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COMMON SPLENDOR INTERNATIONAL HEALTH INDUSTRY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 286)

DISCLOSEABLE TRANSACTION ACQUISITION OF A MEDICAL BEAUTY ANTI-AGING GROUP AND ISSUE OF SHARES UNDER GENERAL MANDATE

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcement of the Company dated 12 August 2017 in relation to a disclosable transaction for the acquisition of a medical beauty anti-aging group and issue of shares under general mandate (the “**Announcement**”). Unless the context otherwise states, capitalised terms used in this announcement have the same meanings as those defined in the Announcement.

As stated in the Announcement, the Consideration was determined after arm’s length negotiation between the respective Parties to the Agreement with reference to, among others, the reasons and benefits as set out in the section headed “Reasons and Benefits for the Acquisition”.

BASIS AND FACTORS TO DETERMINE THE CONSIDERATION

The Consideration was determined after arm’s length discussion between the Vendors and the Purchaser, with reference to (i) the price-to-earnings ratio of different listed companies in the medical service industry of Hong Kong and the PRC; (ii) the past financial performance of the Target Group; (iii) the capacity for new business development of the Target Group; (iv) the capacity for expansion and opening new medical or beauty centres of the Target Group; (v) the accumulated brand reputation of the Target Group; (vi) the sales potential of the Target Group; (vii) the large pool of customer network of the Target Group; and (viii) the market prospect of the medical cosmetic anti-aging services.

REASONS AND BENEFITS FOR THE ACQUISITION

According to the “HEBE · Health Report of Chinese Riches 2014” (the “**Report**”), the most popular healthcare service which consumers are most interested in is anti-aging services. The Report shows that the anti-aging industry including health care and skin care products has great potential in consumption and is becoming a thriving new market. In the past few years, there is a rapid growth in the PRC’s anti-aging industry. From 2008 to 2011, the sales of the anti-aging market in the PRC increased from RMB12.2 billion to RMB20 billion, with an increase of about 17%. The Report estimated that the market size of the PRC’s anti-aging industry would be over RMB40 billion by 2016, with a compound annual growth rate of over 15%.

The consumer group in the PRC has placed a high level of trust and confidence towards the companies in Hong Kong when it comes to the consumption of anti-aging items. The influx of consumers from the PRC leads to the rapid growth in the anti-aging services industry. The base of clientele of the Target Group is mainly from the PRC where the Target Group has established a reputable brand in the medical cosmetic anti-aging industry with a large sales network as well as an experienced business management team in the industry. The Target Group continues to open up new markets and set up new medical or beauty centres, including plans to establish medical or beauty centres in the PRC to serve customers in the PRC directly. With an overview of the industry growth and business strategy of the Target Group, the Target Group is currently in a stage of rapid growth.

In addition, Realyoung Life Anti-aging, which is an existing principal business of the Group, is mainly engaged in the anti-aging business designed for the inside of the body and has commenced its operation in the medical institutions in Guangzhou and Shenzhen respectively. The Acquisition is in line with the Group’s strategy because the medical cosmetic anti-aging business acquired under the Agreement is designed for the appearance of the body. The combination of the above new businesses will complement the medical anti-aging business of the Group and enhance its existing business significantly. The integration of the old and new businesses as well as the anti-aging business for the inside and the appearance of the body will remarkably improve the Group’s competitiveness and brand image in the medical anti-aging industry, and bring about enhancements to the Group’s existing business.

In conclusion, this Acquisition is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

TARGET NET PROFIT

Based on the overall situation of market growth of the anti-aging industry aforementioned, considering the Target Group’s operational capacity and expansion capacity; the large amount of accumulated clientele; the accumulated brand reputation; the well-established sales network, together with the Target Group’s growth in profit in the recent years; the growth in the number of new clients; the new product development; the progress in opening new medical or beauty centres; and the experienced management team of the Target Group in the industry, the Company arrives at the Target Net Profit. Meanwhile,

pursuant to the above basis, the Board considers that there is likelihood for achieving the Target Net Profit. In any event, pursuant to the terms of the Agreement, the Vendors agree that if the Target Net Profit is not reached, the Group may reduce the payment of Consideration in proportion.

ASSESSMENT OF THE BOARD

Considering (i) the price-to-earnings ratio of different listed companies in the medical service industry of Hong Kong and the PRC; (ii) the past financial performance of the Target Group; (iii) the capacity for new business development of the Target Group; (iv) the capacity for expansion and opening new medical or beauty centres of the Target Group; (v) the brand concentration of the Target Group; (vi) the sales potential of the Target Group; (vii) the large pool of customer network of the Target Group; and (viii) the market prospect of the medical cosmetic anti-aging services, the Board considers that the Consideration representing 12.1 times of the Target New Profit is determined on normal commercial terms and is fair and reasonable.

WAY TO DEAL WITH THE REPURCHASED CONSIDERATION SHARES

As stated in the Announcement, in the event that the Actual Net Profit for each of the relevant periods falls below the corresponding Target Net Profit, the Purchaser shall pay HK\$1 to repurchase the remaining non freely-transferable Consideration Shares from each of the Vendors.

Pursuant to Rule 10.06(5) of the Listing Rules, the repurchase of any Consideration Shares by the Purchaser shall be automatically cancelled upon purchase.

As the Acquisition is subject to fulfilment of conditions precedent as set out in the Agreement and therefore it may or may not proceed, Shareholders and investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this supplemental announcement, unless the context otherwise requires, the following expression shall have the following meaning”

“RMB” Renminbi, the lawful currency of the PRC

By order of the Board
**Common Splendor International
Health Industry Group Limited**
Cheung Wai Kuen
Chairman

Hong Kong, 24 August 2017

As at the date of this announcement, the Board comprises Mr. Cheung Wai Kuen, Mr. Cheng Hau Yan and Mr. Ye Jiong Xian as executive Directors; Mr. Lin Jiang and Mr. Hou Kaiwen as non-executive Directors; and Mr. Mai Yang Guang and Mr. Lam Chi Wing as independent non-executive Directors.