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Biostime International Holdings Limited

合生元國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1112)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

The Board wishes to inform Shareholders and potential investors that, based on the information currently available to the Group's management, it is expected that the revenue and profit of the Group for the six months ended 30 June 2015 will decrease by approximate 11% and 36% respectively, as compared with the corresponding period in 2014.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the board (the "Board") of directors of Biostime International Holdings Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that, based on the information currently available to the Group's management, it is expected that the revenue and profit of the Group for the six months ended 30 June 2015 will decrease by approximate 11% and 36% respectively, as compared with the corresponding period in 2014.

The Group planned to launch upgraded infant formulas series – SN-2 PLUS Balanced Formula at the end of June 2015. In order to coordinate the launch of upgraded infant formula series, the Group carried out active promotional price discounting activities for the previous infant formulas series in the first half of 2015. Based on the information currently available to the Board, the Board believes that the decrease in revenue and profit of the Group is primarily due to these exceptional active promotional price discounting activities, which led to a decrease in gross profit margin. Without the effect of this exceptional promotional activity, the key financial performances of the Group remain within normal range.

The Company is in the process of finalizing the Group's interim results for the six months ended 30 June 2015.

The information contained in this announcement is based on a preliminary assessment of the information currently available to the Board, including the unaudited consolidated management accounts of the Group for the six months ended 30 June 2015, which as at the date of this announcement are yet to be reviewed or audited by the Company's auditors. Shareholders and potential investors are advised to refer to the details of the Group's interim results announcement for the six months ended 30 June 2015, which is expected to be released before the end of August 2015 in accordance with the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Biostime International Holdings Limited
Luo Fei
Chairman

Hong Kong, 23 July 2015

As at the date of this announcement, the executive Directors of the Company are Mr. Luo Fei and Ms. Kong Qingjuan; the non-executive Directors of the Company are Dr. Zhang Wenhui, Mr. Wu Xiong, Mr. Luo Yun and Mr. Chen Fufang; and the independent non-executive Directors of the Company are Dr. Ngai Wai Fung, Mr. Tan Wee Seng and Professor Xiao Baichun.