

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)

**PROPOSED REMOVAL AND
APPOINTMENT OF DIRECTORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting of Real Nutraceutical Group Limited to be held at Rooms 1103–9, Office Tower Two, Grand Plaza, 625 & 639 Nathan Road, Mongkok, Kowloon, Hong Kong on 18 December 2018 at 4:00 p.m. is set out on pages 8 to 9 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 17M 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.

26 November 2018

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DEFINITIONS

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

“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Company”	Real Nutraceutical Group 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
“Extraordinary General Meeting” or “EGM”	The extraordinary general meeting of the Company to be held at Rooms 1103–9, Office Tower Two, Grand Plaza, 625 & 639 Nathan Road, Mongkok, Kowloon, Hong Kong on 18 December 2018 at 4:00 pm to approve the resolutions contained in the EGM Notice
“EGM Notice”	the notice for convening the Extraordinary General Meeting as set out on pages 8 to 9 of this circular
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as may be amended, supplemented and modified from time to time
“Nominated Directors”	Mr. Leung Wai Man Raymond, Mr. Kwan Sai Bun Daniels, Dr. Chow Pok Yu Augustine, Ms. Yan, Vivian and Mr. Ngai Wah Sang
“Requisition”	a written requisition deposited with the Company under a letter of 19 October 2018 from the solicitors for the Requisitionists, requesting to convene an extraordinary general meeting of the Company for the transaction of the businesses specified in the EGM Notice
“Requisitionists”	the shareholders together holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company as at the date of the Requisition who requested that an EGM be convened

DEFINITIONS

“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 of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“%”	per cent.

LETTER FROM THE BOARD



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:

Dr. 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

26 November 2018

To the Shareholders

Dear Sir or Madam,

NOTICE OF EXTRAORDINARY GENERAL MEETING

The purpose of this circular is to give you details of the resolutions relating to (a) the removal of all of the executive Directors; (b) the election of 5 new executive Directors; (c) the setting up of a committee to investigate the financial affairs of the Company; and (d) to recommend that the Company declare a special dividend of approximately 50 cents (HK\$0.50) per share.

The EGM Notice is set out on pages 8 to 9 of this circular.

BACKGROUND OF THE REQUISITION

On 19 October 2018, the Company received a letter from the solicitors acting for a number of Shareholders together holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, by which a requisition requiring the Board to convene an extraordinary general meeting for the transaction of the businesses specified in the Requisition was deposited with the Company.

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As at the date of the Requisition, the Requisitionists held 185,300,161 Shares, representing approximately 11.6% of the issued share capital of the Company.

The businesses specified in the Requisition as at the date of the Requisition contained 12 proposed resolutions for (i) the removal of all of the executive Directors at the date of the Requisition; (ii) the appointment of five candidates namely, Mr. Leung Wai Man Raymond, Mr. Kwan Sai Bun Daniels, Dr. Chow Pok Yu Augustine, Ms. Yan, Vivian and Mr. Ngai Wah Sang as executive Directors; (iii) making any necessary public announcement of the results of the EGM and any necessary reports to the Stock Exchange; and (iv) the setting up a committee to investigate the financial affairs of the Company and recommending, if appropriate, that the Company declares a special dividend of 50 cents (HK\$0.50) per share.

Pursuant to Article 58 of the Articles, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. In accordance with Article 58 of the Articles, the EGM Notice was duly despatched by the Board to the Shareholders on 26 November 2018.

REMOVAL OF DIRECTORS PROPOSED BY THE REQUISITIONISTS

Pursuant to the Requisition, the Requisitionists are effectively proposing to remove all the existing executive Directors of the Company:

- (i) Dr. Wang Fucui, executive Director;
- (ii) Mr. Yu Yan, executive Director;
- (iii) Mr. Li Lin, executive Director;
- (iv) Mr. Yi Lin, executive Director; and
- (v) Mr. Zhang Yan, executive Director.

APPOINTMENT OF DIRECTORS PROPOSED BY THE REQUISITIONISTS

Insofar as appointment of directors is concerned, according to the proposed resolutions of the Requisitionists, the following Nominated Directors will be appointed with immediate effect subject to and upon the passing of proposed resolution nos. 6 to 10 of the Requisitionists at the Extraordinary General Meeting:

- (i) Mr. Leung Wai Man, Raymond, executive Director;

LETTER FROM THE BOARD

- (ii) Mr. Kwan Sai Bun, Daniels, executive Director;
- (iii) Dr. Chow Pok Yu, Augustine, executive Director;
- (iv) Ms. Yan, Vivian, executive Director; and
- (v) Mr. Ngai Wah Sang, executive Director.

Since the date of the Requisition, the solicitors for the Requisitionists have not indicated any changes to the identities of the Nominated Directors.

EFFECT OF THE PROPOSED RESOLUTIONS

If the proposed resolutions nos. 1 to 10 of the Requisitionists are passed at the Extraordinary General Meeting, the Board composition will be as follows:

Executive Directors : Mr. Leung Wai Man, Raymond
Mr. Kwan Sai Bun, Daniels
Dr. Chow Pok Yu, Augustine
Ms. Yan, Vivian
Mr. Ngai Wai Sang

Independent non-executive Directors : Dr. Fong Chi Wah
Mr. Xu Hua Feng
Mr. Chan Kee Ming

EXTRAORDINARY GENERAL MEETING

Set out on pages 8 to 9 of this circular is the notice of the EGM to be held on 18 December 2018. A form of proxy for use in connection with the Extraordinary General Meeting is enclosed. Whether or not you are able to attend the Extraordinary 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, Computershare Hong Kong Investor Services Limited at 17M 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 Extraordinary 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 Extraordinary 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 Extraordinary General Meeting shall be taken by poll.

LETTER FROM THE BOARD

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.

GENERAL

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

Yours faithfully,

By order of the Board

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

Independent non-executive Directors

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

Mr. Leung Wai Man, Raymond (梁衛民先生), aged 67, is a barrister-at-law of the Hong Kong High Court. Mr. Leung was called to the Bar in England and Hong Kong in 1975 and 1976 respectively whereupon he embarked on a long legal career. Mr. Leung possesses vast experience in both legal and business affairs through his legal practice and corporate management services.

Mr. Kwan Sai Bun, Daniels (關細彬先生), aged 56, is the Vice Chairman of Great Chinese Martial Artists Association (a charity group) and Director of Guangzhou Panyu Overseas Friendship Association. Mr. Kwan has more than twenty years' experience in managing and operating book publishing, distribution and retail business.

Dr. Chow Pok Yu Augustine (周博裕博士), aged 66, was the Chief Executive Officer and Managing Director of Harmony Asset Limited (currently known as Cocoon Holdings Limited) (HKEX: 0428), a listed investment company, that managed listed and unlisted portfolio in Hong Kong, China and overseas from 1996 to 2015. He was the Executive Director of Kaisun Energy Group Limited (currently known as Kaisun Holdings Limited) (HKEX: 8203) from 2008 to 2016. He is now the Executive Director/Chairman of Harmony Asset Management Limited. Dr. Chow is a Director of Celsion Corporation (AMEX: CLN) and Medifocus Inc. (TSXV-MFS, OTC-MDFZF).

A specialist in mergers and acquisitions, restructuring, strategic management and turnaround operations, Dr. Chow has over 25 years of experience in managing listed companies in manufacturing, marketing and financial services. Dr. Chow's qualifications include a Master of Science degree from London Business School, and doctorate degrees from University of South Australia and City University of Hong Kong.

Ms. Yan, Vivian (甄慧淙女士), aged 37, serves as Chief Executive Officer at Delphinium Capital Partners Limited and Investment Director at Harmony Asset Management Limited. Ms. Yan has over a decade of experience in Financial Services. She has worked with major financial institutions such as Citigroup and Standard Chartered Bank. Her experience within the industry ranges from direct investment, corporate finance, relationship management, operational risk to trade finance. She also served as board director and consultant to a number of companies, providing fund raising and strategic advice. She earned her Juris Doctor degree from the Chinese University of Hong Kong and a Master of Business Administration degree from London Business School in the United Kingdom.

Mr. Ngai Wah Sang (魏華生先生), aged 60, holds a Bachelor's Degree in Science from the University of London in the United Kingdom and is a fellow of The Institute of Chartered Accountants in Australia and the Hong Kong Institute of Certified Public Accountants respectively. He has broad experience in auditing, accounting, financial management and dealing with business development and investments and previously worked for international accounting firms and listed companies in Hong Kong and overseas. He was previously the deputy chairman and the chief executive officer of Earnest Investments Holdings Limited (HKEX code: 339). He is now the Chief Executive Officer of Golden Sunway Limited, which is an oil trading company and also serving as an Independent Non-executive Director of Tian An China Investments Company Limited (HKEX code: 28).

NOTICE OF EXTRAORDINARY 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 an extraordinary general meeting of the Company will be held at Rooms 1103–9, Office Tower Two, Grand Plaza, 625 & 639 Nathan Road, Mongkok, Kowloon, Hong Kong on 18 December 2018 at 4:00 p.m. (“**Extraordinary General Meeting**”) to consider, and, if thought fit, pass the following resolutions as ordinary resolutions:

- (1) THAT Dr. Wang Fucai (王福才博士) be removed as an Executive Director of the Company.
- (2) THAT Mr. Yu Yan (于岩先生) be removed as an Executive Director of the Company.
- (3) THAT Mr. Li Lin (李林先生) be removed as an Executive Director of the Company.
- (4) THAT Mr. Yi Lin (伊林先生) be removed as an Executive Director of the Company.
- (5) THAT Mr. Zhang Yan (張宴先生) be removed as an Executive Director of the Company.
- (6) THAT Mr. Leung Wai Man, Raymond (梁衛民先生) be appointed as an Executive Director of the Company.
- (7) THAT Mr. Kwan Sai Bun, Daniels (關細彬先生) be appointed as an Executive Director of the Company.
- (8) THAT Dr. Chow Pok Yu, Augustine (周博裕博士) be appointed as an Executive Director of the Company.
- (9) THAT Ms. Yan, Vivian (甄慧滄女士) be appointed as an Executive Director of the Company.
- (10) THAT Mr. Ngai Wah Sang (魏華生先生) be appointed as an Executive Director of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

(11) THAT the Board of Director shall make any necessary public announcements of the results of this EGM and any necessary reports to the Stock Exchange of Hong Kong Limited.

(12) THAT the Board of Directors shall set up a committee to investigate the financial affairs of the Company and recommend, if appropriate, that the Company declare a special dividend of 50 cents (HK\$0.50) per share.

By order of the Board

Dr. Fong Chi Wah Mr. Xu Hua Feng Mr. Chan Kee Ming
Independent non-executive Directors

Hong Kong, 26 November 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 Extraordinary 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 Extraordinary 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 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the Extraordinary General Meeting or adjourned meeting.
3. The register of members of the Company will be closed from 13 December 2018 to 18 December 2018, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the Extraordinary General Meeting. In order to be eligible to attend and vote at the Extraordinary General Meeting of the Company, all completed transfer forms accomplished by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on 12 December 2018.
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 Extraordinary General Meeting or any adjournment thereof should such member so wish, and in such event, the instrument appointing a proxy shall be deemed revoked.