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BBI LIFE SCIENCES CORPORATION
BBI生命科學有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1035)

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

INTERIM RESULTS HIGHLIGHTS

- For the six months ended 30 June 2015, the revenue of the Group was approximately RMB131.78 million, representing an increase of 9.8% as compared with RMB119.99 million for the same period of 2014.
- For the six months ended 30 June 2015, the gross profit increased by 6.4% from RMB63.31 million for the same period of 2014 to RMB67.38 million.
- For the six months ended 30 June 2015, net profit of the Group decreased by 50.3% from approximately RMB42.80 million for the same period of 2014 to approximately RMB21.29 million. After deducting non-recurring one-off gain for the same period of 2014 (the gain on the disposal of 31% equity interest in Shanghai PrimeGene Bio-Tech Co., Ltd.), the adjusted net profit was approximately RMB21.21 million, representing an increase of 0.3%.
- For the six months ended 30 June 2015, profit attributable to the Shareholders of the Company decreased by 47.7% from approximately RMB40.68 million for the same period of 2014 to approximately RMB21.28 million. After deducting aforesaid item of non-recurring one-off gain for the same period of 2014, the adjusted net profit was approximately RMB20.16 million, representing an increase of 5.6%.

POSITIONING OF THE COMPANY

BBI Life Sciences Corporation (the “**Company**”, together with its subsidiaries, the “**Group**”), a well-recognized supplier of life science research products and services in the People’s Republic of China (the “**PRC**”), is committed to providing the most comprehensive product and service portfolios for colleges and universities, pharmaceutical and biotech companies, research institutes and hospitals. The Group mainly engages in the following businesses: (1) DNA synthesis products; (2) genetic engineering services; (3) life sciences research consumables; and (4) protein and antibody related products and services (the “**Four Business Segments**”). Leveraging on its quality and cost-effective products and services under “Sangon” and “BBI” brands as well as efficient delivery, the Group has been highly acknowledged by customers in both domestic and overseas markets.

BUSINESS REVIEW

For the six months ended 30 June 2015 (the “**Reporting Period**”), the Group’s overall revenue increased by 9.8% to RMB131.78 million (the same period in 2014: RMB119.99 million). Gross profit was RMB67.38 million, representing an increase of 6.4% from RMB63.31 million for the same period in 2014. Gross profit margin maintained at a relatively stable level of 51.1% (the same period in 2014: 52.8%). The profit attributable to the Shareholders of the Company (the “**Shareholders**”) was approximately RMB21.28 million, decreased by 47.7% as compared with RMB40.68 million for the same period as of 30 June 2014. Excluding the non-recurring one-off gain of RMB20.52 million on the disposal of 31% equity interest in Shanghai PrimeGene Bio-Tech Co., Ltd., the Group achieved approximately RMB20.16 million for the same period in 2014, representing a year-on-year increase of 5.6% in the adjusted net profit for the Reporting Period.

During the Reporting Period, the revenue of DNA synthesis products, genetic engineering services, life sciences research consumables and protein and antibody related products and services accounted for approximately 40.7%, 19.1%, 28.7% and 11.5% respectively of the total revenue of the Group.

Results Analysis of the Four Business Segments

DNA Synthesis Products

During the Reporting Period, revenue of DNA synthesis products increased by 10.3% to RMB53.65 million (the same period in 2014: RMB48.65 million). Gross profit margin varied from 59.0% for the same period last year to 59.2% this year, maintained at a stable level. In order to maintain leadership in the industry, the Group adjusted the price of gene synthesis products properly which made the amount of orders increased and the revenue grown steadily.

During the Reporting Period, the Group constantly explored and implemented the high-throughput gene synthesis technology, which can produce thousands or even millions of DNA synthesis at a time. This could positively allow the Group to reduce processing time, increase efficiency, thus lowering production costs and increasing its overall competitiveness in the market. The development of the high-throughput gene synthesis technology is in good progress with 70% completed at the moment. The Group expects this advanced technology to be in full operation by the end of 2015 and contribute to its profitability in the near future.

Genetic Engineering Services

During the Reporting Period, revenue of the genetic engineering services amounted to RMB25.16 million, representing an increase of 12.7% (the same period in 2014: RMB22.33 million). Gross profit margin varied from 51.5% for the same period last year to 49.3% this year. To expand market share of this segment in second or third tier cities in the PRC, the Group is working on setting more service sites in those cities to accelerate service response speed. At present, we have completed service site in Kunming, Yunnan province, and will have service sites in Changchun, Jilin province, and Chengdu, Sichuan province successfully set up by the end of 2015.

Life Sciences Research Consumables

During the Reporting Period, revenue of life sciences research consumables was RMB37.86 million, representing an increase of 3.3% as compared with RMB36.65 million for the same period in 2014. Gross profit margin decreased from 48.6% for the same period last year to 47.6% this year. During the Reporting Period, the continuous decline of the Euro exchange rate and the unfavorable economic condition in the European market have caused a relatively low growth in this segment.

Our customers have a stable demand for the Group's research consumables, as the products are necessities and essentials in conducting life science research and experiments. In order to provide a more diverse product portfolio to customers, the Group has been developing new consumable products with more competitive prices during the Reporting Period. Couple with the continuous upgrade of automation level of the production process, the Group is well prepared for mass production of products with lower production costs and shorter lead time.

Furthermore, the Group has started the relevant license application for medical apparatus to be sold to hospitals. Such business has a relatively high entry barrier as the government requires certain licenses and qualifications of the suppliers. The Group sees it as a great opportunity to penetrate into a niche market and create a new and stable income stream in the future.

Protein and Antibody Related Products and Services

During the Reporting Period, revenue of the protein and antibody related products and services segment increased by 22.2% to RMB15.11 million (the same period in 2014: RMB12.36 million). Gross profit margin varied from 43.1% for the same period last year to 34.6% this year. It is mainly because the Group is still at the pioneering stage of this business, and we are testing various kinds of product portfolio on the market, thus growth rate of the revenue and gross profit was yet to reach a steady level. The revenue of this segment will have a further rise in the future as the number and varieties of products and product portfolio increased gradually.

The Group has placed top priority in developing this segment during the Reporting Period, given the substantial potential of the protein and antibody market in the PRC driven by the general awareness of immunological diseases and the urgent needs to combat such diseases nowadays. With persistent effort of our professional research and development team in the past six months, the Group has successfully developed approximately 500 types of new antibodies, increasing its antibody product collection from 4,000 to 4,500. The Group will continue to enrich the intellectual property portfolio, aiming to apply for more patents and trademarks, so as to protect its proprietary technologies and inventions, which is a key to its success.

INTERIM RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited consolidated interim results of the Group for the Reporting Period prepared in accordance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), together with the comparative figures for the corresponding period in 2014 as follows:

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Note</i>	Six months ended 30 June	
		2015	2014
		Unaudited	Audited
		RMB'000	RMB'000
Revenue	5	131,780	119,986
Cost of sales	5, 14	(64,404)	(56,673)
Gross profit		67,376	63,313
Selling and distribution costs	14	(21,071)	(21,414)
Administrative expenses	14	(20,447)	(18,388)
Other income – net		134	238
Other gains – net		59	225
Operating profit		26,051	23,974
Finance income		1,942	1,789
Finance costs		(1,532)	(688)
Finance income – net		410	1,101
Share of profit of an associate		–	1,734
Gain on disposal of an associate		–	26,386
Profit before income tax		26,461	53,195
Income tax expense	15	(5,176)	(10,396)
Profit for the period		21,285	42,799
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
– Currency translation differences		538	717
Total comprehensive income for the period		21,823	43,516
Total profit attributable to:			
The Shareholders		21,283	40,682
Non-controlling interests		2	2,117
		21,285	42,799

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(continued)*

		Six months ended 30 June	
		2015	2014
		Unaudited	Audited
	<i>Note</i>	RMB'000	RMB'000
Total comprehensive income attributable to:			
The Shareholders		21,821	41,020
Non-controlling interests		<u>2</u>	<u>2,496</u>
		<u>21,823</u>	<u>43,516</u>
Earnings per share for profit attributable to the Shareholders			
(expressed in RMB per share)			
– Basic earnings per share			
(expressed in RMB per share)		<u>0.040</u>	<u>0.103</u>
– Diluted earnings per share			
(expressed in RMB per share)	<i>16</i>	<u>0.039</u>	<u>0.103</u>
Dividends	<i>17</i>	<u>–</u>	<u>–</u>

INTERIM CONSOLIDATED BALANCE SHEET

		As at 30 June 2015 Unaudited RMB'000	As at 31 December 2014 Audited RMB'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	6	130,665	116,540
Land use rights	6	30,514	30,849
Intangible assets	6	4,485	2,863
Deferred income tax assets		1,502	2,491
Other non-current assets	8	7,200	14,063
		<u>174,366</u>	<u>166,806</u>
Current assets			
Inventories		47,870	43,469
Trade and bills receivables	7	68,358	54,333
Prepayments, deposits and other receivables	8	18,621	138,469
Cash and cash equivalents		291,881	195,821
		<u>426,730</u>	<u>432,092</u>
Total assets		<u>601,096</u>	<u>598,898</u>
EQUITY			
Share capital	9	4,182	4,142
Share premium	9	449,812	445,429
Other reserves	10	(68,095)	(74,964)
Retained earnings			
– proposed final dividend	17	–	3,311
– others		132,722	116,193
		<u>518,621</u>	<u>494,111</u>
Non-controlling interests		<u>41</u>	<u>39</u>
Total equity		<u>518,662</u>	<u>494,150</u>

INTERIM CONSOLIDATED BALANCE SHEET *(continued)*

		As at 30 June 2015 Unaudited RMB'000	As at 31 December 2014 Audited RMB'000
	<i>Note</i>		
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		5,348	4,217
Deferred income		1,334	1,361
		<u>6,682</u>	<u>5,578</u>
Current liabilities			
Trade payables	12	8,201	5,908
Accruals and other payables	13	65,141	92,887
Income tax payable		2,143	–
Current portion of deferred income		267	375
		<u>75,752</u>	<u>99,170</u>
Total liabilities		<u><u>82,434</u></u>	<u><u>104,748</u></u>
Total equity and liabilities		<u><u>601,096</u></u>	<u><u>598,898</u></u>
Net current assets		<u><u>350,978</u></u>	<u><u>332,922</u></u>
Total assets less current liabilities		<u><u>525,344</u></u>	<u><u>499,728</u></u>

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the Shareholders					Non- controlling interests RMB'000	Total Equity RMB'000
	Share capital RMB'000 (Note 9)	Share premium RMB'000 (Note 9)	Other reserves RMB'000 (Note 10)	Retained earnings RMB'000	Total RMB'000		
Balance at 1 January 2015	4,142	445,429	(74,964)	119,504	494,111	39	494,150
Comprehensive income							
Profit for the period	–	–	–	21,284	21,283	2	21,285
Currency translation differences	–	–	538	–	538	–	538
Total comprehensive income	–	–	538	21,284	21,821	2	21,823
Transactions with the Shareholders							
Share-based payment							
– Value of employee services	–	–	1,577	–	1,577	–	1,577
– Exercise of share options	40	4,383	–	–	4,423	–	4,423
Dividends	–	–	–	(3,311)	(3,311)	–	(3,311)
Appropriation to statutory reserve	–	–	4,754	(4,754)	–	–	–
Total transactions with the Shareholders	40	4,383	6,331	(8,065)	2,689	–	2,689
Balance as at 30 June 2015 (unaudited)	4,182	449,812	(68,095)	132,723	518,621	41	518,662
Balance at 1 January 2014	89,631	191,363	(82,416)	90,254	288,832	12,921	301,753
Comprehensive income							
Profit for the period	–	–	–	40,682	40,682	2,117	42,799
Currency translation differences	–	–	338	–	338	379	717
Total comprehensive income	–	–	338	40,682	41,020	2,496	43,516
Transactions with the Shareholders							
Share-based payment-value of employee services	–	–	4,303	–	4,303	–	4,303
Dividends	–	–	–	–	–	(1,716)	(1,716)
Appropriation to statutory reserve	–	–	4,040	(4,040)	–	–	–
Total transactions with the Shareholders	–	–	8,343	(4,040)	4,303	(1,716)	2,587
Balance as at 30 June 2014 (audited)	89,631	191,363	(73,735)	126,896	334,155	13,701	347,856

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	<i>Note</i>	Six months ended 30 June	
		2015 Unaudited RMB'000	2014 Audited RMB'000
Cash flows from operating activities			
Cash generated from operations		3,528	12,165
Income tax paid		(53)	(5,714)
Net cash generated from operating activities		<u>3,475</u>	<u>6,451</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(20,982)	(4,858)
Purchase of intangible assets		(1,834)	(2,274)
Repayments from Mr. Wang Qisong, Ms. Wang Luoia and Ms. Wang Jin ("the Controlling Party")		–	1,984
Proceeds from disposal of an associate	8	9,441	19,067
Interest received from available-for-sale financial assets		–	1,621
Proceeds from disposal of property, plant and equipment		52	171
Dividends received from an associate		–	7,579
Purchases of available-for-sale financial assets		–	(150,000)
Collection of available-for-sale financial assets		–	110,000
Net cash used in investing activities		<u>(13,323)</u>	<u>(16,710)</u>
Cash flows from financing activities			
Proceeds from issue of shares			
– Proceeds from IPO, net off underwriting commission	8	121,202	–
– Proceeds from issue of shares due to exercise of share option	11	4,423	–
Payments of listing expenses		(16,941)	–
Dividends paid to the Shareholders	17	(3,311)	–
Net cash generated from financing activities		<u>105,373</u>	<u>–</u>
Net increase/(decrease) in cash and cash equivalents			
		95,525	(10,259)
Cash and cash equivalents at beginning of the period		195,821	109,556
Effect of foreign exchange rate changes on cash and cash equivalents		535	613
Cash and cash equivalents at end of the period		<u>291,881</u>	<u>99,910</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

BBI Life Sciences Corporation (the “**Company**”) was incorporated in the Cayman Islands on 10 July 2013 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office was Floor 4, Willow House, Cricket Square, P.O. Box 2804 Grand Cayman KY1-1112, Cayman Islands. In September 2014, the Company’s registered office was changed to Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 30 December 2014.

The Company, an investment holding company, and its subsidiaries (the “**Group**”) are principally engaged in the development, manufacture and sale of various life science products used in scientific research, and the provision of life science related services. The products and services include mainly DNA synthesis products, genetic engineering services, life science research consumables and protein and antibody related products and services.

This condensed consolidated interim financial information is presented in Renminbi (RMB), unless otherwise stated, and were approved for issue by the Board on 21 August 2015.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those described in the annual financial statements of the Group for the year ended 31 December 2014.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New and amended standards adopted by the Group

The following new and amended standards are mandatory for the first time for the financial year beginning 1 January 2015:

HKFRS 2 (Amendment) “Share-based payment” is effective for annual periods beginning on or after 1 July 2014. This amendment clarifies the definition of a ‘vesting condition’ and separately defines ‘performance condition’ and ‘service condition’.

HKFRS 8 (Amendment) “Operating segments” is effective for annual periods beginning on or after 1 July 2014. This standard is amended to require disclosure of the judgements made by management in aggregating operating segments and a reconciliation of segment assets to the entity’s assets when segment assets are reported.

HKAS 24 (Amendment) “Related Party Disclosures” is effective for annual periods beginning on or after 1 July 2014. This standard is amended to address that the reporting entity is not required to disclose the compensation paid by the management entity (as a related party) to the management entity’s employee or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

Amendments and interpretations as mentioned above did not have a material effect on the Group’s operating results, financial position or comprehensive income.

- (b) Standards, amendments and interpretations to existing standards effective in 2015 but not currently relevant to the Group.

		Effective for annual periods beginning on or after
HKAS 16 (Amendment)	Property, plant and equipment	1 July 2014
HKAS 38 (Amendment)	Intangible assets	1 July 2014
HKAS 19 (Amendment)	Defined benefit plans	1 July 2014
HKFRS 13	Fair value measurement	1 July 2014
HKAS 40	Investment property	1 July 2014
HKAS 3 (Amendment)	Business combination	1 July 2014
Annual improvements 2013	Amendments to HKFRS 3 “Business combination”, HKFRS 13 “Fair value measurement” and HKFRS 40 “Investment property”	1 July 2014

- (c) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2015 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKFRS 14	Regulatory deferral accounts	1 January 2016
HKFRS 11	Accounting for acquisitions of interests in joint operation	1 January 2016
HKAS 16 and HKAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer plants	1 January 2016
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
HKAS 27 (Amendment)	Equity method in separate financial statements	1 January 2016
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment entities: Applying the consolidation exception	1 January 2016
HKAS 1 (Amendments)	Disclosure initiative	1 January 2016
HKFRS 5 (Amendment)	Non-current assets held for sale and discontinued operations	1 January 2016
HKFRS 7 (Amendments)	Financial instruments: Disclosures	1 January 2016
HKAS 19 (Amendment)	Employee benefits	1 January 2016
HKAS 34 (Amendment)	Interim financial reporting	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
HKFRS 9	Financial instruments	1 January 2018

3 ESTIMATES

The preparation of the condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

4 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2014.

There have been no material changes in any material risk management policies since 31 December 2014.

5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive Directors. The executive Directors review the Group's internal reports in order to assess performance and allocate resources. Management has determined the operating segments based on the internal reports provided for review by the executive Directors. The executive Directors consider the performance of the Group from a product perspective. The executive Directors assess the performance of the operating segments based on a measure of gross profit for the period which is consistent with that in the condensed consolidated interim financial information.

The Group's operations are mainly organised under the following business segments: DNA synthesis products, genetic engineering services, life science research consumables, and protein and antibody related products and services.

The amounts provided to executive Directors with respect to total assets, total liabilities and capital expenditure are measured in a manner consistent with that of in the condensed consolidated interim financial information. Executive Directors review the total assets, total liabilities and capital expenditure at Group level, therefore no segment information of total assets, total liabilities and capital expenditure information was presented.

(a) Revenue

The Group's revenue which represents turnover for the six months ended 30 June 2015 and 2014 is as follows:

	Six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
DNA synthesis products	53,652	48,649
Genetic engineering services	25,159	22,330
Life science research consumables	37,863	36,647
Protein and antibody related products and services	15,106	12,360
	131,780	119,986

(b) Segment information

The segment information for the six months ended 30 June 2015 is as follows:

	DNA synthesis products <i>RMB'000</i>	Genetic engineering services <i>RMB'000</i>	Life science research consumables <i>RMB'000</i>	Protein and antibody related products and services <i>RMB'000</i>	Total <i>RMB'000</i>
Segment sales	<u>53,652</u>	<u>25,159</u>	<u>37,863</u>	<u>15,106</u>	<u>131,780</u>
Segment cost of sales	<u>(21,909)</u>	<u>(12,768)</u>	<u>(19,843)</u>	<u>(9,884)</u>	<u>(64,404)</u>
Segment gross profit	<u>31,743</u>	<u>12,391</u>	<u>18,020</u>	<u>5,222</u>	<u>67,376</u>

The segment information for the six months ended 30 June 2014 is as follows:

	DNA synthesis products <i>RMB'000</i>	Genetic engineering services <i>RMB'000</i>	Life science research consumables <i>RMB'000</i>	Protein and antibody related products and services <i>RMB'000</i>	Total <i>RMB'000</i>
Segment sales	<u>48,649</u>	<u>22,330</u>	<u>36,647</u>	<u>12,360</u>	<u>119,986</u>
Segment cost of sales	<u>(19,955)</u>	<u>(10,831)</u>	<u>(18,848)</u>	<u>(7,039)</u>	<u>(56,673)</u>
Segment gross profit	<u>28,694</u>	<u>11,499</u>	<u>17,799</u>	<u>5,321</u>	<u>63,313</u>

(c) **Entity-wide information**

Analysis of the Group's sales to external customers in different countries is as follows:

	Six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
PRC	101,160	87,946
Overseas countries	30,620	32,040
	<u>131,780</u>	<u>119,986</u>

The total of non-current assets other than deferred income tax assets located in different countries is as follows:

	As at	As at
	30 June	30 June
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Total non-current assets other than deferred income tax assets		
– PRC	157,397	147,610
– Overseas countries	15,467	16,705
Deferred income tax assets	1,502	2,491
	<u>174,366</u>	<u>166,806</u>

6 PROPERTY, PLANT AND EQUIPMENT, LAND USE RIGHTS AND INTANGIBLE ASSETS

	Property, plant and equipment <i>RMB'000</i>	Land use rights <i>RMB'000</i>	Intangible assets <i>RMB'000</i>
As at 1 January 2015			
Cost	164,278	33,505	3,911
Accumulated depreciation	(47,738)	(2,656)	(1,048)
Net book amount	<u>116,540</u>	<u>30,849</u>	<u>2,863</u>
As at 30 June 2015			
Opening net book amount	116,540	30,849	2,863
Additions	21,262	–	1,834
Disposals	(307)	–	–
Depreciation and amortisation (<i>Note 14</i>)	(5,795)	(335)	(211)
Exchange difference	(1,035)	–	(1)
Closing net book amount	<u>130,665</u>	<u>30,514</u>	<u>4,485</u>
As at 30 June 2015			
Cost	184,007	33,505	5,724
Accumulated depreciation	(53,342)	(2,991)	(1,239)
Net book amount	<u>130,665</u>	<u>30,514</u>	<u>4,485</u>
As at 1 January 2014			
Cost	151,382	33,505	1,199
Accumulated depreciation	(36,693)	(1,985)	(558)
Net book amount	<u>114,689</u>	<u>31,520</u>	<u>641</u>
As at 30 June 2014			
Opening net book amount	114,689	31,520	641
Additions	5,030	–	2,274
Disposals	(202)	–	–
Depreciation and amortisation (<i>Note 14</i>)	(5,154)	(335)	(305)
Exchange difference	119	–	–
Closing net book amount	<u>114,482</u>	<u>31,185</u>	<u>2,610</u>
As at 30 June 2014			
Cost	156,249	33,505	3,473
Accumulated depreciation	(41,767)	(2,320)	(863)
Net book amount	<u>114,482</u>	<u>31,185</u>	<u>2,610</u>

7 TRADE AND BILLS RECEIVABLES

	As at 30 June 2015 <i>RMB'000</i>	As at 31 December 2014 <i>RMB'000</i>
Trade and bills receivables	71,676	56,997
Less: provision for impairment of trade receivables	(3,318)	(2,664)
	<hr/>	<hr/>
Trade and bills receivables – net	68,358	54,333
	<hr/> <hr/>	<hr/> <hr/>

The majority of the Group's sales are on credit with credit terms ranging from 1 month to 6 months. Trade receivables are non-interest bearing.

As at 30 June 2015 and 31 December 2014, the ageing analysis of the trade and bills receivables based on invoice date was as follows:

	As at 30 June 2015 <i>RMB'000</i>	As at 31 December 2014 <i>RMB'000</i>
Within 3 months	42,208	38,331
3 to 6 months	15,652	9,477
6 to 12 months	9,259	7,029
Over 12 months	4,557	2,160
	<hr/>	<hr/>
	71,676	56,997
	<hr/> <hr/>	<hr/> <hr/>

8 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Non-current:		
Receivables for disposal of an associate (<i>Note 1</i>)	6,834	13,685
Others	366	378
	<u>7,200</u>	<u>14,063</u>
Current:		
Prepayments for purchases of raw materials	2,819	2,979
Receivables for disposal of an Associate (<i>Note 1</i>)	7,255	9,441
Prepaid value-added tax, current income tax and other taxes	5,087	3,389
Receivable for IPO proceeds (<i>Note 2</i>)	–	120,733
Others	3,460	1,927
	<u>18,621</u>	<u>138,469</u>

Note 1: In April 2014, the Group disposed its equity interest in Prime Gene, an associate of the Group, to a third party company. According to the payment terms stipulated in the sales and purchase agreement, the buyer committed to pay USD1,534,000 within 1 year from the transaction date, and pay USD1,240,000 at each of the second and third anniversary of the sales transaction date. The Group has received USD1,534,000 during the six months ended 30 June 2015.

As at 30 June 2015, receivables for disposal of an associate amounted to RMB14,089,000 were guaranteed by an affiliate of the acquiring company.

Note 2: All these net IPO proceeds remained at underwriter's bank account as at 31 December 2014 were fully wired to the Company's bank account on 9 January 2015.

9 SHARE CAPITAL AND SHARE PREMIUM

	<i>Note</i>	Number of authorised ordinary shares	Number of issued and fully paid shares	Nominal value of ordinary shares <i>HK\$/NT\$</i>	Equivalent nominal value of ordinary shares <i>RMB'000</i>	Share Premium <i>RMB'000</i>
At 1 January 2015		2,000,000,000	524,663,100	HK\$5,246,631	4,142	445,429
Transaction with the Shareholders for the six months ended 30 June 2015						
Share-based payment – exercise of share option	<i>11</i>	–	5,101,142	HK\$51,011	40	4,383
		<u>2,000,000,000</u>	<u>529,764,242</u>	<u>HK\$5,297,642</u>	<u>4,182</u>	<u>449,812</u>
At 30 June 2015						
Balance at 1 January 2014 and 30 June 2014		43,497,100	43,497,100	NT\$434,971,000	89,631	191,363

10 OTHER RESERVES

	Capital reserve (i) RMB'000	Statutory reserve (ii) RMB'000	Share-based payment reserve RMB'000	Currency translation reserve RMB'000	Others RMB'000	Total RMB'000
At 1 January 2015	(91,004)	8,281	11,909	2,326	(6,476)	(74,964)
Currency translation differences	-	-	-	538	-	538
Share-based payment-value of employee service (Note 11)	-	-	1,577	-	-	1,577
Appropriation to statutory reserve	-	4,754	-	-	-	4,754
At 30 June 2015	<u>(91,004)</u>	<u>13,035</u>	<u>13,486</u>	<u>2,864</u>	<u>(6,476)</u>	<u>(68,095)</u>
At 1 January 2014	(91,004)	4,241	1,401	2,946	-	(82,416)
Currency translation differences	-	-	-	338	-	338
Share-based payment-value of employee service (Note 11)	-	-	4,303	-	-	4,303
Appropriation to statutory reserve	-	4,040	-	-	-	4,040
At 30 June 2014	<u>(91,004)</u>	<u>8,281</u>	<u>5,704</u>	<u>3,284</u>	<u>-</u>	<u>(73,735)</u>

(i) Capital reserve represents the difference between the share capital and premium issued by the Company for acquisition of the subsidiaries pursuant to the reorganisation before its listing and the aggregate capital of the subsidiaries being acquired at the time of the reorganisation.

(ii) In accordance with the PRC regulations and the articles of association of the companies of the Group, before distributing the net profit of each year, companies of the Group registered in the PRC are required to set aside 10% of its statutory net profit for the year after offsetting any prior year's losses as determined under relevant PRC accounting standards to the statutory reserve. When the balance of such reserve reaches 50% of each company's share capital, any further appropriation is optional.

11 SHARE-BASED PAYMENT

Movement in the number of share options outstanding and their related weighted average exercise prices for the six months ended 30 June 2015 was as follows:

	Six months ended 30 June 2015	
	Average exercise price in HK\$	Number of options
At 1 January 2015	1.1	29,272,227
Exercised	1.1	(5,101,142)
At 30 June 2015	<u>1.1</u>	<u>24,171,085</u>

Options exercised during the six months ended 30 June 2015 resulted in 5,101,142 shares being issued (six months ended 30 June 2014: Nil), with exercise proceeds of HK\$5,611,000 (equivalent to RMB4,423,000) (six months ended 30 June 2014: Nil).

Share options outstanding at 30 June 2015 and 31 December 2014 have the following expiry dates and exercise prices:

Expiry date	Exercise price (HK\$ per share)	Number of options	
		As at 30 June 2015	As at 31 December 2014
17 January 2019	1.1	14,429,251	18,970,531
17 January 2020	1.1	9,741,834	10,301,696
		<u>24,171,085</u>	<u>29,272,227</u>

12 TRADE PAYABLES

As at 30 June 2015 and 31 December 2014, the ageing analysis of the trade payables based on invoice date is as follows:

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Within 3 months	8,170	5,599
3 months to 6 months	3	258
6 months to 1 year	10	–
Over 1 year	18	51
	<u>8,201</u>	<u>5,908</u>

13 ACCRUALS AND OTHER PAYABLES

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Payables for purchase of property, plant and equipment	620	340
Salary and staff welfare payables	6,740	6,947
Payables for value-added tax and other taxes	2,149	3,037
Advance from customers	52,913	64,937
Payables for listing expenses	50	16,991
Other payables	2,669	635
	<u>65,141</u>	<u>92,887</u>

14 EXPENSES BY NATURE

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Raw materials used	38,878	35,040
Changes in inventories of finished goods and work in progress	(5,402)	879
Employee benefit expenses	38,264	35,963
Research and development expenses	7,724	5,986
Depreciation and amortisation charges (Note 6)	6,341	5,794
Transportation expenses	3,950	3,349
Office expenses	3,930	2,941
Taxes and surcharges	1,576	695
Repair expenses	1,231	1,494
Utilities	1,224	964
Travel expenses	1,166	910
Professional service fees	779	1,730
Operating leases	659	647
Provision/(reversal of provision) for impairment of trade and bills receivables	654	(1,448)
Auditor's remuneration	500	65
Provision/(reversal of provision) for write-down of inventories	674	(1,250)
Other expenses	3,774	2,716
	<u>105,922</u>	<u>96,475</u>
Total cost of sales, selling and distribution costs and administrative expenses	<u>105,922</u>	<u>96,475</u>

15 INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Current income tax	3,056	10,182
Deferred income tax	2,120	214
	<u>5,176</u>	<u>10,396</u>

(i) Cayman Islands profits tax

The Company is not subject to any taxation of Cayman Islands income tax.

(ii) Hong Kong profits tax

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits.

(iii) PRC corporate income tax

The corporate income tax (“**CIT**”) is calculated based on the statutory profit of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations, after adjustments on certain income and expense items, which are not assessable or deductible for income tax purposes.

Pursuant to the PRC Corporate Income Tax Law (“**the CIT Law**”), the CIT is unified at 25% for all type of entities, effective from 1 January 2008. Sangon Biotech had enjoyed a preferential CIT rate of 15% during a 3 years period from 2013 to 2015, as it was certified as High and New Technology Enterprises (“**HNTE**”).

(iv) PRC withholding income tax

Pursuant to the CIT Law, a 10% withholding tax will be levied on the dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007.

(v) Canada profits tax

Canada profits tax has been provided for at the rate of 26.50% on the estimated assessable profits for the six months ended 30 June 2015 (for the six months ended 30 June 2014: 26.25%).

(vi) The United States profits tax

The United States profits tax has been provided for at the rate of 15% on the estimated assessable profits for the six months ended 30 June 2015 (for the six months ended 30 June 2014: 15%).

16 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to the Shareholders by the weighted average numbers of ordinary shares in issue during the period.

	Six months ended 30 June	
	2015	2014
Profit attributable to the Shareholders (<i>RMB'000</i>)	<u>21,284</u>	<u>40,682</u>
Weighted average number of ordinary shares in issue (<i>'000</i>)	<u>525,895</u>	43,497
Capitalisation issue of ordinary share in December 2014 (<i>'000</i>)	<u>-</u>	<u>350,000</u>
Weighted average number of ordinary shares in issue after capitalisation (<i>'000</i>)	<u>525,895</u>	<u>393,497</u>
Basic earnings per share (<i>RMB per share</i>)	<u>0.040</u>	<u>0.103</u>

The calculation of basic earnings per share for the six months ended 30 June 2014 has reflected the capitalisation issue of 350,000,000 ordinary shares in December 2014.

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Company has only one category of dilutive potential ordinary shares, which is the share option plan mentioned in Note 10.

For the share option plan, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares during the period when the options are outstanding) based on the monetary value of the subscription rights attached to outstanding options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the options.

	Six months ended 30 June	
	2015	2014
Profit attributable to the Shareholders (<i>RMB'000</i>)	21,284	40,682
Weighted average number of ordinary shares in issue after capitalisation (<i>'000</i>)	525,895	393,497
Adjustments for share option plan (<i>'000</i>)	16,084	–
Weighted average number of ordinary shares for diluted earnings per share (<i>'000</i>)	541,979	393,497
Diluted earnings per share (<i>RMB per share</i>)	0.039	0.103

For the six months ended 30 June 2015, the Company's share options are regarded as dilutive potential shares and brought into the diluted earnings per share computation. For the six months ended 30 June 2014, although the Company's share options are regarded as dilutive potential shares, the contingency condition (a successful IPO) was not met at 30 June 2014 and no additional shares would be brought into the diluted earnings per share computation.

17 DIVIDENDS

A final dividend in respect of the year ended 31 December 2014 of HK\$0.008 (2013 final dividend: nil) per ordinary share, totalling HK\$4,197,000 (equivalent to RMB3,311,000), was paid in June 2015. The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014 interim dividend: nil).

18 COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at each balance sheet date but not yet incurred is as follows:

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Property, plant and equipment	4,999	10,157

(b) Operating lease commitments

The Group's future aggregate minimum lease payments under these non-cancellable operating leases were as follows:

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
No later than 1 year	824	795
Later than 1 year and no later than 5 years	772	598
	<u>1,596</u>	<u>1,393</u>

19 RELATED-PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, has joint control over the party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control.

Save as disclosed elsewhere in the condensed consolidated interim financial information, the following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the period ended 30 June 2015.

(a) Name and relationship with related parties

(i) Controlling Party

Mr. Wang Qisong, Ms. Wang Luojia, Ms. Wang Jin*

(ii) Associates of the Group

PrimeGene**

* As Mr. Wang Qisong, Ms. Wang Luojia, and Ms. Wang Jin entered into an agreement for acting in concert, they are collectively regarded as the Controlling Party.

** The Group disposed its investment in the associate in April 2014, and since then PrimeGene is no longer a related party of the Group.

(b) The following transactions were carried out with related parties:

(i) Sales of goods and services

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
An associate	—	30

(ii) Purchases of goods and services

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
An associate	—	1,353

(iii) Purchases of property, plant and equipment

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
An associate	—	26

(iv) Treasury transactions with related parties

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Repayment from the Controlling Party	—	1,984

(c) Key management compensation

Key management includes directors (executive and non-executive) and senior management. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Salaries and other employee benefits	1,595	2,929

20 CONTINGENT LIABILITIES

As at 30 June 2015, the Group did not have any significant contingent liabilities.

21 PRINCIPAL SUBSIDIARIES

The Group had direct or indirect interests in the following subsidiaries as at 30 June 2015:

Company name	Country/Place of incorporation/ operation	Paid in capital as of 30 June 2015 ('000)	Effective interests held %	Principal activities
Directly Owned:				
BBI International Limited	Hong Kong	USD5,843	100	Investment holding
BBI Asia Limited	Hong Kong	USD12,973	100	Investment holding
Indirectly Owned:				
Sangon Biotech	PRC	RMB90,000	99.99	Manufacturing and sales of various life science products and provide life science related services
BBI China	PRC	RMB52,420	100	Investment holding and management consulting
Bio Basic (Canada)	Canada	CAD3,000	99.99	Manufacturing and sales of various life science products and provide life science related services
Bio Basic (US)	USA	USD2,000	99.99	Manufacturing and sales of various life science products and provide life science related services

FINANCIAL REVIEW

	Six months ended 30 June		Change
	2015	2014	
	<i>RMB'000</i>	<i>RMB'000</i>	
Revenue	131,780	119,986	9.8%
Gross profit	67,376	63,313	6.4%
Net profit	21,285	42,799	-50.3%
Net profit deducting non-recurring one-off gains	21,285	21,213	0.3%
Profit attributable to the Shareholders	21,283	40,682	-47.7%
Profit attributable to the Shareholders, deducting non-recurring one-off gains	21,283	20,162	5.6%
Earnings per share (RMB)	0.040	0.103	-61.2%

Revenue

During the Reporting Period, the Group recorded revenue of RMB131.78 million, representing an increase of 9.8% from RMB119.99 million for the same period of 2014. This is mainly contributed by the steady growth of the Four Business Segments.

Gross Profit

During the Reporting Period, the Group's gross profit increased by 6.4% to RMB67.38 million from RMB63.31 million for the same period of 2014. Gross profit margin varied from 52.8% for the same period last year to 51.1% this year, maintained at a stable level.

Selling and distribution expenses

The selling and distribution expenses decreased by 1.6% to RMB21.07 million during the Reporting Period from RMB21.41 million for the same period of 2014. It is attributed by implementation of measures to control sales cost.

General and administrative expenses

During the Reporting Period, the general and administrative expenses increased by 2.6% to RMB12.72 million from RMB12.40 million for the same period of 2014, excluding the research and development expenses. This is mainly due to the increase in remuneration resulted from business expansion.

Research and development expenses

During the Reporting Period, the research and development expenses increased by 28.9% to RMB7.72 million from RMB5.99 million for the same period of 2014. This is mainly due to the increase in research and development investment.

Income tax expenses

The income tax expenses decreased from RMB10.4 million for the same period of 2014 to RMB5.18 million for the Reporting Period, mainly because of eliminating tax impact from the non-recurring one-off gain of RMB26.39 million on the disposal of 31% equity interest in Shanghai PrimeGene Bio-Tech Co., Ltd. last year.

Net profit

For the Reporting Period, net profit of the Group decreased by 50.3% from approximately RMB42.80 million for the same period of 2014 to approximately RMB21.29 million. After deducting non-recurring one-off gain for the same period of 2014 (the gain on the disposal of 31% equity interest in Shanghai PrimeGene Bio-Tech Co., Ltd.), the adjusted net profit was approximately RMB21.21 million, representing an increase of 0.3%.

Significant investments held, material acquisitions and disposals

The Group did not have any significant investments held, material acquisitions or disposals of subsidiaries and associated companies during the six months ended 30 June 2015.

Contingent liabilities and guarantees

As at 30 June 2015, the Group did not have any material contingent liabilities or guarantees.

Future plans for material investments or capital assets

Save as disclosed in this announcement, there was no specific plan for material investments or capital assets as at 30 June 2015.

Foreign exchange risk

The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong dollar and United States dollar. Foreign exchange risk arises from foreign currencies held in certain overseas subsidiaries. The Group does not hedge against any fluctuation in foreign currency during the Reporting Period. The management of the Group may consider entering into currency hedging transactions to manage the Group's exposure towards fluctuations in exchange rates in future.

Cash flow and fair value interest rate risk

Other than bank balances with variable interest rate, the Group has no other significant interest-bearing assets. The management of the Group does not anticipate any significant impact to interest-bearing assets resulting from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.

Credit risk

The carrying amounts of cash and cash equivalents, trade bills and other receivables are the Group's maximum exposure to credit risk in relation to its financial assets. The objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problems.

In respect of trade bills and other receivables, individual credit evaluations are performed on all customers and counterparties. These evaluations focus on the counterparty's financial position, past history of making payments and take into account information specific to the counterparty as well as pertaining to the economic environment in which the counterparty operates. Monitoring procedures have been implemented to ensure that follow-up actions will be taken to recover overdue debts. We grant credit limits to certain customers in consideration of their payment history and business performance. Prepayment is usually required for orders placed over credit limits. In addition, the Group reviews the recoverable amount of each individual trade bills and other receivable balance at the end of the year to ensure adequate impairment losses are made for irrecoverable amounts.

Charges on Group assets

As at 30 June 2015, the Group had no charges over assets.

Working capital and financial resources

As at 30 June 2015, the cash and cash equivalents of the Group amounted to RMB291.88 million (as at 31 December 2014: RMB 195.82 million)

Capital expenditure

During the Reporting Period, the expenditure incurred in purchase of intangible assets, mainly computer software was RMB1.83 million, while the expenditure incurred in purchase of property, plant and equipment and construction in process amounted to RMB21.26 million.

PROSPECTS

With abundant opportunities in the market, the Group continues to apply the following strategies in achieving its mission and sustainable growth:

Expand product and service portfolio to enrich offerings to customers. The product development of the Four Business Segments has been successful. Taking a step further, the Group will combine the existing technology and new-built plant to explore market of all kinds of consumable products. According to the PRC law, a company must have business registration certificate of medical equipment and Medical Device Manufacturing Enterprise License issued by government departments, in order to produce and sell medical use consumables. At present, the Group has obtained the business registration certificate of medical equipment and is applying for Medical Device Manufacturing Enterprise License. After obtaining these two licenses, the Group can provide medical institutions with all kinds of medical use consumable products with stable quality and high delivery speed which based on existing sales system and customer relationships. This could potentially become a steady income source to the Group.

Strengthen research & development capabilities. With the ultimate goal of being one of the well-known protein and antibody related products and services providers, the Group aims to develop approximately 2,000 types of antibodies and 500 types of recombinant proteins in the next two years. This would enable us to expand market share further in the sector. Moreover, with 10 patents and 11 trademarks already in hand, the Group is confident to continue strengthening our large portfolio of varied intellectual property, safeguarding our proprietary technologies, inventions and trade secrets, which are significant to the success of our business.

Enhance customer service of the genetic engineering service segment in second or third tier cities. The Group will expand genetic engineering service networks in second or third tier cities in the PRC, where huge market of genetic engineering service are located, through cooperation with third parties or self establishment, to improve the quality and speed of services in those cities and further increase revenue of the Group's genetic engineering service segment.

Expand sales overseas. The Group has plans to create value for the Shareholders through making investments into acquiring interests in companies or projects in Europe in order to further expand sales overseas.

The Board is fully confident about the future development of the Group and believes that we can create greater rewards to the Shareholders when the above strategies can be successfully implemented.

EMPLOYEES

As at 30 June 2015, the Group has a total of 932 employees. The Group has entered into employment contracts covering positions, employment conditions and terms, salary, employee benefits, responsibility for breach of contractual obligations and reason for termination with its employees. The remuneration package of the Group's employees includes basic salary, subsidies and other employees' benefits, which are determined on the reference of the experience and working years of the employees and general situations.

USE OF NET PROCEEDS FROM LISTING

Net proceeds from the listing of the Company (after deducting underwriting fee and relevant expenses) amounted to approximately HK\$219.87 million (equivalent to RMB175.92 million). Such amounts are proposed to be used according to the allocation set out in the prospectus of the Company dated 16 December 2014. Use of net proceeds from listing as at 30 June 2015 is set forth as follows:

Item	Utilised amount as at 30 June 2015 (RMB million)
Plant expense	1.78
SAP and other software expense	1.69
Deep and broad product and service portfolio	
DNA synthesis	6.67
Genetic engineering service	2.73
Life science consumables	0.79
Protein and antibody related products and services	3.67
	<hr/>
Total	<u>17.33</u>

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the six months ended 30 June 2015, no directors of the Company (the “**Directors**”) or any of their close associates had any interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

PUBLIC FLOAT

Base on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient public float of more than 25% of the Company’s issued share capital as required under the Listing Rules as at the date of this announcement.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2015. The Board does not expect any waiver of future dividends by any Shareholder.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS OF THE DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct for securities transactions of the Directors. Specific enquiry has been made to all Directors and each of the Directors has confirmed that he/she has complied with the Model Code during the Reporting Period.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code and the Corporate Governance Report (the “**Corporate Governance Code**”) contained in Appendix 14 to the Listing Rules as its own code of corporate governance.

The Company has been in compliance with the code provisions of the Corporate Governance Code throughout the six months ended 30 June 2015.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”). The Audit Committee currently consists of three members, namely Mr. Xia Lijun (Chairman), Mr. Ho Kenneth Kai Chung and Mr. Liu Jianjun, all of whom are independent non-executive Directors. The primary duties of the Audit Committee are to review and supervise the Company's financial reporting process and internal controls.

The Audit Committee has together with the management and external auditors reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the Group's unaudited consolidated interim results for the six months ended 30 June 2015.

PUBLICATION OF THE UNAUDITED CONSOLIDATED INTERIM RESULTS AND INTERIM REPORT FOR THE REPORTING PERIOD ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This unaudited consolidated interim results announcement for the Reporting Period is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.bbi-lifesciences.com), and the interim report for the Reporting Period containing all the information required by the Listing Rules will be dispatched to the Shareholders and will be published on the respective websites of the Stock Exchange and the Company in due course.

ACKNOWLEDGEMENT

The steady development of the Group has always been trusted and supported by the Shareholders, investors and business partners as well as the loyalty of our staff members. On behalf of the Board, I express my heartfelt gratitude.

By order of the Board
BBI Life Sciences Corporation
Wang Qisong
Chairman

Hong Kong, 21 August 2015

As at the date of this announcement, the executive Directors are Mr. WANG Qisong, Ms. WANG Luojia, and Ms. WANG Jin; the non-executive Director is Mr. HU Xubo; and the independent non-executive Directors are Mr. XIA Lijun, Mr. HO Kenneth Kai Chung, and Mr. LIU Jianjun.