

[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 Acquired New Production Line for Probiotic Supplement to Expand Capacity to Cater to Market Demand

(Hong Kong, 16 February 2011) **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 acquired a new probiotic sachet production line in order to meet the growing demand for children's probiotic supplements productions.

The annual capacity of the existing probiotic sachet processing line is 86 million packages with the utilization rate exceeding 80%. The newly acquired production line we imported from Europe has the same specification with that of the existing line. It is expected to put into operation in the second half of this year, and will contribute to raise the Company's annual capacity of probiotic supplement to about 160 million packages.

The probiotic powder of Biostime probiotic products is imported from France, and the manufacturing process of the products takes place in the Company's GMP-certified plant which transforms raw materials into the final food product through the sieving, blending and packaging processes.

Mr. Luo Fei, the Company's Chairman and Chief Executive Director, said, "With the increasing family purchasing power in recent years, parents are willing to spend more on children's health products for the healthy growth of next generation. Therefore, the children's probiotic market achieved sound development. Meanwhile, as the concept of probiotic use in China became more popular and the market penetration of probiotic products increased gradually, the market size of children's probiotic supplements achieved growth accordingly. This newly introduced production line will substantially raise the Company's production capacity of probiotic products in order to better cater to the growing market demand, thus consolidating Biostime's leading position in children's probiotic supplements segment in China."

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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*™. In May 2010, the Company launched baby diapers and other baby care products marketed under the brand name of *BMcare*™. According to Euromonitor International, *Biostime*™ products occupied approximately 85.4% market share in terms of retail sales in the children's probiotic supplements market, and approximately 13.1% market share in terms of retail sales in the supreme-tier infant formula market in China in 2009.

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