

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



REAL NUTRICEUTICAL GROUP LIMITED

瑞年國際有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2010)

CLARIFICATION ANNOUNCEMENT IN RELATION TO ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The board (“**Board**”) of directors (“**Directors**”) of Real Nutraceutical Group Limited (“**Company**”) refers to the annual report (“**2015 Annual Report**”) of Real Nutraceutical Group Limited (“**Company**”) containing audited financial results of the Company and its subsidiaries (“**Group**”) for the year ended 31 December 2015. Unless otherwise specified herein, capitalized terms used in this announcement shall have the same meanings as they were defined in the 2015 Annual Report.

The Board also refers to the announcements of the Company dated 12 April 2015 and 4 June 2015 each in relation to placing of new shares under general mandate and the announcement of the Company dated 22 July 2015 in relation to placing of existing shares and top-up subscription of new shares under general mandate (Collectively, the “**Placing Announcements**”). The Board also refers to the line item of “Proceeds from placing of shares” in the aggregate of approximately RMB666.7 million for the year ended 31 December 2015 in the consolidated statement of cash flow on page 51 of the 2015 Annual Report.

The purpose of this clarification announcement is to provide shareholders of the Company and the investing public with further details of the 2015 Annual Report about the placing of shares of the Company (“**Shares**”) as disclosed in the Placing Announcements as follows:

DETAILS OF THE PLACINGS AND TOP-UP SUBSCRIPTION

	Placing (announced on 12 April 2015)	Placing (announced on 4 June 2015)	Placing and top-up subscription (announced on 22 July 2015)
Total number of new shares issued, class of shares and aggregate nominal value	130,000,000 ordinary shares of HK\$0.01 each, with an aggregate nominal value of HK\$1,300,000.00	140,000,000 ordinary shares of HK\$0.01 each, with an aggregate nominal value of HK\$1,400,000.00	59,000,000 ordinary shares of HK\$0.01 each, with an aggregate nominal value of HK\$590,000.00
Issue price per placing share	HK\$2.36	HK\$2.65	HK\$2.00
Net price per placing share	approximately HK\$2.34	approximately HK\$2.62	approximately HK\$1.97
Closing price of Shares quoted on the Stock Exchange on the relevant placing agreement date (i.e., 10 April 2015, 3 June 2015 and 22 July 2015, respectively)	HK\$2.71	HK\$3.30	HK\$2.13
Net proceeds raised	approximately HK\$303.5 million	approximately HK\$367.0 million	approximately HK\$116.5 million
Intended use of proceeds (as announced)	for mergers and acquisitions	for mergers and acquisitions and general working capital	for mergers and acquisitions and general working capital

In each of the abovementioned placings and top-up subscription of Shares (collectively, the “**Placings and Top-up Subscription**”), the placing shares have been placed to not less than six places which were independent professional, institutional and/or other investors.

REASONS FOR THE PLACINGS AND TOP-UP SUBSCRIPTION

As disclosed in the Placing Announcements, the Company conducted the Placings and Top-up Subscription in order to raise capital to fund its business expansion by mergers and acquisitions as a means to expand the Group’s distribution and marketing channels, while at the same time to broaden the Company’s shareholders’ base, provide additional cash inflow, reduce the Group’s gearing ratio and strengthen the financial position of the Company. The Directors considered that the Placings and Top-up Subscription could allow the Company to obtain additional source of finance which was less costly than bank borrowings and convertible securities with the benefit of strengthening the asset base of the Company.

UPDATE ON ACTUAL USE OF PROCEEDS

As at the date of this announcement, the aggregate net proceeds of approximately HK\$780 million (approximately RMB666.7 million as disclosed on page 51 of the 2015 Annual Report as mentioned above by applying the exchange rate of RMB1:HK\$1.17 for illustration purpose only) from the Placings and Top-up Subscription had not yet been utilised by the Group. The Company intends to utilise the net proceeds from the Placings and Top-up Subscription for mergers and acquisitions for business expansion purpose as previously announced in the Placing Announcements when suitable acquisition opportunities are available to the Group, as well as for general working capital of the Group.

Save for the aforementioned, all other aspects of the 2015 Annual Report shall remain unchanged.

By order of the Board
Real Nutraceutical Group Limited
Poon Yick Pang, Philip
Company Secretary

Hong Kong, 22 August 2016

As at the date of this announcement, the executive Directors are Mr. Wang Fucai, Mr. Yu Yan, Mr. Li Lin, Mr. Yi Lin, Mr. Zhang Yan and Ms. Au-Yeung Kam Ling Celeste; the independent non-executive Directors are Dr. Wong Lung Tak Patrick, BBS, J.P., Dr. Fong Chi Wah, Mr. Xu Hua Feng and Mr. Chan Kee Ming.