

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Real Nutraceutical Group Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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REAL NUTRACEUTICAL GROUP LIMITED

瑞年國際有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2010)

**PROPOSALS INVOLVING
RE-ELECTION OF DIRECTORS;
GENERAL MANDATES TO ISSUE NEW SHARES AND
TO REPURCHASE SHARES;
REFRESHMENT OF SCHEME MANDATE FOR
SHARE OPTION SCHEME;
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Real Nutraceutical Group Limited to be held at Falcon Room II, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on 1 June 2018 at 11:00 a.m. is set out on pages 16 to 20 of this circular.

Whether or not you are able to attend such meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of Real Nutraceutical Group Limited in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

24 April 2018

CONTENTS

| | <i>Page</i> |
|---|-------------|
| DEFINITIONS | 1–3 |
| LETTER FROM THE BOARD | |
| Re-election of Directors | 5 |
| General mandates to issue new Shares and to repurchase Shares | 5–6 |
| Refreshment of Scheme Mandate for Share Option Scheme | 6–9 |
| Annual General Meeting | 9 |
| Responsibility | 9 |
| Recommendation | 10 |
| General | 10 |
| APPENDIX I — EXPLANATORY STATEMENT | 11–13 |
| APPENDIX II — DETAILS OF DIRECTORS TO BE RE-ELECTED | 14–15 |
| NOTICE OF ANNUAL GENERAL MEETING | 16–20 |

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the meanings set out below:

| | |
|-----------------------------------|--|
| “AGM Notice” | the notice for convening the Annual General Meeting as set out on pages 16 to 20 of this circular |
| “Announcement” | announcement of the Company dated 29 March 2018, as supplemented by a subsequent announcement of the Company dated 3 April 2018 in relation to, among others, the proposed refreshment of the Scheme Mandate |
| “Annual General Meeting” or “AGM” | the annual general meeting of the Company to be held at Falcon Room II, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Friday, 1 June 2018 at 11:00 a.m., to approve the resolutions contained in the AGM Notice which is set out on pages 16 to 20 of this circular, or any adjournment thereof |
| “Articles of Association” | the articles of association of the Company |
| “associate(s)” | has the meaning ascribed to it under the Listing Rules |
| “Board” | the board of Directors |
| “Buy-back Code” | the Hong Kong Code on Share Buy-backs |
| “close associate” | has the same meaning as defined in the Listing Rules |
| “Companies Law” | the Companies Law, Cap.22 (law 3 of 1961 as consolidated and revised from time to time) of the Cayman Islands |
| “Company” | Real Nutraceutical Group Limited, a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “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 People’s Republic of China |

DEFINITIONS

| | |
|----------------------------|--|
| “Issue Mandate” | a general mandate to the Directors to exercise the power of the Company to allot, issue and deal with Shares during the period as set out in the ordinary resolution no. 4 in the AGM Notice up to 20% of the aggregate number of issued shares of the Company as at the date of passing ordinary resolution no. 4 (as modified by ordinary resolution no. 6) in the AGM Notice |
| “Latest Practicable Date” | 17 April 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange as may be amended, supplemented and modified from time to time |
| “Outstanding Options” | the outstanding Share Options which remain unexercised as at the Latest Practicable Date |
| “Qualified Participant(s)” | (i) any executive Director, or employee (whether full time or part time) of the Company, any member of the Group or any entity in which any member of the Group holds an equity interest (“ Invested Entity ”); (ii) any sales personnel employed in the form of labor dispatch by the Company, any member of the Group or any Invested Entity; (iii) personnel such as business consultant who contributes to the business of the Company, any member of the Group or any Invested Entity; (iv) any person or entity that provides research, development or technological support to the Company, any member of the Group or any Invested Entity; (v) any mid- to high-level management personnel being supervisor and above of the Company, any member of the Group or any Invested Entity; (vi) employees working at the headquarters of the Group for more than two years; (vii) management personnel or part of the sales elites serving as manager or above of the regional marketing departments of the Company, any member of the Group or any Invested Entity; (viii) experts, advisors specially engaged by the Company or employees making special contribution to the Company; (ix) the trustee for the trust in favor of the PRC citizens referred to in paragraphs (i) to (viii) above as beneficiaries |
| “PRC” | the People’s Republic of China which, for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |

DEFINITIONS

| | |
|--------------------------------|---|
| “Pre-IPO Scheme Option Scheme” | the Pre-IPO share option scheme adopted by the Company on 29 January 2010 |
| “Relevant Period” | in respect of the Repurchase Mandate, has the meaning ascribed to it in paragraph (c) of resolution 5, and in respect of the Issue Mandate, has the meaning ascribed to it in paragraph (d) of resolution 4 in the Notice |
| “Repurchase Mandate” | a general mandate to the Directors to exercise the power of the Company to repurchase Shares during the period as set out in the ordinary resolution no. 5 in the AGM Notice up to 10% of the aggregate number of issued shares of the Company as at the date of passing the ordinary resolution no.5 in the AGM Notice |
| “Scheme Mandate” | at any time, the maximum number of Shares in respect of which the Board is authorized at that time to grant Share Options whether under the Share Option Scheme and any other schemes of the Group |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as may be amended, supplemented and modified from time to time |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company, or if there has been a subdivision, consolidation, reclassification of or reconstruction of the share capital of the Company, shares forming part of the ordinary share capital of the Company |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Share Options” | the share option(s) granted to the participants under the Share Option Scheme to subscribe for the Shares in accordance with the Share Option Scheme |
| “Share Option Scheme” | the share option scheme of the Company adopted by the Company on 1 February 2010 |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “substantial shareholder” | has the meaning ascribed to it under the Listing Rules |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers |
| “%” | per cent. |



REAL NUTRICEUTICAL GROUP LIMITED

瑞年國際有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2010)

Executive Directors:

Mr. Wang Fucai (*Chairman*)
Mr. Yu Yan
Mr. Li Lin
Mr. Yi Lin
Mr. Zhang Yan

Independent Non-Executive Directors:

Dr. Fong Chi Wah
Mr. Xu Hua Feng
Mr. Chan Kee Ming

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Principal place of business
in Hong Kong:*

28th Floor
The Hennessy
256 Hennessy Road
Wan Chai, Hong Kong

24 April 2018

To the Shareholders

Dear Sir or Madam,

**PROPOSALS INVOLVING
RE-ELECTION OF DIRECTORS;
GENERAL MANDATES TO ISSUE NEW SHARES AND
TO REPURCHASE SHARES;
REFRESHMENT OF SCHEME MANDATE FOR
SHARE OPTION SCHEME;
AND
NOTICE OF ANNUAL GENERAL MEETING**

The purpose of this circular is to give you details of the resolutions relating to (a) the re-election of Directors; (b) the grant of general mandates to issue, allot and deal with Shares and to repurchase Shares; and (c) refreshment of the Scheme Mandate for the Share Option Scheme, together with other ordinary business will be proposed at the Annual General Meeting for consideration and, where appropriate, approval by the Shareholders.

The AGM Notice is set out on pages 16 to 20 of this circular.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

It is provided in article 84 of the Articles of Association of the Company that at each annual general meeting, one-third of the Directors for the time being, (or, if their number is not a multiple of three, the number nearest to but not less than one third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years or within such other period as the Stock Exchange may from time to time prescribe or within such other period as the laws of such jurisdiction applicable to the Company. The Directors to retire by rotation shall include (so far as are necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and does not offer himself/herself for re-election. Any further Directors so to retire shall be those of other Directors who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The retiring Directors shall be eligible for re-election.

Pursuant to article 84 of the Articles of Association of the Company, Mr. Wang Fucui, Dr. Fong Chi Wah and Mr. Xu Hua Feng shall retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election. Details of the above retiring Directors that are required to be disclosed under Rule 13.74 of the Listing Rules are set out in Appendix II to this circular.

GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE SHARES

At the last annual general meeting of the Company held on 1 June 2017, resolutions were passed giving general mandates to the Directors to allot, issue and deal with Shares and to exercise the powers of the Company to repurchase Shares. Such general mandates will lapse at the conclusion of the forthcoming Annual General Meeting. Therefore, resolutions will be proposed at the Annual General Meeting to seek the approval of the Shareholders to:

- (i) grant to the Directors a general mandate to allot, issue and deal with unissued Shares up to a maximum of 20% of the aggregate number of issued shares of the Company as at the date of the passing of the ordinary resolution (the **Issue Mandate**);
- (ii) grant to the Directors a general mandate to make on-market repurchases of Shares up to a maximum of 10% of the aggregate number of issued shares of the Company as at the date of the passing of the ordinary resolution (the **Repurchase Mandate**); and
- (iii) extend the Issue Mandate by adding to it an amount representing the aggregate number of the issued shares repurchased by the Company pursuant to the Repurchase Mandate.

Such general mandates will continue in force until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

LETTER FROM THE BOARD

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

On the basis of 1,591,978,666 Shares in issue as at the Latest Practicable Date and assuming that (i) the resolutions approving the Issue Mandate and the Repurchase Mandate are passed at the Annual General Meeting and (ii) no further Shares are allotted, issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting, the Company would be allowed to allot and issue a maximum of 318,395,733 Shares under the Issue Mandate and repurchase a maximum of 159,197,866 Shares under the Repurchase Mandate.

Conditional on the passing of the resolution granting the Issue Mandate and the resolution granting the Repurchase Mandate, an ordinary resolution will also be proposed for Shareholders to consider and, if thought fit, approve the extension of the Issue Mandate by adding to the number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Issue Mandate the number of Shares purchased under the Repurchase Mandate.

Details of the Issue Mandate and Repurchase Mandate are set out in the proposed ordinary resolutions no. 4 and no. 5 respectively in the AGM Notice. Details of the extension of the Issue Mandate are set out in the proposed ordinary resolution no. 6 in the AGM Notice. An explanatory statement, as required under the Listing Rules, to provide you with the requisite information regarding the Repurchase Mandate is set out in Appendix I to this circular.

REFRESHMENT OF SCHEME MANDATE FOR SHARE OPTION SCHEME

The Share Option Scheme

The Share Option Scheme was approved and adopted by the resolution of the sole shareholder of the Company on 1 February 2010. Pursuant to the Share Option Scheme and in compliance with Chapter 17 of the Listing Rules, the maximum number of Shares that may be issued upon exercise of all the Share Options which may be granted thereunder shall not exceed 100,000,000 Shares, which was equivalent to 10% of the Shares in issue as at the date of adoption of the Share Option Scheme. Pursuant to an ordinary resolution passed at the annual general meeting held on 2 June 2016, the Scheme Mandate was refreshed so that the maximum number of Shares that may be issued upon exercise of all the Share Options which may be granted under the Share Option Scheme was 159,197,866 Shares, equivalent to 10% of the number of Shares in issue immediately upon the refreshment on 2 June 2016.

The Pre-IPO Share Option Scheme

Apart from the Share Option Scheme, the Company has also adopted the Pre-IPO Share Option Scheme on 29 January 2010 prior to its initial listing of its Shares on the Stock Exchange, pursuant to which, among other things, the Company may grant rights to selected

LETTER FROM THE BOARD

employees of the Group and other individuals to receive up to an aggregate number of 20,000,000 new Shares to be issued by the Company and up to an aggregate number of 20,000,000 Shares to be transferred from Strong Ally Limited (a company wholly-owned by Furui Investments Limited which is a substantial Shareholder of the Company within the meaning of the Listing Rules). As at the Latest Practicable Date, all the options which may be granted under the Pre-IPO Share Option Scheme have been granted to qualified participants of the scheme, including the options to receive for an aggregate of 20,000,000 new Shares to be issued by the Company, and all such options have been exercised by the options holders and there was no outstanding option under the Pre-IPO Share Option Scheme as at the Latest Practicable Date.

Utilisation of the current Scheme Mandate

Under the Share Option Scheme, the Board is authorised to grant Share Options to the Qualified Participants up to the Scheme Mandate limit in force from time to time. Since the Scheme Mandate was refreshed on 2 June 2016, authorising the Company to grant a maximum of 159,197,866 Share Options, being 10% of the total number of Shares in issue on 2 June 2016, a total of 111,300,000 Share Options which had been granted and accepted by Qualifying Participants. As at the Latest Practicable Date, a total of 111,300,000 Share Options remained outstanding and exercisable by holders thereof. Accordingly, unless the Scheme Mandate is refreshed again, assuming no further Shares are issued or repurchased and no further change to the issued share capital of the Company, the Company may only grant Share Options in respect of 47,897,866 Shares pursuant to the Share Option Scheme, representing approximately 30.1% of the Scheme Mandate limit as refreshed on 2 June 2016, and approximately 3.0% of the total number of Shares in issue as at the Latest Practicable Date.

Refreshment of the Scheme Mandate

It is a term of the Share Option Scheme that the Company may seek Shareholders' Approval to refresh the Scheme Mandate to the extent not exceeding 10% of the aggregate number of Shares in issue as at the date of the aforesaid Shareholders' approval, which is also in compliance with the requirements under Chapter 17 of the Listing Rules. It is proposed that the Scheme Mandate be refreshed to permit the issue of Share Options in respect of such number of Shares that do not exceed 10% of the aggregate number of issued Shares as at the date of the AGM.

As at the Latest Practicable Date, the Company has 1,591,978,666 Shares in issue and there were outstanding Share Options entitling the holders thereof to receive an aggregate of 111,300,000 Shares upon full exercise of such options, representing approximately 7% of the total number of Shares in issue as at the Latest Practicable Date. Assuming no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the maximum number of shares which may be issued upon the exercise of all the Share Options to be granted under the Scheme Mandate as refreshed will be 159,197,866 Shares.

LETTER FROM THE BOARD

Within 30% limit of all outstanding share options under the share option scheme and any other scheme(s)

Pursuant to the Share Option Scheme and the Listing Rules, the Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) (if any) of the Company in aggregate shall not exceed 30% of the number of Shares in issue from time to time. No share options shall be granted under any scheme(s) of the Company if it will result in the 30% limit being exceeded.

On the basis of 1,591,978,666 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the 30% overall limit allows there to be outstanding share options relating to a maximum of 477,593,599 Shares.

Therefore, on the basis of 1,591,978,666 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the AGM, upon the Share Options under the refreshed Scheme Mandate being granted in full, and taking into account a total of 111,300,000 Share Options which had already been granted and remained outstanding as at the Latest Practicable Date, the Shares which may be issued upon exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) (if any) of the Company in aggregate will still be well within the 30% limit pursuant to the Listing Rules.

The Board undertakes that no Share Options shall be granted under the Share Option Scheme or any scheme(s) of the Company if that will result in the 30% limit being exceeded.

Reasons for and benefit of refreshment of the Scheme Mandate

The purpose of the Share Option Scheme is to reward Qualified Participants who have contributed or will contribute to the Group and to encourage Qualified Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. Given that a majority part of the Scheme Mandate has been utilized, the Board considers that it is appropriate for the Company to refresh the Scheme Mandate so that the available number of underlying Shares comprising in the Share Options to be further granted under the Share Option Scheme could be restored to a sufficient level, to permit the further issue of Share Options as incentives to, and recognize and reward for the contributions of, the Group's employees and other selected Qualifying Participants by granting them Share Options, and thereby to provide the Company with greater flexibility in granting Share Options as and when required. For the above reasons, the Board considers that it is in the interests of the Company and its Shareholders as a whole that the Scheme Mandate be refreshed at the AGM on terms set out in the notice convening the AGM so that the Company.

LETTER FROM THE BOARD

Conditions precedent to the refreshment

The proposed refreshment of the Scheme Mandate is conditional upon:

- (a) the passing of the necessary ordinary resolution by the Shareholders at the AGM to approve the proposed refreshment of the Scheme Mandate; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of the Share Options to be granted under the refreshed Scheme Mandate.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Share Options to be granted under the refreshed Scheme Mandate. A copy of the Share Option Scheme will be available for inspection at the Company's principal place of business in Hong Kong during normal business hours from the date hereof up to and including the date of the AGM.

ANNUAL GENERAL MEETING

Set out on pages 16 to 20 of this circular is the notice of the AGM to be held on 1 June 2018. A form of proxy for use in connection with the Annual General Meeting is enclosed. Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrars in Hong Kong, Hong Kong Registrars Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

In accordance with Rule 13.39(4) of the Listing Rules, all votes of the Shareholders to be taken at the Annual General Meeting shall be taken by poll.

RESPONSIBILITY

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the grant of the Issue Mandate and the Repurchase Mandate, the re-election of retiring Directors and the refreshment of the Scheme Mandate are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolutions to be proposed at the Annual General Meeting.

GENERAL

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
By order of the Board
Wang Fucai
Chairman

This Appendix serves as the explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to provide the Shareholders with all the information necessary for their consideration of the Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$15,919,786 comprising 1,591,978,666 Shares. Exercise in full of the Repurchase Mandate, on the basis that no further Shares will be allotted, issued or repurchased prior to the date of the Annual General Meeting, could accordingly result in up to 159,197,866 Shares being repurchased by the Company. The Repurchase Mandate shall, unless revoked or varied by the Company in general meeting, take effect upon approval by the Shareholders until the next annual general meeting of the Company.

REASONS FOR REPURCHASE

The Directors consider that the Repurchase Mandate will provide the Company with such flexibility to make repurchase of its own Shares as and when appropriate and beneficial to the Company. Such repurchases may enhance the net asset value of the Company and/or earnings per Share. The Directors consider that there would not be a material adverse impact on the working capital and on the gearing position of the Company as compared with the position disclosed in the latest published audited accounts of the Company for the year ended 31 December 2017, in the event that the proposed purchases were to be carried out in full during the proposed purchase period. No purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

FUNDING OF REPURCHASE

Repurchases must be funded out of funds legally available for such purchase in accordance with the applicable laws of the Cayman Islands and the memorandum and articles of association of the Company.

The Companies Law provides, inter alia, that shares may only be purchased out of the profits of a company or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or, in the manner provided for therein, out of capital.

DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates, has a present intention to sell Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make repurchases of Shares.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of the Cayman Islands, and in accordance with the regulations set out in the memorandum and articles of association of the Company.

EFFECT OF THE TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and thereby become obliged to make a mandatory general offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date and to the best of the knowledge and belief of the Directors based on the register kept by the Company under Section 336 of the SFO, Furui Investments Limited is the largest Shareholder of the Company holding, directly or indirectly, an aggregate of 290,968,394 Shares, representing approximately 18.28% of the total number of issued shares of the Company. Upon full exercise of the Repurchase Mandate and assuming that no further Shares are allotted, issued or repurchased prior to the date of the Annual General Meeting, its aggregate shareholding would be increased to about 20.3%. Such an increase would not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

Accordingly, the Directors are not aware of any consequence which would arise under the Takeovers Code as a result of any Share repurchases made pursuant to the Repurchase Mandate. Currently, the Directors do not intend to exercise the Repurchase Mandate which will reduce the aggregate amount of the share capital of the Company in public hands to below 25%.

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

| | Per Share | |
|---|------------------|---------------|
| | Highest | Lowest |
| | <i>HK\$</i> | <i>HK\$</i> |
| 2017 | | |
| April | 0.540 | 0.455 |
| May | 0.440 | 0.380 |
| June | 0.420 | 0.365 |
| July | 0.385 | 0.350 |
| August | 0.370 | 0.305 |
| September | 0.325 | 0.300 |
| October | 0.355 | 0.295 |
| November | 0.395 | 0.320 |
| December | 0.320 | 0.270 |
| 2018 | | |
| January | 0.300 | 0.280 |
| February | 0.280 | 0.241 |
| March | 0.265 | 0.231 |
| April (up to the Latest Practicable Date) | 0.255 | 0.216 |

SHARE REPURCHASES MADE BY THE COMPANY

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six (6) months preceding the Latest Practicable Date.

The following are the particulars of the Directors who will offer themselves for election at the Annual General Meeting:

Mr. Wang Fucai (王福才), aged 62, is the founder, the chairman of the Board of Directors and the chief executive officer of the Company and is responsible for the overall management, strategic development and major decision making of the Group. Mr. Wang was appointed as an executive Director of the Company on August 30, 2006. Mr. Wang received a graduation certificate (畢業證) from the Medical Department of Harbin Medical University (哈爾濱醫科大學) in July 1983. Mr. Wang established Wuxi Ruinian Industry and Commerce Co. Ltd. (“Ruinian Industry”) in 1997 to develop his own business and is now the chairman and general manager of Ruinian Industry. He is an associate director of China Food and Drug Administration Magazine (國家食品藥品監督管理局監督雜誌) and a permanent member of the Association of Hong Kong & Kowloon Practitioners of Chinese Medicine Limited. Mr. Wang possesses over 30 years of experience in the health care and pharmaceutical industry, including over 10 years in the nutritional supplement industry. Mr. Wang served in BeiMan TeGang and its affiliated hospital (北滿特鋼及其附屬醫院), a state-owned entity, from 1983 to 1992 and was appointed as the Medical Superintendent from 1990 to 1992, during which he gained experiences in management and administration. From 1992 to 1997, Mr. Wang worked in Shenzhen Hygienic Development Company (深圳市衛生發展公司) as the general manager and was responsible for the sale of pharmaceutical products. Mr. Wang Fucai is the sole director and sole shareholder of Furui Investments Limited (福瑞投資有限公司), a substantial shareholder of the Company directly holding 290,968,394 Shares, representing approximately 18.28% of the issued share capital of the Company as at December 31, 2017.

Dr. Fong Chi Wah (方志華), aged 55, is an independent non-executive Director and joined the Group in March 2008. Dr. Fong was appointed as an independent non-executive Director of the Company on March 28, 2008. Dr. Fong is a Chartered Financial Analyst, a member of Hong Kong Institute of Certified Public Accountants and the Institute of Certified Management Accountants, Australia, and the Hong Kong Institute of Directors. Dr. Fong has over 28 years of experience in various sectors of the financial industry, including direct investment, project and structured finance and capital markets, with a focus on the PRC and Hong Kong. Dr. Fong was a director of Baring Capital (China) Management Limited and held various management positions in ING Bank. He was appointed as an independent non-executive director of China Innovationpay Group Limited (formerly known as Syscan Technology Holdings Limited) on December 19, 2003 and as an executive director of National Investments Fund Limited on November 1, 2005, and both companies are listed on the Stock Exchange. Dr. Fong obtained a bachelor’s degree in management science (economics) from Lancaster University, United Kingdom, in 1984, a master’s degree in business administration from Warwick University, United Kingdom, in 1986, a master’s degree in investment management from the Hong Kong University of Science and Technology in 1999, a master’s degree in practising accounting from Monash University, Australia, in 2001, a doctorate in business administration from the Hong Kong Polytechnic University in 2007 and a Juris doctor from the Chinese University of Hong Kong in 2013.

Mr. Xu Hua Feng (徐華鋒), aged 49, is an independent non-executive Director and joined the Group in September 2012. Mr. Xu was appointed as an independent non-executive Director of the Company on September 1, 2012. Mr. Xu obtained a Bachelor of Laws from the China

Youth University for Political Sciences (中國青年政治學院) in 1992 and has been reappointing the Secretary of China Health Care Association (中國保健協會) since 2006. Mr. Xu has over 20 years of experience in the nutrition and health care food products industry. Mr. Xu has extensive experience in policy research, market analyses and investment management.

Save as disclosed above, none of the above retiring Directors (the “**Retiring Directors**”) had held any directorships in any other listed public companies the securities of which are listed in Hong Kong or overseas in the last three years.

Save as disclosed above, there is no other information that needs to be disclosed pursuant to the requirements of the Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of the Company in connection with the Retiring Directors’ re-election.

NOTICE OF ANNUAL GENERAL MEETING



REAL NUTRICEUTICAL GROUP LIMITED

瑞年國際有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2010)

NOTICE IS HEREBY GIVEN THAT the annual general meeting of the Company will be held at Falcon Room II, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on 1 June 2018 at 11:00 a.m. (“**Annual General Meeting**”) to transact the following purposes:

AS ORDINARY BUSINESS

1. To receive and consider the audited financial statements and the reports of the directors of the Company (“**Directors**”) and the auditor of the Company (“**Auditor**”) for the year ended 31 December 2017.
2. Each as a separate resolution, to re-elect the retiring Directors and to authorise the board of Directors (“**Board**”) to fix the Directors’ remuneration for the year ending 31 December 2018:
 - (a) To re-elect Dr. Fong Chi Wah as an independent non-executive Director;
 - (b) To re-elect Mr. Xu Hua Feng as an independent non-executive Director;
 - (c) To re-elect Mr. Wang Fucai as an executive Director.
3. To re-appoint Elite Partners CPA Limited as the Auditor and to authorise the Board to fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, pass, with or without modifications, the following resolutions as ordinary resolutions of the Company:

4. “**THAT:**
 - (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with unissued Shares or securities convertible into Shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) for such purpose be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such powers (including but not limited to the power to allot, issue and deal with additional shares in the capital of the Company) after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of any option under the share option scheme of the Company; or (iii) the allotment and issue of shares upon the exercise of any subscription rights attaching to the subscription warrants of the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company in force from time to time, shall not exceed the aggregate of 20% of the aggregate number of shares of the Company in issue on the date of the passing of this resolution, subject to adjustment for each consolidation or subdivision of shares the record date of which falls within the Relevant Period so that the maximum number of Shares that may be issued pursuant to the authority granted hereunder as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same, and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly.
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means the allotment, issue or grant of Shares pursuant to an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the Company on the register on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or

NOTICE OF ANNUAL GENERAL MEETING

obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its shares on The Stock Exchange of Hong Kong Limited (**“Stock Exchange”**) or any other stock exchange recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with all applicable laws and/or the requirements be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares which may be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate number of the issued shares of the Company as at the date of the passing of this resolution, subject to adjustment for each consolidation or subdivision of shares the record date of which falls within the Relevant Period so that the maximum number of Shares that may be issued purchased by the Company pursuant to the authority granted hereunder as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same, and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, **“Relevant Period”** means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
 - (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

6. **“THAT,** subject to the passing of resolutions no. 4 and 5 set out in the notice convening the Annual General Meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with shares pursuant to resolution no. 4 set out in the notice convening the Annual General Meeting be and is hereby extended by the addition thereto of an amount representing the aggregate number of shares of the Company repurchased by the Company under the authority granted pursuant to resolution no. 5 set out in the notice convening the Annual General Meeting, provided that such extended amount shall not exceed 10% of the aggregate number of shares of the Company in issue as at the date of the passing of this resolution, subject to adjustment for each consolidation or subdivision

NOTICE OF ANNUAL GENERAL MEETING

of shares the record date of which falls within the Relevant Period so that the maximum extended amount as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same.”

7. “**THAT** subject to and conditional upon the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of share options to be granted under the share option scheme of the Company adopted on 1 February 2010 (the “**Share Option Scheme**”) pursuant to the authority granted pursuant to this resolutions, the Scheme Mandate (as defined in Rule 10.1 of the Share Option Scheme) be and is hereby renewed and Directors be and are hereby authorised to grant pursuant to the rules of the Share Option Scheme options to subscribe for shares of the Company not exceeding 10% of the shares of the Company in issue as at the date of passing of this resolution, excluding for this purpose, options previously granted under the Share Option Scheme and those which have subsequently lapsed, cancelled, exercised and those which are outstanding, and to exercise all rights and powers available to them as they may in their sole discretion consider necessary or expedient to give effect to the foregoing authority.”

By order of the Board
Poon Yick Pang, Philip
Company Secretary

Hong Kong, 24 April 2018

Principal office:

28th Floor
The Hennessy
256 Hennessy Road
Wan Chai, Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the notice convening the Annual General Meeting is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. A form of proxy for use at the Annual General Meeting is enclosed. To be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of such power of attorney or authority at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1726, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or adjourned meeting.
3. The register of members of the Company will be closed from 28 May 2018 to 1 June 2018, both days inclusive, for the purpose of ascertaining shareholders’ entitlement to attend and vote at the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

4. Completion and delivery of the form of proxy will not preclude a member of the Company from attending and voting in person at the Annual General Meeting or any adjournment thereof should such member so wishes, and in such event, the instrument appointing a proxy shall be deemed revoked.
5. With regard to item no. 5 in the notice convening the Annual General Meeting, an explanatory statement as required by The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited is set out in Appendix I to the Circular.
6. Pursuant to Rule 13.39(4) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, all votes of shareholders at the Annual General Meeting will be taken by poll.
7. The translation into Chinese language of the notice convening the Annual General Meeting is for reference only. In case of any inconsistency, the English version shall prevail.