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*Singapore SFA Product Classification: The Company has determined, and hereby notifies all relevant persons (as defined in the CMP Regulations 2018), that the New Notes are ‘prescribed capital markets products’ (as defined in Section 309(A)(1) of the SFA) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

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***MiFID II professionals/ECPs-only/No PRIIPs KID** – Manufacturer target market (MiFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retain in EEA.*



**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)**

**(1) EXCHANGE OFFER FOR OUTSTANDING  
SENIOR NOTES**

**7.25% SENIOR NOTES DUE 2021**

**ISIN (Reg S): USG 11259AB79**

**Common Code (Reg S): 143308740**

**AND**

**(2) PROPOSED ISSUANCE OF NEW NOTES**

On 11 September 2018, the Company commenced the Exchange Offer with respect to the Existing Notes held by persons outside the United States. The Exchange Offer is being made upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum.

The Company has mandated Goldman Sachs (Asia) LLC as Dealer Manager in relation to the Exchange Offer. The Company has also mandated D.F. King as Information and Exchange Agent for the Exchange Offer. For detailed descriptions of the terms and conditions of the Exchange Offer, Eligible Holders should refer to the Exchange Offer Memorandum.

The Company is conducting a Concurrent New Money Issuance for the purpose of refinancing part of the existing indebtedness of the Group and for general corporate purposes.

The Company expects that any New Notes sold in the Concurrent New Money Issuance will be sold at an issue price that is equal to 100% of the principal amount of such New Notes sold.

Upon issuance, any New Notes sold in the Concurrent New Money Issuance will be on the same terms and form a single series with the corresponding New Notes issued in the Exchange Offer.

Upon all conditions of the Exchange Offer having been fulfilled or waived and settlement of the Exchange Offer, the Company intends, to issue a redemption notice on the Settlement Date to redeem any remaining Existing Notes that were not validly offered and delivered and accepted for exchange by the Company pursuant to the Exchange Offer.

Approval-in-principle has been received for the listing and quotation of the New Notes on the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this announcement. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, their associated companies or the Notes. Approval in-principle from, admission to the Official List of, and the listing and quotation of the New Notes on, the SGX-ST are not to be taken as an indication of the merits of the offering, the Exchange Offer, the Company or the New Notes. No listing of the New Notes has been sought in Hong Kong.

**Shareholders, Eligible Holders of the Existing Notes and potential investors should note that completion of the Exchange Offer and the Concurrent New Money Issuance is subject to the fulfillment or waiver of the conditions precedent to the Exchange Offer and the Concurrent New Money Issuance as set forth in the Exchange Offer Memorandum and summarized in this announcement. No assurance can be given that the Exchange Offer and the Concurrent New Money Issuance will be completed and the Company reserves the right to amend, withdraw or terminate the Exchange Offer and/or the Concurrent New Money Issuance with or without conditions.**

**The Company may, in its sole discretion, amend or waive certain of the conditions precedent to the Exchange Offer and the Concurrent New Money Issuance. As the Exchange Offer and/or the Concurrent New Money Issuance may or may not proceed, shareholders, holders of the Existing Notes and potential investors should exercise caution when dealing in the securities of the Company or the Existing Notes.**

THE EXCHANGE OFFER IS NOT BEING CONDUCTED IN A MANNER ELIGIBLE FOR THE EXCHANGE AND TENDER OFFER PROCEDURES OF DTC. To participate in the Exchange Offer, an Eligible Holder with Existing Notes held directly in DTC must either hold such Existing Notes through a direct participant in Euroclear or Clearstream or arrange for the transfer of its Existing Notes under DTC so that they are held through a Euroclear or Clearstream direct participant. PERSONS LOCATED IN THE UNITED STATES ARE NOT PERMITTED TO TENDER EXISTING NOTES IN THE EXCHANGE OFFER.

## **THE EXCHANGE OFFER**

### **Introduction**

The Company is offering to exchange its Existing Notes held by Eligible Holders in accordance with the terms and conditions as set out in the Exchange Offer Memorandum and as summarized under the “Summary of Terms of the Exchange Offer” section below.

The Exchange Offer is subject to certain conditions as described in the Exchange Offer Memorandum, including an affirmative determination by the Company that consummating any Exchange Offer is in its best interests.

Notwithstanding anything to the contrary contained herein, but subject to applicable law, the Company may, in its sole and absolute discretion, terminate, withdraw, waive, extend, amend or modify the Exchange Offer, in each case in whole or in part, at any time before the consummation of the Exchange Offer on the Settlement Date.

In addition to the Exchange Offer, the Company is conducting a separate Concurrent New Money Issuance to issue and sell New Notes. Goldman Sachs (Asia) LLC is acting as the sole lead manager and sole bookrunner in connection with the Concurrent New Money Issuance.

The Exchange Offer is not being made within, and the Exchange Offer Memorandum is not for distribution in the United States. The Company will only accept offers to exchange Existing Notes held in the Regulation S Global Note bearing ISIN USG11259AB79 (the “**Regulation S Notes**”). The Company will not accept offers with respect to the Existing Notes held in the Rule 144A global note bearing ISIN US090668AA08 (the “**Rule 144A Notes**”). The Exchange Offer Memorandum is not an offer of securities for sale in the United States or any other jurisdiction where it is unlawful to offer such securities, including the New Notes and any guarantees with respect thereto, for sale. Securities may not be offered, sold or delivered in the United States absent registration or an exemption from registration. The New Notes and the related guarantees have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, within the United States.

### **Summary of Terms of the Exchange Offer**

Upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum, the Company is offering to exchange up to the Maximum Acceptance Amount of the outstanding Existing Notes (7.25% Senior Notes due 2021 with ISIN: USG11259AB79 (Reg S) and Common Code: 143308740 (Reg S)) for New Notes. As of the date of this announcement, US\$600,000,000 in aggregate principal amount of the Company Existing Notes are outstanding.

Holders of the Existing Notes validly accepted and exchanged in the Exchange Offer will, from and including the Settlement Date, waive any and all rights with respect to the Existing Notes (other than the right to receive the relevant components of the applicable Exchange Consideration (as define below)) and will release and discharge the Company from any and all claims such Eligible Holder may have, now or in the future, arising out of or related to such Existing Notes, including any and all accrued and unpaid interest thereon.

Whether the Company will accept offers to exchange any Existing Notes validly submitted is subject to the successful completion (in the Company's sole determination) of the new issuance by the Company of no less than US400,000,000 Senior Secured Notes on the Settlement Date pursuant to this Exchange Offer and/or to the Concurrent New Money Issuance on terms satisfactory to the Company (in the Company's sole and absolute discretion) (the "**New Notes Condition**").

The Company intends to only accept offers to exchange Existing Notes if at least 20% of the aggregate principal amount of Existing Notes outstanding (excluding any Existing Notes held by the Company and the Company affiliates) are validly offered by Eligible Holders for exchange in the Exchange Offer (the "**Minimum Acceptance Condition**"). If the Minimum Acceptance Condition is not met or waived, the Existing Notes will not be accepted for exchange.

If the Minimum Acceptance Condition is satisfied, the Company proposes to limit the maximum aggregate principal amount of Existing Notes to be exchanged under the Exchange Offer to an amount to be determined by the Company after the Exchange Expiration Deadline. The aggregate principal amount of New Notes which are either delivered in the Exchange Offer or sold in the Concurrent New Money Issuance will be determined by the Company in the Company's sole discretion.

Upon the conditions precedent to the Exchange Offer having been satisfied or waived and if the Exchange Offer is consummated, for each US\$1,000 principal amount of outstanding Existing Notes that is validly tendered on or prior to the Exchange Expiration Deadline and accepted for exchange, Eligible Holders will receive the "**Exchange Consideration**" comprising (a) the Exchange Price in the form of New Notes, (b) Accrued Interest in cash and (c) Cash Rounding.

### **Interest Rate of the New Notes**

The minimum interest rate per annum (the "**Minimum Interest Rate**") will be announced at least 48 hours prior to the Exchange Expiration Deadline. The final interest rate of the New Notes will be set at the pricing of the Concurrent New Money Issuance. If the Concurrent New Money Issuance is not consummated, the interest rate of the New Notes will be determined by the Company at its sole discretion (subject to the Minimum Interest Rate).

Pricing of the Concurrent New Money Issuance is expected to occur as soon as reasonably practicable after the Exchange Expiration Deadline. The Company expects to announce the pricing terms of the Concurrent New Money Issuance as soon as practicable thereafter. However, there can be no assurance that the Concurrent New Money Issuance will price at all. If the Company decides not to proceed with the Concurrent New Money Issuance, the Company will announce such decision as soon as practicable following such decision.

## Summary Timetable

The following summarises the anticipated timetable for the Exchange Offer and the Concurrent New Money Issuance. This summary is qualified in its entirety by the Company's sole and absolute discretion to any extension, and the right to terminate the Exchange Offer at any time prior to its expiration. All references below are to London time, unless otherwise stated.

<b>Date</b>	<b>Event</b>
September 11, 2018	Announcement will be made via the websites of the Hong Kong Stock Exchange and the SGX-ST and the Exchange Website, and through Euroclear or Clearstream, as applicable.  Exchange Offer Memorandum will be delivered to Eligible Holders of the Existing Notes who are outside the United States.
At least 48 hours before the Exchange Expiration Deadline	The Minimum Interest Rate will be announced.
September 19, 2018 (4:00 p.m. London time)	The last date and time on which Eligible Holders of the Existing Notes may validly tender Existing Notes under the Exchange Offer and be eligible to receive the Exchange Consideration.
September 20, 2018	Preliminary results of the Exchange Offer will be announced including (i) the indicative amount of tenders for exchange received on or prior to the Exchange Expiration Deadline and (ii) the indicative Proration Factor (if any).
As soon as reasonably practicable after the Exchange Expiration Deadline	The final interest rate of the New Notes will be set at the pricing of the Concurrent New Money Issuance. If the Concurrent New Money Issuance is not consummated, the interest rate of the New Notes will be determined by the Company in its sole discretion subject to the Minimum Interest Rate.
As soon as reasonably practicable after Pricing of the Concurrent New Money Issuance	Announcement of (i) the amount of tenders for exchange received on or prior to the Exchange Expiration Deadline, and the final aggregate principal amount of the New Notes to be issued to investors in exchange for the Existing Notes validly tendered, accepted and exchanged, (ii) determination of final interest rate of the New Notes, and (iii) pricing of the Concurrent New Money Issuance (if any).

<b>Date</b>	<b>Event</b>
Five business days after the pricing of the Concurrent New Money Issuance	Settlement and issuance of the New Notes, delivery of the Exchange Consideration to Eligible Holders whose Existing Notes have been validly tendered and accepted for exchange.
On or around the Settlement Date	Listing of the New Notes on the SGX-ST.
Approximately 30 days after the Settlement Date	Upon all conditions of the Exchange Offer having been fulfilled or waived and settlement of the Exchange Offer, the Company intends to issue a redemption notice to redeem any remaining Existing Notes that were not validly offered and delivered and accepted for exchange by the Company pursuant to the Exchange Offer. The redemption of all such Existing Notes is expected to take place approximately 30 days after the Settlement Date at a price of 103.625% of the principal amount of such Existing Notes, plus accrued and unpaid interest up to (but not including) the date of such redemption.

All references in this announcement to times are to London times, unless the Company states otherwise. The above dates and time are indicative only.

The Company reserves the right to extend or earlier terminate the Exchange Expiration Deadline in the Company's sole discretion. In such a case, the date on which the notice of the results of the Exchange Offer will be delivered and the Settlement Date will be adjusted accordingly. Eligible Holders of the Existing Notes should inform themselves of any earlier deadlines that may be imposed by Euroclear or Clearstream, as applicable, and/or any intermediaries, which may affect the timing of the submission of an instruction for exchange.

### **Procedures for Tendering Existing Notes**

**IMPORTANT NOTICE TO HOLDERS UNDER DTC – THE EXCHANGE OFFER IS NOT BEING CONDUCTED IN A MANNER ELIGIBLE FOR THE EXCHANGE AND TENDER OFFER PROCEDURES OF DTC.** To participate in the Exchange Offer, an Eligible Holder with Existing Notes held directly in DTC must either hold such Existing Notes through a direct participant in Euroclear or Clearstream or arrange for the transfer of its Existing Notes under DTC so that they are held through a Euroclear or Clearstream direct participant. **PERSONS LOCATED IN THE UNITED STATES ARE NOT PERMITTED TO TENDER EXISTING NOTES IN THE EXCHANGE OFFER.**

To participate in the Exchange Offer, each Eligible Holder must validly tender its Existing Notes for exchange prior to the Exchange Expiration Deadline pursuant to the procedures described in the Exchange Offer Memorandum.

Each of the Existing Notes being tendered for exchange may only be submitted in a minimum principal amount of US\$200,000 and integral multiples of US\$1,000 in excess thereof. The aggregate principal amount of the New Notes to be issued to any holder will be in a minimum principal amount of US\$200,000 and integral multiples of US\$1,000 in excess thereof; provided that, if an Eligible Holder shall elect to partially exchange its Existing Notes into New Notes, the principal amount of retained Existing Notes must be in a minimum principal amount of US\$200,000.

Instructions in connection with the Exchange Offer are irrevocable.

### **Conditions to the Exchange Offer**

The obligation of the Company to consummate the Exchange Offer is conditional upon the following:

- the Minimum Acceptance Condition;
- the New Notes Condition;
- there being no material adverse change in the market from the date of the Exchange Offer Memorandum to the Settlement Date (as determined the Company in its sole and absolute discretion);
- an affirmative determination by the Company that accepting the Existing Notes validly offered for exchange, paying the Exchange Consideration and effecting the transactions contemplated in the Exchange Offer Memorandum are in the Company's best interests; and
- the satisfaction or waiver of other conditions described in the Exchange Offer Memorandum.

Subject to applicable law, the Company may terminate or withdraw the Exchange Offer if any of the conditions are not satisfied or waived by the Settlement Date. The Company may also extend the Exchange Offer from time to time until the conditions are satisfied or waived.

### **Purpose of the Exchange Offer and Use of Proceeds**

The principal purpose of the Exchange Offer is to extend the Company's maturity profile of debt and optimize the Company's capital structure.



## **CONCURRENT NEW MONEY ISSUANCE**

### **Introduction**

The Company is conducting a separate concurrent offering to issue and sell New Notes. Goldman Sachs (Asia) LLC is acting as the sole lead manager and sole bookrunner in connection with the Concurrent New Money Issuance.

The Company expects that any New Notes sold in the Concurrent New Money Issuance will be sold at an issue price that is equal to 100% of the principal amount of such New Notes sold.

Upon issuance, any New Notes sold in the Concurrent New Money Issuance will be on the same terms and form a single series with the corresponding New Notes issued in the Exchange Offer.

Upon all conditions of the Exchange Offer having been fulfilled or waived and settlement of the Exchange Offer, the Company intends to issue a redemption notice on the Settlement Date to redeem any remaining Existing Notes that were not validly offered and delivered and accepted for exchange by the Company pursuant to the Exchange Offer.

The Company expects to announce the pricing terms of the Concurrent New Money Issuance as soon as practicable following any such pricing or, if the Company decides not to proceed with the Concurrent New Money Issuance (or any portion thereof), the Company will announce such decision as soon as practicable following such decision being made. Pricing of the Concurrent New Money Issuance is expected to occur as soon as practicable after the Exchange Expiration Deadline. However, there can be no assurance that the Concurrent New Money Issuance will price at all.

### **FURTHER DETAILS**

For a detailed statement of the terms and conditions of the Exchange Offer, Eligible Holders should refer to the Exchange Offer Memorandum.

The Company has retained D.F. King as the Information and Exchange Agent for the Exchange Offer. To contact D.F. King in London, +44 20 7920 9700 and in Hong Kong, +852 3953 7231 or via email at [hh@dfkingltd.com](mailto:hh@dfkingltd.com).

The Exchange Offer Memorandum will be distributed in electronic format to Eligible Holders via the Exchange Website: <https://sites.dfkingltd.com/hh>. Any requests for additional copies of the Exchange Offer Memorandum should be directed to D.F. King at the above contact points.

## **INFORMATION ABOUT THE COMPANY**

The Company is an all-round premium nutrition and wellness provider for the entire family, providing high-end paediatric and adult nutrition and care products through the Company's four major brands – Biostime™, Swisse™, Healthy Times™ and Dodie™, with established market positions in China, Australia, New Zealand, France, the United States and increasing market recognition in other international markets.

The Company completed the acquisition of approximately 83% equity interest in Swisse on 30 September 2015 and the remaining approximately 17% equity interest on 7 February 2017, subsequent to which the Company accelerated its integration by bringing all of its businesses together under the Company's new mission and vision of "Making People Healthier and Happier". As a result on 5 June 2017, the Company changed its legal name from "Biostime International Holdings Limited" to "Health and Happiness (H&H) International Holdings Limited" and the Chinese name of the Company from "合生元國際控股有限公司" to "健合 (H&H) 國際控股有限公司".

## **GENERAL**

This announcement is not an offer to purchase, a solicitation of an offer to purchase, an offer to sell or a solicitation of an offer to sell, securities in the United States or elsewhere. No securities of the Company or any of its subsidiaries are being, or will be, registered under the U.S. Securities Act or the securities laws of any state of the United States, and no such securities may be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state or local securities laws. No public offering of securities is being or will be made in the United States or any other jurisdiction. This announcement is provided to you because you are outside the United States. Nothing in this communication shall constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer or sale would be unlawful.

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required to inform themselves about, and to observe, any such restrictions. Forward-looking statements in this announcement, including, among others, those statements relating to the Exchange Offer are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve risks, uncertainties and assumptions and are difficult to predict with any precision. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for Existing Notes and/or the New Notes, changes in the business and financial condition of the Company and its subsidiaries, changes in the property industry and changes in the capital markets in general.

The Company plans to issue the New Notes (i) in exchange for Existing Notes validly submitted by Eligible Holders for exchange and accepted pursuant to the Exchange Offer, and (ii) for cash pursuant to the Concurrent New Money Issuance, in each case on or about the Settlement Date.

The distribution of the Exchange Offer Memorandum is restricted by law in certain jurisdictions. Persons who come into possession of the Exchange Offer Memorandum are required to inform themselves of and to observe any of these restrictions. The Exchange Offer Memorandum does not constitute, and may not be used in connection with, an offer to buy Existing Notes or New Notes or a solicitation to sell Existing Notes by anyone in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make an offer or a solicitation. The Company will not accept any responsibility for any violation by any person of the restrictions applicable in any jurisdiction.

No assurance can be given that the Exchange Offer will be completed and the Company reserves the right, in its sole and absolute discretion, to extend, withdraw or terminate the Exchange Offer and amend, modify or waive any of the terms and conditions of the Exchange Offer, in each case in whole or in part, at any time before their expiration dates. As the Exchange Offer and/or the Concurrent New Money Issuance may or may not proceed, shareholders, noteholders, Holders of the Existing Notes and potential investors in any securities of the Company or the Existing Notes should exercise caution when dealing in the securities of the Company or the Existing Notes.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Accrued Interest”	means accrued and unpaid interest in respect of all Existing Notes validly offered and delivered and accepted for exchange by the Company pursuant to the Exchange Offer from and including the interest payment date immediately preceding the Settlement Date to but excluding the Settlement Date;
“Board”	means the board of Directors of the Company;
“Cash Rounding”	means the cash (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards) in lieu of any fractional amount of the New Notes equal to the principal amount of the New Notes not issued (after rounding downward the amount of the New Notes to the nearest multiple of US\$1,000) when cash rounding applies in the event that any tendering holder is entitled to receive New Notes in a principal amount that is not an integral multiple of US\$1,000;
“Clearing Systems”	means Euroclear and Clearstream,;
“Clearstream”	means Clearstream Banking S.A.;

“Company”	means Health and Happiness (H&H) International Holdings Limited (健合(H&H)國際控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and whose shares are listed on The Hong Kong Stock Exchange (Stock Code: 1112);
“Concurrent New Money Issuance”	means a concurrent offering by the Company to issue and sell New Notes that will form a single series with the corresponding New Notes issued in the Exchange Offer;
“Director(s)”	means the director(s) of the Company;
“Eligible Holders”	means the eligible Holders to whom Exchange Offer will only be made, and the New Notes and Subsidiary Guarantees are only being offered and will only be issued, being holders who are (i) located outside the United States (as defined in Regulation S under the Securities Act) who hold their Existing Notes through Euroclear and Clearstream and (ii) a person that, if such person were receiving services in the course of a firm carrying on a regulated activity, would be a client who is either a “professional client” or an “eligible counterparty” under MiFID II. The Company will only accept offers with respect to the Regulation S Notes;
“Euroclear”	means Euroclear Bank SA/NV;
“Exchange Expiration Deadline”	means 4:00 p.m., London time, on September 19, 2018, unless extended, amended or earlier terminated in the sole discretion of the Company;
“Exchange Offer”	means the offer made by the Company upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum;
“Exchange Offer Memorandum”	means the exchange offer memorandum dated September 11, 2018 in relation to the Exchange Offer;
“Exchange Price”	means US\$1,042.29 of New Notes per US\$1,000 in principal amount of the Existing Notes;
“Exchange Website”	means <a href="https://sites.dfkingltd.com/hh">https://sites.dfkingltd.com/hh</a> , the website set up by the Information and Exchange Agent for the purposes of hosting the documents relating to the Exchange Offer;

“Existing Notes”	means the US\$600,000,000 aggregate principal amount of 7.25% Senior Notes due 2021 issued under the indenture entered into by Biostime International Holdings Limited (now known as Health and Happiness (H&H) International Holdings Limited (健合(H&H)國際控股有限公司)), the subsidiary guarantors, HSBC Bank USA, National Association, as the trustee on 21 June 2016;
“Goldman Sachs”	means Goldman Sachs (Asia) L.L.C.;
“Group”	means the Company and its subsidiaries;
“Holders”	means holder(s) of the relevant series of the Existing Notes; and “Holder” means any one of them;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Information and Exchange Agent”	means D.F. King, the information and exchange agent for the Exchange Offer;
“Maximum Acceptance Amount”	means the amount to be determined by the Company at its sole discretion;
“New Notes”	means the notes to be issued by the Company pursuant to this Exchange Offer and the notes to be issued by the Company pursuant to the Concurrent New Money Issuance;
“PRC”	means the People’s Republic of China, excluding for purposes of this announcement, Hong Kong;
“Proration Factor”	means the factor equals to (i) the Maximum Acceptance Amount, divided by (ii) the aggregate principal amount of the Existing Notes that have been validly offered for exchange, subject to rounding;
“Regulation S”	means Regulation S under the U.S. Securities Act;
“Settlement Date”	means five business days after pricing of the Concurrent New Money Issuance;
“SGX-ST”	means Singapore Exchange Securities Trading Limited;
“Hong Kong Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Swisse”	means Swisse Wellness Group Pty Ltd;

“U.S.” or “United States”	means The United States of America;
“U.S. Securities Act”	means the United States Securities Act of 1933, as amended;
“US\$”	means United States dollars, the lawful currency of the United States; and
“%”	means per cent.

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

Hong Kong, 11 September, 2018

*As at the date of this announcement, the executive Directors are Mr. Luo Fei, Mrs. Laetitia Garnier and Mr. Wang Yidong; the non-executive Directors are Dr. Zhang Wenhui and Mr. Luo Yun; and the independent non-executive Directors are Dr. Ngai Wai Fung, Mr. Tan Wee Seng and Professor Xiao Baichun.*

## Other Information

- We plan to enter into a syndication and amendment agreement relating to the New Senior Facility Agreement to increase the size of the New Senior Facilities from US\$350 million to US\$450 million (or its equivalents) (the “**Upsized Facility**”). Subject to the aggregate principal amount of the Notes issued in this offering and the Exchange Offer, all or portion of the proceeds from the drawing of the Upsized Facility will be deposited into the Security Account to finance the redemption of the outstanding Existing Notes after the Exchange Offer.
- In connection with certain financing arrangements entered into by Coliving Limited, security over the outstanding shares of Coliving as well as Coliving’s equity interest in Biostime Pharmaceuticals have been provided to secure the obligations under such financing arrangements. In addition, the majority of the shares held by the Company’s Controlling Shareholder, Biostime Pharmaceuticals, in the Company has been pledged to secure obligations under Coliving’s financing arrangements, with undertaking to pledge their remaining equity interest in the Company if the relevant collateral value ratio falls below a set threshold under Coliving’s financing arrangements.
- Adjusted EBITDA margin during the second half of 2018 is expected to be substantially lower than that achieved in the first half of the year and the Adjusted EBITDA margin for 2018 is expected to be substantially lower than in 2017. Specifically, the decline in our consolidated Adjusted EBITDA margin reflects a substantial decline in Adjusted EBITDA margin for baby nutrition and care products, while Adjusted EBITDA margin for adult nutrition and care products, absent the effect of investments in the business recently transferred back to us from PGT has and is expected to remain stable. In respect of our baby nutrition and care products, the decline in Adjusted EBITDA margin was principally due to increased levels of investment in our brands, sales channels and, to a lesser extent, new product development, which is expected to continue. In particular, the anticipated decline in Adjusted EBITDA margin for baby nutrition and care products in the second half of 2018 reflects our planned increased marketing and sales channel investment following the successful launch of our new registered IMF products under the CFDA’s new registration rules, which became effective on 1 January 2018. These investments include increased spending related to expanded brand ambassador activities as well as consumer education and interaction events with our distributors and retailers of our Biostime-branded  $\pi$ -star and  $\beta$ -star and Healthy Times-branded IMF products (all of which are in premium and super-premium tiers) in anticipation of increased sales of such products. In respect of adult nutrition and care products, the anticipated decline in Adjusted EBITDA margin reflects in part expenses associated with our brand building and sales activities after we bought back our distribution rights from PGT in certain key markets as we enter and further expand in those markets. We expect that these investments will continue throughout the second half of 2018 and into 2019 and will continue to have a significant negative impact on Adjusted EBITDA margin into 2019. Nevertheless, the Company believes investments in product marketing and sales channels are largely discretionary and we will continue to revisit the level and pace of our investment in light of the cash needs of our business.