

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



VITOP GROUP LIMITED

(天年集團有限公司)*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1178)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF A PROPOSED 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 25 April 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 Sale Shares of the Target Group. The Vendor owns and operates a group of companies known as ECrent group which is, together with its affiliates across the globe, primarily engaged in operating an online global sharing platform worldwide. The Target Group operates ECrent online rental platform in the U.S., Thailand and Hong Kong.

The MOU is non-legally binding (save for certain provision on exclusivity right, the due diligence review, confidentiality, termination, notices and governing laws and jurisdiction and cost). If the Company proceeds with the Proposed Acquisition, it will enter into legally binding agreement(s) with the Vendor in respect of the Proposed Acquisition.

GENERAL

The Board wishes to emphasise that the Proposed Acquisition may or may not proceed and that the Company 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.

* For identification purpose only

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

MEMORANDUM OF UNDERSTANDING

The principal terms of the MOU are as follows:

Date: 25 April 2016

Parties: The Company and 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.

Assets to be acquired

The Company intended to purchase and the Vendor intended to sell the Sale Shares of the Target Group which includes ECrent USA, ECrent Thailand, ECrent Hong Kong and their subsidiaries. The further details of the Proposed Acquisition, amongst the exact number of the Sale Shares of the Target Group, shall be subject to the Formal Agreement.

The Vendor owns and operates a group of companies known as ECrent Group which is, together with its affiliates across the globe, primarily engaged in operating an extensive online global sharing platform, seizing opportunities in the development of sharing economy and encouraging sharing of various belongings around the world through renting hereby promoting the concept of eco-friendly consumption. The rental platform of ECrent Group covers more than 30 countries and regions in the following major rental categories including car rental, wedding, events and expos, travels, sports, properties, home, medical, fashion, public services, professional services, baby and kids, arts, lifestyle and tools and equipment.

ECrent USA is a company incorporated in the British Virgin Islands with limited liability which, together with its subsidiaries, engaged in ECrent online rental platform business in the U.S.. ECrent Thailand is a company incorporated in the British Virgin Islands with limited liability which, together with its subsidiaries, engaged in ECrent online rental platform business in Thailand. ECrent Hong Kong is a company incorporated in the British Virgin Islands with limited liability which, together with its subsidiaries, engaged in ECrent online rental platform business in Hong Kong.

Consideration

The aggregate amount, payment terms, schedule and installment amounts of the consideration and other terms of the transaction shall be subject to the Formal Agreement.

Due diligence review

Within 30 days immediately after the signing of the MOU (or such other period as agreed by the Company and the Vendor), the Company may conduct due diligence review on the businesses and assets of the Target Group. The due diligence review includes but is not limited to the investigation into the incorporation, subsistence, assets and liabilities, legal affairs, financial position, operations of the Target Group and the validity of the titles to their real estates (including the investigation as to whether they are subject to any court orders or legal interests of any third party).

The Vendor undertakes that it will, since the signing of the MOU, use its best endeavors to facilitate the completion of the due diligence review by providing the Company (or its representatives) with relevant information, taking all reasonable actions and meeting all reasonable requests from the Company, including but not limited to the provision of, and permission to inspect and access to, information, books and accounts of the Target Group, arrangements for meeting the directors and the senior executives of the Target Group and other assistance in respect of the due diligence review.

Conditions precedent

The Company and the Vendor agreed that conditions precedent to the completion and closing of the transaction to be provided in the Formal Agreement shall include but are not limited to the followings:

- (1) the due diligence review on the Target Group conducted by the Company having been completed to the reasonable satisfaction of the Company. The due diligence review shall be conducted by the designated personnel by the Company. The Vendor shall also use its best endeavors to facilitate the due diligence review by cooperating with the designated personnel of the Company;
- (2) the Company having engaged an independent qualified valuer to perform valuation of the Sale Shares of the Target Group, the results of which being reasonably satisfactory to the Company; and
- (3) having obtained all necessary approvals for the transaction, including but not limited to the approval from the Stock Exchange (if necessary).

Unless waived by the Company in writing (other than the conditions precedent regarding the relevant necessary license, permit and approval which cannot be waived), the conditions precedent shall be fulfilled within the timeframe specified in the Formal Agreement.

The above conditions precedent and other details are conditional upon the Formal Agreement being entered into.

Negotiations

Each of the Company and the Vendor hereto shall, with its best efforts and in good faith, procure the negotiation for the transaction and shall, within the Validity Period, conclude the Formal Agreement with legally-binding effect to materialise the transaction. The Company and the Vendor agrees that upon the signing of the Formal Agreement, the Company may designate such other entity/company within the Group as it deems fit to sign the Formal Agreement. The Company and the Vendor shall negotiate over the usual and customary terms adopted in comparable transactions to be reflected in the Formal Agreement.

Exclusivity right

The Company has the exclusivity right to negotiate over the subject matter under the MOU during the Validity Period. In the meantime, the Vendor shall not liaise in any manner with other potential purchasers in respect of the disposal of the equity interests in, and/or operations of, the Target Group which may interfere or affect the subject matter under the MOU. The liaison referred to above includes but is not limited to negotiation for and signing of memorandum of understanding, letter of intent and agreement (with or without legally-binding effect).

Binding effect

The MOU is non-legally binding (save for certain provisions including exclusivity right, due diligence review, confidentiality, termination, notices, governing laws and jurisdiction and costs). The MOU will be valid since the date of entering into until the earlier of the date of the Formal Agreement or the expiry of the Validity Period.

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. As mentioned in the interim report of the Company for the six months period ended 31 December 2015, the Group will continue to develop its existing business and will also from time to time seek for new 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 the global online sharing platform business and considers that the Target Group, being well-positioned in the online rental platform business in the U.S., Thailand and Hong Kong, represents an investment opportunity to 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 Company and Shareholders as a whole.

GENERAL

The Board wishes to emphasise that the Proposed Acquisition may or may not proceed and that the Company 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.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Board”	board of the Directors
“Company”	VITOP GROUP LIMITED (天年集團有限公司), a company incorporated in the Cayman Islands with limited liability, the issued 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 Rule
“Directors”	directors of the Company
“ECrent USA”	YSK 1860 Investment Company Limited, a company incorporated in the British Virgin Islands with limited liability which, together with its subsidiaries, engaged in online rental platform business in the U.S.
“ECrent Thailand”	ECrent (Thailand) Limited, a company incorporated in the British Virgin Islands with limited liability which, together with its subsidiaries, engaged in online rental platform business in Thailand
“ECrent Hong Kong”	ECrent (Hong Kong) Limited, a company incorporated in the British Virgin Islands with limited liability which, together with its subsidiaries, engaged in online rental platform business in Hong Kong
“Formal Agreement”	a formal sale and purchase agreement to be entered into amongst the Company and the Vendor in respect of the Proposed Acquisition and incorporating the terms of the MOU
“Group”	the Company and its subsidiaries

“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 25 April 2016 entered into between the Company and the Vendor in relation to the Proposed Acquisition
“Proposed Acquisition”	the proposed acquisition by the Company of the Sale Shares of the Target Group
“Sale Shares”	certain shares of the Target Group which is to be acquired by the Group upon the completion of share capital enlargement
“Share(s)”	share(s) of HK\$0.025 each of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	ECrent USA, ECrent Thailand and ECrent Hong Kong and their subsidiaries
“U.S.”	The United States of America
“Validity Period”	30 days after the signing of the MOU (or such other period as may be agreed by the Company and the Vendor)
“Vendor”	ECrent Holdings Limited, a company incorporated in the British Virgin Island with limited liability

By Order of the Board
VITOP GROUP LIMITED
Xu Zhifeng
Executive Director

Hong Kong, 25 April 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