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**COMMON SPLENDOR INTERNATIONAL
HEALTH INDUSTRY GROUP LIMITED**

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

INSIDE INFORMATION

DISPOSAL OF 52% SHARES IN MULTI TALENT LIMITED

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 (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)) 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.

THE AGREEMENT

The board of the directors of the Company (the “Board”) is pleased to announce that after trading hours on 27 October 2014, the Company, as the seller, Billion High Worldwide Investments Limited (“Billion High”) as the purchaser and Multi Talent Limited (the “Target Company”) entered into a sale and purchase agreement (the “Agreement”), pursuant to which, among other things, the Company conditionally agreed to sell and Billion High conditionally agreed to acquire 20,800 shares of US\$1 each in the share capital of the Target Company (the “Shares”), representing 52% of the issued share capital of the Target Company (the “Disposal”) as at the date of the Agreement.

Upon completion of the sale and purchase of the Shares pursuant to the Agreement (the “Completion”), the Target Company will cease to be a subsidiary of the Company.

Consideration:

The consideration for the Disposal is HK\$11,280,000 which will be settled by Billion High in cash in the following manner:

- (a) a sum of HK\$1,000,000, being the deposit (the "Deposit") and partial payment of the consideration, will be paid in cash by Billion High to the Company within 10 business days after signing the Agreement; and
- (b) the balance of the consideration in the sum of HK\$10,280,000 will be paid in cash by Billion High to the Company by one or more instalments within 7 months after the date of Completion.

The consideration for the Disposal was arrived at after arm's length negotiations between the parties to the Agreement on normal commercial terms taking into account the actual cash investment made by the Company in the Target Company, the prospect of the health fast food business and other developing projects of the Company.

Conditions Precedent:

Completion is conditional upon the satisfaction or waiver by the Company of the following conditions precedent on or before 5.00 p.m. on 31 December 2014:

- (a) the Company having obtained all necessary approvals and consents in relation to the transactions contemplated under the Agreement pursuant to the applicable laws, regulations or rules (including but not limited to the Listing Rules and the Stock Exchange's clearance of the transactions contemplated under the Agreement) to the sole and absolute satisfaction of the Company (if required);
- (b) the Company having received the Deposit in accordance with the terms of the Agreement; and
- (c) the representations, warranties and undertakings of Billion High under the Agreement remaining true and accurate in all respects and not misleading and there was no breach of any other acknowledgement, confirmation and other obligations by any of Billion High and the Target Company in connection with the Agreement in any respect as at the Completion.

BACKGROUND

On 6 January 2014, the Company entered into an agreement (the "Previous Agreement") with, among others, Billion High, the Target Company and Bonus Income Limited ("Bonus Income"), pursuant to which the Company agreed to subscribe for the Shares, representing 52% of the issued share capital of the Target Company upon completion of such subscription under the Previous Agreement. Details of the Previous Agreement and the transactions contemplated

therein are set out in the Company's announcement dated 7 January 2014 ("Previous Announcement").

Pursuant to the Previous Agreement, the aggregate consideration payable by the Company for the Shares was RMB42,457,143, which shall be satisfied by the Company in the following manner:

- (a) the payment of US\$5,015,916 (equivalent to RMB30,457,143) to the Target Company and its subsidiaries in cash by way of instalments ("Cash Consideration"); and
- (b) RMB12,000,000 to be satisfied by the allotment and issue of ordinary shares of HK\$0.01 each in the capital of the Company to Bonus Income at a price to be determined in accordance with the Previous Agreement ("Shares Consideration").

The payment of the Cash Consideration and the allotment and issue of the Shares Consideration are subject to certain conditions as set out the Previous Agreement, including the achievement of certain sales, profit and cash flow targets by the subsidiaries of the Target Company. Details of such conditions are set out in the Previous Announcement.

As of the date of the Agreement, the Company had only paid a sum of RMB4,405,750 (equivalent to approximately HK\$5,591,053) out of the Cash Consideration pursuant to the terms of the Previous Agreement and had not issued any Shares Consideration to Bonus Income as the relevant conditions for the payment of the remaining Cash Consideration and the issue of the Shares Consideration had not been fully satisfied. Therefore, the unpaid Cash Consideration and Shares Consideration payable by the Company is RMB38,051,393 (equivalent to approximately HK\$48,288,570).

Pursuant to the Agreement, the Target Company have acknowledged, confirmed and undertaken that all the obligations and liabilities (if any) of the Company under or in connection with the Previous Agreement and/or the Shares will be unconditionally and irrevocably released and discharged upon Completion.

INFORMATION OF THE TARGET COMPANY

The Target Company, being a direct non-wholly-owned subsidiary of the Company, is a company incorporated in Cayman Island with limited liability and an investment holding company, the subsidiaries of which are engaged in health fast food business in the People's Republic of China. The health fast food business was a trial operation for the Group in February 2014 and the comprehensive operation was subsequently commenced in June 2014. The preliminary meal delivery areas cover four districts in Shenzhen namely Futian, Luohu, Nanshan and Bao'an and 12 high class commercial buildings.

REASONS FOR AND BENEFIT OF ENTERING INTO THE AGREEMENT

The Group is mainly engaged in the businesses of health industry, investment and finance and property investment. In the long run, the Group decides to focus on the development in the health industry.

The Company was approached by Mr. Huang Zhu Liang (“Mr. Huang”), being sole director and shareholder of Billion High expressing his interest in enlarging Billion High's shareholding in the Target Company through acquiring the Shares from the Company. The Directors estimated the unaudited net book value of the Target Company attributable to the shareholders of the Company as at 30 June 2014 of HK\$1,286,000 and the Group would record an unaudited gain on the Disposal of not less than approximately HK\$5,500,000. The Board intends to use the net proceeds arising from the Disposal as working capital and additional fund for the development of the current and future health industry projects of the Group.

Apart from its investment in health fast food, the Group is currently developing several new health industry related projects such as medical investment management, the advantages for the growth of the children and teenagers and natural health food, the potential of which the Directors consider as more promising than health fast food business. Furthermore, considering the proceed of HK\$11,280,000 from the Disposal, the Directors consider that the Disposal provides a valuable opportunity for the Group to dispose of a loss-making business and to obtain additional fund to invest in its current and future health industry projects.

Given the above, the Directors (including the independent non-executive Directors) consider that the terms of the Agreement are fair and reasonable, and the Disposal will benefit the Group and is in the interest of the shareholders of the Company (the “Shareholders”) as a whole.

LISTING RULES IMPLICATIONS

As at the date of the Agreement, Billion High is interested in 18% and 38% of the issued share capital of the Target Company and Jumbo Glory Investments Limited (“Jumbo Glory”), respectively. The Target Company and Jumbo Glory are both direct non-wholly-owned subsidiaries of the Company. Mr. Huang is also the director of the Target Company and Jumbo Glory. Accordingly, Billion High and Mr. Huang are connected persons of the Company and the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. However, as the Target Company and Jumbo Glory are qualified as insignificant subsidiaries of the Company under Rule 14A.09 of the Listing Rules, the Disposal is exempt from all the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of the Agreement, save for Billion High and Mr. Huang's relationship with the Group as disclosed in this announcement, each of the counter-parties to the Agreement and their respective ultimate beneficial owner(s) (where applicable) is a third party independent of the Company and connected persons of the Company. None of the Directors has a material interest in the transactions contemplated under the Agreement and they did not have to be abstained from voting on the Directors' resolution approving the same.

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

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

Hong Kong, 27 October 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*