

[For Immediate Release]



Biostime International Holdings Limited

合生元國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

**Biostime Forms Joint Venture with Hangzhou Coco Healthcare
Expand Business Reach To The Broader Baby Diaper Market**

**Jointly Construct Five Infant Diaper Production Lines
Manufacturing Capacity Reaches 800 Million Pieces a Year**

(Hong Kong, 10 January 2014) **Biostime International Holdings Limited** ("Biostime" or the "Company", together with its subsidiaries, the "Group"; stock code: 1112), a premium pediatric nutrition and baby care products provider in China, is pleased to announce the Company has entered into the Joint Venture Agreement with Hangzhou Coco Healthcare Co., Ltd ("Coco Healthcare"), under which the companies will jointly invest in 5 baby diaper production lines and engage in the business of manufacture, sale, import and export of baby diapers, helping Biostime to expand its business reach to the broader market of baby diapers.

Pursuant to the Joint Venture Agreement, the total registered capital of the Joint Venture Company shall be RMB100 million, of which RMB60 million will be contributed by Coco Healthcare; and the remaining RMB40 million shall be contributed by Biostime Hong Kong. The entire equity interest of the Joint Venture Company will be owned as to 60% by Coco Healthcare and 40% by Biostime Hong Kong. The board of directors of the Joint Venture Company shall consist of five directors, three of whom shall be appointed by Coco Healthcare and two shall be appointed by Biostime Hong Kong.

Based on the preliminary plans agreed by both parties, the Joint Venture Company will construct five infant diaper production lines, three of the five production lines are expected to commence production on or before 30 September 2014 while the remaining two are expected to commence production on or before 30 September 2015. The manufacturing capacity of each product line reaches 160 million pieces of baby diapers a year. The five production lines can provide an aggregate annual production capacity of 800,000,000 pieces of baby diapers under full operation.

Coco Healthcare is a company established in the PRC which primarily engaged in the businesses of the development, manufacturing and sale of disposable absorbent hygiene care products since 2001. According to Coco Healthcare, it is a disposable absorbent hygiene care manufacturer in the PRC which mainly exports its products to foreign markets. In 2011 and 2012, Coco Healthcare was the leading exporter of absorbent hygiene care products in the PRC in terms of export volumes. Being one of the leading manufacturers of adult incontinence care products in the PRC, it also distributes its branded products under its "COCO 可靠" brand series within the PRC.

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About Biostime

Biostime is a premium pediatric nutrition and baby care products provider in China. The company's family of products includes premium probiotic supplements for children, infant formulas and dried baby food products marketed under the brand name Biostime™, baby care products marketed under the brand name of BMcare™. The shares of Biostime have been listed on the Hong Kong Stock Exchange since 2010.

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