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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)**

### **ISSUANCE OF US\$300,000,000 5.625% SENIOR NOTES DUE 2024**

This announcement is made by Health and Happiness (H&H) International Holdings Limited (the “**Company**”) pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Listing Rules.

Reference is made to the announcement of the Company dated 11 October 2019 in respect of the Proposed Notes Offering (the “**Previous Announcement**”). Capitalised terms used and not otherwise defined in this announcement have the meanings ascribed to them in the Previous Announcement.

On 17 October 2019, the Company entered into the Purchase Agreement with the Initial Purchasers in connection with the issue of US\$300,000,000 5.625% Notes due 2024.

The estimated net proceeds of the Notes Issue will be US\$295 million. The Company intends to use the net proceeds of the Notes to redeem a portion of the 7.25% Senior Notes due 2021 issued under the indenture entered into by the Company (formerly known as Biostime International Holdings Limited), certain subsidiary guarantors and HSBC Bank USA, National Association, as the trustee on 21 June 2016 (the “**Existing Notes**”). The Notes will only be offered and sold in an institutional offering outside the United States in reliance on Regulation S (the “**Proposed Notes Offering**”).

Application will be made to the HKSE for the listing of, and permission to deal in, the Notes by way of debt issue to Professional Investors only.

**The Notes Issue is subject to satisfaction of certain conditions set out in the Purchase Agreement. Shareholders and potential investors are urged to exercise caution when dealing in the shares and other securities of the Company.**

This announcement is made by the Company pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Listing Rules.

Reference is made to the Previous Announcement. Capitalised terms used and not otherwise defined in this announcement have the meanings ascribed to them in the Previous Announcement.

## **THE PURCHASE AGREEMENT**

The Board is pleased to announce that on 17 October 2019, the Company entered into the Purchase Agreement with the Initial Purchasers in connection with the issue of US\$300,000,000 5.625% Senior Notes due 2024.

Date: 17 October 2019

### **Parties to the Purchase Agreement**

- (a) the Company as the issuer of the Notes;
- (b) the Subsidiary Guarantors as guarantors of the Notes; and
- (c) Goldman Sachs (Asia) L.L.C., The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc, Coöperatieve Rabobank U.A., Hong Kong Branch, CMB International Capital Limited and Shanghai Pudong Development Bank Co., Ltd. Singapore Branch (collectively, the “**Initial Purchasers**”) as the Initial Purchasers of the Notes.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the Initial Purchasers is an independent third party and not a connected person of the Company.

## Principal terms of the Notes

The following is a summary of certain provisions of the Notes and the Indenture. This summary is not complete and is qualified in its entirety by reference to provisions of the documents relating to the Notes.

<b>Issuer</b>	Health and Happiness (H&H) International Holdings Limited (健合(H&H)國際控股有限公司)
<b>Subsidiary Guarantors</b>	Biostime Healthy (BVI) Limited, Biostime Healthy (Cayman) Limited, Biostime Healthy II (BVI) Limited, Biostime Healthy Hong Kong Limited, Health and Happiness (H&H) Hong Kong Limited, Biostime Healthy Australia Pty Ltd, Biostime Healthy Australia Holdings Pty Ltd, Biostime Healthy Australia Investment Pty Ltd, Swisse China Limited, Swisse Wellness Group Pty Ltd, SWG Holdco Pty Ltd and Swisse Wellness Pty Ltd.
<b>Securities Ratings</b>	Ba3 by Moody's Investor Services, Inc.  BB by Standard & Poor's Ratings Services
<b>Offering Type</b>	The Notes will only be offered and sold in an institutional offering outside the United States in reliance on Regulation S.
<b>Principal Amount</b>	US\$300,000,000
<b>Denomination</b>	US\$200,000 and integral multiples of US\$1,000 in excess thereof
<b>Maturity Date</b>	24 October 2024
<b>Issue Price</b>	100%
<b>Interest</b>	The Notes will bear interest from and including 24 October 2019 at a rate of 5.625% per annum, payable semi-annually in arrears.

## **Ranking of the Notes**

The Notes are:

- general secured obligations of the Company;
- secured by the Collateral;
- senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; subordinated to all existing and future secured indebtedness of the Company that is secured on a first-priority basis by assets that secure the Notes on a junior ranking basis or secured by assets of the Company that do not secure the Notes (including PRC assets and PRC share pledges), to the extent of the value of the assets securing such Indebtedness;
- guaranteed by the Subsidiary Guarantors on a senior subordinated basis, subject to the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement, and to certain limitations and risks; and
- effectively subordinated to all existing and future obligations of Restricted Subsidiaries that are not Subsidiary Guarantors.

## **Collateral**

The Notes will be secured on a second-ranking basis (pursuant to the terms of certain intercreditor agreements) by a floating charge over the assets of the Company (other than any assets located in the PRC or Capital Stock of subsidiaries).

The Collateral is subject to the terms of certain intercreditor agreements and may be limited by applicable law or subject to certain defences that may limit its validity or enforceability. The Collateral may be released in certain circumstances.

## **Events of Default**

Events of default with respect to the Notes include failure to pay principal, premium (if any), interest or additional amounts.

## Covenants

The Notes, the Indenture governing the Notes and the Guarantees for the Notes will limit the Company's ability and the ability of its Restricted Subsidiaries to, among other things, incur or guarantee additional indebtedness and issue certain preferred stock, make investments or other specified restricted payments; pay dividends or make other distributions or repurchase or redeem its Capital Stock, issue or sell Capital Stock of Restricted Subsidiaries, create liens on assets to secure indebtedness, guarantee indebtedness of the Company or Restricted Subsidiaries, transfer or sell assets, enter into, renew or extend certain transactions with shareholders or affiliates, enter into agreements that restrict the Company's Restricted Subsidiaries' ability to pay dividends, enter into sale and leaseback transactions, impair the security interests in respect of the Collateral and enter into unrelated businesses and merge or consolidate with or into another company.

## Optional Redemption

On or after 24 October 2021, the Company may on any one or more occasions redeem all or any part of the Notes, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, on the Notes redeemed, to (but not including) the applicable redemption date, if redeemed during the twelve-month period beginning on 24 October of the years indicated below (subject to the rights of holders of Notes on the relevant record date to receive interest on the relevant interest payment date).

<b>Period</b>	<b>Redemption Price</b>
2021.....	102.81250%
2022.....	101.40625%
2023 and thereafter.....	100%

The Company may at its option redeem the Notes, in whole but not in part, at any time prior to 24 October 2021, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the applicable redemption date.

At any time and from time to time prior to 24 October 2021, the Company may redeem up to 40% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in one or more equity offerings at a redemption price of 105.625% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date; provided that at least 60% of the aggregate principal amount of the Notes originally issued on the Original Issue Date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

**Listing** Application will be made to the HKSE for the listing of, and permission to deal in, the Notes by way of debt issue to Professional Investors only.

**Governing Law** New York law

**Trustee** The Hongkong and Shanghai Banking Corporation Limited

#### **Use of proceeds for the Notes Issue**

The estimated net proceeds of the Notes Issue will be US\$295 million. The Company intends to use the net proceeds of the Notes to redeem a portion of the 7.25% Senior Notes due 2021 issued under the indenture entered into by the Company (formerly known as Biostime International Holdings Limited), certain subsidiary guarantors and HSBC Bank USA, National Association, as the trustee on 21 June 2016.

#### **Rating**

The Notes are expected to receive a rating of Ba3 by Moody's Investors Service and BB by Standard and Poor's Ratings Services.

#### **GENERAL**

Reference is made to the Previous Announcement, which contained an extract of certain corporate and financial information regarding the Group, which included certain information that has not previously been made public.

**The Notes Issue is subject to satisfaction of certain conditions set out in the Purchase Agreement. Shareholders and potential investors are urged to exercise caution when dealing in the shares and other securities of the Company.**

## DEFINITIONS

<b>“Applicable Premium”</b>	applicable premium with respect to a Note at any Redemption date as defined under the Offering Memorandum
<b>“Board”</b>	the board of Directors
<b>“Company”</b>	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 HKSE
<b>“connected person(s)”</b>	shall have the meaning ascribed to it under the Listing Rules
<b>“Directors”</b>	the directors of the Company
<b>“Group”</b>	the Company and its subsidiaries
<b>“Guarantee”</b>	the guarantee provided by the Subsidiary Guarantors
<b>“HK\$”</b>	Hong Kong dollar, the official currency of Hong Kong
<b>“HKSE”</b>	The Stock Exchange of Hong Kong Limited
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Indenture”</b>	the written agreement to be entered into between, <i>inter alia</i> , the Company, the Subsidiary Guarantors as guarantors and the Trustee on or around 24 October 2019, pursuant to which the Notes will be issued
<b>“Initial Purchasers”</b>	Goldman Sachs (Asia) L.L.C., The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc, Coöperatieve Rabobank U.A., Hong Kong Branch, CMB International Capital Limited and Shanghai Pudong Development Bank Co., Ltd. Singapore Branch
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the HKSE
<b>“Notes”</b>	the 5.625% Senior Notes due 2024 in the aggregate principal amount of US\$300,000,000 to be issued by the Company
<b>“Notes Issue”</b>	the issue of the Notes by the Company
<b>“Offering Memorandum”</b>	offering memorandum in connection with the Notes
<b>“Original Issue Date”</b>	24 October 2019



“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“Purchase Agreement”	the agreement dated 17 October 2019 entered into between the Company, the Subsidiary Guarantors and the Initial Purchasers in relation to the Notes Issue
“Regulation S”	Regulation S under the U.S. Securities Act
“Restricted Subsidiaries”	all of the Company’s subsidiaries except for any Unrestricted Subsidiary
“Subsidiary Guarantors”	the subsidiaries of the Company incorporated outside of the PRC which are expected to provide a guarantee for the payment of the Notes, including Biostime Healthy (BVI) Limited, Biostime Healthy (Cayman) Limited, Biostime Healthy II (BVI) Limited, Biostime Healthy Hong Kong Limited, Health and Happiness (H&H) Hong Kong Limited, Biostime Healthy Australia Pty Ltd, Biostime Healthy Australia Holdings Pty Ltd, Biostime Healthy Australia Investment Pty Ltd, Swisse China Limited, Swisse Wellness Group Pty Ltd, SWG Holdco Pty Ltd and Swisse Wellness Pty Ltd.
“Trustee”	The Hongkong and Shanghai Banking Corporation Limited
“United States”	United States of America
“Unrestricted Subsidiary”	any subsidiary of the Company designated pursuant to the Indenture that will not be subject to the restrictive covenants in the Indenture
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“US\$”	United States dollar, the lawful currency of the United States

By Order of the Board  
**Health and Happiness (H&H) International Holdings Limited**  
**Mr. Luo Fei**  
*Chairman*

Hong Kong, 18 October 2019

*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.*