

**[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)*

### **2015 Third Quarter Operation Updates**

(Hong Kong, 15 November 2015) **Biostime International Holdings Limited** ("Biostime" or the "Company", together with its subsidiaries, the "Group"; stock code: 1112), a premium family nutritional and care products provider in China, announces its operating updates for the nine months ended 30 September 2015.

For the nine months ended 30 September 2015, the total revenue of the Group decreased by 13.4% to RMB2,854.3 million as compared with the total revenue of RMB3,295.6 million for the corresponding period of 2014. Infant formulas remained the Group's major revenue source and accounted for 84.4% of the total revenue.

According to Nielsen, an independent market research company, for the nine months ended 30 September 2015, the Group's share of the overall infant formula market in China increased to 5.9%, up from 5.6% for the same period last year, and the Group continued to rank as the third largest industry player in terms of offline sales. Meanwhile, in terms of online sales, the Group ranked among the top 10 industry players as its market share reached 1.4% for the nine months ended 30 September 2015.

During the third quarter of 2015, China's infant formula market remained challenging amid intensified competition. By product segment, for the nine months ended 30 September 2015, revenue of infant formulas decreased by 14.0% year on year, while revenue of probiotic supplements and revenue of dried baby food and nutrition supplements decreased by 6.4% and 31.0% year on year respectively, while revenue of baby care products rose by 0.7% year on year.

In order to increase the market penetration of its products offline and further extend the O2O network, the Group continued to accelerate its sales channel expansion in the third quarter of 2015. As of 30 September 2015, the number of member retail outlets increased from 28,417 year on year to 41,027, among which, the number of the Group's VIP baby specialty stores increased from 19,916 to 29,131, retail sales organizations from 6,104 to 6,844, and VIP pharmacies from 2,397 to 5,052. The average number of Mama100 active members for the nine months ended 30 September 2015 increased by 3.8% year on year to 2,061,403.

On 30 September 2015, the Group successfully completed the acquisition of an approximately 83% equity interest in Swisse Wellness Group Pty Ltd ("Swisse") and the income statement of Swisse will be consolidated into that of the Group from 1 October 2015 onwards.

During the three months ended 30 September 2015, Swisse continued strong growth momentum and achieved robust revenue growth of 246.2% as compared with the same period last year. According to the research of an independent market research company, Swisse maintained its leading position and continued to gain market share in the total Australian vitamin and herbal market for the three months ended 30 September 2015.

The successful acquisition of Swisse has brought the Group's development into a new stage and provided the Group with a unique opportunity to enter into the fast growing adult supplements segment and to become a provider of premium family nutritional and care products. To align with this new positioning and continue to enhance its market position, the Group has integrated the previous Biostime Business Unit, Adimil Business Unit and BMcare Business Unit into a Baby Nutrition and Care Business Unit, and will establish a new and dedicated Swisse China team, which will be responsible for the marketing and sales of Swisse's products in China. The Group believes that this new structure will enable it to integrate resources and achieve higher operating efficiency for long-term business growth.

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#### **About Biostime**

Biostime is a premium family nutritional products provider. The company's family of products includes premium probiotic supplements for children, infant formulas and dried baby food products, baby care products in China. It also owns 83% equity interest in Swisse Wellness Group Pty Ltd., which is a leading provider of vitamins, herbal, mineral supplements products in Australia. The shares of Biostime have been listed on the Hong Kong Stock Exchange since 2010.

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