

MEDIA RELEASE – ASX-LISTED HOLISTA DEVELOPS *HALAL* FOOD-GRADE SHEEP COLLAGEN

## **ASX-Listed Holista Develops World's First Food-Grade Sheep Collagen; To Build AUD2.7 Million Facility in Malaysia to Produce *Halal* Collagen**

**Kuala Lumpur/Perth, 25 October 2010** – **Holista CollTech Limited** (“**Holista**”), an Australian Securities Exchange-listed company (ASX: HCT) with operations in Malaysia and Australia, announced today that it has completed the required research and development (“R&D”) to develop the world’s first food-grade sheep (ovine) collagen using all *halal* processes and protocols.

Building on its earlier world-first patented processes of extracting ovine collagen for medical and cosmetic use, Holista recently completed R&D at its Malaysian facility to develop food-grade ovine collagen which is compliant with Islamic laws, opening significant new market opportunities.

Collagen has been consumed for centuries as part of Traditional Chinese Medicine – and is widely used in China, Taiwan, Korea and Japan. The most common protein found in humans, it also has applications in modern medicine for anti-ageing, burns, bone health, and in a wide range of cosmetics. Ovine collagen has been proven to heal wounds and burns.

Traditionally, collagen has been extracted mostly from cows (bovine) or pigs (porcine). Bovine collagen presents problems for Hindus and Buddhists who cannot use beef products, and for potential users concerned by recent incidents of “mad cow” disease, while Muslims are prohibited from porcine products. Holista’s disease-free collagen will address a significant market gap as it is culturally neutral to most potential users.

Holista completed six months of R&D with a team from the University of Science, Malaysia, to develop the processes and protocols to make its ovine collagen *halal*. It is applying to Malaysia’s Department of Islamic Development (JAKIM) for certification, which will qualify it for use among Muslims and for export to the Middle East and countries with significant Muslim populations.

Shortly after the completion of the research project, Holista successfully developed a food-grade collagen prototype at its pilot plant on the outskirts of Kuala Lumpur.

Holista’s CEO Dato’ Dr. Rajen Marnickavasagar (“Dato’ Dr. Rajen”) said, “Following these successes Holista is proceeding with plans to build a facility to extract *halal* ovine collagen commercially. We had earlier acquired a parcel of land in a biotechnology hub near Kuala Lumpur and will commence construction in November 2010 of a purpose-built facility.”

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Upon completion in April 2011, the 11,000-square-foot facility will be able to produce 1,000 kilograms (one ton) of collagen per day in a form which has been hydrolyzed, or broken down into small molecules, to aid digestion. Production can scale up three-fold if needed.

“This purpose-built facility is designed to handle food-grade collagen which requires processes different from those we use to make collagen for cosmetic and medical use at our existing plant in Collie, Western Australia,” he said.

The project is expected to cost AUD2.7 million (RM8.5 million), to be funded by internal resources and bank borrowings. Holista is the midst of entering into a long-term contract to import sheep skins from Australia which will serve as its primary raw material. This contract will benefit both Holista and the Australian sheep industry.

“The successful development of ovine collagen which is of food-grade and *halal*-certified has put Holista, as an Australia-Malaysian entity, on the world map. Both developments are industry firsts and have the potential to transform the multi-billion dollar global collagen market,” said Dato’ Dr. Rajen.

While Holista is starting to sell small quantities from its pilot extraction plant, the Group expects a significant financial contribution to commence from the financial year ending 30 June 2011.

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**About Holista CollTech Limited**

Listed on the Australia Securities Exchange (ASX:HCT) since 2004, Holista CollTech Ltd is a research-driven biotech company dedicated to delivering scientifically enhanced, engineered and first-class natural health supplements and wellness products for the general consumers. The Group develops, manufactures and commercialises “health-related” products to address the unmet and growing needs of natural medicine and is the only company producing sheep (ovine) collagen using its patented extraction methods.

Holista’s main operations are in Malaysia where it specialises in the research and development (R&D) and commercialisation of ovine collagen. Its other operating subsidiaries include Total Health Concept Sdn. Bhd. which distributes health supplements in Malaysia and South East Asia.

Holista has filed several global patents, two of which have been granted. To advance R&D in nutritional products, the Group is collaborating with world-leading institutions such as the University of Western Australia, Oxford Brookes University (UK), National Centre for Natural Products Research (US), Indian Institute of Integrative Medicine and University of Hamdard (India) and Tsinghua University (China).

The Group has a customer base of 45,000 and access to more than 1,700 distribution points.

For more information, visit [www.holistaco.com](http://www.holistaco.com)

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