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COMMON SPLENDOR INTERNATIONAL HEALTH INDUSTRY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 286)

CLARIFICATION ANNOUNCEMENT ON DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF A MEDICAL BEAUTY ANTI-AGING GROUP AND ISSUE OF SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of the Company dated 12 August 2017, the supplemental announcement of the Company dated 24 August 2017 and the extension of long stop date and completion announcement of the Company dated 9 September 2017 in relation to a discloseable transaction for the acquisition of a medical beauty anti-aging group and issue of shares under general mandate (the “**Announcements**”). Unless the context otherwise states, capitalised terms used in this announcement have the same meanings as those defined in the Announcements.

The Company would like to clarify that there were inadvertent clerical mistakes regarding the Consideration and the shareholding structure in the Announcements and wishes to clarify the following (the relevant amendments have been underlined for ease of reference):

CONSIDERATION

The Consideration for the Acquisition shall be satisfied by the issue and allotment of the 400,000,000 shares of the Company to the Vendor B, Vendor C, Vendor D, Vendor E, Vendor F and Vendor G and HK\$50 million in cash by the Purchaser to the Vendor A. The issue and allotment of Consideration Shares to the Vendor B, Vendor C, Vendor D, Vendor E, Vendor F and Vendor G and the payment of HK\$50 million to the Vendor A are subject to:

1. transfer of the entire issued share capital of GTV from the Vendors to the Purchaser as stated above;
2. satisfactory completion of the Purchaser’s due diligence; and

3. satisfactory completion of the Target Group's restructuring.

The Consideration Shares will be issued and allotted to the Vendor B, Vendor C, Vendor D, Vendor E, Vendor F and Vendor G and the HK\$50 million will be paid to the Vendor A by the Purchaser within 30 Business Days or other days agreed by the Parties after the Completion.

OTHER MAJOR TERMS OF THE AGREEMENT

Lock-up undertaking

Pursuant to the Agreement, Vendor F and Vendor G can freely transfer the 20,000,000 shares out of the Consideration Shares held by them subject to compliance with all applicable laws upon Completion. Unless otherwise agreed by the Purchaser, the remaining Consideration Shares are subject to lock-up undertaking from the Vendor B, Vendor C, Vendor D, Vendor E, Vendor F and Vendor G that they shall not dispose of the remaining Consideration Shares up to the date of final determination of the Target Net Profit as described below for the relevant periods, and prior to which, the remaining Consideration Shares will be held on escrow by the Vendor B, Vendor C, Vendor D, Vendor E, Vendor F and Vendor G pursuant to the instructions of the Purchaser.

Profit target

The Vendors guarantee to the Purchaser that the net profit of the Target Group for the relevant periods shall not be less than the following amounts:

Relevant periods	Target Net Profit
First twelve months immediately after the Completion	HK\$25 million
Thirteenth to twenty fourth months immediately after the Completion	HK\$30 million

In the event that the above Target Net Profit is met, the Vendor B, Vendor C, Vendor D, Vendor E, Vendor F and Vendor G shall freely transfer the Consideration Shares pursuant to the Agreement.

In the event that the Actual Net Profit for each of the relevant periods falls below the corresponding Target Net Profit stated above, the Vendor B, Vendor C, Vendor D, Vendor E, Vendor F and Vendor G shall freely transfer the Consideration Shares in accordance with the formula below and the Purchaser shall pay HK\$1 to repurchase the remaining non freely-transferable Consideration Shares from the Vendor B, Vendor C, Vendor D, Vendor E, Vendor F and Vendor G:

For the first twelve months immediately after the Completion

290,000,000 Shares in proportion to the shortfall of the Target Net Profit

i.e. 290,000,000 Shares \times [(Actual Net Profit – HK\$5,000,000)/HK\$20,000,000]

For the thirteenth to twenty fourth months immediately after the Completion

90,000,000 Shares in proportion to the shortfall of the Target Net Profit

i.e. 90,000,000 Shares \times [(Actual Net Profit – HK\$5,000,000)/HK\$25,000,000]

SHAREHOLDING STRUCTURE

For illustration purpose only, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the issuance of the Consideration Shares in full (assuming that there is no other change in the share capital of the Company) are as follows:

	As at the date of this announcement		Assuming all the Consideration Shares are issued	
	Approximate Number of Shares	% of issued Shares	Approximate Number of Shares	% of issued Shares
Substantial Shareholders				
Champion Dynasty Limited (<i>Note 1</i>)	930,379,671	35.84%	930,379,671	31.05%
Beauty Sunrise Investments Limited (<i>Note 2</i>)	300,000,000	11.55%	300,000,000	10.01%
TIGER CAPITAL FUND SPC				
— TIGER GLOBAL SP (<i>Note 3</i>)	155,914,000	6.01%	155,914,000	5.20%
Public Shareholders				
Vendor B (wholly-owned by Mr. Li Xukun)	—	0.00%	<u>72,500,000</u>	<u>2.42%</u>
Vendor C (wholly-owned by Mr. Li Xukun)	—	0.00%	<u>72,500,000</u>	<u>2.42%</u>
Vendor D (wholly-owned by Mr. Deng Guobiao)	—	0.00%	<u>72,500,000</u>	<u>2.42%</u>
Vendor E (wholly-owned by Mr. Deng Guobiao)	—	0.00%	<u>72,500,000</u>	<u>2.42%</u>
Vendor F (wholly-owned by Mr. Li Foan)	—	0.00%	<u>55,000,000</u>	<u>1.84%</u>
Vendor G (wholly-owned by Mr. Li Foan)	—	0.00%	<u>55,000,000</u>	<u>1.84%</u>
Other public Shareholders	<u>1,209,931,337</u>	<u>46.60%</u>	<u>1,209,931,337</u>	<u>40.38%</u>
Total	<u>2,596,255,008</u>	<u>100.00%</u>	<u>2,996,255,008</u>	<u>100.00%</u>

Note 1: Champion Dynasty Limited is a company wholly owned by Mr. Cheung Wai Kuen, an executive Director, chairman and a controlling shareholder of the Company.

Note 2: Pursuant to the Disclosure of Interests published on the HKEXnews website, Beauty Sunrise Investments Limited is a company wholly owned by Zhang Wenli.

Note 3: Pursuant to the Disclosure of Interests published on the HKEXnews website, TIGER CAPITAL FUND SPC — TIGER GLOBAL SP is wholly owned by A PLUS CAPITAL MANAGEMENT LIMITED and both A PLUS CAPITAL MANAGEMENT LIMITED and FULL HOUSE ASSET MANAGEMENT COMPANY LIMITED are investment managers of the interested shares.

Save as disclosed herein, all other content of the Announcements remains unchanged.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expression shall have the following meaning:

“Business Day(s)” means a day on which banks in Hong Kong are open for business, excluding (i) Saturdays; (ii) days when Typhoon Warning Signal No.8 or above is hoisted in Hong Kong from 9:00 a.m. to 12:00 noon and is not lowered before 12:00 noon; and (iii) days when Black Rainstorm Warning is hoisted in Hong Kong before 12:00 noon and is not lowered before 12:00 noon

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

Hong Kong, 9 October 2017

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 and Mr. Hou Kaiwen as non-executive Directors; and Mr. Mai Yang Guang, Mr. Lam Chi Wing and Mr. Wong Yiu Kit, Ernest as independent non-executive Directors.