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**COMMON SPLENDOR INTERNATIONAL  
HEALTH INDUSTRY GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 286)**

**VOLUNTARY ANNOUNCEMENT**

**(1) COMPLETION OF SECOND TRANCHE PLACING; AND  
(2) PROPOSED THIRD TRANCHE PLACING**

**PLACING AGENT**

**Convoy Investment Services Limited**

**康宏証券投資服務有限公司**

This is a voluntary announcement made by the Company in relation to the issue of bonds by the Company.

**COMPLETION OF SECOND TRANCHE PLACING**

The Board is pleased to announce that, on 29 October 2016, the Second Tranche Bonds in an aggregate principal amount of HK\$30,000,000 has been issued by the Company to Convoy.

## **PROPOSED THIRD TRANCHE PLACING**

On 29 October 2016 (after trading hours), the Company, as issuer, and the Placing Agent entered into the Third Placing Agreement, pursuant to which the Company agreed to appoint the Placing Agent to arrange, on a best effort basis, the Placees to subscribe for the Third Tranche Bonds of up to an aggregate principal amount of HK\$30,000,000 during the Third Placing Period.

**Completion of the Third Tranche Placing is subject to fulfillment of certain conditions under the Third Placing Agreement. The Third Tranche Placing, if proceeded, will be conducted on best effort basis. Accordingly, the Third Tranche Placing may or may not proceed as contemplated or at all. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

This is a voluntary announcement made by the Company in relation to the issue of bonds by the Company.

## **COMPLETION OF SECOND TRANCHE PLACING**

Reference is made to the Company's announcement dated 30 August 2016 regarding the Existing Placing Agreements and Existing Bonds. On 30 August 2016, the Company and the Placing Agent entered into the Second Placing Agreement pursuant to which the Placing Agent has agreed to act as the Placing Agent for the purposes of arranging the Placees on a best efforts basis to subscribe for the Second Tranche Bonds up to an aggregate principal amount of up to HK\$30,000,000.

The Board announces that, on 29 October 2016, the Second Tranche Bonds in an aggregate principal amount of HK\$30,000,000 was issued by the Company to Convoy, pursuant to which Convoy subscribed such bonds as principal. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Convoy (i.e. the Placing Agent), and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## **PROPOSED THIRD TRANCHE PLACING**

On 29 October 2016 (after trading hours), the Company and the Placing Agent, as placing agent entered into the Third Placing Agreement, pursuant to which the Company agreed to appoint the Placing Agent for the purposes of arranging, on a best effort basis, the Placees to subscribe for the Third Tranche Bonds of up to an aggregate principal amount of HK\$30,000,000 during the Third Placing Period.

The principal terms of the Third Placing Agreement and the Third Tranche Bonds are substantially similar to those of the Existing Placing Agreements and the Existing Bonds, respectively. The Third Placing Period shall commence from the date of the Third Placing Agreement and end on the six months from the date of the Third Placing Agreement. The Third Tranche Placing is conditional upon the following conditions being fulfilled within five business days from the date of the Third Placing Agreement (or such later time and date as the Placing Agent and the Company shall agree in writing):

- i. all necessary consents and approvals as may be obtained by the Company and the Placing Agent having been obtained for the Third Tranche Placing; and
- ii. there being no event of default (as defined in the instrument constituting the Third Tranche Bonds) having occurred or occurring,

failure of which each of the Company and the Placing Agent may, at any time thereafter, terminate its obligations under the Third Placing Agreement by written notice to the other party, whereupon the obligations of each of the Company and the Placing Agent under the Third Placing Agreement shall forthwith cease and terminate and neither the Company nor the Placing Agent shall have any claim against any of the others, save for any antecedent breach thereof.

The terms of the Third Tranche Bonds were determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market conditions.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of the Third Placing Agreement, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons. The Company expects that the Placees and, where applicable, their respective ultimate beneficial owners under the Third Tranche Placing will be third parties independent of the Company and its connected persons.

## **PRINCIPLE TERMS OF THE EXISTING BONDS AND THE THIRD TRANCHE BONDS**

The principal terms of the Existing Bonds and the Third Tranche Bonds are summarised below:

<b>Issuer</b>	:	the Company
<b>Principal amount</b>	:	HK\$19,700,000 (First Tranche Placing) HK\$30,000,000 (Second Tranche Placing) up to HK\$30,000,000 (Third Tranche Placing)
<b>Issue price</b>	:	100% of the principal amount
<b>Maturity date</b>	:	the date falling on the second or third anniversary of the issue date (or, if that is not a Trading Day, the first Trading Day thereafter)
<b>Interest rate</b>	:	6% per annum calculated on the actual number of days elapsed and on the basis of a 365-day year payable annually in arrears on 30 June commencing from the issue date
<b>Form and denomination</b>	:	in registered form in the denomination of minimum aggregate value of HK\$500,000 each and any increase above HK\$500,000 in incremental amounts of HK\$100,000, save as otherwise provided
<b>Status</b>	:	direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Company under the Existing Bonds and the Third Tranche Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. No application will be made for the listing of the Existing Bonds and the Third Tranche Bonds

- Transferability** : transferable in whole or in part provided always that the aggregate principal value subject to transfer is not less than HK\$500,000 to any person. Save with the consent of the Stock Exchange, there shall be no transfer to a connected person of the Company
- In the event of default** : if any of the event of default as described in the terms and conditions of the Existing Bonds or the Third Tranche Bonds, as the case may be, occurs, any relevant bondholder may give notice to the Company that the Existing Bonds or the Third Tranche Bonds, as the case may be, are immediately due and payable and, upon any such notice being given to the Company, the Existing Bonds or the Third Tranche Bonds, as the case may be, will immediately become due and repayable at their principal amount
- Early redemption right of the Company** : the Company may at any time before the maturity date and from time to time redeem the Existing Bonds or the Third Tranche Bonds, as the case may be, at not less than 100% of the total amount of such bonds together with payment of interests accrued up to the date of such early redemption by serving at least ten days' prior written notice on the bondholder
- Right of the bondholder to demand early redemption** : no early redemption may be requested by the bondholder

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Group is principally engaged in the precision life healthcare services, healthcare investment management, and investment and finance businesses. The Group has implemented a new “Focus on Social Elites” development strategy and has commenced the layout of global direct operating chain life club plan, including life clubs in Guangzhou, Shenzhen and Huizhou. The Group has recently initiated the global chain healthcare nursing base plan, with the first nursing base situated at a PRC Grade 5A scenic area in Luofu Shan.

The Directors consider that the Placing represents opportunities of the Company to obtain funding to strengthen its working capital base for continuous development of the Group. The additional capital will also facilitate the efficient and timely execution of any potential investments as and when opportunities arise. The Directors are of the view that the transactions contemplated under each of the Placing Agreements and the issue of the Existing Bonds and the proposed issue of the Third Tranche Bonds are in the interest of the Company and the Shareholders as a whole.

**Completion of the Third Tranche Placing is subject to fulfillment of certain conditions precedent under the Third Placing Agreement. Moreover, the Third Tranche Placing, if proceeded, will be conducted on best effort basis. Accordingly, the Third Tranche Placing may or may not proceed as contemplated or at all. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

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

“Board”	the board of Directors
“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(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Existing Bonds”	collectively, the First Tranche Bonds and Second Tranche Bonds
“Existing Placing Agreements”	collectively, the First Placing Agreement and the Second Placing Agreement

“First Placing Agreement”	the conditional placing agreement dated 8 April 2016 and entered into between the Company and the Placing Agent in relation to the First Tranche Placing
“First Tranche Bonds”	the unlisted 6% per annum coupon, unsecured and non-convertible bond due on the second or third anniversary from the date of issue, and in an aggregate principal amount of up to HK\$20,000,000 issued by the Company to the bondholder pursuant to, with the benefit of and subject to the terms of the bond
“First Tranche Placing”	the placing of the First Tranche Bond by the Placing Agent pursuant to the terms of the First Placing Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee”	any professional, institutional or private investors selected and procured by the Placing Agent to subscribe for the First Tranche Bonds and Second Tranche Bonds (as the case may be) pursuant to the respective Placing Agreements
“Placing”	collectively, the First Tranche Placing, the Second Tranche Placing and the Third Tranche Placing
“Placing Agent” or “Convoy”	Convoy Investment Services Limited, acting as a non-exclusive placing agent for the First Tranche Placing and Second Tranche Placing under the Placing Agreements and a licensed corporation to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

“Placing Agreements”	collectively, the First Placing Agreement, the Second Placing Agreement and the Third Placing Agreement
“PRC”	the People’s Republic of China and, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Shareholder(s)”	the shareholder(s) of the Company
“Share(s)”	ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Second Placing Agreement”	the placing agreement dated 30 August 2016 and entered into between the Company and the Placing Agent in relation to the Second Tranche Placing
“Second Placing Period”	the period commencing from the date of the Second Placing Agreement and end on the six months from the date of the Second Placing Agreement
“Second Tranche Bonds”	the unlisted 6% per annum coupon, unsecured and non-convertible bond due on the second or third anniversary from the date of issue, and in an aggregate principal amount of up to HK\$30,000,000 issued by the Company to the bondholder pursuant to, with the benefit of and subject to the terms of the bond
“Second Tranche Placing”	the placing of the Second Tranche Bond by the Placing Agent pursuant to the terms of the Second Placing Agreement
“Third Placing Agreement”	the placing agreement dated 29 October 2016 and entered into between the Company and the Placing Agent in relation to the Third Tranche Placing



“Third Placing Period”	the period commencing from the date of the Third Placing Agreement and end on the six months from the date of the Third Placing Agreement
“Third Tranche Bond(s)”	the unlisted 6% per annum coupon, unsecured and non-convertible bond due on the second or third anniversary from the date of issue, and in an aggregate principal amount of up to HK\$30,000,000 issued by the Company to the bondholder pursuant to, with the benefit of and subject to the terms of the bond
“Third Tranche Placing”	the placing of the Third Tranche Bond by the Placing Agent pursuant to the terms of the Third Placing Agreement
“Trading Day”	means a day on which the Stock Exchange is open for trading in Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 31 October 2016

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