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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 2016

INTERIM RESULTS HIGHLIGHTS

- For the six months ended 30 June 2016, the revenue of the Group was approximately RMB164.21 million, representing an increase of 24.6% as compared with RMB131.78 million for the same period of 2015.
- For the six months ended 30 June 2016, the gross profit increased by 26.4% from RMB67.38 million for the same period of 2015 to RMB85.18 million.
- For the six months ended 30 June 2016, net profit of the Group increased by 34.5% from approximately RMB21.29 million for the same period of 2015 to approximately RMB28.64 million.
- For the six months ended 30 June 2016, profit attributable to equity holders of the Company increased by 35.0% from approximately RMB21.28 million for the same period of 2015 to approximately RMB28.73 million.

POSITIONING OF THE COMPANY

BBI Life Sciences Corporation (the “**Company**”), a well-recognized supplier of life sciences 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 Company and its subsidiaries (collectively, the “**Group**”) mainly engage 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 2016 (the “**Reporting Period**”), the Group’s overall revenue increased by 24.6% to RMB164.21 million (the same period in 2015: RMB131.78 million). Gross profit was RMB85.18 million, representing an increase of 26.4% from RMB67.38 million for the same period in 2015. Gross profit margin maintained at a stable level of 51.9%. The profit attributable to equity holders of the Company was approximately RMB28.73 million, increased by 35.0% as compared with RMB21.28 million for the same period in 2015.

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 39.7%, 20.6%, 28.7% and 11.0% respectively of the total revenue of the Group.

Results Analysis of the Four Business Segments

1. *DNA Synthesis Products*

During the Reporting Period, revenue of DNA synthesis products segment increased by 21.6% to RMB65.22 million (the same period in 2015: RMB53.65 million). Gross profit margin increased slightly to 60.8% this year from 59.2% in the same period last year. To maintain its leading position in the industry, the Group has continuously upgraded its technology, improved the modularity, automation and scale of its processing, accelerated reactions to orders placed and reduced the lead time. Leveraging on the above strategies, we recorded much higher revenue in this segment over the same period last year and maintained relatively high gross profit margin.

During the Reporting Period, we proceeded with the construction of our industrial product line of DNA related products which is expected to commence operation gradually in 2017 and will facilitate the expansion of our product and service portfolio.

2. *Genetic Engineering Services*

During the Reporting Period, revenue of genetic engineering services segment increased by 34.2% to RMB33.77 million (the same period in 2015: RMB25.16 million). Gross profit margin was 46.7% this year as compared to 49.3% in the same period last year. Revenue of this segment grew remarkably from the same period last year as the Group has established sequencing service sites in the second- or third-tier cities in the PRC and implemented favorable pricing policies to gain market shares since the second half of 2015, which in turn boosted more orders from those cities. Gross profit margin of the segment decreased slightly year-on-year in the short run due to new pricing policies.

3. *Life Sciences Research Consumables*

During the Reporting Period, revenue of life sciences research consumables segment was RMB47.15 million, representing an increase of 24.5% over RMB37.86 million of the same period in 2015. Gross profit margin increased to 48.9% this year from 47.6% in the same period last year. During the Reporting Period, revenue and gross profit margin of the segment increased moderately year-on-year as we upgraded our automated production, separated loading procedure and logistic integration by facility upgrades, which improved our lead time and accuracy of delivery.

4. *Protein and Antibody Related Products and Services*

During the Reporting Period, revenue of protein and antibody related products and services segment increased by 19.6% to RMB18.07 million (the same period in 2015: RMB15.11 million). Gross profit margin was 37.4% this year as compared to 34.6% in the same period last year. The Group continued adjusting its product and service portfolio and arranged more professional technical supporting staff in line with features of the segment so as to improve customer experience.

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 2015 as follows:

INTERIM CONSOLIDATED BALANCE SHEET

For the six months ended 30 June 2016

	<i>Note</i>	As at 30 June 2016 Unaudited RMB'000	As at 31 December 2015 Audited RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	184,060	155,924
Land use rights	6	29,844	30,178
Intangible assets	6	7,539	8,265
Deferred income tax assets		2,617	3,402
Investment in an associate	9	11,160	–
Other non-current assets	8	<u>280</u>	<u>7,342</u>
		<u>235,500</u>	<u>205,111</u>
Current assets			
Inventories		51,393	49,205
Trade and bills receivables	7	77,475	59,931
Prepayments, deposits and other receivables	8	24,751	19,930
Cash and cash equivalents		<u>334,243</u>	<u>349,892</u>
		<u>487,862</u>	<u>478,958</u>
Total assets		<u><u>723,362</u></u>	<u><u>684,069</u></u>
EQUITY			
Share capital	10	4,297	4,239
Share premium	10	462,347	456,013
Other reserves	11	(47,634)	(58,525)
Retained earnings		175,883	158,841
		<u>594,893</u>	<u>560,568</u>
Non-controlling interests		<u>2,327</u>	<u>22</u>
Total equity		<u><u>597,220</u></u>	<u><u>560,590</u></u>

INTERIM CONSOLIDATED BALANCE SHEET (continued)*For the six months ended 30 June 2016*

	<i>Note</i>	As at 30 June 2016 Unaudited RMB'000	As at 31 December 2015 Audited RMB'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		4,633	4,694
Deferred income		853	1,201
		5,486	5,895
Current liabilities			
Trade payables	13	9,118	7,253
Accruals and other payables	14	102,509	105,428
Income tax payable		3,311	4,386
Dividend payable	18	5,112	–
Current portion of deferred income		606	517
		120,656	117,584
Total liabilities		126,142	123,479
Total equity and liabilities		723,362	684,069

The notes on page 10 to 27 are an integral part of this condensed consolidated interim financial information.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2016

	<i>Note</i>	Six months ended 30 June	
		2016	2015
		Unaudited	Unaudited
		RMB'000	RMB'000
Revenue	5	164,207	131,780
Cost of sales	5, 15	<u>(79,022)</u>	<u>(64,404)</u>
Gross profit		85,185	67,376
Selling and distribution costs	15	(30,521)	(21,071)
Administrative expenses	15	(22,501)	(20,447)
Other income – net		259	134
Other gains – net		<u>1,875</u>	<u>59</u>
Operating profit		34,297	26,051
Finance income		3,350	1,942
Finance costs		<u>(286)</u>	<u>(1,532)</u>
Finance income – net		3,064	410
Share of loss of an associate		<u>(340)</u>	<u>–</u>
Profit before income tax		37,021	26,461
Income tax expenses	16	<u>(8,383)</u>	<u>(5,176)</u>
Profit for the period		28,638	21,285
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
– Currency translation differences		<u>3,809</u>	<u>538</u>
Total comprehensive income for the period		<u>32,447</u>	<u>21,823</u>

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(continued)**For the six months ended 30 June 2016*

		Six months ended 30 June	
		2016	2015
	<i>Note</i>	Unaudited	Unaudited
		RMB'000	RMB'000
Total profit attributable to:			
Equity holders of the Company		28,733	21,283
Non-controlling interests		(95)	<u>2</u>
Total comprehensive income attributable to:			
Equity holders of the Company		32,542	21,821
Non-controlling interests		(95)	<u>2</u>
		<u>32,447</u>	<u>21,823</u>
Earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share)			
– Basic earnings per share (expressed in RMB per share)		<u>0.053</u>	<u>0.040</u>
– Diluted earnings per share (expressed in RMB per share)	<i>17</i>	<u>0.053</u>	<u>0.039</u>

The notes on page 10 to 27 are an integral part of this condensed consolidated interim financial information.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016

	Unaudited Attributable to equity holders of the Company						
	Share capital RMB'000 (Note 10)	Share premium RMB'000 (Note 10)	Other reserves RMB'000 (Note 11)	Retained earnings RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2016	4,239	456,013	(58,525)	158,841	560,568	22	560,590
Comprehensive income							
Profit/(loss) for the period	-	-	-	28,733	28,733	(95)	28,638
Currency translation differences	-	-	3,809	-	3,809	-	3,809
Total comprehensive income	-	-	3,809	28,733	32,542	(95)	32,447
Transactions with owners							
Share-based payment							
- Value of employee services	-	-	503	-	503	-	503
- Exercise of share options	58	6,334	-	-	6,392	-	6,392
Dividends	-	-	-	(5,112)	(5,112)	-	(5,112)
Appropriation to statutory reserve	-	-	6,579	(6,579)	-	-	-
Capital injection by non-controlling interests	-	-	-	-	-	2,400	2,400
Total transactions with owners	58	6,334	7,082	(11,691)	1,783	2,400	4,183
Balance as at 30 June 2016 (unaudited)	<u>4,297</u>	<u>462,347</u>	<u>(47,634)</u>	<u>175,883</u>	<u>594,893</u>	<u>2,327</u>	<u>597,220</u>
Balance at 1 January 2015	4,142	445,429	(74,964)	119,504	494,111	39	494,150
Comprehensive income							
Profit for the period	-	-	-	21,283	21,283	2	21,285
Currency translation differences	-	-	538	-	538	-	538
Total comprehensive income	-	-	538	21,283	21,821	2	21,823
Transactions with owners							
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 owners	40	4,383	6,331	(8,065)	2,689	-	2,689
Balance as at 30 June 2015 (unaudited)	<u>4,182</u>	<u>449,812</u>	<u>(68,095)</u>	<u>132,722</u>	<u>518,621</u>	<u>41</u>	<u>518,662</u>

The notes on page 10 to 27 are an integral part of this condensed consolidated interim financial information.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2016

	Note	Six months ended 30 June	
		2016 Unaudited RMB'000	2015 Unaudited RMB'000
Cash flows from operating activities			
Cash generated from operations		16,564	2,325
Income tax paid		(8,718)	(53)
Net cash generated from operating activities		<u>7,846</u>	<u>2,272</u>
Cash flows from investing activities			
Investment of an associate	9	(11,500)	–
Purchase of property, plant and equipment		(33,751)	(20,982)
Purchase of intangible assets		(18)	(1,834)
Proceeds from disposal of an associate	8	7,627	9,441
Interest received from available-for-sale financial assets		2,454	1,203
Proceeds from disposal of property, plant and equipment		–	52
Purchases of available-for-sale financial assets		(160,000)	(160,000)
Disposal of available-for-sale financial assets		<u>160,000</u>	<u>160,000</u>
Net cash used in investing activities		<u>(35,188)</u>	<u>(12,120)</u>
Cash flows from financing activities			
Proceeds from issue of shares			
– Proceeds from IPO, net off underwriting commission		–	121,202
– Proceeds from issue of shares due to exercise of share option	12	6,392	4,423
Payments of listing expenses		–	(16,941)
Dividends paid to equity holders of the Company	18	–	(3,311)
Capital injection by a non-controlling shareholder		<u>2,400</u>	<u>–</u>
Net cash generated from financing activities		<u>8,792</u>	<u>105,373</u>
Net (decrease)/increase in cash and cash equivalents		(18,550)	95,525
Cash and cash equivalents at beginning of the period		349,892	195,821
Effect of foreign exchange rate changes on cash and cash equivalents		<u>2,901</u>	<u>535</u>
Cash and cash equivalents at end of the period		<u>334,243</u>	<u>291,881</u>

The notes on page 10 to 27 are an integral part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2016

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 30 August 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2015, as described in those annual financial statements.

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

HKFRS 7 (Amendments) “Financial instruments: Disclosures condensed interim financial statements” is effective for annual periods beginning on or after 1 January 2016. This amendment clarifies that the additional disclosure required by the amendments to HKFRS 7, ‘Disclosure – Offsetting financial assets and financial liabilities’ is not specifically required for all interim periods, unless required by HKAS 34.

HKAS 19 (Amendments) “Employee benefits” is effective for annual periods beginning on or after 1 January 2016. This amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used.

HKAS 34 (Amendments) “Interim financial reporting” is effective for annual periods beginning on or after 1 January 2016. This amendment clarifies what is meant by the reference in the standard to ‘information disclosed elsewhere in the interim financial report’. It also amends HKAS 34 to require a cross-reference from the interim financial statements to the location of that information. The amendment is retrospective.

Amendments and interpretations as mentioned above are not expected to 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 2016 but not relevant to the Group

		Effective for annual periods beginning on or after
HKAS 1 (Amendment)	Disclosure initiative	1 January 2016
HKAS 16 (Amendment)	Property, plant and equipment	1 January 2016
HKAS 27 (Amendment)	Separate financial statements	1 January 2016
HKAS 38 (Amendment)	Intangible assets	1 January 2016
HKAS 41 (Amendment)	Agriculture	1 January 2016
HKFRS 5 (Amendment)	Non-current assets held for sale and discontinued operations	1 January 2016
HKFRS 7 (Amendment)	Financial instruments: Disclosures – Application of the disclosure requirements to a servicing contract	1 January 2016
HKFRS 11 (Amendment)	Joint arrangements	1 January 2016
HKFRS 12 (Amendment)	Disclosure of interests in other entities	1 January 2016
HKFRS 14	Regulatory deferral accounts	1 January 2016

(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 2016 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 10 (Amendment)	Consolidated financial statements	To be determined
HKAS 28 (Amendment)	Investment in associates	To be determined

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 2015.

During the six months ended 30 June 2016, the Group conducted a thorough review of the collection status of the accounts receivable based on historical data. As a result of the review, the Group changed the estimation of the provision for impairment of trade and other receivables and reversed the provision balance of RMB2,898,000 as of 30 June 2016.

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 2015.

There have been no material changes in any material risk management policies since 31 December 2015.

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 2016 and 2015 is as follows:

	Six months ended 30 June	
	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
DNA synthesis products	65,218	53,652
Genetic engineering services	33,770	25,159
Life science research consumables	47,153	37,863
Protein and antibody related products and services	18,066	15,106
	<u>164,207</u>	<u>131,780</u>

(b) Segment information

The segment information for the six months ended 30 June 2016 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>65,218</u>	<u>33,770</u>	<u>47,153</u>	<u>18,066</u>	<u>164,207</u>
Segment cost of sales	<u>(25,598)</u>	<u>(18,012)</u>	<u>(24,093)</u>	<u>(11,319)</u>	<u>(79,022)</u>
Segment gross profit	<u>39,620</u>	<u>15,758</u>	<u>23,060</u>	<u>6,747</u>	<u>85,185</u>

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>

(c) **Entity-wide information**

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

	Six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
PRC	126,950	101,160
Overseas countries	37,257	30,620
	<u>164,207</u>	<u>131,780</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	31 December
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Total non-current assets other than deferred income tax assets		
– PRC	213,164	183,033
– Overseas countries	19,719	18,676
Deferred income tax assets	2,617	3,402
	<u>235,500</u>	<u>205,111</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 2016			
Cost	217,348	33,505	9,938
Accumulated depreciation	<u>(61,424)</u>	<u>(3,327)</u>	<u>(1,673)</u>
Net book amount	<u>155,924</u>	<u>30,178</u>	<u>8,265</u>
As at 30 June 2016			
Opening net book amount	155,924	30,178	8,265
Additions	34,432	–	18
Disposals	(23)	–	–
Depreciation and amortisation (<i>Note 15</i>)	(7,570)	(334)	(411)
Exchange difference	<u>1,297</u>	<u>–</u>	<u>(333)</u>
Closing net book amount	<u>184,060</u>	<u>29,844</u>	<u>7,539</u>
As at 30 June 2016			
Cost	253,164	33,505	9,586
Accumulated depreciation	<u>(69,104)</u>	<u>(3,661)</u>	<u>(2,047)</u>
Net book amount	<u>184,060</u>	<u>29,844</u>	<u>7,539</u>
As at 1 January 2015			
Cost	164,278	33,505	3,911
Accumulated depreciation	<u>(47,738)</u>	<u>(2,656)</u>	<u>(1,048)</u>
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 15</i>)	(5,795)	(335)	(211)
Exchange difference	<u>(1,035)</u>	<u>–</u>	<u>(1)</u>
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	<u>(53,342)</u>	<u>(2,991)</u>	<u>(1,239)</u>
Net book amount	<u>130,665</u>	<u>30,514</u>	<u>4,485</u>

7 TRADE AND BILLS RECEIVABLES

	As at 30 June 2016 <i>RMB'000</i>	As at 31 December 2015 <i>RMB'000</i>
Trade and bills receivables	80,469	65,569
Less: provision for impairment of trade receivables	<u>(2,994)</u>	<u>(5,638)</u>
Trade and bills receivables – net	<u>77,475</u>	<u>59,931</u>

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 2016 and 31 December 2015, the ageing analysis of the trade and bills receivables based on invoice date was as follows:

	As at 30 June 2016 <i>RMB'000</i>	As at 31 December 2015 <i>RMB'000</i>
Within 3 months	50,163	38,983
3 to 6 months	14,298	10,976
6 to 12 months	9,043	9,145
Over 12 months	<u>6,965</u>	<u>6,465</u>
	<u>80,469</u>	<u>65,569</u>

8 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2016 RMB'000	As at 31 December 2015 RMB'000
Non-current:		
Receivables for disposal of an associate (<i>Note 1</i>)	–	7,030
Others	<u>280</u>	<u>312</u>
	<u>280</u>	<u>7,342</u>
Current:		
Prepayments for purchases of raw materials	5,866	2,566
Receivables for disposal of an Associate (<i>Note 1</i>)	7,213	7,463
Prepaid value-added tax, current income tax and other taxes	6,088	5,646
Others	<u>5,584</u>	<u>4,255</u>
	<u>24,751</u>	<u>19,930</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 RMB9,441,000 within 1 year from the transaction date, and pay RMB7,627,000 at each of the second and third anniversary of the sales transaction date. The Group has received RMB7,627,000 during the six months ended 30 June 2016.

As at 30 June 2016, receivables for disposal of an associate amounted to RMB7,213,000 were guaranteed by an affiliate of the acquiring company.

9 INVESTMENT IN AN ASSOCIATE

	Six months ended 30 June 2016 RMB'000
At 1 January 2016	–
Addition	11,500
Share of losses of an associate	<u>(340)</u>
At 30 June 2016	<u>11,160</u>

On 23 March 2016, Sangon Biotech (Shanghai) Co., Ltd. (“**Sangon Biotech**”), the wholly subsidiary of the Company, entered into certain agreements (“**the Agreements**”) with Shanghai YouLong Biotech Co., Ltd. (“**YouLong Biotech**”) and its shareholders. Pursuant to the Agreements, Sangon Biotech acquired 34% equity interest in YouLong Biotech with a cash consideration of RMB11,500,000.

10 SHARE CAPITAL AND SHARE PREMIUM

	Note	Number of authorised ordinary shares	Number of issued and fully paid shares	Nominal value of ordinary shares HK\$/NT\$	Equivalent nominal value of ordinary shares RMB'000	Share Premium RMB'000
At 1 January 2016		2,000,000,000	536,874,480	HK\$5,368,745	4,239	456,013
Transaction with owners for the six months ended 30 June 2016						
Share-based payment – exercise of share option	12	–	6,912,855	HK\$69,129	58	6,334
At 30 June 2016		<u>2,000,000,000</u>	<u>543,787,335</u>	<u>HK\$5,437,874</u>	<u>4,297</u>	<u>462,347</u>
Balance at 30 June 2015		<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>

11 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 2016	(91,004)	15,977	14,166	8,791	(6,455)	(58,525)
Currency translation differences	–	–	–	3,809	–	3,809
Share-based payment-value of employee service	–	–	503	–	–	503
Appropriation to statutory reserve	–	6,579	–	–	–	6,579
At 30 June 2016	<u>(91,004)</u>	<u>22,556</u>	<u>14,669</u>	<u>12,600</u>	<u>(6,455)</u>	<u>(47,634)</u>
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	–	–	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>

- (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.

12 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 2016 was as follows:

	Six months ended 30 June 2016	
	Average exercise price in HK\$	Number of options
At 1 January 2016	1.1	16,880,343
Forfeited	1.1	(136,316)
Exercised	1.1	(6,912,855)
	<u>1.1</u>	<u>(6,912,855)</u>
At 30 June 2016	<u>1.1</u>	<u>9,831,172</u>

Options exercised during the six months ended 30 June 2016 resulted in 6,912,855 shares being issued (six months ended 30 June 2015: 5,101,142), with exercise proceeds of HK\$7,604,000 (equivalent to RMB6,392,000) (six months ended 30 June 2015: HK\$5,611,000, equivalent to RMB4,423,000).

Share options outstanding at 30 June 2016 and 31 December 2015 have the following expiry dates and exercise prices:

Expiry date	Exercise price (HK\$ per share)	Number of options	
		As at 30 June 2016	As at 31 December 2015
17 January 2019	1.1	1,170,122	7,779,027
17 January 2020	1.1	8,661,050	9,101,316
		<u>9,831,172</u>	<u>16,880,343</u>

13 TRADE PAYABLES

As at 30 June 2016 and 31 December 2015, the ageing analysis of the trade payables based on invoice date is as follows:

	As at 30 June 2016 <i>RMB'000</i>	As at 31 December 2015 <i>RMB'000</i>
Within 3 months	8,532	6,855
3 months to 6 months	185	368
6 months to 1 year	383	30
Over 1 year	18	—
	<u>9,118</u>	<u>7,253</u>

14 ACCRUALS AND OTHER PAYABLES

	As at 30 June 2016 <i>RMB'000</i>	As at 31 December 2015 <i>RMB'000</i>
Payables for purchase of property, plant and equipment	1,368	687
Salary and staff welfare payables	8,680	8,611
Payables for value-added tax and other taxes	2,901	1,930
Advance from customers	84,245	87,916
Payables for listing expenses	50	50
Payables for professional fees	1,617	2,283
Other payables	3,648	3,951
	<u>102,509</u>	<u>105,428</u>

15 EXPENSES BY NATURE

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
Raw materials used	51,113	38,878
Changes in inventories of finished goods and work in progress	(1,970)	(5,402)
Employee benefit expenses	40,012	38,264
Research and development expenses	8,965	7,724
Depreciation and amortisation charges (Note 6)	8,315	6,341
Transportation expenses	4,880	3,950
Office expenses	7,409	3,930
Taxes and surcharges	1,774	1,576
Repair expenses	1,293	1,231
Utilities	1,680	1,224
Travel expenses	3,744	1,166
Professional service fees	808	779
Operating leases	1,268	659
(Reversal of provision)/Provision for impairment of trade and bills receivables	(2,644)	654
Auditor's remuneration	1,022	500
Provision for write-down of inventories	113	674
Other expenses	4,262	3,774
	<hr/>	<hr/>
Total cost of sales, selling and distribution costs and administrative expenses	132,044	105,922

16 INCOME TAX EXPENSES

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
Current income tax	7,699	3,056
Deferred income tax	684	2,120
	<hr/>	<hr/>
	8,383	5,176

(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”). Sangon Biotech is applying for the renewal of the HNTE qualification in 2016. since there is uncertainty of Sangon Biotech being able to successfully renew the HNTE qualification, the management applied the statutory CIT rate of 25% in calculation of the income tax for the six months ended 30 June 2016.

(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 2016 (for the six months ended 30 June 2015: 26.50%).

(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 2016 (for the six months ended 30 June 2015: 15%).

(vii) The United Kingdom profits tax

The United Kingdom profits tax has been provided for at the rate of 20% on the estimated assessable profits for the six months ended 30 June 2016.

17 EARNINGS PER SHARE

(a) Basic

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

	Six months ended 30 June	
	2016	2015
Profit attributable to equity holders of the Company (RMB'000)	<u>28,733</u>	<u>21,284</u>
Weighted average number of ordinary shares in issue ('000)	<u>543,787</u>	<u>525,895</u>
Basic earnings per share (RMB per share)	<u>0.053</u>	<u>0.040</u>

(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 12.

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	
	2016	2015
Profit attributable to equity holders of the Company (RMB'000)	<u>28,733</u>	<u>21,284</u>
Weighted average number of ordinary shares in issue after capitalisation ('000)	<u>543,787</u>	<u>525,895</u>
Adjustments for share option plan ('000)	<u>232</u>	<u>16,084</u>
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>544,019</u>	<u>541,979</u>
Diluted earnings per share (RMB per share)	<u>0.053</u>	<u>0.039</u>

18 DIVIDENDS

A final dividend in respect of the year ended 31 December 2015 of HK\$0.011 per ordinary share, totalling HK\$5,982,000 (equivalent to RMB5,112,000), has been resolved to declare at the annual general meeting on 17 June 2016 and has been paid to shareholders whose names appeared on the register of shareholders at 23 June 2016. The final dividend has been recognised as a liability in this interim financial information.

The Board does not declare an interim dividend for the six months ended 30 June 2016 (2015 interim dividend: nil).

19 COMMITMENTS

(a) Capital commitments

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

	As at 30 June 2016 RMB'000	As at 31 December 2015 RMB'000
Property, plant and equipment	<u>6,955</u>	<u>8,934</u>

(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 2016 RMB'000	As at 31 December 2015 RMB'000
No later than 1 year	1,065	1,050
Later than 1 year and no later than 5 years	<u>497</u>	<u>721</u>
	<u>1,562</u>	<u>1,771</u>

20 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 2016.

(a) Name and relationship with related parties

(i) Controlling Party

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

* As Mr. Wang Qisong, Ms. Wang Luoia, and Ms. Wang Jin entered into an agreement for acting in concert, they are collectively regarded as the Controlling Party with a controlling shareholding of 59.51% of the Company through LJ Hope Ltd., LJ Peace Ltd., and LJ Venture Ltd.,.

(ii) Associates of the Group

YouLong Biotech

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

(i) Sales of goods and services

	Six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
An associate	<u>39</u>	<u>—</u>

(ii) Purchases of goods and services

	Six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
An associate	<u>92</u>	<u>—</u>

(c) **Balances with related parties**

	As at 30 June 2016 RMB'000	As at 31 December 2015 RMB'000
Trade receivables due from an associate	<u>39</u>	<u>–</u>
Trade payables due to an associate	<u>33</u>	<u>–</u>

(d) **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 2016 RMB'000	2015 RMB'000
Salaries and other employee benefits	<u>1,582</u>	<u>1,595</u>

21 CONTINGENT LIABILITIES

As at 30 June 2016, the Group did not have any significant contingent liabilities.

22 PRINCIPAL SUBSIDIARIES

The Group had direct or indirect interests in the following subsidiaries as at 30 June 2016:

Company name	Country/Place of incorporation/ operation	Paid in capital as of 30 June 2016 ('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	RMB180,000	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	CAD 3,000	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
Sangon Peptide Biotech (Ningbo) Co., Ltd	PRC	RMB8,000	64.97	Manufacturing and sales of various life science products and provide life science related services
NBL(UK)	UK	GBP100	100	Sales of various life science products and life sciences related services

FINANCIAL REVIEW

	Six months ended 30 June		Change
	2016	2015	
	<i>RMB'000</i>	<i>RMB'000</i>	
Revenue	164,207	131,780	24.6%
Gross profit	85,185	67,376	26.4%
Net profit	28,638	21,285	34.5%
Profit attributable to the equity holders of the Company	28,733	21,283	35.0%
Earnings per share (<i>RMB</i>)	0.053	0.040	32.5%

Revenue

During the Reporting Period, the Group recorded revenue of RMB164.21 million, representing an increase of 24.6% from RMB131.78 million for the same period of 2015. It is contributed by the steady growth of the Four Business Segments.

Gross Profit

During the Reporting Period, the Group's gross profit increased by 26.4% to RMB85.18 million from RMB67.38 million for the same period of 2015. Gross profit margin varied from 51.1% for the same period last year to 51.9% this year, maintained at a stable level.

Selling and distribution expenses

The selling and distribution expenses increased by 44.9% to RMB30.52 million during the Reporting Period from RMB21.07 million for the same period of 2015. It is attributed by changing the policy of sales commission.

General and administrative expenses

During the Reporting Period, the general and administrative expenses increased by 6.4% to RMB13.54 million from RMB12.72 million for the same period of 2015, excluding the research and development expenses. This is mainly due to the increase in employees' salaries.

Research and development expenses

During the Reporting Period, the research and development expenses increased by 16.1% to RMB8.96 million from RMB7.72 million for the same period of 2015, as the Company accelerated the upgrade of its technology.

Income tax expenses

The income tax expenses increased from RMB5.18 million for the same period of 2015 to RMB8.38 million for the Reporting Period, mainly because the income tax rate of one of our subsidiaries, Sangon Biotech, was temporarily adjusted to 25% from 15% before the review procedure of High-Tech Enterprise qualification approved by the PRC authority.

Net profit

For the Reporting Period, net profit of the Group increased by 34.5% from approximately RMB21.29 million for the same period of 2015 to approximately RMB28.64 million.

Significant investments held, material acquisitions and disposals

During the six months ended 30 June 2016, the Group invested in YouLong Biotech by way of capital increase. The amount of capital increase is RMB11.5 million, which means the Group holds approximately 34% of the total registered capital of YouLong Biotech. In addition, the Group and NingBo BaiRuiDa Medical Technology Co., Ltd established a joint funded company which named Sangon Peptide Biotech Ningbo Co., Ltd (a subsidiary of the Group, of which the Group holds 65% of the shares) with the total registered capital of RMB10.0 million in Ningbo, the PRC, in January 2016.

Contingent liabilities and guarantees

As at 30 June 2016, the Group did not have any material contingent liabilities or guarantees.

Future plans for significant investment or capital assets

Save as disclosed in this announcement, there was no specific plan for material investments or capital assets as at 30 June 2016.

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 did 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 on 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, take them into account information specific to the counterparty and pertain 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 2016, the Group had no charges over assets.

Working capital and financial resources

As at 30 June 2016, the cash and cash equivalents of the Group amounted to RMB334.24 million (as at 31 December 2015: RMB349.89 million).

Capital expenditure

During the Reporting Period, the expenditure incurred in the purchase of intangible assets, mainly computer software, was RMB0.02 million, while the expenditure incurred in the purchase of property, plant and equipment and of construction in process amounted to RMB33.75 million.

PROSPECTS

Looking forward into the second half of 2016, the global economy remains unclear with the increase of uncertainties. However, life sciences research has low correlation to the trend of real economy and can develop steadily even in economic downturns based on our experience.

The Group expects to provide our customers with polypeptide related products and services through its newly-established associated company in Ningbo, the PRC which is mainly engaged in polypeptide products, aiming to complete and expand the portfolio of our protein and antibody related products and services segment.

Given that the acquisition of NBS Biologicals Ltd was effective during the course of our expansion into the European market in 2015, we will continue carrying out this strategy by establishing new business entity in areas such as Singapore, with the purpose of enlarging our market share in those regions.

Meanwhile, we will further increase our input in our research and development and improve our technology level of products and services portfolio in accordance with the most advanced technology in the life science research industry so as to meet the changing needs of our customers.

The Board is confident to the future development of our Group as long as the above strategies can be carried out. We believe that the hard-working of our management and all the employees will create greater investment returns to our shareholders (the “Shareholders”).

EMPLOYEES

As at 30 June 2016, the Group has a total of 1,010 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 with reference to 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 amount was 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 2016 is set forth as follows:.

Item	Utilised amount as at 30 June 2016 (RMB million)
Plant expense	23.89
SAP and other software expense	4.26
Deep and broad product and service portfolio	45.65
DNA synthesis	20.12
Genetic engineering service	10.51
Life science consumables	6.21
Protein and antibody related products and services	<u>8.81</u>
Total	<u><u>73.80</u></u>

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the six months ended 30 June 2016, 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

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company 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 did not declare any interim dividend for the six months ended 30 June 2016. 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 CONDUCTED BY 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 2016.

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 2016.

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, 30 August 2016

As at the date of this announcement, the executive Directors are Mr. WANG Qisong, Ms. WANG Luo-jia 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.