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COMMON SPLENDOR INTERNATIONAL HEALTH INDUSTRY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 286)

UPDATE ON DISCLOSEABLE TRANSACTION RELATING TO THE PROPOSED ACQUISITION OF CMCM

Reference is made to the announcements of Common Splendor International Health Industry Group Limited (the “**Company**”) dated 2 December 2016 in relation to a discloseable transaction for the proposed acquisition of CMCM (the “**December Announcement**”) and the Company’s announcement dated 12 August 2017 in relation to an update of the CMCM Acquisition. Unless the context otherwise states, capitalised terms used in this announcement have the same meanings as those defined in the December Announcement.

UPDATED STATUS OF THE CMCM ACQUISITION

The Company announces that a supplemental agreement (the “**Supplemental Agreement**”) was entered into on 18 August 2017 among the Company and the counterparties to the CMCM Agreement by mutual consent, pursuant to which the parties acknowledge and agree, among other things, that in the event that the business model of CMCM is adjusted to the satisfaction of the Company before 31 October 2017, the parties will proceed with the transactions contemplated under the CMCM Agreement, otherwise the CMCM Agreement shall be terminated and none of the parties shall have any obligations and liabilities thereunder towards any other parties, in which event the Company shall not be obligated to issue any Consideration Shares and any shares in CMCM that has been transferred to the Company shall be returned to the Vendors or their designated individuals or entities.

As at the date hereof, no Consideration Share has been issued by the Company, and according to the information from CMCM, Entrustment Management Agreements have been entered into between CMCM and each of Nanjing Qingan Beauty Hospita* (南京擎安美容醫院), Shenzhen Han Jia Medical Beauty Clinic* (深圳韓佳醫療美容門診部), and Guangzhou XiYueHui Postnatal Care Centre* (廣州禧悅會月子中心). Since certain terms of the Entrustment Management Agreements entered into by CMCM were unsatisfactory to the Company, the implementation of such Entrustment Management Agreements and signing of further Entrustment Management Agreements were suspended, CMCM has not met its profit target of HKD15 million in 2016.

As stated above and according to the terms of the Supplemental Agreement, it is the Board's intention to proceed with the transactions contemplated under the CMCM Agreement on the condition that the business model of CMCM shall be adjusted to the satisfaction of the Company before 31 October 2017. Subject to the business model of CMCM being adjusted to the satisfaction of the Company, the Directors expect that the parties may correspondingly negotiate on the CMCM Consideration and the Guaranteed CMCM Net Profit as appropriate according to results of the adjustment, taking into account, among other factors, the mode of entrustment management, progress on the entrustment management business, operational ability of CMCM's management members, market conditions of the maternity and child healthcare sector in the PRC and profit to earnings ratios of comparable companies in the market. The Board considers that it will be in the interest of the Company and Shareholders as a whole to proceed on the basis of the foregoing, otherwise the CMCM Acquisition will be terminated pursuant to the terms of the CMCM Agreement.

As the transactions contemplated under the CMCM Agreement may or may not proceed, Shareholders and investors are reminded to exercise caution when dealing in the Shares.

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

Hong Kong, 31 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.

** denotes English translation of the name of a Chinese company or entity, and is provided for identification purposes only.*