
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Longrun Tea Group Company Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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LongRun

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LONGRUN TEA GROUP COMPANY LIMITED

龍潤茶集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2898)

**PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND
TO ISSUE NEW SHARES OF THE COMPANY
AND
PROPOSED RE-ELECTION OF
THE RETIRING DIRECTORS OF THE COMPANY
AND
NOTICE OF THE ANNUAL GENERAL MEETING OF THE COMPANY**

A notice convening an annual general meeting of Longrun Tea Group Company Limited to be held at Room 3007A-B, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong on Monday, 24 December 2018 at 11:00 a.m. is set out on pages 21 to 25 of this circular. A form of proxy for use at the forthcoming annual general meeting is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.longruntea.com).

Whether or not you are able to attend the forthcoming annual general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time scheduled for the holding of the forthcoming annual general meeting (i.e. not later than 11:00 a.m. on Saturday, 22 December 2018) or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

References to time and dates in this circular are to Hong Kong time and dates.

22 November 2018

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DEFINITIONS

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

“AGM”	an annual general meeting of the Company to be held at Room 3007A-B, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong on Monday, 24 December 2018 at 11:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 21 to 25 of this circular, or any adjournment thereof;
“Articles of Association”	the articles of association of the Company currently in force;
“Board”	the board of Directors;
“Buyback Mandate”	as defined in paragraph 2(a) of the Letter from the Board;
“Company”	Longrun Tea Group Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“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;
“Issuance Mandate”	as defined in paragraph 2(b) of the Letter from the Board;
“Latest Practicable Date”	16 November 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

DEFINITIONS

“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.05 each in the capital of the Company or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong; and
“%”	per cent.

LETTER FROM THE BOARD



LongRun
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LONGRUN TEA GROUP COMPANY LIMITED 龍潤茶集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2898)

Executive Directors:

Dr. Chiu Ka Leung (*Chairman*)
Ms. Yeh Shu Ping
(*Vice-chairman & Chief Executive Officer*)
Mr. Jiao Shaoliang
Dr. William He (also known as Lu Pingguo)

Registered Office:

P.O. Box 10008
Willow House
Cricket Square
Grand Cayman KY1-1001
Cayman Islands

Independent Non-executive Directors:

Mr. Lam Siu Hung
Mr. Guo Guoqing
Mr. Kwok Hok Lun
Dr. Liu Zhonghua

*Principal Place of Business
in Hong Kong:*

Room 3007A-B
Cable TV Tower
9 Hoi Shing Road
Tsuen Wan, New Territories
Hong Kong

22 November 2018

To the Shareholders

Dear Sir/Madam,

**PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND
TO ISSUE NEW SHARES OF THE COMPANY
AND
PROPOSED RE-ELECTION OF
THE RETIRING DIRECTORS OF THE COMPANY
AND
NOTICE OF THE ANNUAL GENERAL MEETING OF THE COMPANY**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the AGM for (i) the granting of the Buyback Mandate to the Directors; (ii) the granting of the Issuance Mandate to the Directors; (iii) the extension of the Issuance Mandate by adding to it the number of issued Shares repurchased by the Company under the Buyback Mandate; and (iv) the re-election of the retiring Directors.

LETTER FROM THE BOARD

2. PROPOSED GRANTING OF THE BUYBACK AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 29 August 2016, general mandates were granted to the Directors to exercise the powers of the Company to repurchase Shares and to issue new Shares respectively. Such mandates were lapsed on 30 September 2017.

Ordinary resolutions will be proposed at the forthcoming AGM to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares, on the Stock Exchange or on any other stock exchange recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange, not exceeding 10% of the total number of issued Shares as at the date of passing such resolution (i.e. not exceeding 145,152,000 Shares on the basis that the existing issued share capital of the Company of 1,451,520,000 Shares remains unchanged as at the date of the AGM) (the “**Buyback Mandate**”);
- (b) to allot, issue or deal with Shares not exceeding 20% of the total number of issued Shares as at the date of passing such resolution (i.e. not exceeding 290,304,000 Shares on the basis that the existing issued share capital of the Company of 1,451,520,000 Shares remains unchanged as at the date of the AGM) (the “**Issuance Mandate**”); and
- (c) to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the AGM or any earlier date as referred to in the proposed ordinary resolutions contained in items 9 and 10 of the notice of the AGM as set out on pages 21 to 25 of this circular.

In accordance with the requirements of the Listing Rules, the Company shall send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buyback Mandate. The explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in Appendix I to this circular.

LETTER FROM THE BOARD

3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to the Articles of Association and the agreement among the Directors, Ms. Yeh Shu Ping, Mr. Jiao Shaoliang, Dr. He William, Mr. Kwok Hok Lun and Dr. Liu Zhonghua shall retire as Directors at the forthcoming AGM. All of the above five retiring Directors, being eligible, will offer themselves for re-election at the forthcoming AGM.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director(s) in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of the above retiring Directors are set out in Appendix II to this circular.

Pursuant to the code provision A.4.3 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules, if an independent non-executive director serves more than 9 years, his further appointment should be subject to a separate resolution to be approved by shareholders and the papers to shareholders accompanying that resolution should include the reason why the board believes he is still independent and should be re-elected. Mr. Kwok Hok Lun, one of the above retiring Directors, has served as an independent non-executive Director for more than 9 years since he was first appointed to the Board in 2006. Mr. Kwok Hok Lun provides his independence confirmation to the Company annually, confirming that he has thus far met the independence guidelines set out in Rule 3.13 of the Listing Rules. The Board therefore believes that he continues to be independent and considers that he should be re-elected, particularly in view of his experience and contribution to the Board.

4. AGM AND PROXY ARRANGEMENT

The notice of the AGM is set out on pages 21 to 25 of this circular. At the forthcoming AGM, resolutions will be proposed to approve, inter alia, the granting of the Buyback Mandate and the Issuance Mandate, the extension of the Issuance Mandate by the addition thereto of the number of Shares repurchased pursuant to the Buyback Mandate and the re-election of the retiring Directors.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the proposed resolutions will be put to vote by way of poll at the forthcoming AGM. An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

A form of proxy for use at the forthcoming AGM is enclosed with this circular and such form of proxy is also uploaded on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.longruntea.com). Whether or not you are able to attend the forthcoming AGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, to the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time scheduled for holding the AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM if you so wish and in such event, your proxy form shall be deemed to be revoked.

5. RECOMMENDATION

The Directors consider that the granting of the Buyback Mandate, the granting/extension of the Issuance Mandate and the re-election of the retiring Directors are in the interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

6. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular: Appendix I – Explanatory Statement on the Buyback Mandate; and Appendix II – Details of the Retiring Directors Proposed to be Re-elected at the AGM.

Yours faithfully,
By order of the Board
Chiu Ka Leung
Chairman of the Board

The following is an explanatory statement required by the Listing Rules to be sent to Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the forthcoming AGM in relation to the granting of the Buyback Mandate.

1. REASONS FOR BUYBACK OF SHARES

The Directors believe that the granting of the Buyback Mandate is in the interests of the Company and the Shareholders.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Buyback Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,451,520,000 Shares.

Subject to the passing of the ordinary resolution set out in item 9 of the notice of the AGM in respect of the granting of the Buyback Mandate and on the basis that the issued share capital of the Company remains unchanged as at the date of the AGM, i.e. being 1,451,520,000 Shares, the Directors would be authorized under the Buyback Mandate to repurchase, during the period in which the Buyback Mandate remains in force, 145,152,000 Shares, representing 10% of the total number of Shares in issue as at the date of the AGM.

3. FUNDING OF REPURCHASES

Repurchases of Shares will be funded from the Company's internal resources, which shall be funds legally available for such purposes in accordance with the Company's Memorandum and Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2018) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Buyback Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time befitting the Company.

5. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, Dr. Chiu Ka Leung, the Chairman of the Board, was interested in 805,804,500 Shares, representing approximately 55.51% of the total issued share capital of the Company. On the basis that (i) the total issued share capital of the Company (being 1,451,520,000 Shares) remains unchanged as at the date of the AGM, and (ii) the shareholding of Dr. Chiu Ka Leung (being 805,804,500 Shares) in the Company remains unchanged immediately after the full exercise of the Buyback Mandate, in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the AGM (presuming that apart from the decrease of the issued share capital arising from the said full exercise of the Buyback Mandate, there is no other change in the Company's issued share capital), the shareholding interest of Dr. Chiu Ka Leung in the issued Shares would be increased to approximately 61.68% of the total issued share capital of the Company. As far as the Directors are aware, there was no person, other than the foregoing substantial Shareholder, holding 10% or more of shareholding interest in the Company as at the Latest Practicable Date.

The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Buyback Mandate. Besides, the Listing Rules prohibit a company from making repurchase of shares on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the company's issued share capital would be in public hands.

6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Buyback Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

7. MARKET PRICES OF SHARES

Trading in the Shares on the Stock Exchange had been suspended with effect from 9:00 a.m. on 15 June 2017. Accordingly, no information on the highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during each of the previous 12 months can be shown pursuant to Rule 10.06(1)(b)(x) of the Listing Rules.

8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the previous 6 months (whether on the Stock Exchange or otherwise).

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

Pursuant to the Listing Rules, the details of the Directors, who will retire and offer themselves for re-election at the AGM according to the Articles of Association, are provided below.

(1) MS. YEH SHU PING

Position and Experience

Ms. Yeh Shu Ping (“**Ms. Yeh**”), aged 71, is the Vice-chairman of the Board, an executive Director, the chairman of the Executive Committee, a member of the Remuneration Committee and the Chief Executive Officer of the Company. She is also a director of various subsidiaries of the Company. She is responsible for the sales, marketing and promotion of the Group’s products as well as managing the day-to-day operation of the Group’s business. Ms. Yeh has worked as a nurse in hospital and clinic in Mainland China for about ten years. Before joining the Group in 1999, Ms. Yeh was a customer service manager of a hair-rebuild product company in Hong Kong. She has also worked in two health products companies in Hong Kong holding management positions in relation to customer services, sales, marketing and consulting prior to joining the Group. Ms. Yeh has extensive experience in sales and marketing of health supplement products.

Ms. Yeh has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Pursuant to the existing service agreement entered into between Ms. Yeh and the Company, her current term of office is 2 years from 1 January 2017, unless and until terminated by either party giving to the other not less than 3 calendar months’ prior notice in writing. Subject to the approval of the Board and with the consent of Ms. Yeh, a new Director’s service agreement will be entered into with Ms. Yeh upon expiry of the existing one. Ms. Yeh is also subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles of Association.

Relationships

Ms. Yeh is the mother of Mr. Han Ping, Joseph (the Vice-president of the Company). Save as disclosed above, Ms. Yeh does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules) of the Company.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Ms. Yeh had the following interests in the Shares/underlying Shares:

- (a) Ms. Yeh beneficially held 35,545,500 Shares, representing approximately 2.45% of the issued share capital of the Company; and
- (b) Ms. Yeh was interested in 10,000,000 underlying Shares, representing approximately 0.69% of the issued share capital of the Company, which are the options granted by the Company pursuant to the Company's share option scheme entitling Ms. Yeh to subscribe for 10,000,000 shares.

Save as disclosed above, Ms. Yeh was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the aforementioned service agreement, Ms. Yeh's emoluments are set out below:

- (a) Ms. Yeh is entitled to receive an annual salary of HK\$1,950,000;
- (b) Ms. Yeh is entitled to apply up to HK\$60,000 of her monthly salary towards the cost of the rental, general rates and management charges payable in respect of her accommodation which would be paid for by the Company. In such a case, Ms. Yeh's salary would be reduced by an amount corresponding to all accommodation costs paid by the Company;
- (c) Ms. Yeh may also entitled to a bonus payment in such amount and payable at such time as shall be determined by the Board; and
- (d) Ms. Yeh is also entitled to participate in the share option scheme, retirement fund scheme and hospitalization insurance scheme adopted/maintained by the Company.

The above emoluments of Ms. Yeh are determined by the Board with reference to her qualification experience, time commitment and responsibilities in the Company as well as the remuneration policy of the Company.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Ms. Yeh to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Ms. Yeh that need to be brought to the attention of the Shareholders.

(2) MR. JIAO SHAOLIANG

Position and Experience

Mr. Jiao Shaoliang (“**Mr. Jiao**”), aged 44, is an executive Director and a member of the Executive Committee of the Company. He is also a director of certain subsidiaries of the Company. Mr. Jiao is responsible for the business development of the Group. He was awarded a diploma in clinical medicine by Kunming Medical College (now known as “Kunming Medical University”) in Mainland China in 1999 and a master’s degree in business administration majoring in international business by the University of La Verne, the United States in 2002. Before joining the Group in February 2002, Mr. Jiao had worked as a technician in the department of radiology of 雲南省腫瘤醫院 (Yunnan Provincial Tumor Hospital) in Mainland China for 4 years.

Mr. Jiao has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Pursuant to the existing service agreement entered into between Mr. Jiao and the Company, his current term of office is 2 years from 1 January 2017, unless and until terminated by either party giving to the other not less than 3 calendar months’ prior notice in writing. Subject to the approval of the Board and with the consent of Mr. Jiao, a new Director’s service agreement will be entered into with Mr. Jiao upon expiry of the existing one. Mr. Jiao is also subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles of Association.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

Relationships

Mr. Jiao is the younger brother of Dr. Chiu Ka Leung (the Chairman of the Board and controlling Shareholder) and the brother-in-law of Dr. He William (an executive Director). Save as disclosed above, Mr. Jiao does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Jiao had the following interests in the Shares/underlying Shares:

- (a) Mr. Jiao beneficially held 1,100,000 Shares, representing approximately 0.08% of the issued share capital of the Company; and
- (b) Mr. Jiao was interested in 10,000,000 underlying Shares, representing approximately 0.69% of the issued share capital of the Company, which are the options granted by the Company pursuant to the Company's share option scheme entitling Mr. Jiao to subscribe for 10,000,000 Shares.

Save as disclosed above, Mr. Jiao was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the aforementioned service agreement, Mr. Jiao's emoluments are set out below:

- (a) Mr. Jiao is entitled to receive an annual salary of HK\$624,000;
- (b) Mr. Jiao is entitled to apply up to HK\$19,200 of his monthly salary towards the cost of the rental, general rates and management charges payable in respect of his accommodation which would be paid for by the Company. In such a case, Mr. Jiao's salary would be reduced by an amount corresponding to all accommodation costs paid by the Company;

**APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED AT THE AGM**

- (c) Mr. Jiao may also be entitled to a bonus payment in such amount and payable at such time as shall be determined by the Board; and
- (d) Mr. Jiao is also entitled to participate in the share option scheme, retirement fund scheme and hospitalization insurance scheme adopted/maintained by the Company.

The above emoluments of Mr. Jiao are determined by the Board with reference to his qualification, experience, time commitment and responsibilities in the Company as well as the remuneration policy of the Company.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr. Jiao to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Jiao that need to be brought to the attention of the Shareholders.

(3) DR. HE WILLIAM

Position and Experience

Dr. He William (also known as Lu Pingguo, “**Dr. He**”), aged 46, is an executive Director and a member of the Executive Committee and the Internal Control Committee of the Company. He is responsible for the daily management of the tea business of the Group. Prior to joining the Group in February 2009, Dr. He was a statistical programmer and consultant in a commercial firm in Canada, who was responsible for conducting statistical analysis and preparing statistical reports. He has over 10 years of experience in the statistical analysis and consulting field. Dr. He was awarded a Master of Science degree in Statistics and a Doctor of Philosophy degree in Statistics by the University of Western Ontario, Canada (now known as “Western University”). He was a member of American Statistical Association from 2005 to 2007.

Dr. He has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

**APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED AT THE AGM**

Length of service

Pursuant to the existing service agreement entered into between Dr. He and the Company, his current term of office is 2 years from 1 January 2017, unless and until terminated by either party giving to the other not less than 3 calendar months' prior notice in writing. Subject to the approval of the Board and with the consent of Dr. He, a new Director's service agreement will be entered into with Dr. He upon expiry of the existing one. Dr. He is also subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles of Association.

Relationships

Dr. He is a brother-in-law of both Dr. Chiu Ka Leung (the Chairman of the Board and controlling Shareholder) and Mr. Jiao Shaoliang (an executive Director). Save as disclosed above, Dr. He does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Dr. He had the following interests in the Shares/underlying Shares:

- (a) Dr. He held beneficially 16,880,000 Shares, representing approximately 1.16% of the issued share capital of the Company; and
- (b) Dr. He was interested in 10,000,000 underlying Shares, representing approximately 0.69% of the issued share capital of the Company, which are the options granted by the Company pursuant to the Company's share option scheme entitling Dr. He to subscribe for 10,000,000 Shares.

Save as disclosed above, Dr. He was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

**APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED AT THE AGM**

Director's emoluments

Pursuant to the aforementioned service agreement, Dr. He's emoluments are set out below:

- (a) Dr. He is entitled to receive an annual salary of HK\$546,000;
- (b) Dr. He is entitled to apply up to HK\$16,800 of his monthly salary towards the cost of the rental, general rates and management charges payable in respect of his accommodation which would be paid for by the Company. In such a case, Dr. He's salary would be reduced by an amount corresponding to all accommodation costs paid by the Company;
- (c) Dr. He may also be entitled to a bonus payment in such amount and payable at such time as shall be determined by the Board; and
- (d) Dr. He is also entitled to participate in the share option scheme, retirement fund scheme and hospitalization insurance scheme adopted/maintained by the Company.

The above emoluments of Dr. He are determined by the Board with reference to his qualification, experience, time commitment and responsibilities in the Company as well as the remuneration policy of the Company.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Dr. He to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Dr. He that need to be brought to the attention of the Shareholders.

**APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED AT THE AGM**

(4) MR. KWOK HOK LUN

Position and Experience

Mr. Kwok Hok Lun (“**Mr. Kwok**”), aged 42, joined the Group in October 2006. He is an independent non-executive Director, and a member of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Internal Control Committee of the Company. Mr. Kwok has been an assistant solicitor of a Hong Kong law firm (the “**Law Firm**”) for more than 10 years. He is responsible for the Law Firm’s affairs including legal, human resources, administration and communication. Mr. Kwok was admitted as a solicitor in the High Court of the Hong Kong Special Administrative Region in 2001 and is a member of the Law Society of Hong Kong. Mr. Kwok obtained his Bachelor of Laws (with Honours) in 1998 and Postgraduate Certificate in Laws in 1999 from City University of Hong Kong. Mr. Kwok’s fields of practice mainly focus on property matters, company matters and civil litigation. He also has experience in giving legal advice to multinational clients in Hong Kong.

Mr. Kwok has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Pursuant to the existing appointment letter issued by the Company to Mr. Kwok, his current term of office is 1 year up to 30 September 2019, which may be renewed upon expiry. He is also subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles of Association.

Relationships

As far as the Directors are aware, Mr. Kwok does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules) of the Company.

**APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED AT THE AGM**

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Kwok was interested in 1,000,000 underlying Shares, representing approximately 0.07% of the issued share capital of the Company, which are the options granted by the Company pursuant to the Company's share option scheme entitling Mr. Kwok to subscribe for 1,000,000 Shares.

Save as disclosed above, Mr. Kwok was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Director's emoluments

Mr. Kwok is entitled to receive an annual Director's fee of HK\$120,000. Except for the Company's existing share option scheme, Mr. Kwok is not eligible to participate in any bonus schemes or other benefits of the kind available to executive Directors. The above emoluments of Mr. Kwok are determined by the Board with reference to his qualification, experience, role and duties in the Company as well as the remuneration policy of the Company.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr. Kwok to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Kwok that need to be brought to the attention of the Shareholders.

**APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED AT THE AGM**

(5) DR. LIU ZHONGHUA

Position and Experience

Dr. Liu Zhonghua (“**Dr. Liu**”), aged 53, joined the Group in January 2012. He is an independent non-executive Director, and a member of both the Remuneration Committee and the Nomination Committee of the Company. Dr. Liu holds a doctorate degree in Analytical Chemistry of Life from the Tsinghua University. He is currently a professor and supervisor for PhD candidates at the Department of Tea Science of Hunan Agricultural University. He also acts as a director, deputy director or committee member for various tea research institutes and a number of advisory committees on tea and plants in Mainland China. Dr. Liu is a renowned Chinese expert in the field of tea science and development and exploitation of functional ingredients from botanicals. He has led a number of national key scientific research projects and programs, published papers in many academic journals and acted as a key member of the editorial committees of certain academic journals. Dr. Liu has attained distinguished achievements in the fields of chemistry of functional ingredients of tea, process and comprehensive applications of tea, theories and new technologies for process of tea and for which he has received many awards.

Dr. Liu has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Pursuant to the existing appointment letter issued by the Company to Dr. Liu, his current term of office is 1 year up to 31 December 2018, which may be renewed upon expiry. He is also subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles of Association.

Relationships

As far as the Directors are aware, Dr. Liu does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules) of the Company.

**APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED AT THE AGM**

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Dr. Liu was interested in 1,000,000 underlying Shares, representing approximately 0.07% of the issued share capital of the Company, which are the options granted by the Company pursuant to the Company's share option scheme entitling Dr. Liu to subscribe for 1,000,000 Shares.

Save as disclosed above, Dr. Liu was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Director's emoluments

Dr. Liu is entitled to receive an annual Director's fee of HK\$120,000. Except for the Company's existing share option scheme, Dr. Liu is not eligible to participate in any bonus schemes or other benefits of the kind available to executive Directors. The above emoluments of Dr. Liu are determined by the Board with reference to his qualification, experience, role and duties in the Company as well as the remuneration policy of the Company.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Dr. Liu to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Dr. Liu that need to be brought to the attention of the Shareholders.

NOTICE OF THE AGM



LongRun
龍潤

LONGRUN TEA GROUP COMPANY LIMITED 龍潤茶集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2898)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Longrun Tea Group Company Limited (the “**Company**”) will be held at Room 3007A-B, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong on Monday, 24 December 2018 at 11:00 a.m. for the following purposes:

1. To consider and receive the audited consolidated financial statements and the reports of the directors and auditor of the Company for the years ended 31 March 2017 and 31 March 2018;
2. To re-elect Ms. Yeh Shu Ping as an executive director of the Company;
3. To re-elect Mr. Jiao Shaoliang as an executive director of the Company;
4. To re-elect Dr. He William as an executive director of the Company;
5. To re-elect Mr. Kwok Hok Lun as an independent non-executive director of the Company;
6. To re-elect Dr. Liu Zhonghua as an independent non-executive director of the Company;
7. To authorize the board of directors of the Company to fix the respective directors’ remuneration;
8. To re-appoint Moore Stephens CPA Limited as auditor of the Company and to authorize the board of directors of the Company to fix the auditor’s remuneration;

NOTICE OF THE AGM

9. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on another stock exchange recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing this resolution and the said approval shall be limited accordingly; and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be repurchased under the mandate in paragraph (a) above 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
- (c) for the purpose of this resolution, “Relevant Period” means the period from 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 revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meetings; and
 - (iii) 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 to be held.”;

NOTICE OF THE AGM

10. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorized and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of the outstanding conversion rights attaching to any convertible bonds or securities issued by the Company, which are convertible into shares of the Company;
 - (iii) the exercise of options under a share option scheme of the Company; and
 - (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company,

NOTICE OF THE AGM

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing this resolution and the said approval shall be limited accordingly; and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above 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

- (d) for the purposes of this resolution:

“Relevant Period” means the period from 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 revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meetings; and
- (iii) 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 to be held; and

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”; and

NOTICE OF THE AGM

11. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 9 and 10 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 10 of the Notice be and is hereby extended by the addition to the total number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares purchased by the Company pursuant to the general mandate referred to in the resolution set out in item 9 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing this resolution.”.

By order of the Board
Chiu Ka Leung
Chairman of the Board

Hong Kong, 22 November 2018

Notes:

- a. Any member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- b. In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s Branch Share Registrar in Hong Kong (i.e. Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong) as soon as possible but in any event not less than 48 hours before the time scheduled for the holding of the meeting (i.e. not later than 11:00 a.m. on Saturday, 22 December 2018) or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the form of proxy shall be deemed to be revoked.
- c. To ascertain shareholders’ eligibility to attend and vote at this meeting, the register of members of the Company will be closed from Wednesday, 19 December 2018 to Monday, 24 December 2018 (both days inclusive), during which period no share transfer will be effected. In order to qualify for attending and voting at the annual general meeting, unregistered holders of shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Branch Share Registrar in Hong Kong, Tricor Tengis Limited (at its address shown in Note b above) for registration no later than 4:30 p.m., on Tuesday, 18 December 2018.
- d. References to time and dates in this Notice are to Hong Kong time and dates.