**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)**

# MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE ACQUISITION

This announcement 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board would like to announce that on 27 January 2016 (after trading hours), the Company, entered into the MOU with the Vendor, pursuant to which the Company intended to purchase and the Vendor intended to sell the entire issued share capital of the Target Company.

The MOU is not intended to be legally binding (save for certain provisions including exclusive rights, confidentiality, notice, severability, governing laws and costs). If the Company proceeds with the Possible Acquisition, it will enter into legally binding agreement(s) with the Vendor accordingly.

This announcement is made pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## POSSIBLE ACQUISITION

The Company is pleased to announce that on 27 January 2016 (after trading hours), the Company, entered into a non-legally binding MOU (save as to certain provisions mentioned in this announcement) with the Vendor in relation to the Possible Acquisition.

## THE MOU

The principal terms of the MOU are as follows:

| | |
|---|---|
| Date: | 27 January 2016 (after trading hours) |
| Purchaser: | The Company |
| Vendor: | Mr. Xu Chun Dan (徐春淡) |

The Vendor owns and operates a group of companies known as "酩樽匯集團" (Mingzunhui Group*) which is primarily engaged in the sale and distribution of a range of Chinese liquor mainly under the brand of "醬賓" (Jiangbin*). "酩樽匯集團" (Mingzunhui Group*) has established its own national sales network over the PRC with business partners and hundreds of franchisees and has secured a stable channel of wine supply from Maotai County in the PRC which is famous and has a long history of producing Chinese liquor including Jiang-flavour Chinese liquor (醬香白酒). The "醬賓" (Jiangbin*) Chinese liquor was honored "上海酒類市場金樽獎" (Shanghai Liquor Gold Award*) in 2014.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendor is an Independent Third Party.

### Assets to be acquired

Pursuant to the MOU, the Purchaser intended to acquire and the Vendor intended to sell the entire issued Share capital of the Target Company.

Pursuant to the MOU, the Reorganisation will be effected and upon completion of the Reorganisation, the Target Group will own the land use right of a piece of land located at No. 2960, Shengang Road, Songjiang District, Shanghai with site area of approximately 26,771 square metre on which was constructed buildings of total floor area of approximately 27,611 square metre for industrial use. The Property is an integrative complex with functions of trading, cellaring, research and development and exhibition for Chinese liquor.

### Consideration

The consideration for the Possible Acquisition will be determined by the parties with reference to the final valuation of the Target Group by an independent valuer.

The consideration for the Possible Acquisition may be paid by means of a combination of cash and allotment of Shares. Details of such combination of cash and allotment of Shares shall be determined and stated in the Formal Agreement after arm's length negotiations and mutual agreement between the Company and the Vendor.

**Conditions precedent**

The completion of the Possible Acquisition is subject to fulfilment of the following conditions precedent:

(a) The Company has conducted due diligence on finance, law, business, operation and other matters of the Target Group with satisfaction and identified no material adverse change in finance, law, business, operation and other matters of the Target Group during the period from the last audit date of the Target Group to completion date of the Formal Agreement;

(b) The Company is satisfied with the completion of the Reorganisation absolutely;

(c) (If required) shareholders of the Purchaser have approved the Formal Agreement and other related transactions contemplated thereunder (including the issuance of the consideration Shares and matters thereunder) at the extraordinary general meeting of the Company in accordance with the requirements under the Listing Rules;

(d) The Stock Exchange has granted the approval or consent for the listing of the new Shares to be issued as part of the consideration of the Possible Acquisition and has not withdrawn such approval;

(e) The PRC and the Seychelles counsels have issued the PRC and the Seychelles legal opinions to the satisfaction of the Purchaser in relation to the due incorporation of members of the Target Group and its shareholders and range of business operation as well as other relevant matters that the Purchaser reasonably requires in such form and substance satisfactory to the Purchaser;

(f) (If required) the appraiser has issued a valuation report in compliance with the Listing Rules (if applicable) in relation to the business or other assets (if applicable) of the Target Group in such form and substance reasonably satisfactory to the Purchaser;

(g) (If required) the accountants acceptable to the Purchaser have issued consolidated or combined audited accounts of the Target Group for the last three financial years ended 31 December 2015 in such form and substance satisfactory to the Purchaser;

(h) With respects to the Formal Agreement and other related transactions contemplated thereunder, both parties have been complying with all applicable laws, rules and regulations, including but not limited to the Listing Rules; and

(i) Both parties have obtained all necessary approvals, consents and/or waivers granted by relevant government or regulatory department or authorities of Hong Kong, the PRC or other jurisdiction (include but not limited to the Stock Exchange) for the Formal Agreement and other related transactions contemplated thereunder.

Pursuant to the MOU, the parties have agreed to proceed with further negotiation of the entering into of the Formal Agreement as soon as practicable and in any event within four months from the date of the MOU or such later date as agreed by the parties to the MOU. If any of the conditions precedent is not satisfied after eight months from the date of the Formal Agreement (or such later date both parties may agree), the Formal Agreement will be terminated, unless all or part of the conditions precedent (other than the above conditions precedent (b), (c), (g) and (h) above which cannot be waived) have been waived by the Purchaser in writing, there will be no claim against each other (save for antecedent breach).

Both parties shall use their best efforts to fulfil the above conditions precedent so as to complete the transaction.

**Due Diligence Review**

The Purchaser shall conduct a due diligence against the Target Group. Commencing from the date of this MOU, the Vendor shall provide to the Company such title deeds, books, accounts, records and documents associated with the Target Group and provide all necessary assistance to the Company and its authorised representatives.

**Exclusive Rights**

The Vendor undertakes that the Company shall have the exclusive rights to acquire the target interests during the period within 4 months from the date of the MOU or such later date both parties may agree. Therefore, without prior written consent from the Company, the Vendor shall not transfer, or procure not to be transferred to any third parties other than the Company (i) all or part of its shareholding in any members of the Target Group; and/or (ii) any interests it holds (in whatsoever manner), directly or indirectly, in the companies or other entities engaging in such businesses competing with, and/or similar or comparable to the wine business of the Target Group. The Vendor further undertakes that it will not or procure not to negotiate with any third parties in relation to the dealing of the target interests and/or competing interests (no matter all or part thereof) or transactions or agreements with similar effects during the above period.

**Binding Effect**

The MOU is non-legally binding (save for certain provisions including exclusive rights, confidentiality, notice, severability, governing laws and costs). If the Possible Acquisition proceeds, the Formal Agreement will be entered into between the Company and the Vendor in respect of the Possible Acquisition. The MOU will be valid since the date of entering into until the earlier of the date of the Formal Agreement or four month after the date of the MOU.

## REASONS FOR AND BENEFITS OF THE POSSIBLE 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 result announcement 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.

Given the huge demand of Chinese liquor in the PRC market, the Group is optimistic about the development of Chinese liquor business in the PRC. The Possible Acquisition allows the Company to secure a base in the PRC serving as the headquarter for providing an integrated functions of trading, cellaring, research and development and exhibition for the Chinese liquor business to be developed by the Group. Further, through the Possible Acquisition, the Group could build up its relationship with the Vendor and his companies which have a secured stable channel of wine supply and have established their own sales network and in the sale and distribution of Chinese liquor. The Directors consider that the terms of the MOU are fair and reasonable and that the Possible Acquisition is in the interest of the Company and Shareholders as a whole.

## GENERAL

In the event that the Formal Agreement is entered into, the Possible Acquisition may constitute a notifiable transaction of the Company under the Listing Rules. Further announcement(s) will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

**Shareholders and/or investors should note that the Possible Acquisition may or may not materialise as no formal binding documentation has been executed between the parties and negotiations are still in progress. Shareholders and/or investors are advised to exercise caution when dealing in the Company's securities.**

## DEFINITIONS

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

| | |
|---|---|
| "Board" | the board of Directors |
| "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 |
| "Formal Agreement" | a formal sale and purchase agreement to be entered into between the Company and the Vendor in respect of the Possible Acquisition and incorporating the terms of the MOU |
| "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 |

| | |
|---|---|
| "Independent Third Party(ies)" | individual(s), professional(s) or institutional investor(s) are 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 (as defined in the Listing Rules) |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange |
| "MOU" | the non-legally binding memorandum of understanding dated 27 January 2016 entered into between the Company and the Vendor in relation to the Possible Acquisition |
| "Possible Acquisition" | the possible acquisition by the Company of the entire issued capital of the Target Company as contemplated under the MOU and subject to the execution of the Formal Agreement |
| "PRC" | the People's Republic of China, which shall, for the purposes of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| "Property" | a piece of land located at No. 2960, Shengang Road, Songjiang District, Shanghai with site area of approximately 26,771 square metre on which was constructed buildings of total floor area of approximately 27,611 square metre for industrial use |
| "Reorganisation" | the reorganization to be undergone by the Vendor whereby upon completion, the Target Group will own the Property |
| "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" | a limited liability company incorporated in Seychelles which, together with its subsidiaries, engaged in Chinese liquor trading business |
| "Target Group" | the Target Company together with its subsidiaries |
| "Vendor" | Mr. Xu Chun Dan (徐春淡)，being the vendor under the MOU, which is an Independent Third Party |

"%" Per cent.

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

Hong Kong, 27 January 2016

*As at the date of this announcement, the Board comprises Mr. Xu Zhifeng, Mr. Chan Shun Yee, Mr. Liu Min as executive Directors; Mr. Chau Yu-Lung Jimmy as non-executive Director; and Mr. Su Rujia, Mr. Wong Tat Yan Paul and Ms. Zhu Yanzhou as independent non-executive Directors.*

* *For identification purpose only*