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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)

ANNOUNCEMENT PURSUANT TO RULE 13.18 OF THE LISTING RULES

REFINANCING TERM LOAN FACILITIES

This announcement is made by Health and Happiness (H&H) International Holdings Limited (the “**Company**”) pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

On 21 June 2018, a facility agreement (the “**Refinancing Facility Agreement**”) was entered into among Biostime Healthy Australia Investment Pty Ltd, an indirect subsidiary of the Company, as borrower, the Company and certain subsidiaries as guarantors, and affiliates of The Goldman Sachs Group, Inc., to provide for, among other things, a senior secured US dollar term loan facility and a senior secured Australian dollar term loan facility in an aggregate amount of up to US\$300 million (the “**Refinancing Term Loan Facilities**”) to be syndicated to other financial institutions. The amount to be borrowed under the Refinancing Term Loan Facilities is to be used to refinance an existing 3-year senior secured term loan facility in an aggregate amount of up to US\$450 million (the “**Existing Loan Facility**”) under a facility agreement dated 24 April 2016 between the same borrower, the Company and certain subsidiaries as guarantors, and affiliates of The Goldman Sachs Group, Inc. (as detailed in an announcement issued by the Company dated 24 April 2016). The amount borrowed under the Existing Loan Facility was used to refinance a certain bridge financing in relation to the acquisition of equity interest in Swisse Wellness Group Pty Ltd.

The Refinancing Term Loan Facilities are available for utilisation within twenty (20) business days after the signing of the Refinancing Facility Agreement. The loans under the Refinancing Term Loan Facilities will be made available in a single instalment under each facility on the relevant utilisation date. The principal amount of the Refinancing Term Loan Facilities is to be repaid upon the earlier of the date falling (i) thirty-six (36) months after the initial utilisation date; or (ii) one month before the maturity of the US\$600,000,000 7.25% senior notes due 21 June 2021 issued by the Company (to the extent that such notes have not been refinanced or replaced in full) (the “**Termination Date**”).

The Refinancing Facility Agreement also provides for a senior secured multi-currency revolving credit facility in an aggregate amount of up to US\$50 million (the “**Revolving Credit Facility**”). Any amount borrowed under the Revolving Credit Facility is to be used for general corporate purposes and the working capital of the Company and its subsidiaries. The Revolving Credit Facility is available for utilisation at any time from the date when the Refinancing Term Loan Facilities are first utilised to the date falling one month prior to the Termination Date.

The Company considers the terms (including interest rate) and conditions of the Refinancing Facility Agreement customary commercial terms for debt financings of this kind.

Pursuant to the Refinancing Facility Agreement, if Mr. Luo Fei, Mr. Luo Yun and the family members of each of them (collectively) cease to (i) hold (directly or indirectly) beneficially 23% or more of the issued voting share capital of the Company, or (ii) be the persons who hold (directly or indirectly) beneficially the largest percentage of the issued voting share capital of the Company, the Refinancing Term Loan Facilities and the Revolving Credit Facility will be cancelled and all outstanding principal, together with accrued interest, and all other amounts accrued under the finance documents, shall become immediately due and payable.

The Company will make continuing disclosure pursuant to Rule 13.21 of the Listing Rules for so long as circumstances giving rise to the obligation under Rule 13.18 of the Listing Rules continue to exist.

As the availability of the Refinancing Term Loan Facilities and the Revolving Credit Facility is subject to certain conditions precedent, it may or may not proceed. Accordingly, the shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares and other securities of the Company.

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

Hong Kong, 21 June 2018

As at the date of this announcement, the executive directors of the Company are Mr. Luo Fei, Mr. Wang Yidong and Mrs. Laetitia Marie Edmee Jehanne ALBERTINI ep. GARNIER; 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.