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VITOP BIOENERGY HOLDINGS LIMITED
(天年生物控股有限公司)*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1178)

(i) FORMATION OF A JOINT VENTURE COMPANY; (ii) MEMORANDUM OF UNDERSTANDING IN RESPECT OF A PROPOSED ACQUISITION; (iii) PROPOSED PLACING OF NEW SHARES UNDER SPECIFIC MANDATE; AND (iv) PROPOSED SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

Placing Agent

KINGSTON SECURITIES

FORMATION OF A JOINT VENTURE COMPANY

On 21 October 2015, Vitop Manuka and Icing International formed a joint venture in New Zealand to be engaged in developing, manufacturing, promoting and marketing the honey and honey related products. Vitop Manuka and Icing International have subscribed for 51% and 49% of the issued share capital of the JV Company, respectively. In the event that the Group has secured sufficient financial resources from the proposed Placing and Subscription and further to the business development of the JV Company, it is the intention of the Group to invest approximately HK$230 million in the JV Company, with HK$80 million of which for the honey and related products trading business and HK$150 million as Shareholder's loan to the JV Company for setting up its owned production lines and facilities in New Zealand.

As all of the relevant percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the formation of the JV Company are less than 5%, the formation of the JV Company and the transactions contemplated thereunder are exempt from the reporting, announcement and Shareholders' approval requirement under Chapter 14 of the Listing Rules. The section of this announcement in relation to the formation of the JV Company is made by the Company on a voluntary basis.

MEMORANDUM OF UNDERSTANDING IN RESPECT OF A PROPOSED ACQUISITION

This is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board would like to announce that on 4 November 2015 (after trading hours), the Purchaser, being an indirect wholly-owned subsidiary of the Company, entered into the MOU with the Vendor, pursuant to which the Purchaser intended to purchase, and the Vendor intended to sell, not less than 51% of the issued shares of the Target Company, which is an European company engaging in IOT-related business.

The MOU is non-legally binding (save for certain provisions such as the provisions on exclusivity, confidentiality, cost and expenses as well as governing law). If the Proposed Acquisition proceeds, the Formal Agreement will be entered into between the Purchaser and the Vendor in respect of the Proposed Acquisition.

THE PLACING AND THE SUBSCRIPTION

A. The Placing

On 4 November 2015, (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure, on a best effort basis, a total of not less than six Placees to subscribe for an aggregate of 1,600,000,000 Placing Shares at the Placing Price of HK$0.10 per Placing Share. The Placing Completion is subject to the conditions set out below in the paragraph headed "Conditions precedent to the Placing" of this announcement. The Specific Mandate to allot and issue the Placing Shares will be sought from the Shareholders at the EGM.

The Placing Price represents (i) a discount of approximately 43.82% to the closing price of HK$0.1780 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 44.32% to the average closing price of approximately HK$0.1796 per Share as quoted on the Stock Exchange for the last five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement.

The 1,600,000,000 Placing Shares represents (i) approximately 56.41% of the existing issued share capital of the Company of 2,836,291,922 Shares as at the date of this announcement; (ii) approximately 36.07% of the issued share capital of the Company of 4,436,291,922 Shares as enlarged by the allotment and issue of the Placing Shares; and (iii) approximately 28.90% of the issued share capital of the Company of 5,536,291,922 Shares as enlarged by the allotment and issue of both the Placing Shares and the Subscription Shares (assuming there will be no other changes in the issued share capital of the Company).

B. The Subscription

On 4 November 2015 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 1,100,000,000 new Shares at the Subscription Price of HK$0.10 per Subscription Share, which is equivalent to the Placing Price. The Subscription Completion is subject to the conditions set out below in the paragraph headed "Conditions precedent to the Subscription" of this announcement. The Specific Mandate to allot and issue the Subscription Shares will be sought from the Shareholders at the EGM.

The Subscription Price represents (i) a discount of approximately 43.82% to the closing price of HK$0.1780 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and (ii) a discount of approximately 44.32% to the average closing price of approximately HK$0.1796 per Share as quoted on the Stock Exchange for the last five consecutive trading days of the Shares immediately prior to the date of the Subscription Agreement.

The 1,100,000,000 Subscription Shares represents (i) approximately 38.78% of the existing issued share capital of the Company of 2,836,291,922 Shares as at the date of this announcement; (ii) approximately 27.95% of the issued share capital of the Company of 3,936,291,922 Shares as enlarged by the allotment and issue of the Subscription Shares and (iii) approximately 19.87% of the issued share capital of the Company of 5,536,291,922 Shares as enlarged by the allotment and issue of both the Placing Shares and the Subscription Shares (assuming there will be no other changes in the issued share capital of the Company).

C. Use of Proceeds from the Placing and the Subscription

Assuming successful completion of the Placing and the Subscription, the maximum gross proceeds from the Placing and the Subscription are expected to be approximately HK$270 million. The net proceeds of the Placing and the Subscription (after deducting related placing commissions, professional fees and related expenses) are expected to be approximately HK$264 million. The net issue price per Share from the Placing and the Subscription will be approximately HK$0.0978.

The Company currently intends to use the net proceeds from the Placing and Subscription in the following manner:

(i) approximately HK$230 million for development of the honey and related products business in relation to the formation of the JV Company as mentioned in the section headed "Business plan of the JV Company" of this announcement;

(ii) approximately HK$10 million for payment of the earnest money pursuant to the terms and conditions of the MOU; and

(iii) the remaining balance for general working capital of the Group.

In the event that the Placing or the Subscription does not proceed to completion, the net proceeds to be applied to the development of the JV Company will be scaled down accordingly.

D. General

The Placing Shares and the Subscription Shares will be allotted and issued under Specific Mandate to be proposed for passing by the Shareholders by ordinary resolution(s) at the EGM in accordance with the Listing Rules. The general mandate of the Company will not be used for the issue of the Placing Shares and the Subscription Shares.

A circular containing, among other things, (i) further details of the Placing and the Subscription; and (ii) a notice convening the EGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares and the Subscription Shares.

Completion of the Placing and the Subscription are not inter-conditional and are subject to the satisfaction of the conditions precedent respectively set out in the Placing Agreement and the Subscription Agreement. As the Placing and the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

1. FORMATION OF A JOINT VENTURE COMPANY

Formation of the JV Company

The information of the JV Company is set out as follows:

Date of incorporation: 21 October 2015

Shareholders: (i) Vitop Manuka, a company incorporated in Hong Kong with limited liability and a direct wholly owned subsidiary of the Company

(ii) Icing International, a company incorporated in New Zealand with limited liability

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Icing International and its ultimate beneficial owners are Independent Third Parties.

Capital contribution

As at the date of this announcement, the issued share capital of the JV Company is NZD100, which is held by Vitop Manuka and Icing International in the manner as set out below:

Name of shareholders	**Number of shares**	**Percentage of shareholding**
Vitop Manuka	51	51%
Icing International	49	49%
Total	**100**	**100%**

Business scope

The JV Company will be principally engaged in developing, manufacturing, promoting and marketing the honey and honey-related products.

Information on the Parties

The Group is principally engaged in manufacturing and trading of bioenergy products, healthcare food products, multi-functional water generators, other healthcare products and letting properties for rental income in the PRC. Having engaged in the China healthcare industry for over 10 years, the Group has established a sales network spreading all over the PRC with over 500 franchisee stores. The Group was honored China Top Ten Credible Health Care Brand in 2006.

Icing International is an international natural health and beauty products group principally engaged in the trading and distribution of Manuka honey and related products imported from New Zealand under the brand "Richora". Icing International is a licensed company in Unique Manuka Factor Honey Association with its Manuka honey products under the independent supervisory and quality verification of the association. The Richora Manuka honey products were sold under various sales channels of the Icing International mainly to the PRC, such as traditional retailing channel with more than 200 retailing counters in the high-ended department stores all over the PRC, TV shopping channels, such as Shanghai Oriental TV shopping and Beijing You TV shopping, and e-commerce channels, such as Tmall, Jingdong, No.1 Sore, JUMEI, Glamour Selling, VIP shop, and Netease.

Business Plan of the JV Company

The JV Company aims to become a leader among the manufacturers and distributors of the Manuka honey and related products. The JV Company will become the platform of the Group to develop honey and related products business in New Zealand.

Reference is made to the New Zealand honey industry report prepared by the New Zealand Consulate dated May 2015, over the past ten years the volume of honey exported increased at a compound annual growth rate of 12.07%. The value of New Zealand honey exports grew at almost twice the rate of export volume. The free on board value of the New Zealand honey export products over the same ten year increased at a compound annual growth rate of 21.68%. The value of honey export reached NZD200 million in 2014, compared to NZD36 million in 2005. The growth in New Zealand honey export volume in recent years has been driven by North Asian demand, particularly from the greater China area. The rise of Chinese demand is fundamentally shifting the dynamics of the export picture. In 2014, the volume of honey exported to China and Hong Kong alone comprised 31% of all honey exports out of New Zealand. China had shown significant growth in a very short period of time with export volumes increasing from 194 tonnes in 2011 to 1,356 tonnes in 2014. The greater China area is on track to overtake other European countries as the number one region for New Zealand honey exports in 2015. The Manuka honey is produced in New Zealand by bees that pollinate the native Manuka bush which is marketed for its unique Manuka factor as a high-end health food across the globe. In light of the above, the Manuka honey sells at approximately 6 times the retail price of the U.S. honey and 9 times the retail price of the Chinese honey in 2011 in the U.S. As a result, the Directors are optimistic about the development potential of the New Zealand honey and related products, specifically the Manuka honey, in the greater China area.

In the event that the Group has sufficient financial resources from the proposed Placing and Subscription, it is the intention of the Group to deploy HK$80 million in trading business of Manuka honey and related products through the JV Company as the sourcing company of the Group. Given that Icing International has established sourcing channel in New Zealand, the extensive distribution channels among television shopping, online shops and offline stores in the department stores in the PRC under the "Richora" brand and the Group has an existing sales network for healthcare products spreading all over the PRC with over 500 franchisee stores, the Group will be able to gain entry into the Manuka honey market in the healthcare industry. It is the intention of the shareholders of the JV Company to transfer the trademark of "Richora" from Icing International to the JV Company at no cost to facilitate its honey and related products trading business. The Group aims to further expand the trading business of honey and related products to Europe, Americas and other Asian districts and countries.

Further to the development in trading business of honey and related products and in the event that the Group has sufficient financial resources from the proposed Placing and Subscription, the Group will provide funding as the shareholder's loan to the JV Company for the purpose of setting up its own production lines and facilities in New Zealand. The total cost of setting up the honey production lines and facilities is envisaged to be approximately HK$150 million which will be applied to the purchase of industrial land, transportation vehicles, hives and manufacturing equipment, construction of Manuka honey production plants with integrated functions of manufacturing, research and development and sight-seeing, operating lease of New Zealand Manuka bush plantation and helicopters for gathering nectar and retaining a team of experienced beekeepers. The Group expects that the setting up of its own honey production lines and facilities could allow to secure the scarce Manuka honey resources, such as experience beekeepers, high quality hives and fresh Manuka bush plantation, rather than relying on the supply agreement in short-term nature with the local honey suppliers.

In light of the above business plan in relation to trading and manufacturing of honey and related products, the formation of JV Company provides business synergy between the Group and Icing International and will expand and enrich the healthcare product portfolio, sale channel, production capacity and the branding and reputation of the Group.

Reasons for the Formation of the JV Company

As mentioned in the annual report of the Company for the year ended 30 June 2015, the Group will continue to develop its existing business and will also from time to time seek for investment opportunity in different industries that could enhance corporate development and broaden the income base of the Group. The Group is optimistic about the formation of the JV Company for developing the honey and related products business in New Zealand which is in line with the Group's business strategy to further expand its products portfolio to broaden its income base. The Directors consider that the formation of the JV Company will be beneficial to the Group from the following perspectives:

1. The New Zealand honey and related products business is on a favourable trend in the greater China area and the volume of honey exported to China and Hong Kong alone comprised substantial amount of all honey exports out of New Zealand in the recent years. The Directors considers the formation of the JV Company represents a valuable business opportunity to tap into the New Zealand honey and related products business;

2. Icing International, which owns 49% of share capital of the JV Company as at the date of this announcement, has well-established sourcing channels in New Zealand and extensive distribution channels among television shopping, online shops and offline stores in the department stores in the PRC under the "Richora" brand which allow the Group to gain entry into the honey market in the healthcare industry in New Zealand and the greater China area. In addition, the Group's existing sales network for healthcare products spreading all over the PRC with over 500 franchisee stores will create synergies for the development of business of honey and related products;

3. the Directors consider that the "Richora" brand which will later be transferred from Icing International to the JV Company at no cost is well-established and that the Group's product portfolio can be broadened as a result of the formation of the JV Company and the Directors believe that this will be beneficial to the Group's revenue stream and branding; and

4. the formation of the JV Company provides business synergy between the Company and Icing International and is an efficient way to expand and enrich the product portfolio, sales channel, production capacity and the branding and reputation of the Group.

Based on the factors mentioned above, the Directors are of the view that the formation of the JV Company is in the ordinary and usual course of business of the Group and the formation of the JV Company are based on normal commercial terms and are in the interest of the Group and the Shareholders as a whole.

Listing Rule Application

As all of the relevant percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the formation of the JV Company are less than 5%, the formation of the JV Company is exempt from the reporting, announcement and Shareholders' approval requirement under Chapter 14 of the Listing Rules. The section of this announcement in relation to the formation of the JV Company is made by the Company on a voluntary basis.

2. MEMORANDUM OF UNDERSTANDING IN RESPECT OF A PROPOSED ACQUISITION

This is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

MOU

The Board would like to announce that on 4 November 2015 (after trading hours), the Purchaser, being an indirect wholly-owned subsidiary of the Company, entered into the MOU with the Vendor.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

The principal terms of the MOU are as follows:

Assets to be acquired

The Purchaser intended to purchase, and the Vendor intended to sell, not less than 51% of the issued shares of the Target Company. The Target Company is an European company and is principally engaged in the IOT-related business.

The Target Company is a growing and internationally operating high technology European company which is, together with its subsidiaries, engaged in provision of one-stop IOT solutions and applications through contactless smart tickets, industrial RFID tags and specialty labels. Based on clients' needs, the Target Group designs and customizes special IOT tags for applications with which the standard RFID labels are not compatible. With over 100 business partners in the world, the Target Group serves clients from Europe, Americas, the Middle East and Asia in the fields of, among others, automated manufacturing, logistic storage, mass transit operations, transportation management, pharmaceutical management and asset managements.

Formal Agreement

Subject to the Purchaser's satisfaction with the Due Diligence Review, the parties agree to proceed to negotiate and with the view to finalise detailed terms and conditions of their investment and cooperation and the Formal Agreement and to execute the Formal Agreement no later than 90 Business Days from the date of the MOU, or such later date as the parties may otherwise agree in writing.

Consideration and earnest money

The consideration for the Proposed Acquisition may be paid in a combination of cash and by means of allotment of Shares and/or convertible bonds.

Such consideration shall be determined with reference to the average closing price of the Shares as quoted on the Stock Exchange for the last 20 Business Days immediately prior to the date of this MOU and after arm's length negotiation and mutual agreement between the Purchaser and Vendor, subject to the results of the Due Diligence Review on the Target Group (which shall include, without limitation to, the valuation to be conducted by an independent international valuer to be appointed by the Purchaser) and in compliance with the Hong Kong laws and the Listing Rules.

An earnest money in the aggregate sum of HK$50 million shall be made payable by the Purchaser to its solicitors as escrow agent in the following manner:

(a) an initial amount of HK$10 million shall be payable within 10 days after signing of this MOU; and

(b) the remaining balance of HK$40 million shall be payable within 6 months after signing of this MOU, subject to the Purchaser's satisfaction with the results of the Due Diligence Review,

where full amount of the aforesaid earnest money shall be: (a) if the Purchaser is satisfied with the results of the Due Diligence Review and the parties will enter into the Formal Agreement, released in the manner as set out in the Formal Agreement; or (b) if the Purchaser is not satisfied with the results of the Due Diligence Review and the parties will not enter into the Formal Agreement, returned to the Purchaser in the manner as the Purchaser shall notify in writing.

Conditions Precedent for the Proposed Acquisition

Completion of the Formal Agreement and the transactions contemplated therein including, without limitation, the Proposed Acquisition, will be subject to the conditions as detailed in the Formal Agreement being fulfilled. These conditions will include, inter alia, the following:

(i) the Purchaser being satisfied with the Due Diligence Review, together with the support of legal opinion(s) to be issued by reputable law firm(s) and acceptable to the Purchaser if so required;

(ii) compliance with all other applicable laws, rules and regulations including but not limiting to the Listing Rules and/or the Codes for the transactions contemplated under the Proposed Acquisition (which may include approval by the Shareholders at an extraordinary general meeting of the Company of the Proposed Acquisition and the transactions contemplated thereunder such as allotment and issue of new Shares under a specific mandate to satisfy part of the consideration for the Proposed Acquisition;

(iii) the grant of any necessary approvals, consents and/or waivers by the relevant governmental or regulatory authorities or bodies, whether in Hong Kong, the PRC or elsewhere (including not limiting to the Stock Exchange and/or the SFC); and

(iv) the Purchaser not being aware of any material adverse change of the Target Group having occurred or being likely to occur whether on or before completion of the Proposed Acquisition.

In the event that the above conditions are not fulfilled or waived (other than those conditions (ii) and (iii) above which cannot be waived) in writing by the Purchaser on or before 31 March 2016, or such later date as the Purchaser and Vendor may otherwise agree in writing, the Formal Agreement shall become null and void and be of no further effect whatsoever and all the obligations and liabilities of the Purchaser and Vendor thereunder shall cease and determine (save for any antecedent breaches).

EBITDA Guarantee

The Vendor undertakes to the Purchaser that the net profit before deducting any net interest expense, tax, and amount attributable to amortisation of intangible assets or depreciation of tangible assets, excluding (i) fair value gain or loss arising from valuation of property or non-competition clause or any financial assets and liabilities; (ii) staff expenses in relation to granting of share-options; and (iii) non-recurring gain or loss ("EBITDA") of the Target Group for the financial year ending 31 December 2016 as audited by the auditors appointed by the Vendor (to the satisfaction of the Purchaser) or by the Purchaser (as the case may be) shall not be less than HK$100 million.

Exclusivity Period

The Vendor agrees that, without the prior written consent of the Purchaser, it shall not and shall procure the Target Company not to, within 90 Business Days after the date of the MOU, (i) negotiate or enter into any discussions or sign, with any party, any memorandum of understanding, letter of intent, agreement or understanding or arrangements (whether legally binding or not) or continue or permit to continue any such negotiations or arrangements; and (ii) accept, solicit, entertain or consider any offer or offers, in each case in respect of the sale, transfer, assignment of or otherwise deal with the shareholding interests of the Vendor in the Target Company (whether direct or indirect), the interest or investment in the Target Group, or any business that is similar to the transactions contemplated by the MOU or would potentially compete with the businesses and transactions contemplated by the MOU.

Binding effect

The MOU is non-legally binding (save for certain provisions such as the provisions on exclusivity, confidentiality, cost and expenses as well as governing law). If the Proposed Acquisition proceeds, the Formal Agreement will be entered into between the Purchaser and the Vendor in respect of the Proposed Acquisition.

Reasons for and Benefits of the Proposed Acquisition

The Group is principally engaged in manufacturing and trading of bioenergy products, healthcare food products, multi-functional water generators, other healthcare products and letting properties for rental income in the PRC. As mentioned in the annual report of the Company for the year ended 30 June 2015, the Group will continue to develop its existing business and will also from time to time seek for investment opportunity in different industries that could enhance corporate development and broaden the income base of the Group. The Group is optimistic about the development of IOT-related business in the PRC and considers that the Target Group, with the technology edges and global client base in the IOT industry and the aforesaid EBITDA guarantee of not less than HK$100 million for the year ending 31 December 2016, represents an investment opportunity in different industries that could enhance corporate development and broaden the income base of the Group.

The Directors consider that the terms of the MOU are fair and reasonable and that the Proposed Acquisition is in the interest of the Group and the Shareholders as a whole.

General

The Board wishes to emphasise that the Proposed Acquisition may or may not proceed and that the Purchaser has not entered into any binding agreement in relation to the Proposed Acquisition as at the date of this announcement. If the Proposed Acquisition materialises, it will constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. The Company will make further announcement in respect of the Proposed Acquisition as and when appropriate in accordance with the Listing Rules.

3. THE PLACING AND THE SUBSCRIPTION

A. The Placing

The Placing Agreement

Date: 4 November 2015 (after trading hours)

Parties (i) Issuer: The Company

(ii) Placing Agent: Kingston Securities Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its respective ultimate beneficial owners are Independent Third Parties.

Principle terms of the Placing Agreement

Placing Shares: The Placing Agent has conditionally agreed to procure, on a best effort basis, a total of not less than six Placees to subscribe for a total of 1,600,000,000 Placing Shares.

The 1,600,000,000 Placing Shares represents (i) approximately 56.41% of the existing issued share capital of the Company of 2,836,291,922 Shares as at the date of this announcement; (ii) approximately 36.07% of the issued share capital of the Company of 4,436,291,922 Shares as enlarged by the allotment and issue of the Placing Shares; and (iii) approximately 28.90% of the issued share capital of the Company of 5,536,291,922 Shares as enlarged by the allotment and issue of both the Placing Shares and the Subscription Shares (assuming there will be no other changes in the issued share capital of the Company and the Placing Agent has placed a total of 1,600,000,000 Placing Shares). The aggregate nominal value of the Placing Shares under the Placing will be HK$40,000,000.

Placing Price:	The price of HK$0.10 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the Shares on the Stock Exchange. The Placing Price represents: (a) a discount of approximately 43.82% to the closing price of HK$0.1780 per Share as quoted on the Stock Exchange on the date of the Placing Agreement, being the Last Trading Day; and (b) a discount of approximately 44.32% to the average closing price of approximately HK$0.1796 per Share as quoted on the Stock Exchange for the five trading days of the Shares immediately prior to the Last Trading Day.
Placing Commission:	The Placing Agent will receive a placing commission of 2.5% of the aggregate amount equals to the Placing Price multiplied by the actual number of the Placing Shares being placed.
Placees:	The Placing Agent shall, on a best effort basis, place, or procure the placing of, the Placing Shares with not less than six independent institutional, corporate or individual investors who and whose ultimate beneficial owner(s) are independent of and not connected with, and are not acting in concert (as defined under the Codes) with the Company and its connected persons.
Ranking of the Placing Shares:	The Placing Shares, when issued and fully paid up, shall rank pari passu in all respects inter se and with all other Shares then in issue.
Condition precedent for the Placing:	Placing Completion is conditional upon: (a) the Listing Committee granting or agreeing to grant (subject to allotment and/or despatch of certificates for the Placing Shares) the listing of, and permission to deal in all of the Placing Shares; (b) the passing by the Shareholders of the resolution(s) at the EGM to approve the Placing Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Placing Shares pursuant to the Specific Mandate); and (c) any other approval as may be required by applicable laws or regulations for the Placing.

If the above conditions are not fulfilled by the Placing Long Stop Date, the Placing will lapse and the obligations and liabilities of the Placing Agent and the Company under the Placing Agreement shall be null and void and the Placing Agent and the Company shall be released from all rights and obligations pursuant to the Placing save for any antecedent breaches thereof.

Placing Completion: Subject to the fulfilment of the above conditions precedents, Placing Completion shall take place on the Placing Completion Date.

Rescission: If any of the following events occurs at any time prior to 10:00 a.m. on the Placing Completion Date, the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to 10:30 a.m. on the Placing Completion Date rescind the Placing Agreement without liability to the other party hereto or any thereof and, subject to the provisions of confidentiality, representations and warranties and application law and jurisdiction and miscellaneous which shall continue, the Placing Agreement shall thereupon cease to have effect and none of the parties thereto shall have any rights or claims by reason thereof, save for any antecedent breaches:

(a) in the absolute opinion of the Placing Agent there shall have been the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

(b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

(c) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to 10:00 a.m. on the Placing Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or

(d) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of the announcement relating to the Placing Agreement or any announcements or circulars relating to the Placing; or

(e) the Placing Agent shall become aware of the fact that any of the representations or warranties as set out in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated upon Placing Completion, and the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing; or

(f) there is any adverse change in the financial position of the Company which in the opinion of the Placing Agent is material in the context of the Placing.

B. The Subscription

The Subscription Agreement

Date: 4 November 2015 (after trading hours)

Parties

(i) Issuer: The Company

(ii) Subscriber: HuaAn Fund Management Co., Ltd. a company incorporated in Shanghai, the PRC with limited liability

This fund management company was established in 1998. Since 2001, HuaAn Fund Management Company, Limited has developed seven main categories of fund products which comprises open-ended fund, opened-ended index fund, money market fund, QDII fund, exchange traded fund ("ETF"), short-term financial fund and gold ETF.

As at the date of this announcement, the Subscriber does not hold any Shares.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties.

Principle terms of the Subscription Agreement

Subscription Shares: The Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 1,100,000,000 new Shares at the Subscription Price. The Subscription Price is equivalent to the Placing Price.

The 1,100,000,000 Subscription Shares represents (i) approximately 38.78% of the existing issued share capital of the Company of 2,836,291,922 Shares as at the date of this announcement; (ii) approximately 27.95% of the issued share capital of the Company of 3,936,291,922 Shares as enlarged by the allotment and issue of the Subscription Shares and (iii) approximately 19.87% of the issued share capital of the Company of 5,536,291,922 Shares as enlarged by the allotment and issue of both the Placing Shares and the Subscription Shares (assuming there will be no other changes in the issued share capital of the Company and the Placing Agent has placed a total of 1,600,000,000 Placing Shares). The aggregate nominal value of the Subscription Shares is HK$27,500,000.

Subscription Price: The price of HK$0.10 per Subscription Share was determined after arm's length negotiations between the Company and the Subscriber with reference to the prevailing market price of the Shares on the Stock Exchange. The Subscription Price represents:

(a) a discount of approximately 43.82% to the closing price of HK$0.1780 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement, being the Last Trading Day; and

(b) a discount of approximately 44.32% to the average closing price of approximately HK$0.1796 per Share as quoted on the Stock Exchange for the five trading days of the Shares immediately prior to the Last Trading Day.

Based on the Subscription Price of HK$0.10, the aggregated value of the 1,100,000,000 Placing Shares is approximately HK$110,000,000.

Condition precedent to the Subscription:	It shall be conditions precedent to Subscription Completion that prior thereto: (a) the Shareholders of the Company shall have approved the Subscription Agreement and all the transactions contemplated hereunder in a general meeting of the Company in accordance with the Listing Rules; (b) the Subscriber shall have obtained the approval from relevant regulatory authorities with respect to the entering into of the Subscription Agreement and the transactions contemplated therein; (c) the Listing Committee shall have granted the listing of, and permission to deal in, the Subscription Shares; and (d) any other approval as may be required by applicable laws, rules or regulations for the Subscription shall have been obtained. If the above conditions precedent are not fulfilled on or before the Subscription Long Stop Date, the Subscription Agreement will lapse and become null and void and the parties will be released from all obligations and liabilities thereunder, save for the liabilities for any antecedent breaches hereof.
Ranking of the Subscription Shares:	The Subscription Shares will rank pari passu among themselves and with all of the Shares in issue as at the Subscription Completion Date.
Subscription Completion:	Subject to the fulfilment of the above conditions precedent, Subscription Completion shall take place on the Subscription Completion Date, at such place and at such time as the Company and the Subscriber may agree, and each party shall perform its respective obligations in accordance with terms and conditions of the Subscription Agreement.

C. Use of Proceeds and Reasons for the Placing and the Subscription

Assuming the successful completion of the Placing and the Subscription, the maximum gross proceeds from the Placing and the Subscription are expected to be approximately HK$270 million. The net proceeds of the Placing and the Subscription (after deducting related placing commissions, professional fees and related expenses) are expected to be approximately HK$264 million. The net issue price per Share from the Placing and the Subscription will be approximately HK$0.0978.

The Company currently intends to use the net proceeds from the Placing and Subscription in the following manner:

(i) approximately HK$230 million for the development of honey and related products business in relation to the formation of the JV Company as mentioned in the section headed "Business plan of the JV Company" of this announcement;

(ii) approximately HK$10 million for payment of the earnest money pursuant to the terms and conditions of the MOU; and

(iii) the remaining balance for general working capital of the Group.

In the event that the Placing or the Subscription does not proceed to completion, the net proceeds to be applied to the development of the JV Company will be scaled down accordingly.

As disclosed in the annual report of the Company for the year ended 30 June 2015, the total operating expenses for the year ended 30 June 2015 was approximately HK$40.08 million. The Directors consider that it will be a merit for the Group to have additional working capital for its business operation and development. The Group considers that with the development of the new business segments of honey and related products and the Proposed Acquisition, the Group may have to incur additional operating expenses. Accordingly, the Directors are of the view that the Placing and the Subscription will strengthen the financial position (in particular, the working capital and cash flow position) of the Group. Taking into account the uncertainties in the global financial market, the Directors are of the view that it is reasonable for the Group to enhance the capital base by means of the Placing and the Subscription so as to allow the Group to mitigate any business and financial risk and enhance the financial flexibility of the Group. In addition, as the Group is actively seeking for investment opportunity in different industries that could enhance corporate development and broaden the income base of the Group, sufficient cash reserve is crucial for the development of the Company.

The Directors have also considered other ways of fund raising such as debt financing, bank borrowing, rights issue or open offer. As regards to debt financing and bank borrowing, having considered that it would increase the gearing level of the Group and the interest expenses and finance costs would impose additional financial burden to the Group's future cash flow, the Board considered that such fund raising method is currently not the most appropriate method to the Group.

Having considered the fund raising size and the current market condition, the Directors consider that they may have difficulty to find an independent underwriter in Hong Kong which is interested to underwrite a rights issue or open offer of the Company to raise the proposed amount of funds. The Directors consider that even if such an independent underwriter were identified, the rights issue or open offer would incur costly underwriting commission and the process would be relatively time consuming.

In light of the above, the Board is of the view that the Placing and the Subscription are the most appropriate fund raising method and are beneficial to the Company. Overall, the Directors, after taking into account the factors, reasons and circumstances disclosed above, consider that the terms of the Placing Agreement and the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

E. Effect on the Shareholding Structure of the Company

The shareholding structure of the Company before and after Placing Completion and/or Subscription Completion, are as follows:

	As at the date of this announcement		**Immediately after Placing Completion in full** *(Note 2)*		**Immediately after the Subscription Completion** *(Note 3)*		**Immediately after Placing Completion in full and Subscription Completion** *(Note 4)*	
	No. of Shares	*Approximate percentage*	*No. of Shares*	*Approximate percentage*	*No. of Shares*	*Approximate percentage*	*No. of Shares*	*Approximate percentage*
Ms. Cheung Kwan *(Note 1)*	318,680,000	11.24	318,680,000	7.18	318,680,000	8.10	318,680,000	5.76
Subscriber	—	—	—	—	1,100,000,000	27.95	1,100,000,000	19.87
Public Shareholders:								
Placees	—	—	1,600,000,000	36.07	—	—	1,600,000,000	28.90
Other public Shareholders	2,517,611,922	88.76	2,517,611,922	56.75	2,517,611,922	63.95	2,517,611,922	45.47
Total	2,836,291,922	100.00	4,436,291,922	100.00	3,936,291,922	100.00	5,536,291,922	100.00

Notes:

1. This represent the aggregate of (i) 60,000,000 Shares beneficially owned by Ms. Cheung Kwan and (ii) 258,680,000 Shares owned by City Winner which is beneficially owned by Ms. Cheung Kwan.

2. Assuming no other issue of new Shares and no repurchase of existing Shares before Placing Completing and the Placing Agent has placed a total of 1,600,000,000 Placing Shares to not less than six independent Placees.

3. Assuming no other issue of new Shares and no repurchase of existing Shares before Subscription Completion.

4. Assuming no other issue of new Shares and no repurchase of existing Shares before Placing Completion and Subscription Completion, and the Placing Agent has placed a total of 1,600,000,000 Placing Shares to not less than six independent Placees.

Fund Raising Exercises of the Company in the Past Twelve Months

The Company has conducted the following fund raising activity in the past twelve months from the date of this announcement:

Date of announcement	Description	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of net proceeds as at the date of this announcement (approximately)
28 May 2015 and 10 July 2015	Subscription of new Shares	HK$49.37 million	For general working capital purpose and if and when suitable opportunity arises, for potential acquisitions in the future	(i) as to HK$10 million for the formation of a wholly owned subsidiary in Shenzhen, the PRC, as a platform for future business opportunities in China; (ii) as to HK$15.1 million being transferred to subsidiaries engaged in the current principal activities as general working capital to support their normal operation; (iii) as to HK$24.27 million as general working capital or to support any other business opportunities that may emerge.

Date of announcement	Description	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of net proceeds as at the date of this announcement (approximately)
17 November 2014	Open offer	HK$79.64 million	For the general working capital of the Group and for future investments pursuant to the investment objectives of the Company	(i) as to HK$47.88 million for the acquisition of properties in Nansha District, Guangzhou City, Guangdong Province, the PRC for rental purposes which has been announced on 11 February 2015; and (ii) as to HK$31.76 million for general working capital designated to support the current principal activities of the Group.

Save as disclosed above, the Company has not conducted any fund raising exercises in the past twelve months immediately before the date of this announcement.

G. General

Specific Mandate

The Placing Shares and the Subscription Shares will be allotted and issued under Specific Mandate to be proposed for passing by the Shareholders by ordinary resolution(s) at the EGM. The general mandate of the Company will not be used for the issue of the Placing Shares and the Subscription Shares.

EGM

The Specific Mandate is subject to Shareholders' approval at the EGM. The EGM will be convened for the purpose of considering and, if deemed appropriate, approving, among other things, the Placing, the Subscription and the respective transactions contemplated thereunder.

In accordance with the Listing Rules, any Shareholder who has a material interest in the Placing and/or the Subscription shall abstain from voting on the resolution(s) to approve the Placing or the Subscription and the respective transactions contemplated thereunder at the EGM. To the best of knowledge, information and belief of the Directors, none of the Shareholder has a material interest in the transactions contemplated under the Placing Agreement or the Subscription

Agreement and will be required to abstain from voting on the resolution(s) to approve the Placing or the Subscription and the respective transactions contemplated thereunder at the EGM.

A circular containing, among other things, (i) further details of the Placing and the Subscription; and (ii) a notice convening the EGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares and the Subscription Shares.

Completion of the Placing and the Subscription are not inter-conditional and are subject to the satisfaction of the conditions precedent respectively set out in the Placing Agreement and the Subscription Agreement. As the Placing and the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Business Day"	any day on which banks in Hong Kong are open for business (other than a Saturday, Sunday or public holiday and any day on which a tropical cyclone warning No.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
"City Winner"	City Winner Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
"Codes"	the Codes on Takeovers and Mergers and Share Buy-backs
"Company"	Vitop Bioenergy Holdings Limited (天年生物控股有限公司*), a company incorporated under the laws of Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1178)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules

"Director(s)"	director(s) of the Company
"Due Diligence Review"	a due diligence review and investigation on each member of the Target Group including without limitation to their assets, liabilities, contracts, commitments and business and financial and legal aspects
"EGM"	an extraordinary general meeting of the Company to be convened for the purposes of considering, and if thought fit, approving the Placing, the Subscription and the respective transactions contemplated thereunder
"Formal Agreement"	a formal sale and purchase agreement to be entered into between the Purchaser and the Vendor in respect of the Proposed Acquisition
"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 PRC
"Icing International"	Icing International Limited, a company incorporated in New Zealand with limited liability
"Independent Third Party(ies)"	third party(ies) that is independent of and not connected with the Company, any promoter(s), director(s), supervisor(s), chief executive(s), substantial shareholder(s) (as defined in the Listing Rules) of the Company or any of its subsidiaries or their respective associates
"IOT"	internet of things which is a network technology with objects, animals or people provided with unique identifiers and the ability to transfer data over a network without requiring human-to-human or human-to-computer interaction
"JV Company"	Richora Group Limited, a company incorporated in New Zealand with limited liability which is owned as to 51% and 49% by Vitop Manuka and Icing International, respectively, as at the date of this announcement
"Last Trading Day"	4 November 2015, being the last day on which the Shares were traded on the Stock Exchange prior to the issue of this announcement
"Listing Committee"	has the meaning ascribed thereto under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"MOU"	the memorandum of understanding dated 4 November 2015 entered into between the Purchaser and the Vendor in relation to the Proposed Acquisition
"NZD"	New Zealand dollars, the lawful currency of New Zealand
"Placee(s)"	any independent individual, corporate or institutional investors procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares
"Placing"	the placing of the Placing Shares to the Placee(s) pursuant to the Placing Agreement
"Placing Agent"	Kingston Securities Limited, a corporation licensed to carry out business in Type 1 (dealing in securities) regulated activities under the SFO
"Placing Agreement"	the conditional placing agreement dated 4 November 2015 entered into between the Company and the Placing Agent in respect of the Placing
"Placing Completion"	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
"Placing Completion Date"	a date falling within five (5) Business Days following the satisfaction of the conditions precedent to the Placing (exclusive of the date of satisfaction of all those conditions) or such other date as the Company and the Placing Agent may agree
"Placing Long Stop Date"	one month from the date of EGM (or such later date as may be agreed between the Placing Agent and the Company)
"Placing Price"	HK$0.10 per Placing Share
"Placing Share(s)"	a maximum of 1,600,000,000 new Shares to be placed by the Placing Agent pursuant to the terms and condition of the Placing Agreement
"PRC" or "China"	the People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
"Proposed Acquisition"	the proposed acquisition by the Purchaser of not less than 51% of the issued shares of the Target Company
"Purchaser"	Smart Key Holdings Limited, a company incorporated in British Virgin Islands with limited liability and wholly-owned subsidiary of the Company

"RFID"	radio-frequency identification which is the wireless use of electromagnetic fields to transfer data for the purposes of automatically identifying and tracking tags attached to objects
"SFC"	the Securities and Futures Commission
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Specific Mandate"	the specific mandate to be sought from the Shareholders at the EGM for the allotment and issue of 1,600,000,000 Placing Shares and 1,100,000,000 Subscription Shares (as the case may be)
"Subscriber"	HuaAn Fund Management Company, Ltd., a company incorporated in Shanghai, the PRC with limited liability
"Subscription"	subscription of the Subscription Shares by the Subscriber at the Subscription Price pursuant to the Subscription Agreement
"Subscription Agreement"	the conditional subscription agreement dated 4 November 2015 entered into between the Company and the Subscriber in relation to the Subscription
"Subscription Completion"	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
"Subscription Completion Date"	a day falling within five (5) Business Days following the date on which the conditions precedent to the Subscription Completion are fulfilled or such other date as the Company and the Subscriber may agree
"Subscription Long Stop Date"	29 January 2016 or such later date as may be agreed between the Company and the Subscriber
"Subscription Price"	HK$0.10 per Subscription Share
"Subscription Share(s)"	1,100,000,000 Shares to be subscribed by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
"Share(s)"	share(s) of HK$0.025 each in the capital of the Company
"Shareholder(s)"	holder(s) of the Shares(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	an European company engaging in IOT-related business

"Target Group"	the Target Company together with its subsidiaries
"Vendor"	DongFin (Hong Kong) Investment Co., Limited, a company incorporated in Hong Kong with limited liability
"Vitop Manuka"	Vitop Manuka Resources Limited, a company incorporated in Hong Kong with limited liability and a direct wholly owned subsidiary of the Company
"%"	per cent.

By Order of the Board
Vitop Bioenergy Holdings Limited
Xu Zhifeng
Executive Director

Hong Kong, 4 November 2015

As at the date of this announcement, the Board comprises Mr. Zhang Wen, Mr. Xu Zhifeng, Mr. Liu Min and Mr. Chan Shun Yee as executive Directors; and Mr. Su Rujia (Chairman), Mr. Wong Tat Yan Paul, Mr. Zhu Yanzhou and Mr. Li Xinzhong as independent non-executive Directors.

* *For identification purpose only*