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**COMMON SPLENDOR INTERNATIONAL  
HEALTH INDUSTRY GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 286)**

**DISCLOSEABLE TRANSACTION**

**IN RELATION TO  
CAPITAL CONTRIBUTION IN AND ACQUISITION OF  
100% EQUITY INTEREST IN  
FENGSHUO BIO MEDICAL TECH AND  
51% EQUITY INTEREST IN  
GUANGDONG KELV BIO MEDICAL TECH COMPANY LIMITED  
AND  
CAPITAL CONTRIBUTION TO OBTAIN 28%  
EQUITY INTEREST IN FENGYUAN HUAKE BIO TECH**

The Board is pleased to announce that, on 23 November 2015 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company), Mr. Zhao, the Vendor, Fengshuo Bio Medical Tech and the Target Company No. 1 entered into the Agreement pursuant to which, among other things, (i) the Purchaser has agreed to make the First Capital Contribution of RMB60 million to Fengshuo Bio Medical Tech and has further agreed to purchase, and Mr. Zhao and the Vendor have agreed to sell, the Remaining Fengshuo Interests at the consideration of RMB15 million; and (ii) Fengshuo Bio Medical Tech has agreed to make the Second Capital Contribution of RMB72.2 million to the Target Company No. 1 to obtain 28% equity interest in the Target Company No. 1.

As at the date of this announcement, Fengshuo Bio Medical Tech holds 28% equity interest in the Target Company No. 1 and 51% equity interest in the Target Company No. 2. Following the First Capital Contribution, the Acquisition and the Second Capital Contribution, Fengshuo Bio Medical Tech will become a wholly-owned subsidiary of the Company.

As one or more of the relevant percentage ratios calculated pursuant to Chapter 14 of the Listing Rules reaches or exceeds 5% but less than 25%, the Capital Contributions and the Acquisition, on an aggregate basis, constitute a discloseable transaction for the Company. Accordingly, the Capital Contributions and the Acquisition will be subject to the notification and announcement requirements pursuant to Chapter 14 of the Listing Rules. Given that the Second Capital Contribution is to be satisfied by Fengshuo Bio Medical Tech with its internal resources following the First Capital Contribution, it does not constitute further consideration to be paid by the Group. Accordingly, the Second Capital Contribution is not taken into consideration for the calculation of the relevant percentage ratio(s) pursuant to Chapter 14 of the Listing Rules.

**Shareholders and potential investors should note that there are risks associated with the First Capital Contribution, the Acquisition and the Second Capital Contribution and they should consider and assess all the risks carefully. Shareholders and potential investors are reminded to exercise extreme caution when dealing in the Shares and other securities of the Company.**

## **INTRODUCTION**

The Board is pleased to announce that, on 23 November 2015 (after trading hours), the Purchaser, Mr. Zhao, the Vendor, Fengshuo Bio Medical Tech and the Target Company No. 1 entered into the Agreement pursuant to which, among other things, (i) the Purchaser has agreed to make the First Capital Contribution to Fengshuo Bio Medical Tech and has further agreed to purchase, and Mr. Zhao and the Vendor have agreed to sell, all the Remaining Fengshuo Interests; and (ii) Fengshuo Bio Medical Tech has agreed to make the Second Capital Contribution to the Target Company No. 1 to obtain 28% equity interest in the Target Company No. 1.

## **THE AGREEMENT**

### **Date**

23 November 2015

### **Parties**

- (a) the Purchaser
- (b) Mr. Zhao
- (c) the Vendor

- (d) Fengshuo Bio Medical Tech
- (e) the Target Company No. 1

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, as at the date of the Agreement, each of Mr. Zhao, the Vendor, Fengshuo Bio Medical Tech and the Target Company No. 1 and their respective ultimate beneficial owners (where applicable) is a third party independent of and not connected with the Company or any connected person of the Company.

### **First Capital Contribution**

Pursuant to the Agreement, the First Capital Contribution of RMB60 million in Fengshuo Bio Medical Tech shall be made by the Purchaser or a wholly owned subsidiary of the Company as designated by the Purchaser. Following the First Capital Contribution, Fengshuo Bio Medical Tech's registered and paid-in capital will be increased from RMB15 million to RMB75 million. The Company intends to settle the First Capital Contribution with the internal resources of the Group.

### **Acquisition**

Pursuant to the Agreement, the Purchaser has agreed to purchase, and Mr. Zhao and the Vendor have agreed to sell, the Remaining Fengshuo Interests (comprising all of the Vendor's remaining equity interest in Fengshuo Bio Medical Tech and representing 20% of the enlarged equity interest in Fengshuo Bio Medical Tech after the First Capital Contribution) at a consideration of RMB15 million to the Purchaser or a wholly owned subsidiary of the Company as designated by the Purchaser. Following the First Capital Contribution and the Acquisition, Fengshuo Bio Medical Tech will become a wholly-owned subsidiary of the Company. The Company intends to settle the consideration for the Acquisition with the internal resources of the Group.

### **Second Capital Contribution**

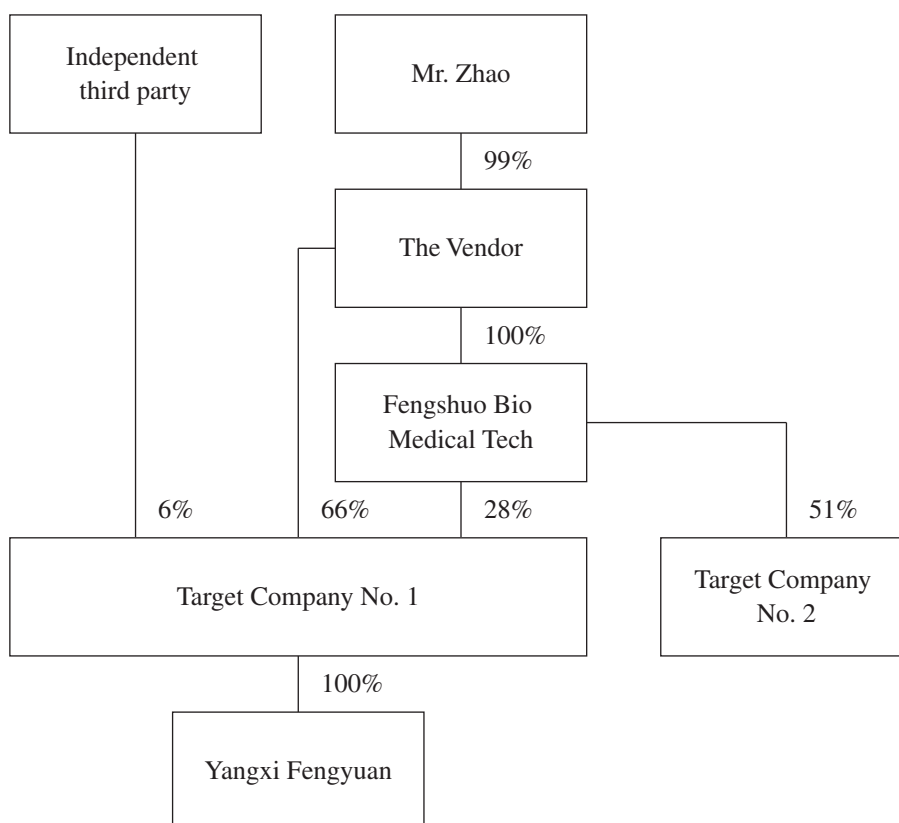
The parties to the Agreement have further agreed that Fengshuo Bio Medical Tech shall make the Second Capital Contribution of RMB72.2 million in the Target Company No. 1 and the Vendor shall inject RMB660,000 to the Target Company No. 1 and procure the remaining equity holder in the Target Company No. 1 (an independent third party of the Company and its connected persons) to inject RMB60,000 to the Target Company No. 1. Following the Second Capital Contribution, the Target Company No. 1's registered and paid-in capital will be increased from RMB10 million to RMB82.92 million and the Target Company No. 1 will be owned as to 66% by the Vendor, 28% by Fengshuo Bio Medical Tech and 6% by the remaining equity holder pursuant to the terms of the Agreement. Fengshuo Bio Medical Tech intends to settle the Second Capital Contribution with its internal resources following the First Capital Contribution. It was further agreed that, following the Second Capital Contribution,

(i) the board of directors of the Target Company No. 1 will comprise three directors, among which two will be appointed by the Vendor and one will be appointed by Fengshuo Bio Medical Tech and/or the Purchaser; and (ii) the chairman and legal representative of the Target Company No. 1 shall be appointed by the Vendor.

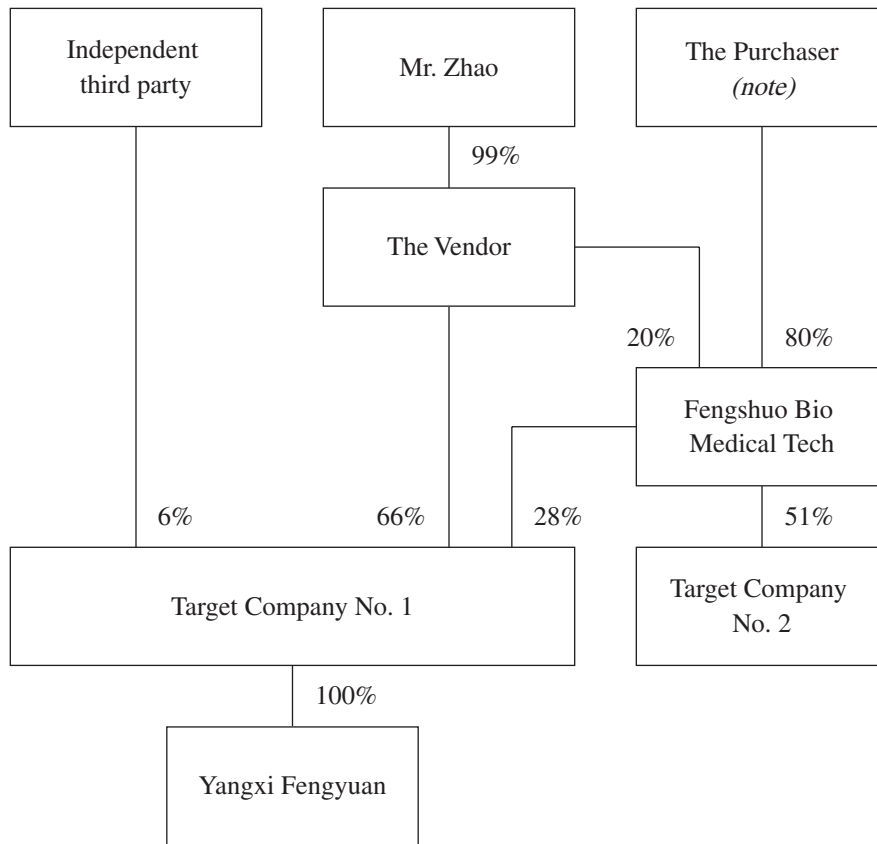
Accordingly, the Company will indirectly hold 28% equity interest in the Target Company No. 1 following the First Capital Contribution, the Acquisition and the Second Capital Contribution.

### Reorganisation

Shareholding structure of the Target Company No. 1 and the Target Company No. 2 immediately before the First Capital Contribution, the Acquisition and the Second Capital Contribution is set forth below:

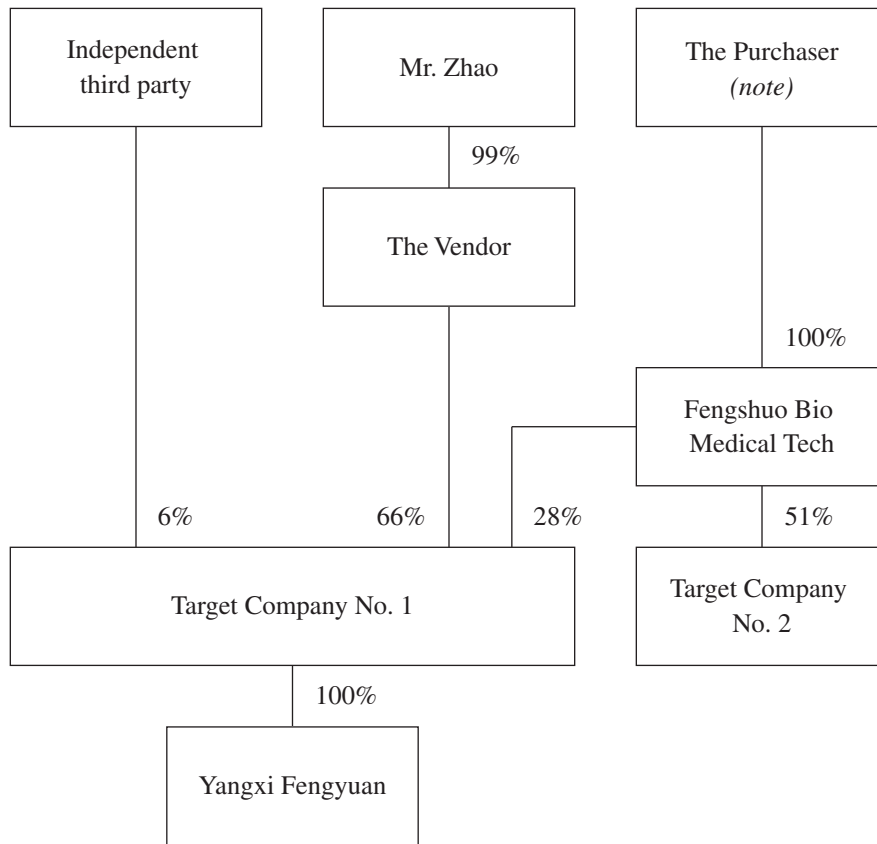


Shareholding structure of the Target Company No. 1 and the Target Company No. 2 immediately after the First Capital Contribution but before the Acquisition and Second Capital Contribution is set forth below:



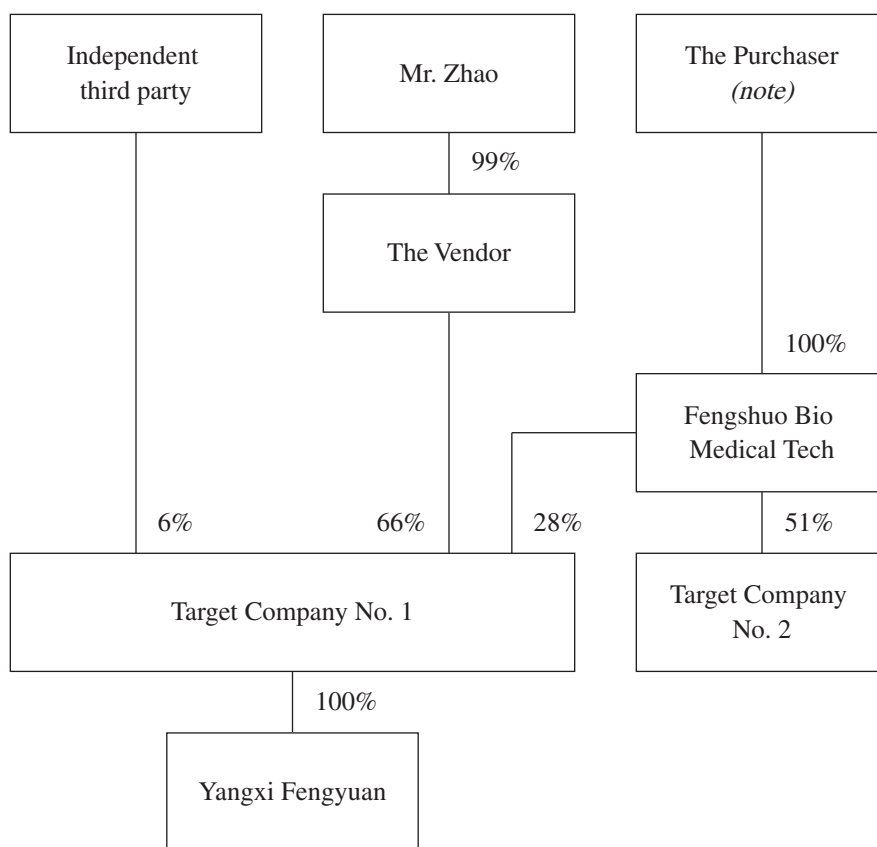
*Note:* The Purchaser or a wholly owned subsidiary of the Company as designated by the Purchaser.

Shareholding structure of the Target Company No. 1 and the Target Company No. 2 immediately after the First Capital Contribution and the Acquisition but before the Second Capital Contribution is set forth below:



*Note:* The Purchaser or a wholly owned subsidiary of the Company as designated by the Purchaser.

Shareholding structure of the Target Company No. 1 and the Target Company No. 2 immediately after the First Capital Contribution, the Acquisition and the Second Capital Contribution is set forth below:



*Note:* The Purchaser or a wholly owned subsidiary of the Company as designated by the Purchaser.

## Consideration

The First Capital Contribution of RMB60 million, the consideration for the Acquisition of RMB15 million and the Second Capital Contribution of RMB72.2 million were arrived at after arm's length negotiations between the parties and was determined with reference to, among other things, the financial performance, business development and prospects of Fengshuo Bio Medical Tech, the Target Company No. 1, the Target Company No. 2 and their respective subsidiaries, as the case may be.

## Profit guarantee and price adjustment

Mr. Zhao, the Vendor and the Target Company No. 1 have undertaken to the Purchaser and Fengshuo Bio Medical Tech that the audited net profit after taxation of the Target Company No. 1 for the year ending 31 December 2017 (the "**2017 Actual Profit**") prepared in accordance with the PRC accounting standards will not be less than RMB38,000,000 (the "**Guarantee Profit**").

If the Guarantee Profit is not achieved, Mr. Zhao and the Vendor have undertaken to transfer a percentage of the equity interest of the Target Company No. 1 (“X”) to the Purchaser, Fengshuo Bio Medical Tech or a company designated by the Purchaser at no further consideration, based on the following formula:

$$X = 28\% \times (\text{RMB}38,000,000 / 2017 \text{ Actual Profit} - 1) \times 100\%$$

For the purpose of the above price adjustment calculation, 2017 Actual Profit shall be taken as RMB38,000,000 where it is more than RMB38,000,000 and taken as RMB11,320,000 where it is less than RMB11,320,000.

### **Technical Guarantee**

Mr. Zhao, the Vendor and the Target Company No. 1 have also undertaken that the dioscorea composita root extract technology as currently possessed by the Target Company No. 1 will achieve a melting point of over 193.5°C after commercial production (the “**Guarantee Technical Requirement**”). If the Guarantee Technical Requirement is not achieved in the commercial production of the Target Company No. 1, Fengshuo Bio Medical Tech or the Purchaser has a unilateral right to terminate the Agreement and the right to require Mr. Zhao and the Vendor to repurchase the 28% equity interest in the Target Company No. 1 from Fengshuo Bio Medical Tech at the consideration of RMB75,000,000, together with interest thereon calculated based on four times of the prevailing lending interest rate of bank loans during the relevant period.

### **INFORMATION OF THE PARTIES**

So far as the Directors are aware, Mr. Zhao is a merchant of Chinese nationality and the Vendor is an investment holding company established in the PRC in which Mr. Zhao owns 99% equity interest. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, as at the date of the Agreement, each of Mr. Zhao, the Vendor, Fengshuo Bio Medical Tech and the Target Company No. 1 and their respective ultimate beneficial owners, where applicable, is a third party independent of and not connected with the Company or any connected person of the Company.



So far as the Directors are aware, Fengshuo Bio Medical Tech is principally engaged in the business of bio medicine development, production and distribution and it holds 28% equity interest of the Target Company No. 1 and 51% equity interest of the Target Company No. 2 as at the date of this announcement. The principal business of the Target Company No. 2 is the research and development, investment and sale of natural plant extraction, bio medicine and healthcare food. The Target Company No. 2 has entered into an agreement with Jingyuan Enterprise, an independent third party, to obtain the innovation technology and the equipment of a biological centre for the research and development of plantation extraction for medical use, as well as research and development achievements of and equity interests owned by the biological centre for the research and development of plantation extraction for medical use and a functional food innovation centre established by Jingyuan Enterprise.

So far as the Directors are aware, the Target Company No.1 is principally engaged in the business of plantation and extraction of saponins, and is an integrated manufacturer of saponins (the intermediates for hormone drugs which are the second most commonly used drugs in the world) with its business chain covering seed provenance, seedlings, plantation, extraction and composition of saponins. The Target Company No. 1 owns an invention patent and a utility model patent in the field of dioscorea composita root and saponins as well as a number of patented or applied technologies under the course of application. The Target Company No. 1 holds 100% equity interest in Yangxi Fengyuan, a company principally engaged in the business of integrated agricultural development.

Mr. Zhao Changwei (趙長偉), the founder of both Target Company No. 1 and Target Company No. 2, graduated from South China Agricultural University majoring in landscaping and is an expert in botany and landscaping and a private entrepreneur. Mr. Zhao has been engaged in business management for more than 20 years and entered the field of bio medicine and modern agriculture in 2007. Mr. Zhao has founded a number of companies (including Target Company No. 1 and Target Company No. 2) and had extensive cooperation with Tsinghua University, Sun Yat-sen University, the Chinese Academy of Sciences, South China Agricultural University and Jiangnan University. Mr. Zhao, through a number of enterprises controlled by him, has established a research team jointly with Dr. Xie Jun (謝君) (Professor, PhD supervisor, expert under the “Recruitment Program”(引進人才) and director of the Institute of Applied Biochemistry of South China Agricultural University) since 2006. The team named the innovation research team for comprehensive utilization of dioscorea composita root resources (菊葉薯蕷資源綜合利用創新科研團隊) was the pioneer in the development of dioscorea composita roots as non-food energy and introducing dioscorea composita roots to South China. Target Company No. 1 has technical cooperation with a number of universities and technical institutions, including entering into an agreement on special scientific correspondents of Guangdong-based enterprises (《廣東企業科技特派員派駐協議書》) with South China Agricultural University and establishing a medicinal plant research centre with the Dongguan Innovation Centre of the Research Institute of Tsinghua University. The “dioscorea composita root” project has made a number of scientific achievements, including being listed as an preparatory project of the agricultural

technology under the “Twelfth Five-year Plan” of the PRC, Guangzhou key Science and Technology Research Project 2009-2011 (2008Z1-D341) (2009-2011年廣州市科技攻關項), comprehensive strategic cooperation project of Guangdong Province and the Chinese Academy of Sciences 2010-2012 (2009B091300098) (2010-2012年廣東省中國科學院全面戰略合作項目), key project supported by special funds for cooperation among enterprises, universities and research institutes of Guangdong Province 2011-2013 (2011B090400437) (2010-2012年廣東省中國科學院全面戰略合作項目), “research on plantation of dioscorea composita roots and clean production of saponins”(菊葉薯蕷種植及其皂素清潔化生產技術研究) and project under the National Key Technologies R&D Program 2015-2018 (2015BAD15B03) (2015-2018年國家科技支撐計劃項目) .

After the seedling cultivation, plantation and pilot production of “dioscorea composita roots” in the period from 2007 to 2009, commercial production was commenced in 2010 and large-scale plantation started in 2012. To date, Target Company No. 1 and Target Company No. 2 together hold cultivable land with an aggregate site area of over 10,000 mu through long-term leases in Yangxi and have a number of seedling bases in Yangxi and Dongguan. In addition to self-owned plantation, Target Company No. 1 and Target Company No. 2 have launched various kinds of cooperation such as “company + farmers” and “company + bases” to expand their plantation business and gradually increase its market share. Target Company No. 1 carries on the business of plantation of dioscorea composita roots and saponin extraction through its wholly-owned subsidiary, Yangxin Fengyuan, and derives profit from sale of saponins as well as dioscorea composita roots and seedlings. Harvest will begin in the fourth quarter of 2015 and mass production will start in 2016.

## FINANCIAL INFORMATION OF THE ENTITIES TO BE ACQUIRED

The financial information of the Target Company No. 1 and Yangxi Fengyuan based on their respective unaudited management accounts for the two financial years immediately preceding the date of the Agreement and for the ten months ended 31 October 2015 are as follows:

### The Target Company No. 1

	For the year ended 31 December 2013 RMB	For the year ended 31 December 2014 RMB	For the ten months ended 31 October 2015 RMB
Turnover	-	-	-
Loss before taxation	16,872	230,879	1,353,171
Net loss after taxation	16,872	230,879	1,353,171
Net assets	1,983,128	1,752,249	399,078

## Yangxi Fengyuan

	For the year ended 31 December 2013 RMB	For the year ended 31 December 2014 RMB	For the ten months ended 31 October 2015 RMB
Turnover	–	–	4,599,954
Profit before taxation	–	–	1,986,487
Net profit after taxation	–	–	1,986,487
Net assets	–	–	1,986,487

Both Fengshuo Bio Medical Tech and the Target Company No. 2 have not commenced business and have zero balance of net assets as at 31 December 2013, 31 December 2014 and 31 October 2015.

## REASONS AND BENEFITS OF THE CAPITAL CONTRIBUTIONS AND ACQUISITION

The Group is mainly engaged in the development of health industry and investment and finance businesses. The Group has formulated its strategy, an emphasis of which is placed on the healthcare business that covers the healthcare industry chain of pharmaceuticals and foodstuff products and to promptly establish its market presence in the industry through merger and acquisition and restructuring. Recently, the Group has invested in the projects of health management, advantage growth for children and teenagers, maternal and child health management, healthcare investment and management, Hong Kong clinic chains, and natural healthy food.

Following the acquisition of 30% equity interest in Shenzhen Aidigong Modern Maternity Health Management Co., Ltd.\* (深圳愛帝宮母嬰健康管理有限公司), a maternity care centre, by way of merger and acquisition in August 2015, the Acquisition is an important move taken by the Group to improve and develop its healthcare business chain. The “pharmaceuticals” business, an important part of the healthcare business chain, will be formed by virtue of the Acquisition, and the Target Companies will play an important role in the development of the Group’s bio medicine and functional foods business segment. The Board believes that acquisitions of established health industry businesses through merger and acquisition carry lesser risks as compared to establishment of such businesses by the Group itself in the PRC, the Group’s competitiveness in the health industry will be boosted through gradual construction and improvement of its healthcare business chain, and resources sharing and synergies among various businesses of the Group will be further enhanced.

Meanwhile, the Board considers that the First Capital Contribution, the Acquisition and the Second Capital Contribution are 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.

## **LISTING RULES IMPLICATIONS**

As one or more of the relevant percentage ratios calculated pursuant to Chapter 14 of the Listing Rules reaches or exceeds 5% but less than 25%, the Capital Contributions, and the Acquisition, on an aggregate basis, constitute a discloseable transaction for the Company. Accordingly, the Capital Contributions and the Acquisition will be subject to the notification and announcement requirements pursuant to Chapters 14 of the Listing Rules. Given that the Second Capital Contribution is to be satisfied by Fengshuo Bio Medical Tech with its internal resources following the First Capital Contribution, it does not constitute further consideration to be paid by the Group. Accordingly, the Second Capital Contribution is not taken into consideration for the calculation of the relevant percentage ratio(s) pursuant to Chapter 14 of the Listing Rules.

**Shareholders and potential investors should note that there are risks associated with the First Capital Contribution, the Acquisition and the Second Capital Contribution and they should consider and assess all the risks carefully. Shareholders and potential investors are reminded to exercise extreme caution when dealing in the Shares and other securities of the Company.**

## **DEFINITIONS**

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

“Acquisition”	the sale and purchase of the Remaining Fengshuo Interests contemplated under the Agreement
“Agreement”	the agreement dated 23 November 2015 entered into among the Purchaser, Mr. Zhao, the Vendor, Fengshuo Bio Medical Tech and the Target Company No. 1

“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
“Capital Contributions”	the aggregate of the First Capital contribution and the Second Capital Contribution
“Directors”	directors of the Company
“Fengshuo Bio Medical Tech”	Guangdong Fengshuo Bio Medical Tech Company Limited* (廣東豐碩生物醫藥科技有限公司), a company established in the PRC with limited liability
“First Capital Contribution”	the capital contribution of RMB60 million by the Company into Fengshuo Bio Medical Tech as contemplated under the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Jingyuan Enterprise”	Dongguan Jingyuan Enterprise Investment Limited* (東莞市景園實業投資有限公司), a company established in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Zhao”	Zhao Changwei* (趙長偉), a natural person of Chinese nationality
“Purchaser”	Guangdong Tongjia Investment Management Limited* (廣東同佳投資管理有限公司), a company established in the PRC with limited liability and a wholly owned subsidiary of the Company

“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
“Remaining Fengshuo Interests”	all of the Vendor’s remaining equity interest in Fengshuo Bio Medical Tech, representing 20% of the enlarged equity interest in Fengshuo Bio Medical Tech after the First Capital Contribution
“RMB”	Renminbi, the lawful currency of the PRC
“Second Capital Contribution”	the capital contribution of RMB72.2 million by Fengshuo Bio Medical Tech into the Target Company No. 1 as contemplated under the Agreement
“Shareholder(s)”	shareholder(s) of the Company
“Shares”	ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company No. 1”	Guangdong Fengyuan Huake Bio Tech Company Limited* (廣東豐源華科生物科技有限公司), a company established in the PRC with limited liability
“Target Company No. 2”	Guangdong Kelv Bio Medical Tech Company Limited* (廣東科綠生物醫藥科技有限公司), a company established in the PRC with limited liability
“Target Companies”	Target Company No. 1 and Target Company No. 2
“Vendor”	Guangdong Fengyuan Technology Innovation Bio Tech Company Limited* (廣東豐源科創生物科技有限公司), a company established in the PRC with limited liability
“Yangxi Fengyuan”	Yangxi Fengyuan Huake Agriculture Integrated Development Company Limited* (陽西豐源華科農業綜合開發有限公司), a company established in the PRC with limited liability

“%” percent

“°C” degree Celsius

For the purpose of illustration only, amounts denominated in RMB in this announcement have been translated into HK\$ at the rate of HK\$1 = RMB0.82. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.

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

Hong Kong, 23 November 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 website of the Company is [www.cs-ih.com](http://www.cs-ih.com).*

*\* For identification purposes only*