

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

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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 Thursday, 2 June 2016 at 11:00 a.m. is set out on pages 17 to 21 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.

29 April 2016

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## 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 17 to 21 of this circular
“Announcements”	announcements of the Company dated 31 March 2016 and 29 April 2016 in relation to, among others, the proposed refreshment of the Scheme Mandate and the proposed Increase in Authorised Share Capital
“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 Thursday, 2 June 2016 at 11:00 a.m., to approve the resolutions contained in the AGM Notice which is set out on pages 17 to 21 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 (2013 Revision) of the Cayman Islands as consolidated and revised from time to time
“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

“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$20,000,000 divided into 2,000,000,000 Shares to HK\$100,000,000 divided into 10,000,000,000 Shares by the creation of 8,000,000,000 additional Shares
“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. 5 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. 5 (as modified by ordinary resolution no. 7) in the AGM Notice
“Latest Practicable Date”	25 April 2016, 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
“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
“Pre-IPO Scheme Option Scheme”	the Pre-IPO share option scheme adopted by the Company on 29 January 2010

## DEFINITIONS

“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 (“ <b>Invested Entity</b> ”); (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
“Relevant Period”	in respect of the Repurchase Mandate, has the meaning ascribed to it in paragraph (c) of resolution 6, and in respect of the Issue Mandate, has the meaning ascribed to it in paragraph (d) of resolution 5 in the AGM 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. 6 in the AGM Notice up to 10% of the aggregate number of issued shares of the Company as at the date of passing ordinary resolution
“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 Options 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

## 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 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 Options 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  
Ms. Au-Yeung Kam Ling Celeste

*Non-Executive Directors:*

Mr. Ip Tak Chuen Edmond  
Mr. Tsang Sze Wai Claudius

*Independent Non-Executive Directors:*

Dr. Wong Lung Tak Patrick, BBS, J.P.  
Dr. Fong Chi Wah  
Mr. Xu Hua Feng  
Mr. Chan Kee Ming

*Registered office:*

Cricket Square  
Hutchins Drive  
PO 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

29 April 2016

*To the Shareholders*

Dear Sir or Madam,

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

Reference is made to the Announcements of the Company in relation to, among others, the proposed refreshment of the Scheme Mandate and the Increase in Authorised Share Capital. The purpose of this circular is to give you details of the resolutions relating to (a) the grant of

## LETTER FROM THE BOARD

general mandates to issue, allot and deal with Shares and to repurchase Shares; (b) the re-election of Directors; (c) refreshment of the scheme mandate for the Share Option Scheme; and (d) the Increase in Authorised Share Capital, together with other ordinary business will be proposed at the Annual General Meeting for consideration and, where appropriate, approval by the Shareholders.

The Notice is set out on pages 17 to 21 of this circular.

### PROPOSED 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. Ip Tak Chuen Edmond, Mr. Tsang Sze Wai Claudius, Mr. Chan Kee Ming and Mr. Zhang Yan shall retire by rotation at the Annual General Meeting. Mr. Chan Kee Ming and Mr. Zhang Yan, being eligible, will offer themselves for re-election at the Annual General Meeting. Biographical details of Mr. Chan Kee Ming and Mr. Zhang Yan that are required to be disclosed under Rule 13.74 of the Listing Rules are set out in Appendix II to this circular. Mr. Ip Tak Chuen Edmond and Mr. Tsang Sze Wai Claudius will not offer themselves for re-election and will retire with effect from the conclusion of the Annual General Meeting.

### PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE SHARES

At the last annual general meeting of the Company held on 2 June 2015, 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**”);



## LETTER FROM THE BOARD

- (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;
- (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.

Details of the Issue Mandate and Repurchase Mandate are set out in the proposed ordinary resolutions no. 5 and no. 6 respectively in the AGM Notice. Details of the extension of the Issue Mandate are set out in the proposed ordinary resolution no. 7 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.

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.

### **PROPOSED REFRESHMENT OF SCHEME MANDATE**

#### **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

## LETTER FROM THE BOARD

issued upon exercise of all the Share Options which may be granted under the Share Option Scheme 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.

### **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 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. As at the Latest Practicable Date, an aggregate of 100,000,000 Share Options had been granted to Qualifying Participants, out of which an aggregate of 99,600,000 Share Options had been accepted by Qualifying Participants and an aggregate of 400,000 Share Options had lapsed. Accordingly, unless the Scheme Mandate is refreshed, the Company may only grant Share Options in respect of 400,000 Shares pursuant to the Share Option Scheme.

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. Given the Scheme Mandate is close to being fully utilized, 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, there were outstanding Share Options entitling the holders thereof to receive an aggregate of 18,274,000 Shares upon full exercise of such options, representing approximately 1.15% of the total number of Shares in issue as at the Latest Practicable Date.

## **LETTER FROM THE BOARD**

### **Refreshment of the Scheme Mandate Limit**

As at the Latest Practicable Date, the Company has 1,591,978,666 Shares in issue. 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.

### **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, 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 the existing Scheme Mandate is close to being fully utilised, 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 could have more flexibility in rewarding and motivating its employees and other eligible Qualified Participants by granting Share Options to them under the Share Option Scheme. As at the Latest Practicable Date, the Company has no immediate plan and is not contemplating to grant options under the Share

## LETTER FROM THE BOARD

Option Scheme immediately after the refreshment of the Scheme Mandate. Announcement(s) will be made by the Company in compliance with the Listing Rules as and when appropriate in the event any concrete plan to grant options under the Share Option Scheme arises.

### 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.

### INCREASE IN AUTHORISED SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$20,000,000 divided into 2,000,000,000 Shares, of which 1,591,978,666 Shares had been allotted and issued as fully paid or credited as fully paid.

In order to accommodate the future expansion and growth of the Group and to provide the Company with greater flexibility for future expansion in the share capital of the Company, the Board proposes that the authorised share capital of the Company will be increased from HK\$20,000,000 (divided into 2,000,000,000 Shares) to HK\$100,000,000 (divided into 10,000,000,000 Shares) by the creation of an additional of 8,000,000,000 Shares, which will, upon issue and being fully paid, rank *pari passu* with all the Shares in issue.

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the AGM to approve the Increase in Authorised Share Capital.

The Board is of the view that the Increase in Authorised Share Capital will provide flexibility to the Company for future expansion in the share capital of the Company, and is therefore in the interest of the Company and the Shareholders as a whole. As at the Latest Practicable Date, the Company has no immediate plan for and is not contemplating any plan for the issuance of new Shares. Announcement(s) will be made by the Company in compliance with the Listing Rules as and when appropriate in the event any concrete plan involving issuance of new Shares arises.

## LETTER FROM THE BOARD

### ANNUAL GENERAL MEETING

Set out on pages 17 to 21 of this circular is the notice of the AGM to be held on 2 June 2016. 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, 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 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.

### RECOMMENDATION

The Directors consider that the grant of the Issue Mandate and the Repurchase Mandate, the re-election of retiring Directors, the refreshment of the Scheme Mandate and the Increase in Authorised Share Capital 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 2015, 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 20.31%. 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:

	<b>Per Share</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2015</b>		
April	3.24	2.22
May	2.95	2.37
June	3.37	2.05
July	2.34	1.52
August	1.88	1.32
September	1.49	1.30
October	1.33	0.99
November	N/A	N/A
December	(Note)	(Note)
	0.98	0.78
<b>2016</b>		
January	0.81	0.60
February	0.74	0.65
March	0.77	0.61
April (up to the Latest Practicable Date)	1.12	0.69

*Note:* Trading in the Shares on the Stock Exchange had been suspended since 1:51 p.m. on 22 October 2015 until 9:00 a.m. 28 December 2015 when trading in the Shares resumed.

**SHARE REPURCHASES MADE BY THE COMPANY**

The Company has repurchased a total of 8,050,000 Shares on the Stock Exchange during the six months immediately preceding the Latest Practicable Date (i.e., from 26 October 2015 to 25 April 2016) and details of which are as follows:

<b>Date of repurchase</b>	<b>Number of Shares repurchased</b>	<b>Price per Share</b>	
		<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
14 January 2016	3,000,000	0.63	0.61
21 January 2016	1,537,000	0.740	0.729
22 January 2016	1,906,000	0.75	0.74
23 February 2016	<u>1,607,000</u>	0.70	0.69
	<u><u>8,050,000</u></u>		

Save as disclosed above, 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. Chan Kee Ming (陳基明)**, aged 51, is an independent non-executive Director and joined the Group in May 2010. Mr. Chan was appointed as an independent non-executive Director of the Company on 26 May 2010. Mr. Chan is the honorable secretary of The Hong Kong Software Industry Association since 2008. Mr. Chan was the account executive of Federal Express Limited in 1990 and the general manager of Vanda Computer and Equipment Co Ltd from 1992 to 2000. Mr. Chan has over 14 years' experience in logistic business. From 2002 to 2009, Mr. Chan was a fellow member of the E-logistics Group and S-logistics Group of the Logistics Development Council of Hong Kong. Mr. Chan has been the chief executive officer of DigiLogistics Technology Limited since January 2000. Mr. Chan obtained a bachelor of arts degree from The University of Hong Kong in 1987.

As at the Latest Practicable Date, save for holding outstanding options to purchase an aggregate of 200,000 Shares in the Company, Mr. Chan has no interest in the Shares of the Company within the meaning of Part XV of the SFO.

Mr. Chan has no relationship with any Directors, senior management or substantial or controlling Shareholders.

Mr. Chan has entered into a services contract with the Company for a term of one year commencing from 1 April 2016 and is subject to retirement by rotation and re-election in accordance with the Articles of Association. The director's fee of Mr. Chan after his re-election will be determined by the Board as authorised by the Shareholders at the Annual General Meeting. The Board will negotiate with Mr. Chan and determine his emolument with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market conditions. For information purposes only, the emolument received by Mr. Chan for the year ended 31 December 2015 was RMB146,000.

**Mr. Zhang Yan (張宴)**, aged 39, is an executive Director and is responsible for the finance and treasury of the Group. Mr. Zhang was appointed as an executive Director of the Company on 30 August 2006. Mr. Zhang completed a diploma study (大學專科) in Finance and Accounting from Shanghai University of Finance & Economics (上海財經大學) in July 1996. He joined Wuxi Desheng Silk Plant (無錫市德生綢廠) in September 1996 and was later promoted as an administrator of the human resources and accounts department. He has accumulated over 12 years of experience in accounting. Mr. Zhang joined the Group in January 2001 and is currently the deputy general manager of Ruinian Industry.

Mr. Zhang has entered into a services contract with the Company for a term of two year commencing from 1 April 2016 and is subject to retirement by rotation and re-election in accordance with the Articles of Association. The director's fee of Mr. Zhang after his re-election will be determined by the Board as authorised by the Shareholders at the Annual General Meeting. The Board will negotiate with Mr. Zhang and determine his emolument with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market conditions. For information purposes only, the emolument received by Mr. Zhang for the year ended 31 December 2015 was RMB317,000.

As at the Latest Practical Date, save for holding outstanding options to purchase 200,000 Shares in the Company and being beneficially interested in 1,260,545 Shares through Lingrui Investment Limited, Mr. Zhang has no interest in the Shares of the Company within the meaning of Part XV of the SFO.

As at the Latest Practical Date, Mr. Zhang held 12.86% equity interest in Lingrui Investment Limited (“**Lingrui**”), a company incorporated in the British Virgin Islands and one of the shareholders of the Company, the entire issued share capital of which is owned by various members of the senior management of the Company, including Mr. Yu Yan (as to approximately 22.86%), Mr. Li Lin (as to approximately 22.86%), Mr. Yi Lin (as to approximately 15.48%), Mr. Zhang Yan (as to approximately 12.86%), Mr. Shen Zhong Wei (as to approximately 11.42%), Mr. Zhang Yu Hai (as to approximately 7.62%) and Mr. Tian Xin Hua (as to approximately 6.90%). As at the Latest Practical Date and to the best of the knowledge and belief of the Directors, Lingrui held 9,802,062 Shares, representing approximately 0.77% of the existing issued share capital of the Company. Save as disclosed above, Mr. Zhang has no relationship with any Directors, senior management or substantial or controlling shareholders.

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 Thursday, 2 June 2016 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 2015.
2. To approve the declaration of a final dividend for the year ended 31 December 2015 of 4.2 Hong Kong cents per share of HK\$0.01 each in the capital of the Company.
3. 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 2016:
  - (a) To re-elect Mr. Zhang Yan as an executive Director; and
  - (b) To re-elect Mr. Chan Kee Ming as an independent non-executive Director.
4. 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:

5. “**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 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 and rights of exchange or conversion which might require the exercise of such powers 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 bye-laws of the Company in force from time to time, shall not exceed the aggregate of:

- (i) 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
- (ii) subject to the passing of resolution no.6 set out in the notice convening the Meeting, the aggregate number of issued shares of the Company repurchased by the Company subsequent to the passing of that resolution (up to a maximum equivalent to 10% of the aggregate number of shares of the Company in issue on the date of the passing of that resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (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

## NOTICE OF ANNUAL GENERAL MEETING

“**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 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).”

6. “**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, subject to and in accordance with all applicable laws and/or the requirements of The Stock Exchange of Hong Kong Limited, as amended from time to time, 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.”

7. “**THAT**, subject to the passing of resolutions no.5 and 6 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. 5 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

## NOTICE OF ANNUAL GENERAL MEETING

authority granted pursuant to resolution no. 6 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 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.”

8. “**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 granted under the Scheme Mandate and which have subsequently lapsed, 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.”
9. “**THAT** the authorised share capital of the Company be increased from HK\$20,000,000 divided into 2,000,000,000 shares of HK\$0.01 each (the “**Shares**”) to HK\$100,000,000 divided into 10,000,000,000 Shares by the creation of an additional 8,000,000,000 new Shares (“**Increase in Authorised Share Capital**”); and any one director of the Company be and is hereby authorised to do all such acts and things and execute all such documents which he/she may consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Increase in Authorised Share Capital.”

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

Hong Kong, 29 April 2016

*Principal office:*  
28th Floor  
The Hennessy  
256 Hennessy Road  
Wan Chai, Hong Kong

## NOTICE OF ANNUAL GENERAL MEETING

*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 Tuesday, 31 May 2016 to Thursday, 2 June 2016, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the Annual General Meeting. The register of members of the Company will be closed from Monday, 13 June 2016 to Wednesday, 15 June 2016, both days inclusive, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend, during the above periods, no transfer of shares will be registered.
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. 6 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.