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**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)(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).

The Board would like to announce that on 8 July 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 total issued share capital of the Target Company, which was incorporated in the BVI and is, together with its subsidiaries, principally engaged in e-commerce platform related business in the PRC.

The MOU is not intended to be legally binding (save for the provisions on the due diligence review, exclusivity, confidentiality, termination, notices, governing law and jurisdiction and the other). 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 and connected transaction for the Company under 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

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## **MEMORANDUM OF UNDERSTANDING**

The principal terms of the MOU are as follows:

Date: 8 July 2016

Parties: The Company and the Vendor

As at the date of this announcement, the Target Company is legally and beneficially owned by the Vendor, which in turn is owned by Mr. Liu Min as to 15%. Mr. Liu Min is an executive Director and therefore he is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Save as the above, as to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

### **Assets to be acquired**

The Company intended to purchase and the Vendor intended to sell the total issued share capital of the Target Company. The exact terms and conditions of the Proposed Acquisition are subject to further negotiations between the Company and the Vendor. The Target Company was incorporated in the BVI and is, together with its subsidiaries, principally engaged in the e-commerce platform related business in the PRC. The Target Group, through its e-commerce platform (known as 消費寶 (Xiaofeibao\*)), operates in the “Factory to Consumer” (F2C) business model which promotes disintermediation of the traditional model of middleman distribution channel and target to provide the customers more convenient, affordable and high quality consumer goods and services.

### **Consideration**

The aggregate amount, payment terms, schedule and installment amounts of the consideration and other terms of the Proposed Acquisition are subject to the Formal Agreement.

### **Conditions Precedent for the Proposed Acquisition**

Conditions precedent to Completion of the Formal Agreement and the transactions contemplated therein will include but not limited to:

- (i) The Company has conducted the Due Diligence Review on the Target Company and reasonably satisfied with and accepted the results of the Due Diligence Review. The Due Diligence Review shall be conducted by the personnel designated by the Company, while the Vendor shall cooperate with the personnel designated by the Company on a best effort basis during the Due Diligence Review conducted on the Target Company;

- (ii) The Company has engaged an independent qualified valuer to perform valuation on the Sale Shares, and has reasonably satisfied with the results of the valuation; and
- (iii) All approvals necessary for the Proposed Acquisition, including but not limited to the approval from the Hong Kong Stock Exchange (if necessary), have been obtained.

Unless waived by the Company in writing (save for the conditions precedent regarding the relevant necessary licenses, permits and approvals which cannot be waived), the conditions precedent shall be fulfilled within the timeframe provided in the Formal Agreement. Such conditions precedent and other details are conditional upon the execution of the Formal Agreement.

### **Negotiation**

The Company and the Vendor shall, with their best efforts and in good faith, procure the negotiation for the Proposed Acquisition and shall, within the Validity Period, conclude the Formal Agreement to materialise the Proposed Acquisition. The Company and the Vendor agree 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 Period**

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 Company which may interfere or affect the subject matter under the MOU. The liaison referred to above shall include but not limited to negotiation for and signing of memorandum of understanding, letter of intent and agreement (with or without legally-binding effect).

### **Termination**

Unless modified by the Company and the Vendor in writing, this MOU shall be automatically terminated upon the earlier of the dates below:

- (A) the expiry of the Validity Period; or
- (B) the date of entering into the Formal Agreement,

but the above provision shall not relieve any liabilities for breaching the legally-binding terms by any parties prior to the termination of this MOU.

### **Binding effect**

Save for certain provisions, such as the provisions on the due diligence review, exclusivity, confidentiality, termination, notices, governing law and jurisdiction and the other, the MOU is not intended to be legally binding.

## **REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION**

The Group is principally engaged in manufacturing and trading of consumer goods including but not limited to, Bioenergy products, healthcare food products, multi-functional water generators and 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 e-commerce platform related business in the consumer goods and services market of the PRC and considers that the Target Group, being well-positioned in the consumer goods and services market in the PRC, 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 and connected transaction for the Company under 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
“BVI”	British Virgin Islands
“Business Day”	a day (other than a Saturday or Sunday or public holiday) on which licensed banks in Hong Kong are generally open for normal banking business
“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)

“Completion”	the completion of the Formal Agreement and the transactions contemplated thereunder in accordance with its terms
“Directors”	directors of the Company
“Due Diligence Review”	a due diligence review on the business and assets of the Target Company within 90 days (or such other date as may be agreed by the Company and the Vendor) immediately after the signing of the MOU. The scope of due diligence review includes but not limited to the incorporation, subsistence, assets and liabilities, legal affairs, financial position and operating conditions of the Target Company as well as the validity of its real estate titles (including the investigation as to whether they are subject to any court orders or legal interests of any third party)
“Formal Agreement”	a formal sale and purchase agreement to be entered into amongst the Company (or its designated entity/company) and the Vendor in respect of the Proposed Acquisition and incorporating the terms of the MOU
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	an individual or a company who is not connected with any directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates and is independent of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 8 July 2016 entered into between the Company and the Vendor in relation to the Proposed Acquisition
“PRC”	the People’s Republic of China, and for the purpose of this MOU shall not include Hong Kong, Taiwan and the Special Administrative Region of Macau
“Proposed Acquisition”	the proposed acquisition by the Company of the total issued share capital of the Target Company
“Sale Shares”	the total issued share capital of the Target Company
“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 Company”	Metro Winner Enterprises Inc., a limited liability company incorporated in the BVI which is, together with its subsidiaries, engaged in the e-commerce platform related business in the PRC
“Target Group”	the Target Company and its subsidiaries
“Validity Period”	90 days from the date of the MOU (or such other date as may be agreed by the Company and the Vendor in writing)
“Vendor”	Cheer Fortune Holdings Inc., a company incorporated in the BVI with limited liability

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

Hong Kong, 8 July 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.*

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