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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)

(the “Company”)

PROPOSED ISSUE AND PRICING OF US\$120,200,000 13.5% SENIOR NOTES DUE 2026

**(to be consolidated and form a single series with the outstanding
USD179,800,000 13.5% Senior Notes due 2026 issued on June 26, 2023)**

The Board is pleased to announce that the Company entered into the Purchase Agreement with the Initial Purchasers in connection with the issue of US\$120,200,000 13.5% notes due 2026 (the “**New Notes**”). Upon issuance, the New Notes will be consolidated and form a single series with the outstanding USD179,800,000 13.5% senior notes due 2026 issued on June 26, 2023 (the “**Original Notes**”, together with the New Notes, the “**Notes**”). The New Notes constitute Additional Notes under the indenture dated June 26, 2023 (the “**Indenture**”) and are identical in all respects to the Original Notes, other than with respect to the issue date, the issue price and the first interest payment date.

The gross proceeds of the offering of the New Notes plus the accrued interest from and including the last interest payment date to but excluding the New Notes Issue Date will be approximately US\$132 million. The Company intends to use the net proceeds of the New Notes, being the gross proceeds after deducting underwriting discounts, compensation payable to the Initial Purchasers in connection with the offering and other fees and expenses, to repay the existing offshore indebtedness of the Company. The New Notes will only be offered and sold in an institutional offering outside the United States in reliance on Regulation S.

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

Reference is made to the Offering Memorandum dated April 8, 2024 (the “**Offering Memorandum**”). Capitalized terms used and not otherwise defined in this announcement have the meanings ascribed to them in the Offering Memorandum.

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

THE PURCHASE AGREEMENT

The Board is pleased to announce that on April 8, 2024, the Company entered into the Purchase Agreement with the Initial Purchasers in connection with the issue of US\$120,200,000 13.5% Senior Notes due 2026.

Date: April 8, 2024

Parties to the Purchase Agreement

- (a) the Company as the issuer of the New Notes;
- (b) the Subsidiary Guarantors as guarantors of the New Notes; and
- (c) Deutsche Bank AG, Singapore Branch and Goldman Sachs (Asia) L.L.C. (together, the “**Initial Purchasers**”) as the Initial Purchasers of the New 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 New Notes

The following is a summary of certain provisions of the New 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 New Notes.

Issuer	Health and Happiness (H&H) International Holdings Limited (健合(H&H)國際控股有限公司)
Subsidiary Guarantors	Health and Happiness (H&H) Hong Kong Limited, Biostime Healthy (BVI) Limited, Biostime Healthy (Cayman) Limited, Biostime Healthy II (BVI) Limited, Biostime Healthy Hong Kong Limited, Swisse China Limited, Biostime Healthy Australia Pty Ltd, Biostime Healthy Australia Holdings Pty Ltd, Biostime Healthy Australia Investment Pty Ltd, Swisse Wellness Group Pty Ltd, SWG Holdco Pty Ltd, Swisse Wellness Pty Ltd, Health and Happiness (H&H) US International Incorporated, S W International Pty Ltd, Zesty Paws LLC, Health and Happiness (H&H) US Holdings Inc., Health and Happiness (H&H) UK Limited and Biostime International Investment Limited.
Notes Ratings	Ba3 by Moody's Investor Services BB by Standard & Poor's Ratings Services
Offering Type	Only offered and sold to investors who are outside the United States in offshore transactions in reliance on Regulation S.
Principal Amount	US\$120,200,000
Denomination	Minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof
Maturity Date	June 26, 2026
Interest	The New Notes will bear interest from and including December 26, 2023 at a rate of 13.5% per annum, payable semi-annually in arrear, beginning on June 26, 2024.
Ranking of the Notes	The Notes are: <ul style="list-style-type: none">• 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;

- ranked *pari passu* with 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 (including the Indebtedness under the Senior Facilities and certain hedging obligations) and effectively subordinated to all existing and future secured indebtedness of the Company that is secured by assets of the Company that do not secure the Notes, to the extent of the value of the assets securing such indebtedness;
- guaranteed by the Subsidiary Guarantors on a senior 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 and the Subsidiary Guarantees are secured on a first-ranking basis by customary debentures/security agreements over all or substantially all assets of the Company and each initial Subsidiary Guarantor (in each case other than any assets located in the PRC or Capital Stock of subsidiaries in the PRC that do not secure the Notes) as well as pledges/charges over shares of each initial Subsidiary Guarantor, Health and Happiness (H&H) China Limited and Biostime (Guangzhou) Health Products Limited. The Collateral is subject to the terms of the Intercreditor Agreement 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 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 and the Restricted Subsidiaries' ability to pay dividends, enter into sale and leaseback transactions, impair the security interests in respect of the collateral, enter into unrelated businesses and merge or consolidate with or into another company.

Optional Redemption On or after June 26, 2025, 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 June 26 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).

Period	Redemption Price
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2025 and thereafter	106.75%
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The Company may at its option redeem the Notes, in whole but not in part, at any time prior to June 26, 2025, 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 June 26, 2025, 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 113.5% 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 June 26, 2023 remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

Listing The Original Notes are listed on SEHK. Application will be made to the SEHK for the listing of, and permission to deal in, the New 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 New Notes

The gross proceeds of the offering of the New Notes plus the accrued interest will be approximately US\$132 million. The Company intends to use the net proceeds of the New Notes, being the gross proceeds after deducting underwriting discounts, compensation payable to the Initial Purchasers in connection with the offering and other fees and expenses, to repay the existing offshore indebtedness of the Company.

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

Hong Kong, April 8, 2024

As at the date of this announcement, the executive directors of the Company are Mr. Luo Fei and Mr. Wang Yidong; the non-executive directors of the Company are Mrs. Laetitia Albertini, Dr. Zhang Wenhui, Mr. Luo Yun and Mrs. Mingshu Zhao Wiggins; and the independent non-executive directors of the Company are Mr. Tan Wee Seng, Mrs. Lok Lau Yin Ching and Professor Ding Yuan.