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**COMMON SPLENDOR INTERNATIONAL
HEALTH INDUSTRY GROUP LIMITED**

(Incorporated in Bermuda with limited liability)
(Stock Code: 286)

INSIDE INFORMATION

THE AGREEMENT

**IN RELATION TO FORMATION OF JOINT VENTURE FOR DEVELOPMENT
OF PRODUCTION AND SALE OF NATURAL HEALTH FOOD**

This announcement is made by Common Splendor International Health Industry Group Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

FORMATION OF JOINT VENTURE

The board of directors of the Company (the “Board”) are pleased to announce that Common Splendor International Investment Fund Management Limited (“CS Fund”), a wholly-owned subsidiary of the Company and incorporated in Cayman Island with limited liability, and Guangdong Mesing Grain and Oil Limited* (廣東盟星糧油有限公司) (“Guangdong Mesing”), a company incorporated in the People’s Republic of China (the “PRC”) with limited liability, entered into a joint venture agreement which is legally-binding in nature after trading hours on 21 July 2014 (the “Joint Venture Agreement”), pursuant to which, CS Fund and Guangdong Mesing agreed to set up a joint venture company (the “Joint Venture Company”, together with its subsidiaries, the “Joint Venture Group”) which will be owned by CS Fund (or its wholly-owned subsidiary) and Guangdong Mesing as to 51% and 49%, respectively.

A summary of the major terms and conditions of the Joint Venture Agreement is set out below:

- Board representation : The board of directors of the Joint Venture Company will comprise three directors of which CS Fund will appoint two directors and Guangdong Mesing will appoint one director. The chairman (who shall also be the legal representative) and the general manager of the Joint Venture Company will be appointed by Guangdong Mesing and financial controller or the financial officer of the Joint Venture Company will be appointed by CS Fund.
- Principal business : The Joint Venture Group will focus on the manufacture and sale of natural health food products in the PRC.
- Operation target : The Joint Venture Company will establish its own brand in the PRC. The main products include processed five grain products, edible fine oil and other health food.
- Funding : The proposed registered capital of the Joint Venture Company will be RMB 30 million. The proposed registered capital of Joint Venture Company shall be contributed by CS Fund and Guangdong Mesing in proportion to their shareholdings in the Joint Venture Company. The first injection of capital of RMB10 million to the Joint Venture Company will be payable immediately after its corporation. The other funding means shall be decided by CS Fund and Guangdong Mesing together.

Meanwhile, CS Fund will provide guarantee(s) for any future financing of the Joint Venture Company of an amount up to RMB 10 million (if the annual net profit of the Joint Venture Company reaches RMB 5 million or more), RMB 20 million (if the annual net profit of the Joint Venture Company reaches RMB10 million or more) or RMB 30 million (if the annual net profit of the Joint Venture Company reaches RMB 15 million or more).

REASONS FOR AND BENEFIT OF ENTERING INTO THE JOINT VENTURE AGREEMENT

The Group is mainly engaged in the businesses of investment and finance, properties investment and health industry business. In the long run, the Group decides to focus more on the development in the health industry. The Company has also invested in the projects of health management and health fast food electronic commerce business. As disclosed in the Company's announcements dated 29 June 2014 and 7 July 2014, the Group also proposes to tap into the

medical investment management business and physical fitness advantage services for the growth of the children and the teenagers, and is continuously planning to invest in the health industry area.

Guangdong Mesing is a company incorporated in the PRC with limited liability. It is engaged in trading of feedstock, oil processing products, agricultural sub-products, grain procurement and storage and provision of logistics services. It has rich experience and resources in grain and oil foodstuffs industry. Guangdong Mesing has gain procurement and storage bases in Anhui, Henan, Hebei, Shandong, Jilin, Liaoning, Heilongjiang, Inner Mongolia and Xinjiang.

The directors of the Company (the “Directors”) consider that food is an important part of and impacts the health. It is currently facing domestic severe food safety, nutrition and health issues. The food safety problem has happened variously such as the events of melamine, lean meat powder, tainted steam buns, plasticizer, etc. Owing to the economy booming in past thirty years in the PRC, the problem of inadequate of food and clothing has already been solved. Now, it is entered the stage of high concern about food safety, nutrition and health issues. It is doubtless that natural health food is the most ideal food and will be a huge market. There are stringent requirements for all stages of natural health food i.e. raw materials, processing, marketing and distribution. Then, the source can be chased and all kinds of safety standards can be met. Particularly, the pure nature ensures healthiness. Therefore, the Directors believe that the co-operation parties to form a company for development of natural health food project will be a promising prospect since both parties can devote their advantages in this project. Also, it is an essential planning for the Group in development of the chain of health industry. That project will have mutual benefits with the previous health management, health fast food and children's growth services projects and be in line with the Group's strategy, the interests of the Company and the shareholders of the Company (the “Shareholders”) as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Guangdong Mesing and its respective ultimate beneficial owner(s) are third parties independent of, and not connected with, the Company and its connected persons.

As none of the percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Joint Venture Agreement exceed 5%, the transactions contemplated thereunder do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

The aforesaid operation target under the Joint Venture Agreement is subject to change depending on the progress of the project and the market and economics environment. Shareholders and potential investors are advised to exercise cautions when dealing in the securities of the Company.

By order of the Board
**Common Splendor International
Health Industry Group Limited**
Wong Yuet Ying
Company Secretary

Hong Kong, 21 July 2014

As at the date of this announcement, the Board comprises Mr. Cheung Wai Kuen and Mr. Cheng Hau Yan as executive Directors; Mr. Lin Jiang as non-executive Director; and Mr. Mai Yang Guang, Mr. Yau Chi Ming and Mr. Huang Liang as independent non-executive Directors.

The website of the Company is <http://www.cs-ih.com>

**For identification only*