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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities or other registered dealer, or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Common Splendor International Health Industry Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities or other registered dealer, or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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## **COMMON SPLENDOR INTERNATIONAL HEALTH INDUSTRY GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 286)**

### **PROPOSED ADOPTION OF SHARE AWARD SCHEME INVOLVING SEEKING THE SCHEME MANDATE AND NOTICE OF SPECIAL GENERAL MEETING**

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A notice convening the Special General Meeting to be held at Rooms 2709–10, 27th Floor, North Tower, Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong on Thursday, 30 August 2018 at 4:30 p.m. is set out on pages 16 to 17 of this circular. A form of proxy for use by the Shareholders at the Special General Meeting is enclosed together with this circular.

Whether or not you are able to attend the Special General Meeting or any adjournment thereof, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Special General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Special General Meeting or any adjournment thereof if you so wish and in such event, the form of proxy shall be deemed to be revoked.

15 August 2018

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“Adoption Date”	the date on which the Scheme is approved by the Shareholders;
“Award”	an award of the Awarded Shares by the Board to a Selected Participant;
“Awarded Share(s)”	in respect of a Selected Participant, such number of Shares awarded by the Board;
“Board”	the board of Directors;
“Business Day”	a day (other than Saturday, Sunday or public holiday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong;
“Bye-laws”	the bye-laws of the Company
“Company”	Common Splendor International Health Industry Group Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 286);
“connected person”	has the meaning as defined in the Listing Rules;
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company and/or its Subsidiaries as permitted under the Scheme to the Trust as determined by the Board from time to time;
“Director(s)”	director(s) of the Company;
“Eligible Person(s)”	any individual, being an Employee, Director, officer, consultant or adviser of any member of the Group or any other person whom the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group;
“Employee”	any employee of any member of the Group;
“General Mandate”	the general mandate granted or to be granted by the Shareholders of the Company at general meetings from time to time;

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## DEFINITIONS

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“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	13 August 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“inside information”	has the meaning as defined in the SFO;
“Scheme” or “Share Award Scheme”	the “Common Splendor International Health Industry Group Limited Share Award Scheme” to be approved by the Shareholders at the SGM, in its present form or as amended from time to time in accordance with the provisions thereof;
“Scheme Mandate”	the specific mandate to be granted by the Shareholders at the SGM to the Directors;
“Selected Participant(s)”	any Eligible Person or such Eligible Person’s wholly owned company or trust (the beneficiaries of which include such Eligible Person and/or his immediate family members) selected by the Board for participation in the Scheme;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Special General Meeting” or “SGM”	the special general meeting of the Company to be held at Rooms 2709–10, 27th Floor, North Tower, Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong on Thursday, 30 August 2018 at 4:30 p.m. or any adjournment thereof (as the case may be), notice of which is set out on pages 16 to 17 of this circular;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

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## DEFINITIONS

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“Subscription Price”	the subscription price for the allotment and issue of new Shares to the Trustee for the purpose of the Scheme to be determined by the Board subject to the minimum issue price of the nominal value of such new Shares;
“Trust”	the trust constituted by the Trust Deed;
“Trust Deed”	a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time);
“Trust Fund”	the funds and properties held under the Trust and managed by the Trustee for the benefit of the Eligible Persons;
“Trustee”	Bank of Communications Trustee Limited being the trustee or trustees for the time being of the Trust or any additional or replacement trustee(s);
“Vesting Date”	the date on which the entitlement to the Awarded Shares of a Selected Participant is vested in such Selected Participant;
“%”	per cent.



**COMMON SPLENDOR INTERNATIONAL  
HEALTH INDUSTRY GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 286)**

*Executive Directors:*

Mr. Cheung Wai Kuen (*Chairman*)  
Mr. Cheng Hau Yan (*Deputy Chairman*)  
Mr. Ye Jiong Xian (*Chief Executive Officer*)

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Non-executive Directors:*

Mr. Lin Jiang  
Mr. Hou Kai Wen

*Principal Office in Hong Kong:*

Rooms 2709–10, 27th Floor  
North Tower, Concordia Plaza  
1 Science Museum Road  
Tsim Sha Tsui, Kowloon  
Hong Kong

*Independent non-executive Directors:*

Mr. Mai Yang Guang  
Mr. Lam Chi Wing  
Mr. Wong Yiu Kit, Ernest

15 August 2018

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED ADOPTION OF SHARE AWARD SCHEME  
INVOLVING SEEKING THE SCHEME MANDATE  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**1. INTRODUCTION**

Reference is made to the announcements of the Company dated 5 July 2018 and 8 August 2018. The purpose of this circular is to provide the Shareholders with information reasonably necessary to enable the Shareholders to consider and, if thought fit, approve, among other things, the resolution in respect of the proposed adoption of the Share Award Scheme involving the granting of the Scheme Mandate to be proposed at the SGM.

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## LETTER FROM THE BOARD

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### 2. PROPOSED ADOPTION OF THE SHARE AWARD SCHEME INVOLVING SEEKING THE SCHEME MANDATE

#### Share Award Scheme

As disclosed in the announcement of the Company dated 5 July 2018, the Board has conditionally approved the adoption of the Share Award Scheme, subject to the approval by the Shareholders of the Share Award Scheme and the Scheme Mandate at the SGM. Summary of the principal terms of the Share Award Scheme and further information in connection with the Scheme Mandate are set out in Appendix I to this circular.

Pursuant to the Share Award Scheme, the Board may from time to time cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise contributed by the Company or any subsidiary as directed by the Board, which shall constitute part of the Trust Fund, for the purchase or subscription of Shares.

Subject to the relevant rules of the Scheme and the Trust Deed, the Board may either (i) cause to allot and issue new Shares to the Trustee at the Subscription Price under the Scheme Mandate or the General Mandate (as the case may be) (1) as Awarded Shares in the event that the Board has selected certain Eligible Persons as Selected Participants or (2) from time to time for future Award, and the Board shall in such events cause an amount equal to the Subscription Price of such new Shares to be allotted and issued under the Scheme Mandate or the General Mandate (as the case may be) be transferred from the Company's resources as soon as practicable prior to the allotment and issuance of such Shares as subscription monies for the new Shares to the Trustee or (ii) from time to time instruct the Trustee in writing to purchase Shares on the Stock Exchange out of the Trust Fund.

As at the Latest Practicable Date, there are over 270 Eligible Persons under the Share Award Scheme. As at the Latest Practicable Date, the Company intends to grant Awarded Shares to the employees in the following categories: senior management, senior technicians, performance innovation team and project innovation team. As at the Latest Practicable Date, as the Scheme is yet to be approved by the Shareholders at the SGM, the Company has not determined the details on the granting of Awards under the Scheme. As at the Latest Practicable Date, the aggregate interests of connected persons of the Company under the Share Award Scheme is less than 30%. Accordingly, the Trustee is a third party independent of the Company and connected persons of the Company.

In the event that the aggregate interests of connected persons of the Company under the Share Award Scheme exceeds 30% at any time during the life of the Share Award Scheme, the Trustee will become a connected person of the Company under the Listing Rules. In such event, any issue and allotment of new Shares to the Trustee in satisfaction of Awards granted under the Share Award Scheme will constitute connected transactions of the Company subject to independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## LETTER FROM THE BOARD

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The Share Award Scheme is a discretionary scheme of the Company, which does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules.

### **Scheme Mandate**

As the Board may cause to allot and issue Shares to the Trustee under the Scheme Mandate subject to the rules of the Scheme and the Trust Deed, item (c) of an ordinary resolution contained in the notice of the SGM as set out on pages 16 to 17 of this circular is proposed to be sought at the SGM to grant the Scheme Mandate to the Directors to allot and issue up to not more than 3% of the total number of issued Shares as at the date of passing such resolution pursuant to Rule 13.36(1) of the Listing Rules prior to allotting and issuing of new Shares to the Trustee.

As at the Latest Practicable Date, the total number of Shares in issue was 2,996,255,008. Subject to the passing of the relevant ordinary resolution approving the adoption of the Share Award Scheme and the Scheme Mandate, and assuming that the total number of issued Shares remains unchanged until the date of the SGM, the maximum number of new Shares which may be issued under the Scheme Mandate will be 89,887,650 Shares.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, up to 89,887,650 new Shares which may be allotted and issued to satisfy the Awards which may be granted under the Share Award Scheme.

So far as the Directors are aware, as at the Latest Practicable Date, none of the Shareholders is required to abstain from voting on the ordinary resolution to approve the adoption of the Share Award Scheme and the Scheme Mandate.

### **Other schemes of the Company**

The Company previously adopted a share option scheme on 11 October 2012 (the “**2012 Scheme**”) which will expire on 10 October 2022. The total number of shares which may be issued upon exercise of all share options to be granted under the 2012 Scheme must not, in aggregate, exceed 10% of the shares in issue as at the date of the approval of the refreshed limit i.e. 259,625,500 shares.

As at 31 December 2017 and up to the Latest Practicable Date, the number of shares which may be issued upon exercise of share options granted and remain outstanding under the 2012 Scheme was nil.

### **3. SPECIAL GENERAL MEETING**

The notice of the Special General Meeting is set out on pages 16 to 17 of this circular.



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## LETTER FROM THE BOARD

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A form of proxy for use at the Special General Meeting is enclosed with this circular. Whether or not you are able to attend the Special General Meeting or any adjournment thereof, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Special General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Special General Meeting or any adjournment thereof if you so wish and in such event, the form of proxy shall be deemed to be revoked.

#### **4. RIGHT TO DEMAND A POLL**

Pursuant to Bye-law 66 of the Bye-laws, a resolution put to the vote at any general meeting shall be decided on a show of hands, unless a poll is required by the Listing Rules or (before or on the declaration of the result of the show of hands) demanded by:

- (a) the chairman of the meeting; or
- (b) at least three Members present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) a Member or Members (as defined in the Bye-laws) present in person or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) a Member or Members present in person or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right; or
- (e) if required by the Listing Rules, any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing 5% or more of the total voting rights at the meeting.

Pursuant to Rule 13.39(4) of the Listing Rules, the vote of Shareholders at a general meeting must be taken by poll. Therefore, the chairman of the Special General Meeting will demand the resolution proposed thereat be taken by poll.

#### **5. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries,

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## LETTER FROM THE BOARD

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confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### 6. RECOMMENDATION

The Board considers that the proposed adoption of the Share Award Scheme involving seeking the Scheme Mandate are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolution to be proposed at the Special General Meeting.

Yours faithfully,  
For and on behalf of the Board  
**Common Splendor International  
Health Industry Group Limited**  
**Cheung Wai Kuen**  
*Chairman*

*This appendix serves to provide you with a summary of the principal terms to the Share Award Scheme and the Scheme Mandate.*

**SHARE AWARD SCHEME****Purposes and objectives**

The purposes and objectives of the Scheme are to recognise the contributions by certain Eligible Persons and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

**Effectiveness and duration**

The Scheme has been approved by the Board and will become effective upon approval by the Shareholders at the SGM.

Subject to any early termination determined by the Board in accordance with the rules of Scheme, the Scheme is valid and effective for a term of 10 years commencing on the Adoption Date.

**Administration**

The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the rules of the Scheme and the Trust Deed. The Trustee shall hold the Trust Fund in accordance with the terms of the Trust Deed.

**Operation of the Scheme***Issue of shares to the Trustee and/or acquisition of shares by the Trustee*

The Board may from time to time cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise contributed by the Company and/or its subsidiary as directed by the Board, which shall constitute part of the Trust Fund, for the purchase or subscription of Shares.

Subject to the relevant rules of the Scheme and the Trust Deed, the Board may either (i) cause to allot and issue new Shares to the Trustee at the Subscription Price under the Scheme Mandate or the General Mandate (as the case may be) (1) as Awarded Shares in the event that the Board has selected certain Eligible Persons as Selected Participants or (2) from time to time for future Award, and the Board shall in such events cause an amount equal to the Subscription Price of such new Shares to be allotted and issued under the Scheme Mandate or the General Mandate (as the case may be) be transferred from the Company's resources as soon as practicable prior to the allotment and issuance of such Shares as subscription monies for the new Shares to the Trustee or (ii) from time to time instruct the Trustee in writing to purchase Shares on the Stock Exchange out of the Trust Fund.

The Company shall comply with the Bye-laws and the relevant Listing Rules when allotting and issuing any new Shares under General Mandate or Scheme Mandate and application shall be made to the Stock Exchange for the granting of the listing of, and permission to deal in the new Shares to be issued at the time of offer the Shares.

*Award of Awarded Shares to Selected Participants*

Subject to the relevant rules of Scheme, the Board may at its absolute discretion select any Eligible Person for participation in the Scheme as a Selected Participant from time to time, and grant such number of Awarded Shares to the Selected Participant at no consideration and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine.

Where any grant of Awarded Shares is proposed to be made to any person who is a connected person of the Company within the meaning of the Listing Rules, the Company shall comply with the Listing Rules, including any reporting, announcement and/or Shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

Where any grant of Awarded Shares is proposed to be made to any Selected Participant who is a Director (including an independent non-executive Director), such grant must first be approved by all the members of the remuneration committee of the Board, or in the case where the grant is proposed to be made to any member of the remuneration committee, by all of the other members of the remuneration committee.

*Vesting and lapse*

Subject to the terms and conditions of the Scheme and the fulfilment of all vesting conditions to the vesting of the Awarded Shares on such Selected Participant, the respective Awarded Shares held by the Trustee on behalf of the Selected Participant shall vest in such Selected Participant.

In the event that prior to or on the Vesting Date, a Selected Participant is found not to be an Eligible Person anymore or is deemed to cease to be an Eligible Person by reason of (i) termination of the employment or contractual engagement of the Selected Participant with any member of the Group by reason of his/her permanent physical or mental disablement, (ii) termination of the employment or contractual engagement of the Selected Participant with any member of the Group by reason of redundancy, (iii) any act of fraud or dishonesty or serious misconduct he has committed, (iv) being declared or adjudged to be bankrupt by a competent court or governmental body or failure to pay his debts as they fall due or entering into any arrangement or composition with his creditors generally or an administrator taking possession of any of his assets, (v) being convicted of any criminal offence or (vi) being convicted of any offence in breach of the SFO or other securities laws in Hong Kong or other applicable laws or regulations in force from time to time, the relevant Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date. The relevant Awarded Shares, if lapsed, shall remain part of the Trust Fund for future Awards unless the Board determines

otherwise at their absolute discretion. Such Selected Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way.

#### *Voting Rights*

The Trustee shall not exercise the voting rights in respect of any Shares held by it under the Trust (if any) (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares derived therefrom).

#### *Restrictions under the Scheme*

No Award shall be made by the Board and no instructions to acquire any Shares shall be given to the Trustee under the Scheme where dealings in the Shares are prohibited under any code or requirement of the Listing Rules and any applicable laws from time to time. Without limiting the generality of the foregoing, no such instruction is to be given and no such grant is to be made:

- (a) after an event involving inside information in relation to affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision, until such inside information has been publicly announced in accordance with the applicable laws and the Listing Rules;
- (b) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial period up to the publication date of the results;
- (c) during the period of 30 days immediately preceding the publication date of the interim results for any financial period of the Company or, if shorter, the period from the end of the relevant half-year period of the financial period up to the publication date of the results; or
- (d) in any circumstance which is prohibited under the Listing Rules, the SFO or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

#### **Scheme limit**

No shares shall be subscribed for and/or purchased pursuant to the Scheme nor any amounts paid to the Trustee for the purpose of making such a subscription and/or purchase, if as a result of such subscription and/or purchase, the number of Shares administered under the Scheme would represent 10% or more of the number of the issued Shares from time to time without Shareholders' approval.

Under the rules of the Scheme, there is no specified limit on the maximum number of Awarded Shares which may be granted to a single Selected Participant under the Scheme.

**Alteration**

The Scheme may be amended in any respect by a resolution of the Board provided that no such amendment shall operate to affect materially and adversely any subsisting rights of any Selected Participants unless (i) the consent in writing of Selected Participants amounting to three-fourths of in nominal value of all Awarded Shares held by the Trustee on that date is obtained; or (ii) the sanction of a special resolution passed at a meeting of the Selected Participants amounting to three-fourths in nominal value of all Awarded Shares is obtained.

**Termination**

The Scheme shall terminate on the earlier of the 10th anniversary date of the Adoption Date or such date of early termination as determined by the Board by a resolution of the Board provided that such termination shall not affect any subsisting rights of any Selected Participant.

Upon termination of the Scheme, (i) no further grant of Awarded Shares may be made under the Scheme; (ii) all the Awarded Shares of the Selected Participants granted under the Scheme shall continue to be held by the Trustee and become vested in the Selected Participants according to the conditions of the Award, subject to the receipt by the Trustee of the transfer documents (where applicable) prescribed by the Trustee and duly executed by the Selected Participant; (iii) all Shares (except for any Awarded Shares subject to vesting on the Selected Participants) remaining in the Trust Fund shall be sold by the Trustee within 20 Business Days (on which the trading of the Shares has not been suspended) upon the expiration of the Trust Period; (iv) all net proceeds of such sale and such other funds and properties remaining in the Trust Fund managed by the Trustee shall be remitted to the Company after the sale.

**SCHEME MANDATE**

As the Board may cause to allot and issue new Shares to the Trustee under the Scheme Mandate subject to the rules of the Scheme and the Trust Deed, item (c) of an ordinary resolution contained in the notice of the SGM as set out on pages 16 to 17 of this circular will be proposed at the SGM to grant the Scheme Mandate to the Directors to allot and issue up to not more than 3% of the total number of issued Shares as at the date of passing such resolution pursuant to Rule 13.36(1) of the Listing Rules prior to allotting and issuing of new Shares to the Trustee.

As at the Latest Practicable Date, the total number of Shares in issue was 2,996,255,008. Subject to the passing of the relevant ordinary resolution approving the adoption of the Share Award Scheme and the Scheme Mandate, and assuming that the total number of issued Shares remains unchanged until the date of the SGM, the maximum number of new Shares which may be issued under the Scheme Mandate will be 89,887,650 Shares.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, up to 89,887,650 new Shares which may be allotted and issued to satisfy the Awards which may be granted under the Share Award Scheme.

The Scheme Mandate referred to above shall remain in effect during the period from the passing of the ordinary resolution granting the mandate until the earliest of:

- (a) the conclusion of the subsequent annual general meeting;
- (b) the expiration of the period within which the subsequent annual general meeting is required by the laws applicable to the Company and the Bye-laws of the Company to be held; and
- (c) the variation of or revocation of such mandate by the ordinary resolution of the Shareholders in a general meeting.

### **Financial impact on the Company**

#### *Analysis of the estimated fair value of the Shares to be issued*

The estimated fair value of all Awarded Shares which can be allotted and issued under the Share Award Scheme is approximately HKD75.5 million, based on the closing prices of the Shares as quoted on the Stock Exchange as at the Latest Practicable Date.

#### *Impact of staff costs on the Company*

Under the accounting policies of the Company, the fair value of services provided by the Selected Participants in exchange of the grant of Awarded Shares under the Scheme is determined by reference to the fair value of the Awarded Shares granted to the Selected Participants and is recognised as staff costs in the profit or loss on a straight-line basis over the vesting period with a corresponding increase in equity (share-based compensation reserve). From time to time, the Group will determine the expenses relating to the Awarded Shares based on the best estimated number of the Awarded Shares that could eventually meet the vesting conditions. Assuming all Awarded Shares under the Scheme Mandate are granted and vested, the total staff costs to be expensed in the profit or loss will be approximately HKD75.5 million, based on the closing prices of the Shares as quoted on the Stock Exchange as at the Latest Practicable Date.

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**APPENDIX I                      SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE  
AWARD SCHEME AND THE SCHEME MANDATE**

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**Impact on the shareholding structure of the Company**

The table below illustrated the shareholding structure of the Company (i) as at the Latest Practicable Date and (ii) immediately after exercise of the Scheme Mandate in full, assuming that (a) all Awards granted under the Share Award Scheme will be satisfied by the allotment and issue of new Shares by the Company and (b) there are no changes to the number of Shares in issue other than changes as a result of the exercise of the Scheme Mandate:

	<b>Shareholding as at the Latest Practicable Date</b>		<b>Shareholding immediately upon the exercise of the Scheme Mandate in full (Note 4)</b>	
	<i>Number of issued Shares held</i>	<i>Approximate percentage of shareholding (%)</i>	<i>Number of issued Shares held</i>	<i>Approximate percentage of shareholding (%)</i>
Champion Dynasty Limited (Note 1)	930,379,671	31.05	930,379,671	30.15
Mr. Cheng Hau Yan (Note 2)	4,300,000	0.14	4,300,000	0.14
Beauty Sunrise Investments Limited (Note 3)	<u>300,000,000</u>	<u>10.01</u>	<u>300,000,000</u>	<u>9.72</u>
<i>Subtotal</i>	1,234,679,671	41.20	1,234,679,671	40.01
Public Shareholders Trustee (on trust for the Selected Participants)	<u>—</u>	<u>—</u>	<u>89,887,650</u>	<u>2.91</u>
<b>Total</b>	<u><u>2,996,255,008</u></u>	<u><u>100.00</u></u>	<u><u>3,086,142,658</u></u>	<u><u>100.00</u></u>

Notes:

- 1 Mr. Cheung Wai Kuen, a Director, is the sole director of Champion Dynasty Limited and owned its entire issued share capital.
- 2 Mr. Cheng Hau Yan, a Director, owned 4,000,000 Shares and his spouse, being a staff of a subsidiary of the Company, owned 300,000 Shares. Pursuant to the SFO, Mr. Cheng was deemed to be interested in same parcel of Shares which his spouse was interested.
- 3 According to the relevant Disclosure of Interest Notice in connection with the Company available on [www.hkex.com.hk](http://www.hkex.com.hk) as at the Latest Practicable Date, Beauty Sunrise Investments Limited is a company wholly owned by Ms. Zhang Wenli.



- 4 Assuming that (i) all the Awards granted under the Scheme will be satisfied by the allotment and issue of new Shares by the Company and (ii) there are no changes to the number of Shares in issue other than changes as a result of the exercise of the Scheme Mandate.

**Disclosure in future annual reports**

The Company will disclose in its future annual reports and interim reports details of the Share Award Scheme, including but not limited to, particulars of movements of the Awards granted, vested, lapsed and available for grant in the future and the impact of employee costs on the Company arising from the grant of the Awards during the relevant financial year.

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## NOTICE OF SPECIAL GENERAL MEETING

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### COMMON SPLENDOR INTERNATIONAL HEALTH INDUSTRY GROUP LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 286)**

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** a special general meeting of Common Splendor International Health Industry Group Limited (the “**Company**”) will be held at Rooms 2709–10, 27th Floor, North Tower, Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong on Thursday, 30 August 2018 at 4:30 p.m. for the purposes of considering and, if thought fit, passing the following resolution with or without amendments as an ordinary resolution of the Company:

#### ORDINARY RESOLUTION

**“THAT:**

- (a) the adoption of the “Common Splendor International Health Industry Group Limited Share Award Scheme” (the “**Share Award Scheme**”) be and is hereby approved;
- (b) conditional upon the approval in paragraph (a) of this resolution, a specific mandate be and is hereby granted to the directors of the Company (the “**Director(s)**”) to exercise during the Applicable Period (as defined below) all the powers of the Company to allot and issue shares of the Company (the “**Shares**”), procure the transfer of Shares and otherwise deal with Shares pursuant to the vesting of any awards granted or to be granted pursuant to the Share Award Scheme as and when such awards vest;
- (c) the maximum number of shares to be allotted and issued by the Directors pursuant to the mandate in paragraph (b) of this resolution shall not exceed 3% of the total number of issued Shares as at the date of passing of this resolution and the said mandate shall be limited accordingly;
- (d) for the purpose of this resolution:

“**Applicable Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the subsequent annual general meeting of the Company;

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## NOTICE OF SPECIAL GENERAL MEETING

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- (ii) the expiration of the period within which the subsequent annual general meeting of the Company is required by any applicable laws or the bye-laws of the Company to be held; and
  - (iii) the variation of or revocation of such mandate by the ordinary resolution of the shareholders of the Company in a general meeting.
- (e) any one or more of the Directors be and are hereby authorised to sign or execute such other documents or supplemental agreements or deeds on behalf of the Company and to do all such things and take all such actions as considered to be necessary or desirable for the purpose of giving effect to the implementation of the Share Award Scheme.”

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

Hong Kong, 15 August 2018

*Notes:*

1. All resolutions (except for procedural and administrative matters) at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the above meeting. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting or any adjournment thereof and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Members of the Company whose names appear on the register of members of the Company at 4:30p.m. on Monday, 27 August 2018 shall be entitled to attend and vote at the SGM. In order to be entitled to attend and vote at the SGM, all completed share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:30 p.m. on Friday, 24 August 2018.

*As at the date of this notice, 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 Kai Wen as non-executive Directors; and Mr. Mai Yang Guang, Mr. Lam Chi Wing and Mr. Wong Yiu Kit, Ernest as independent non-executive Directors.*