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**COMMON SPLENDOR INTERNATIONAL
HEALTH INDUSTRY GROUP LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 286)

DISCLOSEABLE AND CONNECTED TRANSACTION

**ACQUISITION OF FURTHER STAKE IN
COMMON SPLENDOR INTERNATIONAL
LIFE HEALTH SCIENCE GROUP LIMITED**

THE ACQUISITION

The Board announces that, on 21 June 2016 (after trading hours), the Company, as purchaser, and Billion High, as seller, entered into the Agreement pursuant to which the Company conditionally agreed to acquire and Billion High conditionally agreed to sell an aggregate of 37.8% equity interest in the Target Company.

As of the date of the Agreement, the Company holds a 61.7% equity interest in the Target Company, which is a non-wholly owned subsidiary of the Company. Upon Completion, the Company will hold 99.5% equity interest in the Target Company.

LISTING RULES IMPLICATIONS

As one or more of the relevant percentage ratios in respect of the Acquisition exceeds 5% but all the relevant percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company, and will be subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

As at the date of the Agreement, Billion High owns 30% equity interest in Zhao Long Medical BVI, a non-wholly owned subsidiary of the Company. Accordingly, Billion High is a connected person of the Company at the subsidiary level and the Acquisition constitutes a connected transaction for the Company subject to the announcement and reporting requirements under Chapter 14A of the Listing Rules.

Given that (i) the Acquisition is on normal commercial terms; (ii) the Board has approved the Acquisition; and (iii) the independent non-executive Directors have confirmed that the terms of the Acquisition are fair and reasonable, the Acquisition is on normal commercial terms and in the interest of the Company and the Shareholders as a whole, pursuant to Rule 14A.101 of the Listing Rules, the Acquisition is exempt from the circular, independent financial advice and independent Shareholders' approval requirements.

Shareholders and potential investors of the Company should be aware that Completion is subject to the satisfaction (or waiver, where applicable) of the applicable conditions precedent and therefore Completion may or may not take place. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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THE AGREEMENT

Date

21 June 2016 (after trading hours)

Parties

Buyer: the Company

Seller: Billion High

Subject matter

Pursuant to the Agreement, Billion High has agreed to sell, and the Company has agreed to purchase, 37.8% equity interest in the Target Company.

Consideration

Pursuant to the Agreement, the total consideration for the Acquisition shall be determined by the Company in good faith based on a P/E multiple of 15 and the 2015 Profit (excluding the non-recurring profit generated by a Hong Kong subsidiary) and the percentage of shareholding in the Target Company to be acquired from Billion High (i.e. 37.8%), which is calculated to be approximately HK\$77,780,000. The consideration shall be payable in cash within three months after Completion. The consideration was arrived at after arm's length negotiations among the parties to the Agreement and was determined with reference to, among other things, the financial performance, business development and prospects of the Target Group and on the basis of a P/E multiple of 15 and the 2015 Profit.

Conditions precedent

Completion is subject to, among other things, satisfaction of the following conditions precedent:

- (a) the approval from the independent Shareholders for the transactions contemplated under the Agreement being obtained (if required); and
- (b) the conduct of a due diligence investigation covering, among other things, legal affairs, financial condition and business operations of the Target Group having been completed and the results of such due diligence investigation being satisfactory to the Company.

Pursuant to the Agreement, condition (b) above can be waived by the Company. As at the date of this announcement, condition (b) above has not yet been fulfilled. Pursuant to Rule 14A.101 of the Listing Rules, the Acquisition does not require approval from the independent Shareholders. Please refer to the section headed “Listing Rules implications” below for further information.

Completion

Completion shall take place on the date which is two Business Days after the date (not being later than 30 June 2016) on which the last of the applicable conditions precedent of the Agreement is satisfied or waived (where applicable) in accordance with the Agreement. The long stop date for the Agreement will be on 30 June 2016.

INFORMATION ON THE PARTIES AND THE TARGET GROUP

The Company

The Group is principally engaged in the business of healthcare industry which includes elite life healthcare services (Life Club and Healthcare Nursing Base), healthcare investment management business and investment and finance activities.

Billion High

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, Billion High is an investment holding company owned by Mr. Huang Zhu Liang.

The Target Group

The Target Group is mainly engaged in the provision of precision life healthcare services in Guangzhou and Shenzhen in the PRC.

As of the date of the Agreement, the Company holds a 61.7% equity interest in the Target Company, which is a non-wholly owned subsidiary of the Company. Upon Completion, the Company will hold 99.5% equity interest in the Target Company. To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the remaining 0.5% equity interest in the Target Company is held by two independent third parties in equal shares.

REASONS FOR AND BENEFIT OF THE ACQUISITION

The Group has developed elite life healthcare services (Life Club and Healthcare Nursing Base) and medical investment management business since its entry into the health industry in 2013. After development for a number of years, the Group has formulated a new development strategy – “Focusing on Elite Health”. In light of social elite group’s ever-growing demand for life healthcare services, the Group is planning to look for suitable areas and premises around the world to set up “Life Club” and “Healthcare Nursing Base”, for the provision of one-stop healthcare nursing services such as precision medical anti-aging, suboptimal health interference and healthy sleeping, to the social elites. The Target Company was incorporated in 2007 which was originally engaged in the business of the provision of health management business for the high end group by setting up health management centres. It began to introduce new shareholders since January 2014. Its present principal business is to establish “Life Club” which will provide the elite group with precision medical anti-aging services with application technology including cutting edge medical technologies such as blood purification, metabolic therapy, cell therapy and gene therapy. The “Life Club” (previously known as health management centre) which was established by the Target Company commenced its operations in 2014 in Guangzhou International Biological Island and achieved good results. The Target Company initiated the chain development in 2015. The Shenzhen “Life Club” will commence operation in the near future, and it will keep looking for suitable cities globally to further develop the chain development. For the development of its business, the Target Company changed its name to Common Splendor International Life Health Science Group Limited.

The main purpose of the Acquisition is to further pursue the development strategy of the whole Group, with a focus on increasing the shareholding of the Group's core businesses in order to expedite their development. The Directors (including the independent non-executive Directors) consider that the Acquisition is in line with the Group's investment strategy and the Agreement is on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders taken as a whole.

FINANCIAL INFORMATION OF THE TARGET GROUP

The unaudited consolidated financial information of the Target Group is summarised as follows:

	For the year ended 31 December	
	2014	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	88,726	69,890
Net profit before taxation	18,327	19,899
Net profit after taxation	13,751	15,319
		As at
		31 December
		2015
		<i>HK\$'000</i>
Total assets		64,451
Total liabilities		(23,060)
Net assets		41,391

LISTING RULES IMPLICATIONS

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As at the date of the Agreement, Billion High owns 30% interest in Zhao Long Medical BVI, a non-wholly owned subsidiary of the Company. Accordingly, Billion High is a connected person of the Company at the subsidiary level and the Acquisition constitutes a connected transaction for the Company subject to the announcement and reporting requirements under Chapter 14A of the Listing Rules.

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DEFINITION

In this announcement, the following expressions have the meaning set out below unless the context otherwise requires:

“Acquisition”	the sale and purchase of an aggregate of 37.8% equity interest in the Target Company as contemplated under the Agreement
“Agreement”	the share purchase agreement dated 21 June 2016 entered into among the Company and Billion High for the Acquisition
“Billion High”	Billion High Worldwide Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“Board”	the board of Directors

“Business Day”	any day (other than a Saturday or Sunday or public holiday) on which banks in Hong Kong are open for the transaction of normal business
“Company”	Common Splendor International Health Industry Group Limited (Stock Code: 00286), an exempted company incorporated in Bermuda with limited liability whose issued shares are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Target Company”	Common Splendor International Life Health Science Group Limited (formerly known as Common Splendor International Medical Science Group Limited, which was formerly known as Jumbo Glory Investments Limited), a company incorporated in the British Virgin Islands with limited liability and a non-wholly owned subsidiary of the Company
“Target Group”	Target Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange

“PRC”	the People’s Republic of China and, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Shareholder(s)”	holder(s) of the Share(s)
“Zhao Long Medical BVI”	Zhao Long International Medical Investment Management Group Limited, a company incorporated in the British Virgin Islands with limited liability and a 70% non-wholly owned subsidiary of the Company as at the date of the Agreement
“2015 Profit”	the unaudited consolidated profits of the Target Group for the financial year ended 31 December 2015

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

Hong Kong, 21 June 2016

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

* *For identification purpose only*