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# **BIOSTIME**

**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 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 preliminary assessment of the unaudited consolidated management accounts of the Group for nine months ended 30 September 2015, assuming that there will be no significant change in exchange rates in the three months ending 31 December 2015 and taking into account the expected impact of the acquisition of Swisse Wellness Group Pty Ltd (“**Swisse**”)\*, the profit of the Group for the year ending 31 December 2015 will decrease by approximate 90% as compared with the corresponding period last year.

Based on the information currently available to the Board, the Board believes that the expected decrease in profit of the Group for the year ending 31 December 2015 as compared with the corresponding period last year is primarily due to: (i) the sales of the newly launched SN-2 PLUS Balanced Formula series impacted by the longer time needed to clear away the previous Biostime branded infant formulas series inventories; (ii) the marketing and promotional expenses incurred in connection with the launch of SN-2 PLUS Balanced Formula series; (iii) the non-recurring expenses such as transaction costs, finance cost and foreign exchange loss incurred in relation to the acquisition of Swisse; and (iv) the non-recurring expense incurred in connection with the integration of the previous Biostime Business Unit, Adimil Business Unit and BMcare Business Unit into a Baby Nutrition and Care Business Unit.

\* The acquisition of an 83% equity interest in Swisse was completed on 30 September 2015 and the income statement of Swisse will be consolidated into that of the Group from 1 October 2015 onwards. Please refer to the announcement of the Company dated 17 September 2015 and the circular of the Company dated 9 November 2015 for details.

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 nine months ended 30 September 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 annual results announcement for the year ending 31 December 2015, which is expected to be released before the end of March 2016 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, 15 November 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.*