



Biostime International Holdings Limited
合生元國際控股有限公司

Biostime Acquires Australian based Swisse Wellness Group Partnership to establish the Group as family nutrition provider

(Hong Kong, 17 September 2015) **Biostime International Holdings Limited** ("Biostime" or the "Company", together with its subsidiaries, the "Group"; stock code: 1112), is pleased to announce that the Group will acquire 83% of the equity interest of Swisse Wellness Group Pty Ltd ("Swisse"), a leading provider of vitamins, herbal, mineral supplements ("VHMS") products in Australia at an aggregate consideration of approximately AUD1,386 million (equivalent to approximately HKD7,667 million).

The acquisition of Swisse provides the Group a unique opportunity to enter into the adult supplements segment with the powerful and well received international "Swisse" brand, while providing Swisse with a unique expansion platform in the PRC through the Group's extensive sales network. The partnership will also enable the Group to diversify and expand its geographic footprint, not only in the Australian market but also internationally through Swisse's global collaboration agreement with PGT Healthcare LLP, a joint venture between Procter & Gamble and Teva Pharmaceutical Industries.

Swisse has an experienced senior management team, who will remain with Swisse on completion of the acquisition and alongside the existing shareholders will retain the remaining 17% of the equity interest of Swisse. The Board of directors ("Board") believes such arrangement will help ensure a smooth transition to new ownership, align interests and incentivize Swisse's senior management team to continue drive performance and synergies within the Enlarged Group.

Swisse is principally engaged in research, manufacturing and distribution of VHMS in Australia and New Zealand under the "Swisse" brand. The company is the market leader in the Australian VHMS market. It has a large and differentiated portfolio of leading products across all key nutrition categories. The company, with more than 50 years history, has displayed robust growth in recent years which it owes to its unique formulations, proven quality, and track record of innovation, together with an aspirational brand supported by strong sales and marketing teams.

Swisse has recorded a compound annual growth rate in gross sales of about 28% between its financial years ended 30 June 2013 and 2015, while showing significant margin improvement and strong cash generating capabilities.

The strong appetite of Chinese consumers for overseas quality supplements has enabled Swisse to enjoy a strong momentum for growth. The Group believes that the acquisition will enable Swisse to grasp this growing demand by growing internet sales while activating sales through the Group's extensive distribution channels, thus resulting in significant revenue synergies.

Apart from market expansion, the Board expects to achieve synergies from the Acquisition through sharing supplier bases for procurement, R&D, new product development, sales and marketing expenses, as well as in the sharing of best practices.

Mr. Luo Fei, Chairman and Chief Executive Officer of the Group said, "I'm delighted about the outcome of our discussions and the prospect of cooperating with Swisse Wellness Group.

This represents a significant milestone in our development by turning ourselves into a premium nutrition provider facing the families in China and globally, with the ultimate goal of enhancing shareholder of value of the Group.”

Radek Sali, Chief Executive Officer of Swisse Wellness said, “Swisse has a long and proud history of delivering quality natural, scientifically-validated products to help people lead happier and healthier lives. We have grown to become Australia’s number one wellness brand on the back of an unwavering commitment to the highest standards of quality, safety and product efficacy.

“Our record FY15 result demonstrates the business has good momentum and a strong and sustainable platform for growth through FY16 and beyond.

“Under Biostime’s ownership Swisse will have access to new capital and capability, so that we can take advantage of multiple growth opportunities, both in Australia and internationally.”

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About Biostime

Biostime is principally engaged in providing premium pediatric nutritional and baby care products in China. The company’s family of products includes premium probiotic supplements for children, infant formulas and dried baby food products, and baby care products. The shares of Biostime have been listed on the Hong Kong Stock Exchange since 2010.

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