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## REAL NUTRICEUTICAL GROUP LIMITED

瑞年國際有限公司

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2010)**

### RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board announces that Mr. Xu Hua Feng, Dr. Fong Chi Wah and Mr. Chan Kee Ming have tendered their resignation as independent non-executive Directors with effect from 27 December 2018. Upon their resignation, (i) Mr. Xu will cease to act as a member of each of the Audit Committee and Nomination Committee, (ii) Dr. Fong will cease to act as the chairman of each of the Audit Committee and Remuneration Committee, and as a member of the Nomination Committee, and (iii) Mr. Chan will cease to act as a member of each of the Audit Committee, Remuneration Committee and Nomination Committee.

Reference is made to the announcements of the Company dated 22 August 2018, 24 August 2018, 31 August 2018, 26 September 2018 and 24 October 2018 (collectively, the “**Announcements**”). Terms used herein shall have the same meaning ascribed to them in the Announcements, unless the context expressly requires.

The board (“**Board**”) of directors (“**Directors**”) of Real Nutraceutical Group Limited (“**Company**”) announces that each of Mr. Xu Hua Feng (“**Mr. Xu**”), Dr. Fong Chi Wah (“**Dr. Fong**”) and Mr. Chan Kee Ming (“**Mr. Chan**”) has tendered his resignation as independent non-executive Director with effect from 27 December 2018 on the following grounds:

1. Since the suspension of trading of the Shares on the Stock Exchange from 4 July 2018 and up to and including the date of this announcement, the independent non-executive Directors (“**INEDs**”) have, amongst other things, continuously tried to contact the Chairman and all of the executive Directors through the chief financial officer and company secretary of the Company in Hong Kong, for information to (1) respond to the SFC concerns referred in the Company’s announcement dated 24 August 2018; (2) devise the Company’s action plan for resumption in response to the Stock Exchange’s notification to the Company of the Resumption Guidance; and (3) prepare and publish the 2018 Interim Results. However, neither the INEDs nor the chief financial officer

and company secretary of the Company have managed to contact the Chairman, the executive Directors and the management of the Company and its subsidiaries (“**Group**”).

2. Despite the Company’s announcement and formation of the Independent Board Committee consisting of the INEDs (“**IBC**”) on 26 September 2018 to address the matters referred in the Company’s announcement dated 26 September 2018, the IBC has not been able to communicate with, or received any support from, any of the executive Directors or management of the Group (except the chief financial officer and company secretary of the Company, who have tried to liaise with each of the executive Directors, but without success). The IBC has not been provided with any financial resources to enable the Company to engage legal advisers, forensic accountants and other professional advisers that are necessary for the performance of its duties.
3. In addition, there were meetings of the audit committee of the Company (“**Audit Committee**”) held on 25 July 2018 and 6 August 2018. Attempts have been made by the Audit Committee to contact the Company’s auditors with a view to set up a meeting to discuss the abovementioned matters but they have not responded so far as at date of this announcement. Besides, Board meetings were held on 22 August 2018 and 21 September 2018, but the Chairman, all of the executive Directors and the Group’s management team (except the chief financial officer and company secretary of the Company) have failed to join all of those meetings mentioned without any response or reason for non-attendance.
4. Under the present circumstances, without any support from the executive Directors and management of the Group and without any financial resources to engage professional advisers, the INEDs have encountered extreme difficulties in devising the Company’s action plan for resumption of trading of the Shares on the Stock Exchange, respond to the abovementioned matters or continue to carry on any work for the Company.
5. The INEDs consider that, as of the date of this announcement, despite their continuous efforts, they are still unable to communicate with or receive any support from the executive Directors or management of the Company and they are not provided with any financial resources to enable the Company to engage legal advisers, forensic accountants and other professional advisers that are necessary for the performance of the aforementioned work, and hence the INEDs consider that they are no longer in a position nor able to perform their duties as INEDs.

Upon Mr. Xu’s resignation with effect from 27 December 2018, Mr. Xu will cease to act as a member of each of the Audit Committee and nomination committee (“**Nomination Committee**”) of the Board.

Upon Dr. Fong’s resignation with effect from 27 December 2018, Dr. Fong will cease to act as the chairman of each of the Audit Committee and remuneration committee of the Board (“**Remuneration Committee**”), and as a member of the Nomination Committee.

Upon Mr. Chan’s resignation with effect from 27 December 2018, Mr. Chan will cease to act as a member of each of the Audit Committee, Remuneration Committee and Nomination Committee.

Mr. Xu, Dr. Fong and Mr. Chan confirmed that they did not have any disagreement with the Board and that save as the matters referred to in this Announcement, there are no other matters in relation to their resignation that needed to be brought to the attention of the shareholders of the Company or The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).

As a result of the resignation of Mr. Xu, Dr. Fong and Mr. Chan with effect from 27 December 2018, the Company will be in non-compliance of the following unless suitable INEDs are appointed on or before 27 December 2018 in their stead:

1. The number of independent non-executive Directors of the Company will fall below the minimum number required under Rule 3.10(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and the Company will not have at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules. The number of independent non-executive Directors of the Company will also fall below one-third of the Board as required under Rule 3.10A of the Listing Rules.
2. The Company will not be in compliance with the requirements set out under the Listing Rules in Rule 3.21 with regard to the composition of the Audit Committee which requires a minimum of three members with majority being independent non-executive Directors, with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules, and that the Audit Committee is chaired by an independent non-executive Director.
3. The Company will not be in compliance with the requirements set out under the Listing Rules in Rule 3.25 with regard to the composition of the Remuneration Committee which requires the Remuneration Committee to be chaired by an independent non-executive Director and comprising a majority of independent non-executive Directors.
4. The Company will not in compliance with code provision A.5.1 of the Corporate Governance Code as set out in Appendix 14 with regard to the composition of the Nomination Committee which requires a majority of its members to be independent non-executive Directors.

The Company will need to select suitable candidates to fill the vacancies as soon as practicable, with the relevant appointments to be made within three months from the date of this announcement to meet the requirements under the Listing Rules and for the purpose of re-complying with code provision A.5.1 of the Corporate Governance Code. The Company will make further announcement(s) as and when appointments are made.

On behalf of the Board  
**Real Nutraceutical Group Limited**  
**Dr. Fong Chi Wah Mr. Xu Hua Feng Mr. Chan Kee Ming**  
*Independent non-executive Directors*

Hong Kong, 26 November 2018

*As at the date of this announcement, the executive Directors are Mr. Wang Fucai, Mr. Yu Yan, Mr. Li Lin, Mr. Yi Lin, Mr. Zhang Yan; and the independent non-executive Directors are Mr. Xu Hua Feng, Dr. Fong Chi Wah and Mr. Chan Kee Ming.*