

28 September 2017

## **FOLLOW UP Q&A TO ANNOUNCEMENT ON 21 SEPTEMBER 2017**

The Board of Directors of Holista CollTech Limited (“Holista” or the “Group”) refers to its announcement dated 21 September 2017, “ASX-listed Holista Acquires 47%-Stake In Global Network Marketing Company iGalen From Company’s Malaysia-Based Major Shareholder For Nominal Sum Of US\$1”. In view of recent queries received from investors and the media, the board wishes to provide the following clarification and updates:

### **1. What is iGalen?**

iGalen International Inc (“iGalen”) is a fast-growing network marketing company based in San Diego, U.S. Launched in February 2017, iGalen has a built up network of 11,770 distributors to date and continues to grow by about 60 distributors daily.

iGalen has experienced a very encouraging growth rate considering that the network marketing activities have to date focused in North America and that only one product, Emulin<sup>®</sup>, has been introduced so far. iGalen intends to scale up its marketing activities to more North American cities and to selected Asian countries from 2017.

### **2. What products does iGalen sell?**

iGalen currently markets a single product known as Emulin<sup>®</sup>, an all-natural carbohydrates manager discovered by two Florida-based scientists, Daryl Thompson (a biochemist) and Joseph Ahrens (a physiologist). Clinical studies have shown that Emulin<sup>®</sup> can remove excess carbohydrates, thereby improving blood sugar regulation, blood lipid profiles and sustained weight loss.

iGalen intends to launch three other products in the future which includes a natural stem cell releaser, a food-grade sheep collagen product, and supplements for anti-inflammatory and joint pain relief.

### **3. Can you give details of the number of distributors, the number of bottles, the growth rate since inception and the growth outlook going forward?**

The company does not reveal sales data but is encouraged by the rapid growth and high acceptance of its product and concepts.

iGalen expects to achieve significantly higher sales as the number of sales representatives is growing at an annualised rate of approximately 20% (based on August 2017 figures of about 60 new sales representatives added each day).

iGalen has plans to scale-up marketing activities to more North American cities and selected Asian countries. It will also introduce more products which includes a stem cell releaser, a food-grade sheep collagen product, and supplements for anti-inflammatory and joint pain relief.

**4. What is the financial performance of iGalen since inception?**

The company does not reveal sales data.

**5. What is the relationship between Holista and iGalen?**

Holista will acquire a 47%-stake in iGalen and will be its second largest shareholder. Pursuant to Listing Rule 10.1, this transaction is subject to Shareholder Approval. Holista's CEO Dr Rajen M ("Dr Rajen") is also the CEO and co-founder of iGalen.

Mr Chan Heng Fai ("Mr Chan") is Executive Director and second-largest shareholder of Holista, and also the Chairman and co-founder of iGalen. Mr Chan helped conceive the idea of developing a network marketing company that would be the "selling arm" for Holista.

iGalen has a long-standing binding agreement to source all its network marketing products exclusively from Holista.

Hence, following the acquisition, Holista will benefit from **i)** sale of network marketing products, **ii)** adding a global distribution channel to Holista's marketing methods and **iii)** equity accounting share of profits of iGalen.

**6. Why is Dr Rajen selling his shares in iGalen to Holista CollTech at such a low price?**

The transfer of Dr Rajen's personal stake in iGalen to Holista for a nominal sum underscores the commitment to enhance value for all stakeholders. The fit is synergistic and will accelerate growth for both Holista and iGalen. Dr Rajen also indemnified Holista against any liability that could come from the acquisition.

The business could not be created as a subsidiary of Holista because of the commercial risks associated with global multi-level marketing entities. Once this risk had dissipated after the network was established and sales were accelerating, the Directors were able to vend it to Holista, iGalen's key supplier.

In view of the growth rate of iGalen and pipeline of products to be introduced, Holista expects the contribution of the former to its bottom-line to be significant in the next two to three years.

#### **7. Who is Mr Chan Heng Fai?**

Mr Chan Heng Fai is the Director of Holista since 2013. He is also the Chairman and co-founder of iGalen. He is also the CEO of Singapore eDevelopment Limited, a public listed company on the Singapore Exchange, and iGalen's major shareholder.

He is a business veteran who specialises in entrepreneurship and fund management, and has successfully restructured more than 35 corporations in over ten countries, across many different industries. His story has been published by his children at [www.fai185.com](http://www.fai185.com).

#### **About Holista CollTech Limited**

Holista CollTech Limited ("Holista") is a research-driven biotech company and is the result of the merger of Holista Biotech Sdn. Bhd. and CollTech Australia Ltd. Headquartered in Perth with extensive operations in Malaysia, Holista is dedicated to delivering first-class natural ingredients and wellness products and leads in research on herbs and food ingredients

Holista, listed on the Australia Securities Exchange, researches, develops, manufactures and markets "health-style" products to address the unmet and growing needs of natural medicine. It is the only company to produce sheep (ovine) collagen using patented extraction methods, and is on track in nanonising and encapsulating liposomes for the ovine collagen. Holista has a suite of ingredients that is capable of serving the industry to provide low-GI baked products, low sodium salt, low fat fried foods and low calories sugar without compromise in taste, odour and mouth feel.

For more information on Holista: [www.holistaco.com](http://www.holistaco.com)

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