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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
COMMITMENT LETTER REGARDING LOAN FACILITIES**

This announcement is made by Health and Happiness (H&H) International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 25 March 2022, the Company countersigned a commitment letter (the “**Commitment Letter**”) issued by certain financial institutions (acting as the exclusive mandated lead arrangers, exclusive bookrunners, exclusive underwriters and original lenders) (the “**Credit Parties**”) in relation to certain refinancing facility in the aggregate amount of US\$1,200,000,000. Subject to the terms of the Commitment Letter, the Credit Parties have severally agreed to irrevocably underwrite a senior term loan facility in the amount of US\$1,125,000,000 (the “**Term Facility**”) and a revolving credit facility in the amount of US\$75,000,000 (the “**Revolving Facility**”, together with the Term Facility, the “**Refinancing Facilities**”). The proposed borrowers under the Refinancing Facilities are the Company, Biostime Healthy Australia Investment Pty Ltd and Health and Happiness (H&H) US International Incorporated (both being wholly owned subsidiaries of the Company) (the “**Proposed Borrowers**”).

The commitments of the Credit Parties for the Refinancing Facilities are subject to the terms of the Commitment Letter and a term sheet attached thereto, with conditions including (but not limited to) (i) the preparation and execution of the final facility documentation and (ii) completion of filing in respect of the Refinancing Facilities with the National Development and Reform Commission of the People’s Republic of China (the “**NDRC**”) in accordance with certain circular and implementation rules of the NDRC.

The terms of the Commitment Letter provide that (i) the purpose of the Term Facility is to refinance the senior secured term loan facilities granted to the Company and Biostime Healthy Australia Investment Pty Ltd under the senior facilities agreements originally dated 21 June 2018 as amended and restated from time to time with outstanding principal amount of US\$775,000,000 (including an incremental term loan with outstanding principal amount of US\$150,000,000 made in connection with an incremental facility request dated 27 September 2021) and a term loan facility granted to the Company under the bridge facility agreement dated 27 September 2021 with outstanding principal amount of US\$350,000,000 (collectively, the “**Existing Facilities**”); and (ii) the purpose of the Revolving Facility is for general corporate purpose and working capital of the Company and its subsidiaries.

Reference is made to the announcements dated 21 June 2018, 29 October 2019 and 27 September 2021 issued by the Company which contain details of the Existing Facilities.

Security and guarantees to be provided to secure the obligations of the Proposed Borrowers under the Refinancing Facilities include (i) charge over the shares in the Proposed Borrowers and certain subsidiaries of the Company, (ii) security over certain assets of the Proposed Borrowers and certain subsidiaries of the Company and (iii) guarantees provided by the Proposed Borrowers and certain subsidiaries of the Company.

The Refinancing Facilities are expected to contain customary covenants and undertakings which are similar to those under the Existing Facilities to be made by the Proposed Borrowers, guarantors and other relevant security providers. In particular, they are expected to provide that if, among other things, Mr. Luo Fei and Mr. Luo Yun and their family members (collectively) cease to hold (directly or indirectly) beneficially the largest percentage of the issued voting share capital of the Company, all loan facilities to be made under the Refinancing Facilities will be cancelled and all outstanding principal, together with accrued interest, and all other amounts accrued under the facility documentation of the Refinancing Facilities, shall become immediately due and payable.

The Company will make further announcements regarding the Refinancing Facilities in accordance with the requirements of the Listing Rules.

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

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

Hong Kong, 28 March 2022

As at the date of this announcement, the executive directors of the Company are Mr. Luo Fei, Mrs. Laetitia 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 Mr. Tan Wee Seng, Mrs. Lok Lau Yin Ching and Mr. Wang Can.