

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

If you have sold or transferred all your shares of **Vestate Group Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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(1) PROPOSED CHANGE OF AUDITORS; AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening an extraordinary general meeting of Vestate Group Holdings Limited to be held at Room 631, 6/F, Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Friday, 21 June 2019 at 2:30 p.m. is set out on pages 7 to 8 of this circular.

Whether or not you intend to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not later than 2:30 p.m. on Wednesday, 19 June 2019 (Hong Kong time), being 48 hours before the time appointed for the holding of 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 adjourned meeting should you so wish.

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DEFINITIONS

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

“Appointment”	the proposed appointment of Elite Partners as the new auditors of the Company, subject to the approval of the Shareholders at the EGM
“Articles”	the articles of association of the Company as may be amended from time to time
“BDO”	BDO Limited, the existing auditors of the Company proposed to be removed at the EGM
“Board”	the board of Directors
“Company”	Vestate Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held on Friday, 21 June 2019 at 2:30 p.m.
“Elite Partners”	Elite Partners CPA Limited, the new auditors of the Company proposed to be appointed at the EGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	27 May 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Change of Auditors”	collectively, the Removal and the Appointment
“Removal”	the proposed removal of BDO as the auditors of the Company, subject to the approval of the Shareholders at the EGM
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



VESTATE GROUP HOLDINGS LIMITED

國投集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1386)

Executive Directors:

Mr. ZHU Xiaojun (*Chairman*)

Mr. KANG Jianming

Ms. CAI Jiaying

Mr. YIN Wansun

Independent Non-executive Directors:

Ms. ZHAO Hong

Mr. CHAU Wai Hing

Mr. YU Lei

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Unit E, 22nd Floor

Tower A, Billion Centre

1 Wang Kwong Road, Kowloon Bay,
Kowloon, Hong Kong

29 May 2019

To the Shareholders

Dear Sir or Madam

**(1) PROPOSED CHANGE OF AUDITORS; AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 24 May 2019 in relation to the Proposed Change of Auditors.

The purpose of this circular is to provide Shareholders with information to enable Shareholders to make an informed decision on whether to vote for or against the resolutions in connection with the Proposed Change of Auditors at the forthcoming EGM.

PROPOSED REMOVAL OF BDO

BDO was re-appointed as auditors of the Company at the last annual general meeting of the Company held on 26 September 2018 to hold office until the conclusion of the next annual general meeting of the Company.

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However, the Company and BDO have been unable to reach a consensus on the audit fee of BDO for the financial year ended 31 March 2019. After considering the facts and circumstances, the audit committee of the Board, having been delegated the power to oversee the effectiveness of the external auditors, was of the view that it would be in the best interest of the Company and its Shareholders as a whole to replace BDO with another accounting firm, and accordingly made a recommendation to the Board to seek the approval of the Shareholders regarding the proposed Removal.

Before the Board resolved to remove BDO subject to Shareholders' approval, the Company has offered opportunity to BDO to speak with the members of the audit committee of the Company. In addition, the Company has requested BDO to provide their written representations for inclusion in this circular. However, up to and until the Latest Practicable Date, the Company has not received any written representations from BDO, nor has it received any confirmation on change of auditors from BDO notifying the Company of any matters that need to be brought to the attention of the Shareholders.

The Board is of the view that the proposed Removal would enable the Company to carry out effective cost control and reduce overall operating expenses of the Company to better cope with the future business development of the Group and is in the best interest of the Company and its Shareholders as a whole. The proposed Removal is subject to the passing of a special resolution at the EGM pursuant to the Articles. The Company was informed by China Consume Elderly Care Holdings Limited, the controlling shareholder of the Company (as defined under the Listing Rules), holding 513,300,002 Shares and representing approximately 71.67% of the entire issued share capital of the Company as at the Latest Practicable Date, of its intention to vote for and approve the Proposed Change of Auditors at the EGM.

PROPOSED APPOINTMENT OF ELITE PARTNERS

The Board, with the recommendation of the audit committee of the Board, further proposes to appoint Elite Partners as auditors of the Company to fill the vacancy arising from the proposed Removal and hold office until the conclusion of the next annual general meeting of the Company. The proposed Appointment is subject to the passing of an ordinary resolution at the EGM pursuant to the Articles.

As the Company is required under the Listing Rules to publish its preliminary results for the financial year ended 31 March 2019 by the end of June 2019, due to the time constraints, the Company has discussed with the proposed new auditors in relation to the arrangement and preparation for the audit works to be made for the financial year ended 31 March 2019. The Company believes that Elite Partners is an experienced and sizable accounting firm which would be able to devote appropriate and adequate resources to work under tight deadlines for the final audit for the year ended 31 March 2019, subject to the approval by Shareholders of the Proposed Change of Auditors at the EGM.

COMPLIANCE OF THE ARTICLES AND THE LISTING RULES

Pursuant to Article 155(2) of the Articles, the Shareholders may, at any general meeting convened and held in accordance with the Articles, by special resolution remove the auditor at any time before the expiration of its term of office and shall by ordinary resolution at that

LETTER FROM THE BOARD

meeting appoint another auditor in its stead for the remainder of its term. In compliance with the Articles, the Removal will be proposed at the EGM as a special resolution and the Appointment will be proposed at the EGM as an ordinary resolution.

Pursuant to Rule 13.88 of the Listing Rules, (a) the Company must not remove its auditor before the end of the auditors' term of office without first obtaining shareholders' approval at a general meeting, (b) the Company must send a circular proposing the removal of the auditors to Shareholders with any written representations from the auditors not less than 10 business days before the general meeting, and (c) the Company must allow the auditors to attend the general meeting and make written and/or verbal representations to Shareholders at the general meeting. In compliance with Rule 13.88 of the Listing Rules, the Company will, simultaneously with the despatch of this circular and the notice of EGM to Shareholders, send this circular and the notice of EGM to BDO to invite them to attend the EGM to make written or verbal representations to the Shareholders.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be conducted by way of poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the EGM will therefore demand a poll for the resolutions relating to the Removal and the Appointment at the EGM in accordance with the procedures set out in the Articles. The results of the poll shall be deemed to be the resolution of the general meeting in which the poll was demanded or required and the poll results will be published on the websites of the Stock Exchange and the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

EGM AND PROXY ARRANGEMENT

A notice convening an extraordinary general meeting of Vestate Group Holdings Limited to be held at Room 631, 6/F, Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Friday, 21 June 2019 at 2:30 p.m. is set out on pages 7 to 8 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to be present at the EGM, you are requested to complete the form of proxy and return to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not later than 2:30 p.m. on Wednesday, 19 June 2019 (Hong Kong time), being 48 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and deposit of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof if you so wish.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolution to be proposed at the EGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

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 aspects 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 Board considers that the resolutions as set out in the notice of EGM are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of such resolutions to be proposed at the EGM.

Yours faithfully
For and on behalf of the Board of
Vestate Group Holdings Limited
ZHU Xiaojun
Chairman

NOTICE OF EGM



VESTATE GROUP HOLDINGS LIMITED

國投集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1386)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Vestate Group Holdings Limited (the “**Company**”) will be held at Room 631, 6/F, Kowloonbay, International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay Kowloon, Hong Kong on Friday, 21 June 2019 at 2:30 p.m. to consider, and if thought fit, passing with or without amendments the following resolutions:

SPECIAL RESOLUTION

1. “**THAT** BDO Limited be and is hereby removed as the auditors of the Company and any of its subsidiaries pursuant to Article 155(2) of the articles of association of the Company with immediate effect.”

ORDINARY RESOLUTION

2. “**THAT** subject to the passing of the special resolution in relation to the removal of BDO Limited above, Elite Partners CPA Limited be and is hereby appointed as the auditors of the Company and any of its subsidiaries with immediate effect and to hold office until the conclusion of the forthcoming annual general meeting of the Company, and the board of directors of the Company be and is hereby authorised to fix their remuneration.”

By order of the Board
Vestate Group Holdings Limited
ZHU Xiaojun
Chairman

Hong Kong, 29 May 2019

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place
of business in Hong Kong:*
Unit E, 22nd Floor
Tower A, Billion Centre
1 Wang Kwong Road, Kowloon Bay
Kowloon, Hong Kong

NOTICE OF EGM

Notes:

- (1) A member entitled to attend and vote at the above meeting is entitled to appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a member of the Company.
- (2) In case of joint registered holders of any share in the Company, any one of such persons may vote at the extraordinary general meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the extraordinary general meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall be entitled to vote in respect thereof.
- (3) To be valid, the form of proxy, together with any power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 2:30 p.m. on Wednesday, 19 June 2019 (Hong Kong time), being 48 hours before the time appointed for the holding of the meeting or any adjournment thereof.
- (4) Completion and return of the form of proxy will not preclude members from attending and voting at the meeting or any adjournment thereof, if you so wish.
- (5) In compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, all resolutions set out in this notice of EGM will be voted by way of poll.
- (6) The record date for determining the entitlement of the shareholders of the Company to attend and vote at the above meeting will be 17 June 2019. All transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 17 June 2019.

As at the date of this notice, the Board comprises:

Executive Directors:

Mr. ZHU Xiaojun
Mr. KANG Jianming
Ms. CAI Jiaying
Mr. YIN Wansun

Independent Non-executive Directors:

Ms. ZHAO Hong
Mr. CHAU Wai Hing
Mr. YU Lei