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

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 286)**

### **ISSUE OF NEW SHARES UNDER GENERAL MANDATE AND RESUMPTION OF TRADING**

#### **THE AGREEMENT**

On 16 September 2015 (before trading hours), the Company entered into the Agreement with the Investor and the Investment Adviser, pursuant to which the Company has agreed to allot and issue, and the Investor has agreed to subscribe for, Shares up to an aggregate Placement Price of HK\$120 million.

Subject to the satisfaction (or waiver in writing by the Investor) of the Conditions Precedent, on any Trading Day during the Commitment Period, the Company shall be entitled (without any obligation) at its sole discretion to issue a Placement Notice to the Investor, which specifies the Placement Amount and the Fixed Market Price (ninety per cent. (90%) of which shall never be less than the Minimum Threshold Amount). The Company may issue as many Placement Notices as it may elect during the Commitment Period, but, after delivery of a Placement Notice, may not, without the prior consent of the Investor, thereafter deliver a further Placement Notice until the expiry of the Evaluation Period or termination of the Evaluation Period by the Company relating to the Placement Notice already delivered.

The Investor shall be obliged, with respect to any Placement Notice, to subscribe for, at the Placement Price, a number of Shares which is not less than fifty per cent. (50%) of the Evaluation Period Obligation, provided that the Investor shall be entitled at its discretion to elect to subscribe for up to two hundred per cent. (200%) of the Evaluation Period Obligation.

The Placement Price shall be ninety per cent. (90%) of the higher of (i) the average of the Closing Bid Prices during the relevant Evaluation Period (ignoring for such calculation any Knockout Day); and (ii) the applicable Fixed Market Price for such Evaluation Period.

## **SHARE LENDING AGREEMENT**

The Share Lending Agreement is entered into between the Share Lender, the Investor and the Investment Adviser for the sole purpose of facilitating the Investor's subscription of the Placement Shares under the Agreement. Pursuant to the Share Lending Agreement, not later than four (4) Trading Days prior to the delivery by the Company of a Placement Notice, the Share Lender shall offer to lend the Loan Shares to the Investor.

Where the number of Loan Shares loaned to the Investor by the Share Lender in connection with a Placement Notice is greater than the Issue Amount, the Investor shall return to the Share Lender any Loan Shares received in excess of the Issue Amount without undue delay, but in any case by no later than the closing of the second Trading Day following the Closing Date. After the Placement Shares have been issued pursuant to a Placement Notice under the Agreement, the Investor shall repay the balance of the relevant Loan Shares to which the Placement Notice relates by transferring a number of Placement Shares which is equal to the number of outstanding Loan Shares to the Share Lender.

## **GENERAL MANDATE**

Based on the Committed Capital and the Minimum Threshold Amount of HK\$0.63 per Placement Share, the Company will allot and issue a total of 190,476,190 Placement Shares. The Placement Shares will be allotted and issued under the General Mandate. The Company will ensure that not more than 136,000,652 Shares will be allotted and issued under the Agreement, unless the General Mandate is refreshed in accordance with Rule 13.36(4) of the Listing Rules.

## **GENERAL**

**The Delivery of any Placement Notice by the Company pursuant to the Agreement is subject to the satisfaction of the Conditions Precedent as more particularly described in “A. The Agreement – 5. Conditions precedent to the delivery of a Placement Notice” of this announcement and the obligation of the Investor to subscribe for the number of Shares set out in the relevant Closing Notice is subject to and conditional upon the conditions precedent as more particularly described in “A. The Agreement – 6. Placement closing” of this announcement. As the subscription of the Placement Shares may or may not proceed, potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **RESUMPTION OF TRADING**

As requested by the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 16 September 2015 pending the release of the announcement. An application has been made for the resumption of trading of Shares on the Stock Exchange with effect from 9:00 a.m. on 17 September 2015.

## **A. THE AGREEMENT**

On 16 September 2015 (before trading hours), the Company entered into the Agreement with the Investor and the Investment Adviser, pursuant to which the Company has agreed to allot and issue, and the Investor has agreed to subscribe for, Shares up to an aggregate Placement Price of HK\$120 million.

Principal terms of the Agreement are summarized as follows:

### **1. Parties**

Issuer:	The Company
Investor:	GEM Global Yield Fund LLC SCS
Investment Adviser:	GEM Investments America, LLC

To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, the Investor, the Investment Adviser and their respective ultimate beneficial owners are Independent Third Parties that are engaged in the regular business of making passive investments in corporate entities globally. The Investment Adviser is the investment adviser to the Investor. Based on

the information provided by the Investor, the Investment Adviser, its affiliated companies and the Investor comprise a privately held US-based equity investment group that was founded in 1991 and manages a diverse set of investment vehicles across the world.

## **2. Placement Notice**

Subject to the satisfaction (or waiver in writing by the Investor) of the Conditions Precedent, on any Trading Day during the Commitment Period, the Company shall be entitled (without any obligation) at its sole discretion to issue a Placement Notice to the Investor, which specifies the Placement Amount and the Fixed Market Price (ninety per cent. (90%) of which shall never be less than the Minimum Threshold Amount).

Not later than five (5) Trading Days prior to the delivery of any Placement Notice, the Company shall notify each of the Share Lender and the Investor in writing of its intention to deliver a Placement Notice on a Notice Date and shall specify in such notification the Placement Amount and the Notice Date. For the avoidance of doubt, the Company shall not be obliged to proceed to issue a Placement Notice following such notification, but in the event that it decides not to do so, it shall notify the Share Lender and the Investor thereof promptly.

The Company may issue as many Placement Notices as it may elect during the Commitment Period, but, after delivery of a Placement Notice, may not, without the prior consent of the Investor, thereafter deliver a further Placement Notice until the expiry of the Evaluation Period or termination of the Evaluation Period by the Company relating to the Placement Notice already delivered.

The Company may, at its option, terminate an Evaluation Period in respect of a Placement Notice at any time before the expiry of such Evaluation Period without penalty.

The Investor shall be entitled to reject a Placement Notice when:

- (a) there is (or has prior to the delivery of the Placement Notice been) a Material Change in Ownership;
- (b) an event has occurred which results in a Material Adverse Effect;

- (c) the purchase of the Placement Amount would cause the Investor to hold, in aggregate with any Shares already purchased by the Investor, in excess of the lesser of nineteen point nine per cent. (19.9%) of the Company's issued and outstanding share capital and the Regulatory Maximum; or
- (d) there has been a change in applicable laws which materially impact the Investor's obligations under the Agreement.

### **3. Placement Shares**

The Investor shall be obliged, with respect to any Placement Notice, to subscribe for, at the Placement Price, a number of Shares which is not less than fifty per cent. (50%) of the Evaluation Period Obligation, provided that the Investor shall be entitled at its discretion to elect to subscribe for up to two hundred per cent. (200%) of the Evaluation Period Obligation, provided that:

- (a) the Investor shall not be obliged to subscribe for a percentage of the Evaluation Period Obligation that has an aggregate Placement Price which, when added to the aggregate Placement Price of all Shares issued pursuant to all prior Closing Notices, would exceed HK\$120 million;
- (b) the Investor may, in its absolute discretion, increase the Evaluation Period by written notice to the Company whether before or during the initial period of fifteen (15) Trading Days, provided the Evaluation Period as extended shall not exceed a period of thirty (30) Trading Days and provided further that the Evaluation Period Obligation shall not be increased as a result of such election by the Investor;
- (c) the subscription for Shares by the Investor pursuant to a Closing Notice not causing (whether on its own or when aggregated with such persons then holdings of voting rights in respect of Shares) the Investor and/or any of its concert parties and/or any person acting by the Investor's order to (i) hold in excess of the lesser of nineteen point nine per cent. (19.9%) of the outstanding share capital of the Company and the Regulatory Maximum; (ii) be required to make a mandatory offer for all the issued Shares pursuant to the Takeovers Code or otherwise; or (iii) be required to file a shareholders report or disclosure notice (however described) to the Principal Market or other stock exchanges or other regulator, unless the Investor consents in its absolute discretion, and

- (d) in each case that if an event has occurred which results in a Material Adverse Effect and such event occurs on any Trading Day during any Evaluation Period, the Investor shall be entitled at its reasonable discretion to elect to treat such Trading Day during which such Material Adverse Effect continues as a Knockout Day.

Based on the Committed Capital (i.e. HK\$120 million) and the Minimum Threshold Amount of HK\$0.63 per Placement Share, up to a total of 190,476,190 Placement Shares will be allotted and issued, representing approximately 7.34% of the existing issued share capital of the Company, or approximately 6.84% of the issued share capital of the Company as enlarged by the issue and allotment of 190,476,190 Placement Shares.

#### **4. Placement Price**

With regard to any Evaluation Period, the Placement Price shall be ninety per cent (90%) of the higher of (i) the average of the Closing Bid Prices during such Evaluation Period (ignoring for such calculation any Knockout Day); and (ii) the applicable Fixed Market Price for such Evaluation Period, which per Share consideration shall not be less than the par value of the Shares.

The Minimum Threshold Amount of HK\$0.63 per Placement Share, being eighty point zero one per cent. (80.01%) of the higher of (a) the closing price for the Shares immediate prior to the date of the Agreement (being HK\$0.77); and (b) the average closing price for the Shares for the five (5) trading days prior to the date of the Agreement (being HK\$0.784), represents:

- (a) a discount of approximately 18.18% to the closing price per Share of HK\$0.77 as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 19.64% to the closing price per Share of HK\$0.784 as quoted on the Stock Exchange for the last five (5) trading days prior to the Last Trading Day;
- (c) a discount of approximately 18.92% to the closing price per Share of HK\$0.777 as quoted on the Stock Exchange for the last ten trading days prior to the Last Trading Day; and
- (d) a premium of approximately 238.71% over the net asset value per Share attributable to owners of the Company as at 30 June 2015 of HK\$0.186.

The mechanism for determining the Placement Price was arrived at after arm's length negotiations between the Company and the Investor with reference to, among other things, the prevailing trading price of the Shares and recent market conditions.

## **5. Conditions precedent to the delivery of a Placement Notice**

The Company may deliver a Placement Notice only if the following conditions have been satisfied (or waived by the Investor in writing):

- (a) the Loan Shares relating to the relevant Placement Notice have been delivered to the Investor's securities account in accordance with the requirements of the Share Lending Agreement and the relevant parties have entered into the Share Lending Agreement and the Share Lending Agreement remains in full force and effect;
- (b) the Shares remain listed on the Stock Exchange;
- (c) the Company has performed all acts in relation to the delivery of a Placement Notice required by applicable securities laws and regulations of Hong Kong;
- (d) the Company has obtained all the Required Approvals (in a form reasonably acceptable to the Investor), if any, and such Required Approvals shall be in full force and effect such that (i) one hundred per cent (100%) of the Placement Amount; or (ii) such smaller or larger percentage of the Placement Amount as elected by the Investor pursuant to the Agreement as is capable of being issued without exceeding the Committed Capital, may be duly allotted and issued to the Investor;
- (e) the Company has obtained all requisite regulatory approvals to enable the Investor to hold up to the lesser of nineteen and nine-tenths per cent. (19.9%) of the outstanding issued shares of the Company and the Regulatory Maximum;
- (f) the representations and warranties of the Company contained in the Agreement shall be true and correct in all material respects as of the relevant Notice Date as repeated at that time (except that representations and warranties that are expressed by their terms to be made as of a specific date need be true in all material respects only as of such date);

- (g) the delivery of the Placement Notice is not prohibited or enjoined (temporarily or permanently) by any applicable law or governmental or other regulation to which the Company is subject;
- (h) the Company shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions in respect of any issuance of the Placement Notice required by the Agreement to be performed, satisfied or complied with by the Company at or prior to the Notice Date;
- (i) listing of the issued Shares shall not have been suspended or threatened to be suspended by the Stock Exchange during the thirty (30) consecutive Trading Days prior to the relevant Placement Notice Date; provided that, in the event of any suspension of trading arising in connection with the publication of the announcement in relation to the Agreement, trading of the issued Shares shall not have been suspended or threatened to be suspended by the Stock Exchange during the fifteen (15) consecutive Trading Days prior to the relevant Notice Date;
- (j) no event or circumstance has arisen or is threatening to arise which would entitle the Investor to terminate this Agreement in accordance with the terms of this Agreement;
- (k) the Company has delivered to each of the Investor and the Investment Adviser Bermuda, British Virgin Islands and Hong Kong legal opinions addressed jointly to the Investor and the Investment Adviser in the agreed form; and
- (l) no investigation or other proceeding, whether formal or informal, has been commenced, announced or threatened, no order has been issued by any governmental or regulatory organisation or stock exchange and there has been no change of law or policy, or the interpretation or administration thereof, which operates or could operate to prevent, suspend, hinder, delay, restrict or otherwise have a significant adverse effect on the transactions contemplated by this Agreement or which could have a material adverse effect on the Investor and/or the Investment Adviser.



## 6. Placement closing

At or before 9:00 a.m. (Hong Kong time) on the second Trading Day immediately following the expiry of each Evaluation Period, the Investor shall deliver to the Company a Closing Notice stating the exact number of Shares for which it is required or wishes to subscribe, the applicable Placement Price and attaching copy extracts from Bloomberg showing each of the Closing Bid Prices during the Evaluation Period.

The obligation of the Investor to subscribe for the number of Shares set out in the relevant Closing Notice is subject to and conditional upon the following conditions precedent:

- (a) the satisfaction (or waiver in writing by the Investor) of the Conditions Precedent as at the Closing Date (but so that all references in such Conditions Precedent to “the Placement Notice Date” shall for the purposes of the Conditions Precedent be treated as referring to “the Closing Date”);
- (b) the subscription for the Placement Shares pursuant to the relevant Closing Notice and listing of such Placement Shares not being prohibited or enjoined (temporarily or permanently) by any applicable law or governmental or other regulation including the Listing Rules (other than by reason of the Investor’s breach of any of its representations, warranties and/or undertakings in the Agreement); and
- (c) the subscription for Placement Shares by the Investor pursuant to a Closing Notice not causing (whether on its own or when aggregated with such persons then holdings of voting rights in respect of Placement Shares) the Investor and/or any of its concert parties and/or any person acting by the Investor’s order to be required to make a mandatory offer for all the issued Shares under the Takeovers Code or otherwise.

On the relevant Closing Date, the Investor shall remit by wire transfer to an account specified by the Company an amount equal to the product of (i) such number of Shares for which it is required or wishes to subscribe as set out in the Closing Notice; and (ii) the applicable Placement Price as set out in the Closing Notice.

As soon as practicable following any Closing Date the Company shall issue to the Investor the number of Shares subscribed for by the Investor under the relevant Closing Notice on the second Business Day immediately after the relevant Closing Date.

## **7. Termination**

The Agreement may be terminated:

- (a) at any time during the Commitment Period by the mutual consent of the Company and the Investor;
- (b) during the Commitment Period by the Investor by giving written notice of such termination to the Company if: (i) the Company has breached in any material respect any representation, warranty, covenant or agreement contained in the Agreement (including, without limitation, any failure to issue and/or, procure the listing of Placement Shares on time) and (if such breach is curable) such breach is not cured within five (5) Business Days following receipt by the Company of notice of such breach; or (ii) there has been any event which has had a Material Adverse Effect; or (iii) there has been a Material Change in Ownership; and
- (c) during the Commitment Period by the Company if the Investor has breached in any material respect any representation, warranty, covenant or agreement contained in this Agreement and (if such breach is curable) such breach is not cured within five (5) Business Days following receipt by the Investor of notice of such breach of this Agreement.

In the event of the termination of the Agreement by the Company or by the Investor the parties shall retain all accrued rights and shall retain all rights and remain bound by all obligations under the Agreement in respect of Placement Shares previously vested in the Investor under the Agreement, and nothing in the Agreement shall relieve any terminating party from liability for any prior breach of any of its agreements, covenants, representations, warranties or other obligations under the Agreement or for fraud.

## **8. Undertaking by the Investor**

The Investor undertakes that it shall not during an Evaluation Period, on any Trading Day sell Shares exceeding such number as represents the Placement Multiplier times the Placement Amount specified in the relevant Placement Notice.

## **B. THE SHARE LENDING AGREEMENT**

The Share Lending Agreement is entered into between the Share Lender, the Investor and the Investment Adviser for the sole purpose of facilitating the Investor's subscription of the Placement Shares under the Agreement. The Share Lender itself does not have any interest whatsoever in the Placement Shares and the transactions contemplated under the Agreement. There is no transaction between the Company and the Share Lender, and the lending and redelivery of Shares by the Share Lender and Investor will purely be transactions between the Share Lender and the Investor and do not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to the Share Lending Agreement, not later than four (4) Trading Days prior to the delivery by the Company of a Placement Notice, the Share Lender shall offer to lend the Loan Shares to the Investor.

Where the number of Loan Shares loaned to the Investor by the Share Lender in connection with a Placement Notice is greater than the number of Placement Shares to be subscribed by the Investor on a Closing Date and as specified in the corresponding Closing Notice (the "**Issue Amount**"), the Investor shall return to the Share Lender any Loan Shares received in excess of the Issue Amount without undue delay, but in any case by no later than the closing of the second Trading Day following the Closing Date.

After the Placement Shares have been issued pursuant to a Placement Notice under the Agreement, the Investor shall repay the balance of the relevant Loan Shares to which the Placement Notice relates by transferring a number of Placement Shares which is equal to the number of outstanding Loan Shares to the Share Lender.

The Loan Shares (together with the proceeds from the disposal of any Loan Share) shall be placed in a securities accounts maintained by the Investor's broker in Hong Kong in the name of the Investor (the "**Blocked Account**"). The Investor will be free to trade in the Loan Shares upon their delivery to the Blocked Account. The Loan Shares (together with the proceeds from the disposal of any Loan Share) deposited and credited to the Blocked Account shall only be released in accordance with the agreement entered into among the Share Lender, the Investor and the Investor's broker, including payment in full to the Company of the aggregate Placement Price payable pursuant to the associated Closing Notice.

## C. FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Fund raising activities by the Company during the 12 months immediately before the date of this announcement are as follows:

Date of announcement	Capital raising activity	Net proceeds raised	Proposed use of the net proceeds	Actual use of the net proceeds
28 August 2015	Placing of convertible bonds under general mandate.	Assuming the convertible bonds are placed in full, the maximum net proceeds from the placing of the convertible bonds are estimated to be approximately HK\$294.5 million.	General working capital of the Group and investments in the potential business opportunity.	The Placing of convertible bonds has not completed as at the date of this announcement.

## D. SHAREHOLDING STRUCTURE

Assuming that there will be no other change in the shareholding structure of the Company immediately before the issue of Placement Shares for an aggregate Placement Price of HK\$120 million, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the issue of 190,476,190 Placement Shares to the Investor (based on the Committed Capital of HK\$120 million and the Minimum Threshold Amount of HK\$0.63 per Placement Share):

Shareholder	As at the date of this announcement		Immediately after the issue of 190,476,190 Placement Shares to the Investor	
	No of Shares	%	No of Shares	%
The Investor and its nominee(s)	–	–	190,476,190	6.84
The Share Lender <sup>(1)</sup>	903,949,671	34.82	903,949,671	32.44
Other public Shareholders	1,692,305,337	65.18	1,692,305,337	60.72
<b>Total</b>	<b>2,596,255,008</b>	<b>100.00</b>	<b>2,786,731,198</b>	<b>100.00</b>

Notes:

- The Share Lender is wholly-owned by Mr. Cheung Wai Kuen, the Chairman of the Board and an executive Director.

## **E. REASONS FOR ENTERING INTO THE AGREEMENT**

The Group has engaged in the businesses of (i) health management business, natural health food business, advantage growth for children and teenagers business and healthcare investment management business (including investment/merger and acquisition/trust/provision of consultancy services in relation to healthcare business); (ii) investment and financing.

The Directors are of the view that the allotment and issue of the Placement Shares offers a good opportunity to raise additional capital for the Company and to strengthen the financial position of the Group. In addition, pursuant to the Agreement, the Company shall have the right but not the obligation to deliver a Placement Notice at its sole discretion. The arrangement under the Agreement effectively gives the Group secured access to a ready source of financing and the autonomy to raise funds by the delivery of Placement Notice(s) at any time during the Commitment Period only when such delivery is favourable to the Company. Accordingly, the Directors consider that the Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole, and the terms of the Agreement are fair and reasonable.

## **F. USE OF PROCEEDS**

Assuming a total of 190,476,190 Placement Shares (based on the Committed Capital and the Minimum Threshold Amount of HK\$0.63 per Placement Share) are issued, the gross proceeds and net proceeds to be raised by the Company therefrom will be HK\$120 million and approximately HK\$119.2 million, respectively. The net proceeds of approximately HK\$119.2 million represents a net issue price of approximately HK\$0.63 per Placement Share. The Company intends to use the net proceeds from the allotment and issue of the Placement Shares for general working capital of the Group and investments in the potential business opportunities.

## **G. THE GENERAL MANDATE**

Based on the Committed Capital and the Minimum Threshold Amount of HK\$0.63 per Placement Share, the Company will allot and issue 190,476,190 Placement Shares.

At the annual general meeting of the Company held on 22 May 2015, the General Mandate was granted by the Shareholders to the Directors to allot, issue and deal with new Shares up to an aggregate of 485,651,001 Shares. Pursuant to CB Placing Agreement, based on the initial conversion price of HK\$0.858, a maximum number of 349,650,349 Shares will be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds in full under the General Mandate. Accordingly, the

Company may only issue up to 136,000,652 Shares as contemplated by the Agreement by using the General Mandate, unless the General Mandate is refreshed in accordance with Rule 13.36(4) of the Listing Rules.

The Placement Shares will be allotted and issued under the General Mandate. The Company will ensure that not more than 136,000,652 Shares shall be allotted and issued pursuant to the Agreement, unless and until the General Mandate is refreshed in accordance with Rule 13.36(4) of the Listing Rules.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placement Shares.

## **H. GENERAL**

**The Delivery of any Placement Notice by the Company pursuant to the Agreement is subject to the satisfaction of the Conditions Precedent as more particularly described in “A. The Agreement – 5. Conditions precedent to the delivery of a Placement Notice” of this announcement and the obligation of the Investor to subscribe for the number of Shares set out in the relevant Closing Notice is subject to and conditional upon the conditions precedent as more particularly described in “A. The Agreement – 6. Placement closing” of this announcement. As the subscription of the Placement Shares may or may not proceed, potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **I. RESUMPTION OF TRADING**

As requested by the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 16 September 2015 pending the release of the announcement. An application has been made for the resumption of trading of Shares on the Stock Exchange with effect from 9:00 a.m. on 17 September 2015.

## **DEFINITIONS**

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

“Agreement”	the agreement entered into amongst the Company, the Investor and the Investment Adviser on 16 September 2015 in relation to the Subscription
“associate(s)”	has the meaning ascribed thereto under the Listing Rules

“Bloomberg”	Bloomberg Financial Markets or such other international financial news service in substitution thereof which the parties to the Agreement may from time to time reasonably agree
“Board”	the board of Directors
“Business Day(s)”	any day(s) (except any Saturday, Sunday or public holiday) on which licensed banks in Hong Kong and New York are open for business throughout their normal business hours
“CB Placing Agreement”	the conditional placing agreement entered into between the Company and the Karl-Thomson Securities Company Limited as placing agent dated 28 August 2015 in relation to the placing of the Convertible Bonds, as more particularly described in the announcement of the Company dated 25 August 2015
“Closing Bid Price”	for the Shares as of any date, the last closing bid price for the Shares on the Stock Exchange as reported by Bloomberg
“Closing Date”	the second Trading Day following the applicable Evaluation Period
“Closing Notice”	a notice from the Investor to the Company on the Closing Notice Date, which notice shall state the exact number of Shares for which it is required or wishes to subscribe and the applicable Placement Price
“Commitment Period”	the period commencing on the date of the Agreement and expiring on the earlier of (i) six (6) months of the date of the Agreement, and (ii) the date on which the Investor has subscribed for Placement Shares with an aggregate Placement Price of HK\$120 million
“Committed Capital”	HK\$120 million

“Company”	Common Splendor International Health Industry Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on Main Board of the Stock Exchange
“Conditions Precedent”	the conditions precedent more particularly described in “A. The Agreement – 5. Conditions precedent to the delivery of each Placement Notice” of this announcement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Convertible Bonds”	the convertible bonds in the aggregate principal amount of up to HK\$300 million to be issued by the Company pursuant to the CB Placing Agreement
“Daily Confirmed Number”	with respect to each Trading Day during the relevant Evaluation Period, the number of Shares which is calculated by multiplying the Placement Amount by the Placement Multiplier, provided that the Daily Confirmed Number shall be equal to zero (0) for any Knockout Day
“Daily Trading Volume”	with respect to any Trading Day, the trading volume of the Shares on the Stock Exchange as reported by Bloomberg, and for such purposes all odd lot trades – “D”, manual trades – “M”, official close – “OC”, direct non-automatching transactions – “X” (including any block trades of 50,000 or more Shares) shall be excluded
“Director(s)”	the director(s) of the Company
“Evaluation Period”	the period of fifteen (15) consecutive Trading Days immediately following the Notice Date of the applicable Placement Notice, which period may be extended by the Investor in its absolute discretion provided such period as extended shall not exceed a period of thirty (30) Trading Days and provided further that the Evaluation Period Obligation shall not be increased as a result of such election by the Investor;



“Evaluation Period Obligation”	with respect to any Evaluation Period, a number of Shares equal to the sum of the Daily Confirmed Number for each Trading Day during such Evaluation Period
“Fixed Market Price”	the price per Share set out in each Placement Notice at ninety per cent (90%) of which the Company wish(es) to sell Shares pursuant to such Placement Notice (such price may be different in each Placement Notice but shall be identical for all Shares offered under a specific Placement Notice)
“Group”	the Company and its subsidiaries
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 22 May 2015 to allot, issue and deal with new Shares up to an aggregate of 485,651,001 Shares
“Independent Third Party(ies)”	third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and its connected persons
“Investor”	GEM Global Yield Fund LLC SCS (together with its permitted successors and assigns), a company incorporated under the laws of Luxembourg
“Investment Adviser”	GEM Investments America, LLC, a company incorporated in Delaware, the United States
“Knockout Day(s)”	any Trading Day during an Evaluation Period (a) on which the Closing Bid Price is less than the Fixed Market Price stated in the relevant Placement Notice; (b) on which the Shares are not traded on the Stock Exchange for the whole Trading Day; (c) during which trading of the Shares on the Stock Exchange has been suspended for more than one hour; or (d) in respect of which the Investor has made an election in accordance with the terms of the Agreement that such Trading Day is a Knockout Day if an event has occurred which results in a Material Adverse Effect and such event occurs on any Trading Day during any Evaluation Period

“Last Trading Day”	15 September 2015, being the last trading date prior to the date of the Agreement
“Loan Shares”	such number of Shares equal to 100% of the relevant Placement Amount which shall be offered for loan by the Share Lender to the Investor pursuant to the Share Lending Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Material Adverse Effect”	either (a) any condition, circumstance or situation that would prohibit the Company from performing or otherwise materially interfere with the authority or ability of the Company to perform its obligations under or in respect of the Agreement, or (b) the Company commits a breach of its material obligations of the Agreement, including any ancillary agreement, or (c) there is a reasonable allegation of fraud committed by the Company, its officers, or its affiliates (including but not limited to fraud in manipulation of Daily Trading Volume or price for the Shares on the Stock Exchange as reported by Bloomberg), or (d) the Shares in the Company ceased to be listed, or (e) trading in the Shares being suspended for twenty or more Trading Days other than suspension pending release of an announcement or document in relation to a transaction undertaking by the Company as required under the Listing Rules, or (f) any material adverse effect on the business, operations, properties, financial condition or prospects of the Group taken as a whole, or (g) there are in the Investor’s reasonable opinion inconsistent material fluctuations in the Daily Trading Volume or price for the Shares on the Stock Exchange as reported by Bloomberg at any time during the Evaluation Period
“Material Change in Ownership”	any sale or disposal of Shares or other transaction or event which results in the officers and directors of the Company at the date hereof owning less than five per cent. (5%) of the Shares in issue from time to time

“Minimum Threshold Amount”	eighty point zero one per cent (80.01%) of the higher of (i) the closing price for the Shares on the date of the Agreement, and (ii) the average closing price for the Shares for the five (5) Trading Days immediately prior to the date of the Agreement
“Notice Date”	the date of delivery of the applicable Placement Notice
“Placement Amount”	the aggregate number of Placement Shares stated in each Placement Notice (which number may be different in each Placement Notice) that the Company wishes the Investor to subscribe for provided that the Placement Amount in each Placement Notice shall not exceed the lesser of (i) 1,100% of the arithmetic average of the Daily Trading Volume during the ten (10) consecutive Trading Days immediately preceding the date of the relevant Placement Notice; (ii) such number that, when multiplied by the Placement Price, and then added to the relevant Placement Price for all the Shares purchased from the Company pursuant to all prior Closing Notices, would exceed HK\$120 million; and (c) 40,000,000 Shares
“Placement Multiplier”	a fraction where: (i) the numerator is one (1) and (ii) the denominator is the number of Trading Days in the relevant Evaluation Period. In illustration, if the Evaluation Period for a particular placement comprises 15 Trading Days, then the Placement Multiplier for that placement transaction is 1/15
“Placement Notice”	a notice from the Company to the Investor delivered on any Trading Day during the Commitment Period provided that such Trading Day is not a Trading Day if it falls within an Evaluation Period in respect of an earlier Placement Notice
“Placement Price”	with respect to any Evaluation Period, a per Share consideration equal to ninety per cent. (90%) of the higher of (i) the average of the Closing Bid Prices during such Evaluation Period (ignoring for such calculation any Knockout Day); and (ii) the applicable Fixed Market Price for such Evaluation Period, which per Share consideration shall not be less than the par value of the Shares;

“Placement Shares”	Shares to be subscribed for by the Investor pursuant to the Agreement
“Regulatory Maximum”	the purchase of the Placement Shares which would cause the Investor to hold, in aggregate with any Shares already purchased by the Investor, in excess of the lesser of nineteen point nine per cent. (19.9%) or such percentage of the Company’s registered share capital as would deem the Investor a “substantial shareholder” or “connected person” under the Listing Rules
“Required Approvals”	any necessary consents and approvals (including, for the avoidance of doubt, any necessary approvals from the Stock Exchange for the listing of the Shares issued pursuant to a Placement Notice) in respect of any Shares required to be issued pursuant to any Placement Notice served by the Company
“Share Lender”	Champion Dynasty Limited, a company incorporated in the British Virgin Islands which is wholly-owned by Mr. Cheung Wai Kuen
“Share Lending Agreement”	the agreement entered into between the Share Lender, the Investor and the Investment Adviser on 16 September 2015 for lending of the Loan Shares by the Share Lender to the Investor
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Shares in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers
“Trading Day(s)”	a day (days) on which the Stock Exchange is open for not less than five (5) hours for general trading of securities

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent

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

Hong Kong, 16 September 2015

*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 Company website is [www.cs-ih.com](http://www.cs-ih.com).*