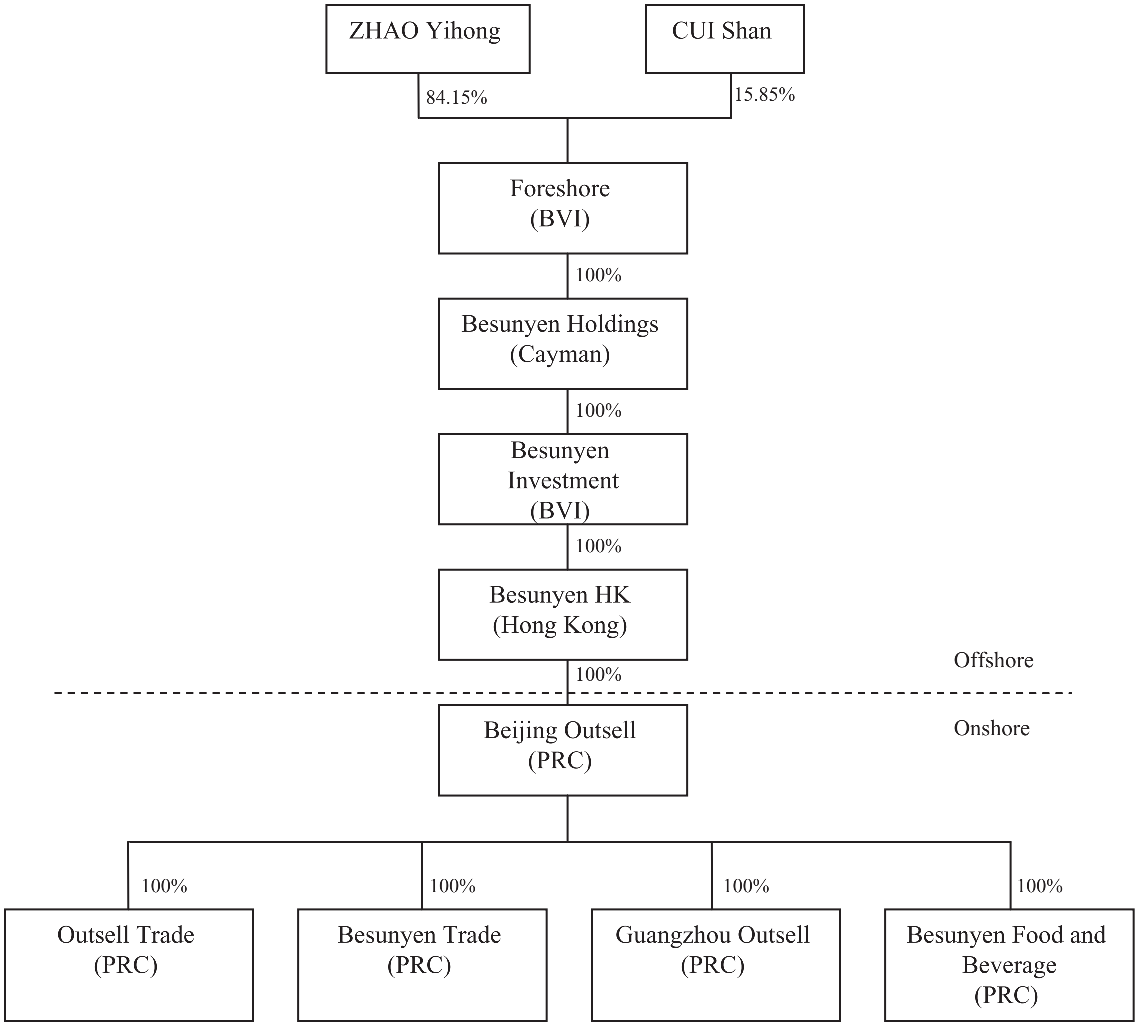
Besunyen HK was incorporated in Hong Kong with limited liability on June 10, 2009 as an intermediate holding vehicle. One share was issued to Mr. Cui Shan on June 10, 2009, and such share was transferred to Besunyen Investment on October 5, 2009. On May 18, 2010, the name of Besunyen HK was changed from Outsel Herbal Tea Limited to Besunyen (Hong Kong) Co., Limited (碧生源（香港）有限公司).

As disclosed above, the above three offshore SPVs have not carried out other business activities since their respective establishment.

Corporate Structure after Reorganization

Following completion of the above steps of the Reorganization, Mr. Zhao Yihong and Mr. Cui Shan collectively hold 100% Shares of our Company through Foreshore, of which Mr. Zhao Yihong holds 84.15% of the issued and outstanding Shares and Mr. Cui Shan holds 15.85% of the issued and outstanding Shares. Mr. Cui Shan is the beneficial owner of such 15.85% Shares as Mr. Zhao Yihong has donated such Shares to him in connection with the Reorganization as a gift for personal reasons.

Immediately after the completion of the above steps of the Reorganization, the corporate structure of the relevant entities is illustrated as follows:



SERIES A INVESTMENT BY GGV

In order to raise funds for our long-term growth and to benefit from GGV's knowledge and experience in business strategy development, corporate governance, mergers and acquisitions and capital markets, on September 9, 2009 the Company entered into the Series A Preferred Shares Purchase Agreement with strategic investors, GGV, Foreshore and Mr. Zhao Yihong, pursuant to which GGV subscribed for 712,000 Series A Preferred Shares for a total consideration of US$15,000,000 in cash. The consideration for the subscription of our Series A Preferred Shares was arrived at after arms-length negotiations between the Group and GGV with reference to the then financial position and future earning capacity of the Group. We used the proceeds from the GGV investment for purchase of equipments, capital expenditures for factory construction, and working capital and general corporate purposes. The main strategic benefit brought to us by the GGV investment is that it assisted us with the successful acquisition of Jian Shi Xing which added our new research and development team led by Dr. Cai Ya and improved our research and development capability. In particular, GGV assisted us by (i) identifying Jian Shi Xing as our acquisition candidate through its connections and resources within the venture capital community and China-based enterprises, (ii) helping and coordinating our negotiations with multiple venture capital shareholders of Jian Shi Xing, and (iii) facilitating the smooth and prompt closing of the acquisition of Jian Shi Xing.

Under the Series A Preferred Shares Purchase Agreement, as supplemented and amended by the supplement agreement dated May 31, 2010 by and between the Company, Foreshore, GGV and Mr. Zhao Yihong, the number of Series A Preferred Shares that GGV is entitled to receive is subject to earnings adjustment determined based on our consolidated net profit for 2009. On May 31, 2010, 125,010 additional Series A Preferred Shares were allotted and issued to GGV at a par value per share in accordance with the exercise by GGV of such earnings adjustment right. Such earnings adjustment were arrived at based on our Company's consolidated net profit for 2009. Pursuant to such earnings adjustment, GGV's earnings adjustment right was fully exercised and there will be no further adjustment to the Series A Preferred Shares held by GGV.

Under the Series A Preferred Shares Purchase Agreement, GGV is entitled to an anti-dilution protection with respect to the acquisition of Jian Shi Xing. On May 31, 2010, 19,562 Series A Preferred Shares were allotted and issued to GGV at a par value per share in accordance with GGV's anti-dilution protection.

In connection with the Series A investment by GGV, our Company, Mr. Zhao Yihong and Foreshore entered into a shareholders' agreement with GGV in October 2009. Under this shareholders' agreement and our amended and restated memorandum of association and articles of association, we have granted GGV a series of preferences and rights, including information and inspection rights, rights of first refusal and rights of co-sale with respect to transfers of shares by our Shareholders, drag-along rights, veto rights with respect to certain important corporate actions, dividends preference, liquidation preference, redemption rights and board representation rights. Series A shareholders are also granted pre-emptive rights with respect to any of our future issuance of new shares as well as a demand registration right if we intend to complete a Qualified IPO (as defined below) in the United States of America. These and all the other preferences and special rights granted to GGV will expire and terminate upon the completion of the Global Offering.

Each of our Series A Preferred Shares shall automatically be converted immediately upon the earlier of (i) the consummation of a Qualified IPO, (ii) immediately prior to the closing of an acquisition by, merger or other combination with another entity where our Company is not the surviving entity and where such surviving entity is listed on an internationally recognized stock exchange, or (iii) the date specified by written consent or agreement of the holders of a majority of the then outstanding Series A Preferred Shares.

A Qualified IPO means the closing of the first firm commitment, underwritten public offering to the general public of the securities of the Company which (i) results in such securities being listed on the New York Stock Exchange, the Nasdaq Global Market System, the Main Board or the Growth Enterprise Market of the Hong Kong Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, or any other internationally recognized exchange or quotation system that is approved in writing by the Series A shareholders holding at least a majority of the then outstanding Series A Preferred Shares, (ii) is effected pursuant to (A) an effective registration statement under the U.S. Securities Act or (B) the securities laws or rules applicable to an offering of securities on a qualified exchange as described in the foregoing sentence, and (iii) yields aggregate proceeds to the Company and any selling shareholders in excess of US$100,000,000 before deduction of underwriting commissions and offering expenses, or such other initial public offering as otherwise approved by the Series A shareholders holding at least a majority of the then outstanding Series A Preferred Shares.

Prior to the completion of the Global Offering, all outstanding Series A Preferred Shares will be converted into Shares on a one for one basis. Upon conversion of the Series A Preferred Shares, the Company will only have one class of shares, being the Shares, and the Company's amended and restated memorandum of association and articles of association will be further amended and restated in its entirety to reflect such conversion.

Upon the conversion of all of the Series A Preferred Shares, and the Share Subdivision, GGV will hold approximately 102,788,640 Shares, representing approximately 6.11% of our enlarged share capital. Based on the aggregate purchase price of US$15,000,000, the cost per Share paid by GGV was US$0.15. Based on the

Offer Price of HK$2.38 (being the lower end of the estimated Offer Price range) and HK$3.12 (being the higher end of the estimated Offer Price range), the cost per Share represents a respective 51.04% and 62.65% discount to the Offer Price. Upon the listing of the Shares on the Hong Kong Stock Exchange, all special rights granted to GGV under the terms of its investment will discontinue and GGV will not have any special rights which are different from the other Shareholders. Upon such conversion, no Series A Preferred Shares will be outstanding and none of the terms or rights of the Series A Preferred Shares will be applicable after the Global Offering.

GGV

GGV is a venture capital fund focusing on expansion stage investments across the United States and China. GGV's sector coverage includes consumer growth, healthcare and technology (including clean technology). Granite Global Ventures L.L.C. is the sole general partner of GGV. Messrs. Scott Bonham, Hany Nada, Glenn Soloman, Thomas Ng, Jixun Foo, Jenny Lee, Jessie Jin and Zhuo Fumin are managing directors of Granite Global Ventures L.L.C. and share voting and dispositive power over all such shares held by GGV. As Mr. Zhuo Fumin is one of our Directors, GGV is not an independent third party of our Group. As Mr. Zhuo Fumin does not individually control GGV, GGV is not a connected person of our Group. The business address of GGV is 2494 Sand Hill Road, Suite 100, Menlo Park, CA 94025, United States.

SHAREHOLDING AND GROUP STRUCTURE BEFORE AND AFTER THE GLOBAL OFFERING

Transfer of Shares to Ding Tian

On May 31, 2010, Ding Tian acquired 169,495 Shares from Foreshore for an aggregate purchase price of US$3,000,000 pursuant to a share transfer agreement dated March 4, 2010 by and between Foreshore and Ding Tian. The consideration for such transfer was arrived at after arms-length negotiations between Foreshore and Ding Tian with reference to the Group's financial performance in 2009. The shareholders of Foreshore used the US$3,000,000 purchase price for personal purposes that are not related to the Group. Immediately following the completion of the Global Offering, Ding Tian will hold 20,339,400 Shares, representing approximately 1.21% of our enlarged share capital. Based on the aggregate purchase price of US$3,000,000, the cost per Share paid by Ding Tian was US$0.15. Based on the Offer Price of HK$2.38 (being the lower end of the estimated Offer Price range) and HK$3.12 (being the higher end of the estimated Offer Price range), the cost per Share represents a respective 51.04% and 62.65% discount to the Offer Price. No special rights were granted to Ding Tian under the terms of its investment and upon the listing of the Shares on the Hong Kong Stock Exchange, Ding Tian will not have any special rights which are different from the other Shareholders.

As Ding Tian is controlled by Mr. Wang Bing, one of our Directors, Ding Tian is a connected person, and not an independent third party, of our Group.

Ding Tian

Ding Tian is a mutual fund focusing on investment in listed companies. Ding Tian Capital Management (Cayman) Limited is the sole investment manager of Ding Tian. Mr. Wang Bing, one of our Directors, holds voting and dispositive power over the majority of such shares held by Ding Tian. The business address of Ding Tian is c/o Campbell Corporate Services Limited, 4th Floor, Scotia Centre, P.O. Box 268, George Town, Grand Cayman KY1-1104, Cayman Islands, British West Indies.

The following table summarizes the details of the investments in the Company made by each of GGV, Ding Tian and certain original shareholders of High Star Limited:

Investor	Date of investment	Consideration	Cost per Share	Percentage of discount to the Offer Price	Percentage of interest in our issued share capital immediately following the Global Offering[(3)]
GGV	September 9, 2009	US$15,000,000	US$0.15	51.04%[(1)]/62.25%[(2)]	6.11%
Ding Tian	March 4, 2010	US$ 3,000,000	US$0.15	51.04%[(1)]/62.25%[(2)]	1.21%
Qiming	May 31, 2010	US$ 1,102,486[(4)]	US$0.17	44.51%[(1)]/57.67%[(2)]	0.38%
Ignition	May 31, 2010	US$ 122,505[(4)]	US$0.17	44.51%[(1)]/57.67%[(2)]	0.04%
Cai Ya	May 31, 2010	US$ 1,000,005[(4)]	US$0.17	44.51%[(1)]/57.67%[(2)]	0.46%
NewMargin	May 31, 2010	US$ 1,960,002[(4)]	US$0.17	44.51%[(1)]/57.67%[(2)]	0.62%
	May 31, 2010	US$ 2,587,912[(5)]	US$0.17	44.51%[(1)]/57.67%[(2)]	0.95%
FMCG	May 31, 2010	US$ 315,002[(4)]	US$0.17	44.51%[(1)]/57.67%[(2)]	0.02%
	May 31, 2010	US$ 412,088[(5)]	US$0.17	44.51%[(1)]/57.67%[(2)]	0.23%

(1) *Based on the Offer Price of HK$2.38 (being the lower end of the estimated Offer Price range)*

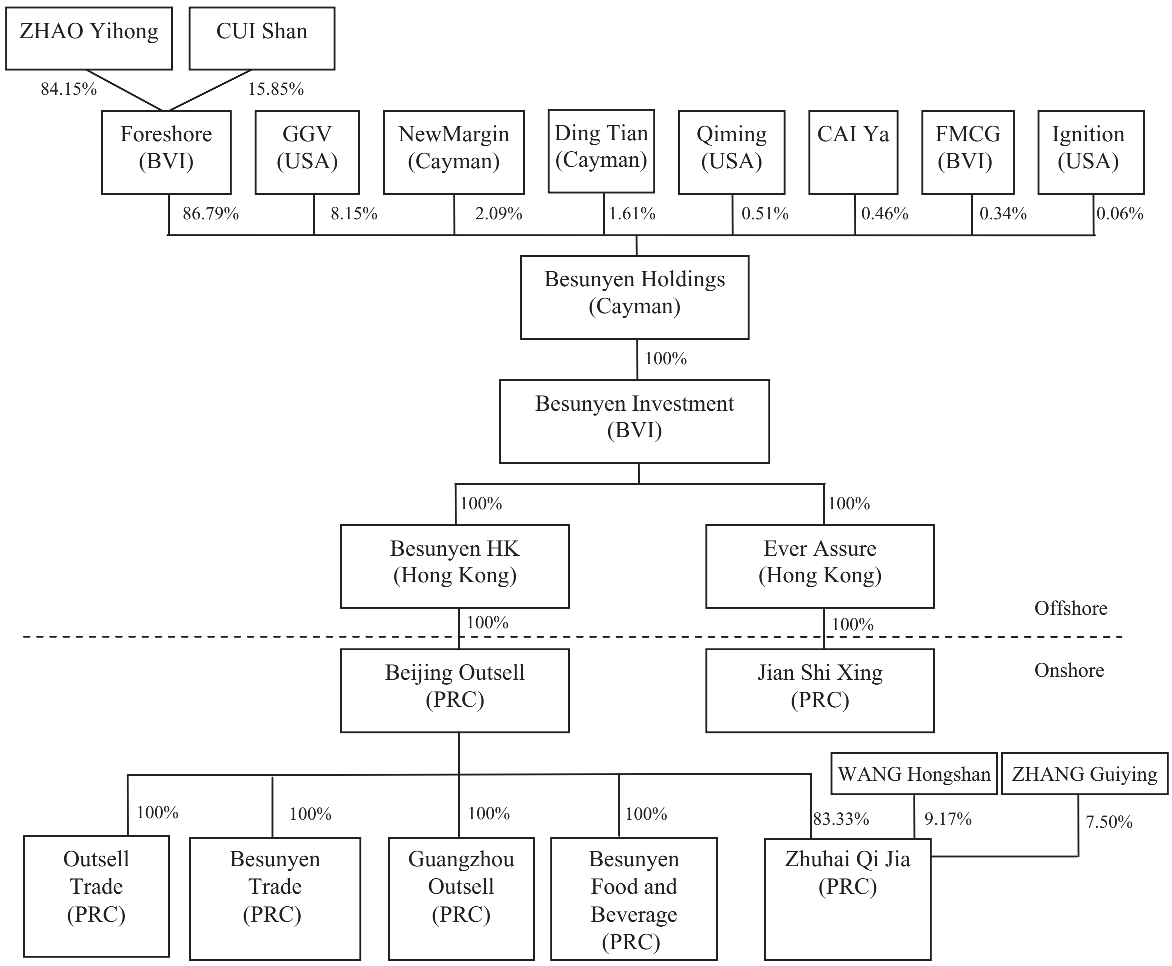
(2) *Based on the Offer Price of HK$3.12 (being the higher end of the estimated Offer Price range)*

(3) *Not taking into account any Shares to be issued pursuant to the exercise of options granted under the Pre-IPO Share Option Scheme*

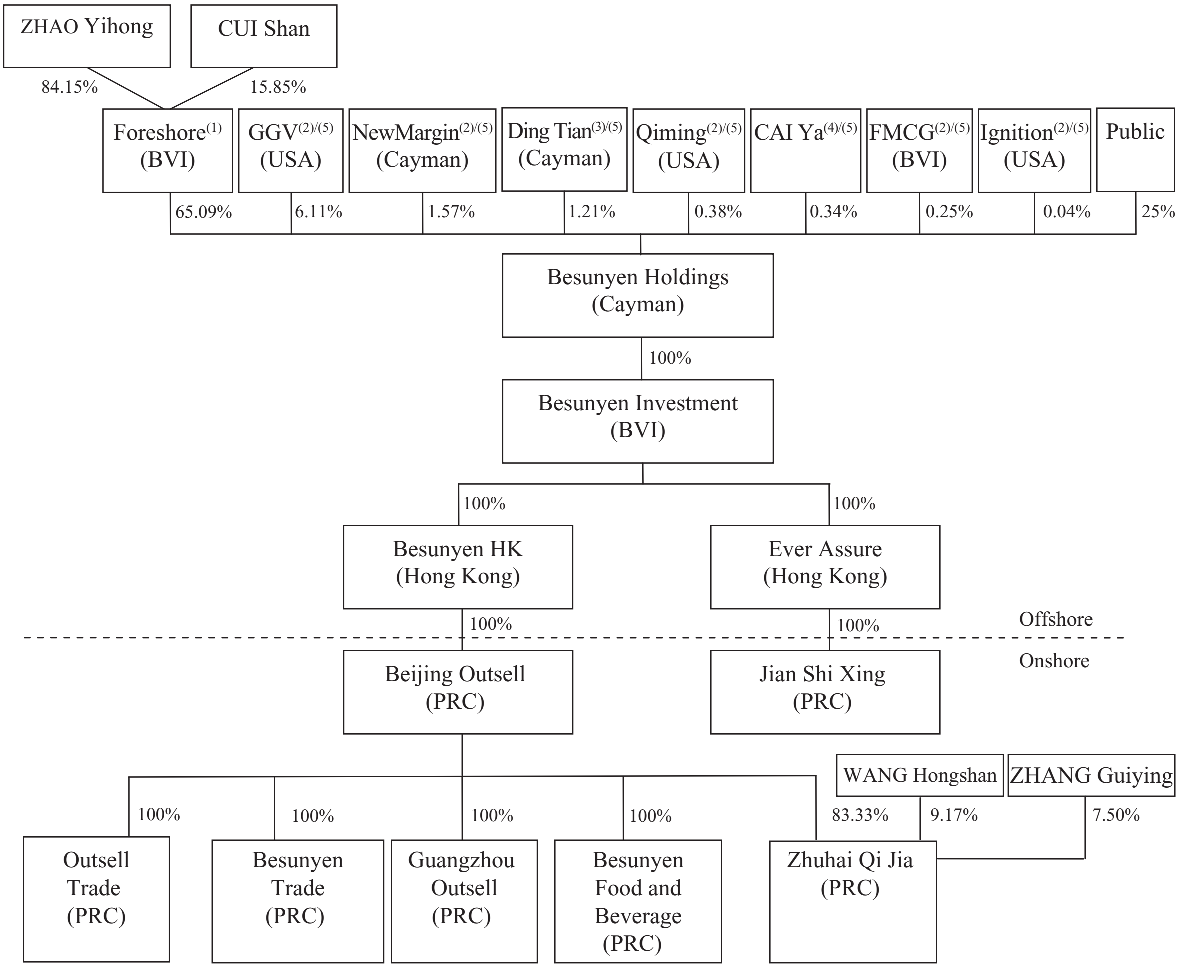
(4) *Being the consideration for the Jian Shi Xing acquisition pursuant to the Share Exchange Agreement dated May 21, 2010. This figure is for reference only. The consideration for the Jian Shi Xing acquisition was satisfied by the allotment and issuance of Shares to the investors, details of which are described in the section headed "Acquisition of Jian Shi Xing" in this prospectus*

(5) *In addition to Shares obtained pursuant to the Jian Shi Xing acquisition, NewMargin and FMCG subscribed for additional Shares in cash concurrently with the closing of the Jian Shi Xing acquisition, details of which are described in the section headed "Acquisition of Jian Shi Xing" in this prospectus*

The following chart illustrates the shareholding structure and corporate structure of the Group before the Global Offering, assuming all outstanding Series A Preferred Shares have been converted into Shares on a one for one basis and not taking into account any Shares to be issued pursuant to the exercise of options granted under the Pre-IPO Share Option Scheme.



Immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised and not taking into account any Shares to be issued pursuant to the exercise of options granted under the Pre-IPO Share Option Scheme), the shareholding and corporate structure of the Group will be as follows:



(1) *Mr. Zhao Yihong is the controlling shareholder of Foreshore. Shares held by Foreshore in us will not be considered as Shares held by the public for the purposes of Rule 8.08 of the Listing Rules. 84.15% of the issued share capital of Foreshore is indirectly owned by KCS Trust Limited, in its capacity as the trustee of a family trust established by Mr. Zhao Yihong as the settlor for the benefit of himself and his family members.*

(2) *As GGV is not controlled by any of the Company's connected persons, Shares held by GGV will be considered as Shares held by the public for the purposes of Rule 8.08 of the Listing Rules.*

(3) *Ding Tian is controlled by Mr. Wang Bing, our Director. Shares held by Ding Tian in us will not be considered as Shares held by the public for the purposes of Rule 8.08 of the Listing Rules.*

(4) *Dr. Cai Ya is a director of two of our subsidiaries, Ever Assure and Jian Shi Xing. Shares held by Dr. Cai Ya in us will not be considered as Shares held by the public for the purposes of Rule 8.08 of the Listing Rules.*

(5) *The Shareholder has undertaken not to sell any Shares for the first six months after the Listing Date.*