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Health and Happiness (H&H) International Holdings Limited

健合 (H&H) 國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1112)

CHANGE IN SHAREHOLDING OF CONTROLLING SHAREHOLDER

This announcement is made by Health and Happiness (H&H) International Holdings Limited (the “**Company**”) on a voluntary basis.

The Company has been informed by Biostime Pharmaceuticals (China) Limited (“**Biostime Pharmaceuticals**”, a controlling shareholder of the Company) that Coliving Limited (“**Coliving**”, which is owned by the respective family trusts of Mr. Luo Fei (the Chairman and Chief Executive Officer of the Company) and Mr. Luo Yun (a non-executive Director of the Company) and is currently the owner of approximately 54% of the total issued shares in Biostime Pharmaceuticals) entered into a sale and purchase agreement (the “**SPA**”) on 17 April 2018 with Bosheng Investment Holding Limited, Fulin Group Limited, Wise Capital LLC and KQJ Investment Holding Limited (together, the “**Sellers**”). Each of the Sellers is a shareholder of Biostime Pharmaceuticals. As at the date of this announcement, Biostime Pharmaceuticals holds 432,000,000 shares in the Company, representing approximately 67.77% of the total issued shares in the Company.

Pursuant to the SPA, Coliving conditionally agreed to purchase, and the Sellers conditionally agreed to sell, 14,022,043 shares in Biostime Pharmaceuticals representing, in total, 3.25% of the total issued shares in Biostime Pharmaceuticals, for a total price of US\$102,000,000 (the “**Purchase Price**”, equivalent to HK\$799,965,600). Based on the shareholding of Biostime Pharmaceuticals in the Company, the Purchase Price represents a see-through price of approximately US\$7.27 (equivalent to approximately HK\$57.0506) for each of the shares in the Company held by Biostime Pharmaceuticals. Upon completion of the SPA, Coliving will become the owner of approximately 57.25% of the total issued shares in Biostime Pharmaceuticals, whereas the remaining approximately 42.75% of the total issued shares in Biostime Pharmaceuticals will remain held by the Sellers. The shareholding structure in Biostime Pharmaceuticals immediately before and after completion of the SPA is expected to be as follows:

	Immediately before completion of the SPA (approximately)	Immediately after completion of the SPA (approximately)
Coliving	54.00%	57.25%
Bosheng Investment Holding Limited	22.87%	21.25%
Fulin Group Limited	10.47%	9.73%
Wise Capital LLC	8.79%	8.17%
KQJ Investment Holding Limited	3.87%	3.60%

Completion of the SPA is conditional upon Coliving having obtained appropriate and sufficient debt financing to the satisfaction of Coliving for the purposes of funding the consideration payable under the SPA. Completion of the SPA is expected to take place after the abovementioned condition is satisfied or waived by Coliving and not later than 30 April 2018.

For the avoidance of doubt, the SPA does not involve any sale by Biostime Pharmaceuticals of any of its shares in the Company.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Health and Happiness (H&H) International Holdings Limited
Luo Fei
Chairman

Hong Kong, 17 April 2018

As at the date of this announcement, the executive Directors of the Company are Mr. Luo Fei, Mrs. Laetitia Marie Edmee Jehanne ALBERTINI ep. GARNIER, and Mr. WANG Yidong; the non-executive Directors of the Company are Dr. Zhang Wenhui and Mr. Luo Yun; and the independent non-executive Directors of the Company are Dr. Ngai Wai Fung, Mr. Tan Wee Seng and Professor Xiao Baichun.

Note: In this announcement, the Hong Kong dollar equivalent figures of prices in US dollars have been calculated at the rate of US\$1.00:HK\$7.8428, and are stated for reference only.