

[For Immediate Release]



**Biostime Signed a Long-term Strategic Agreement with
Laiterie de Montaigu**

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Inked a Closer Cooperation Pact

(26 January 2011, Hong Kong) **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 that the Company has signed a three-year exclusive manufacturing agreement for the Chinese market with Laiterie de Montaigu, a French infant formulas manufacturer. According to the agreement, Biostime will grant Laiterie de Montaigu with the right to produce Biostime's proprietary infant formulas and milk for pregnant or breastfeeding women in three consecutive years from 2011 to 2013.

Biostime initiated joint research and development efforts on infant formulas under the brand name Biostime with Laiterie de Montaigu since 2006. To meet the development needs of the Company's premium infant formula business, Biostime began to entrust Laiterie de Montaigu with the manufacturing of all the company's infant formulas.

Mr. Eric Blanchard, General Manager of Laiterie de Montaigu said, "Leveraging our eighty-year experience in manufacturing and advanced proprietary technology, we are very much honored to have a long-term cooperation with Biostime, and to manufacture high quality products for China's premium pediatric nutritional market."

Mr. Luo Fei, Chairman and Chief Executive Director of Biostime, said, "Our practice of consistently sourcing key raw materials and engaging product suppliers from European countries and the United States distinguishes us from some of our PRC competitors who either produce or source key raw materials domestically, and helps us win trust from consumers. As one of our major manufacturers, Laiterie de Montaigu uses high-quality milk from France and is equipped with advanced technology which ensures the high quality of Biostime's products. We are delighted to sign this three-year manufacturing agreement with Laiterie de Montaigu as it will promote both parties to move towards a long-term closer strategic cooperation, as well as ensure the high quality and steady supply of our products. We are confident that with premium product formula from Biostime, quality raw materials and technologies from Laiterie de Montaigu, we shall strive to meet domestic demand for high-quality and safe infant formulas, thus upholding our leading position in the supreme-tier infant formula market in China."

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For further inquiries, please contact:

iPR Ogilvy LTD.

Natalie Tam/ Charis Yau/ Philip Lo/ Nelson Lee/ Jenny Fang

Tel: (852) 2136 6182/ 2136 6183/ 3170 6743/ 2136 6956/ 3920 7609

Fax: (852) 3170 6606

Email: natalie.tam@iprogilvy.com/ charis.yau@iprogilvy.com/
philip.lo@iprogilvy.com/ nelson.lee@iprogilvy.com/
jenny.fang@iprogilvy.com