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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.

CHANGE IN SHAREHOLDING OF CONTROLLING SHAREHOLDER

The Company has been informed by Biostime Pharmaceuticals (China) Limited (“**Biostime Pharmaceuticals**”, a controlling shareholder of the Company) that Coliving Limited (“**Coliving**”, an entity which owns 47.71% of the total issued shares in Biostime Pharmaceuticals) entered into a sale and purchase agreement (the “**SPA**”) on 24 October 2017 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 450,000,000 shares in the Company, representing approximately 70.86% of the total issued shares in the Company.

Pursuant to the SPA, Coliving conditionally agreed to purchase, and the Sellers conditionally agreed to sell, 18,585,000 shares in Biostime Pharmaceuticals representing, in total, 4.13% of the total issued shares in Biostime Pharmaceuticals, for a total price of HK\$700,403,602.50 (the “**Purchase Price**”). Based on the shareholding of Biostime Pharmaceuticals in the Company, the Purchase Price represents a see-through price of approximately HK\$37.6865 for each of the shares in the Company held by Biostime Pharmaceuticals. Upon completion of the SPA, Coliving will become the owner of 51.84% of the total issued shares in Biostime Pharmaceuticals, whereas the remaining

48.16% 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 are as follows:

	Immediately before completion of the SPA	Immediately after completion of the SPA
Coliving	47.71%	51.84%
Bosheng Investment Holding Limited	26.00%	23.95%
Fulin Group Limited	11.90%	10.96%
Wise Capital LLC	9.99%	9.20%
KQJ Investment Holding Limited	4.40%	4.05%

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 one month after the date of the SPA.

IMPLICATIONS UNDER THE TAKEOVERS CODE

The Company has been informed by Biostime Pharmaceuticals that, as Coliving will acquire statutory control over Biostime Pharmaceuticals upon completion of the SPA, and the shareholding of Biostime Pharmaceuticals in the Company is significant in relation to Biostime Pharmaceuticals, Coliving will be required to, upon completion of the SPA, make a mandatory general offer for all the issued shares of the Company pursuant to Note 8 to Rule 26.1 of the the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) unless a waiver is granted by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director (the “**Executive**”).

The Company has been informed by Biostime Pharmaceuticals that Coliving has applied for, and the Executive has granted, a waiver pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code of the obligation of Coliving to make a general offer for the shares of the Company arising from the completion of the SPA.

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, October 24, 2017

As at the date of this announcement, the executive director of the Company is Mr. Luo Fei; the non-executive directors of the Company are Dr. Zhang Wenhui, Mr. Wu Xiong, Mr. Luo Yun and Mr. Chen Fufang; and the independent non-executive directors of the Company are Dr. Ngai Wai Fung, Mr. Tan Wee Seng and Professor Xiao Baichun.