

[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 to Acquire Infant Formula Manufacturing Capacity in China for RMB350 Million

The Acquisition Will Expand Biostime's Production Capacity for New ADIMIL series Milk Powder Which Will Be Launched to Target High-end Markets in Fourth- and Fifth-tier Cities in China

(Hong Kong, 31 December 2013) **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, announces its acquisition of the entire equity interest in Changsha Yingke Nutrition Products Company Limited ("Changsha Yingke"), which is engaged in the manufacture of infant formula products, for a total cash consideration of RMB350 million. The acquisition will expand Biostime's production capacity for its new high-end milk powder of ADIMIL series, which will be launched to target the high-end markets in the fourth- and fifth-tier cities in the country for business growth.

Biostime introduced ADIMIL series milk powder from France into China in September 2013. The product series has since won consumers' trust. With a view to expanding the market for the ADIMIL series to the fourth- and fifth-tier cities in the country, the Group will launch new products under the series in 2014. The acquisition of Changsha Yingke, which will be earmarked for the production of ADIMIL series, will add annual infant formulas milk powder production capacity of 30,000 tons to 50,000 tons to the Group. The Company will manufacture the new products of the ADIMIL series using imported milk source and will be able to shorten the time required to supply the new products of the ADIMIL series to consumers. Biostime is committed to quality control and will have Changsha Yingke strictly follow the quality control systems that have been consistently implemented throughout the Company to ensure the products' food safety and quality.

According to the equity transfer agreement, BiosTime, Inc. (Guangzhou) and Biostime (Guangzhou) Health Products Limited, the wholly-owned subsidiaries of Biostime, will acquire the entire equity interest in Changsha Yingke from Hunan AVA Dairy Company Limited and Hunan Changsha AVA Dairy Company Limited. The consideration will be funded by internal resources of the Company. The registered capital of Changsha Yingke was approximately RMB301.7 million.

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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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