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VITOP GROUP LIMITED

(天年集團有限公司*)

(Formerly known as 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)

**FURTHER ANNOUNCEMENT ON THE DISCLOSEABLE TRANSACTION
IN RELATION TO
THE ACQUISITION OF THE TARGET COMPANIES**

Reference is made to the announcements (the “**Announcements**”) of Vitop Group Limited dated 3 May 2016 and 31 May 2016. Capitalized terms used herein shall have the same meanings as those defined in the Announcement unless the context otherwise requires.

As disclosed in the Announcements, the Consideration was determined with reference to, among other things, the Valuation Report to be prepared based on the prospects of the Target Company and in which the discounted cash flow method will be applied.

On 20 July 2016, BM Intelligence Group Limited (the “**Valuer**”), the professional independent valuer engaged by Purchaser to conduct a fair value estimate of the Sale Shares of the Target Companies, issued the final Valuation Report. In the Valuation Report, the Valuer has applied the discounted cash flow methodology to determine the fair value estimate of the valuation of the Sale Shares as at 31 March, 2016 as HK\$130,000,000 (the “**Valuation**”).

Accordingly, the Valuation Report prepared by the Valuer constitutes a profit forecast under Rule 14.61 of the Listing Rules. This announcement is therefore subject to the requirements under Rules 14.60A and 14.62 of the Listing Rules in relation to profit forecast.

ASSUMPTIONS OF VALUATION

The following are the principal assumptions, including commercial assumptions, upon which the Valuation Report is based:

1. The Valuation has been carried out on the basis of market value. Market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”;

* For identification purpose only

2. There will be no change in the existing political, legal, fiscal, technological, economic and market conditions in the jurisdiction where the Target Companies are currently or will be situated;
3. There will be no material change in the taxation laws and regulations in the jurisdiction where the Target Companies are currently or will be situated, that the tax rates will remain unchanged and that all applicable laws and regulations will be complied with;
4. The market return, market risk, interest rates and exchange rates will not differ materially from those of present or expected;
5. The supply and demand, both domestically and internationally, of the products and/or services of the Target Companies or similar products and/or services will not differ materially from those of present or expected;
6. The market prices and the relevant costs, both domestically and internationally, of the products and/or services of the Target Companies or similar products and/or services will not differ materially from those of present or expected;
7. The products and/or services of the Target Companies or similar products and/or services are marketable and liquid that there are active markets for the exchange of the products and/or services of the Target Companies or similar products and/or services;
8. The market data, industrial information and statistical figures obtained from publicly available sources are true and accurate;
9. All licenses, permits, certificates and consents issued by any local, provincial or national government or other authorized entity or organization that will affect the operations of the Target Companies have been obtained or can be obtained upon request with an immaterial cost;
10. The core operations of the Target Companies will not differ materially from those of present or expected;
11. The financial and operational information in respect of the Target Companies have been prepared on a reasonable basis that has been arrived at after due and careful consideration by the senior management of the Company;
12. The Target Companies currently have, or will have, adequate human capital and capacity required for the production and/or provision of the products and/or services of the Target Companies, and the required human capital and capacity will be acquired in a timely manner that will not affect the operations of the Target Companies;
13. The Target Companies have acquired, or will acquire, adequate financial capital for the investments in projected capital expenditure and working capital from time to time, and any scheduled interest or repayment of loan and payable will be paid on time;
14. The senior management of the Target Companies will implement only those prospective financial and operational strategies that will maximize the efficiency of the operations of the Target Companies;

15. The senior management of the Target Companies has sufficient knowledge and experience in respect of the operations of the Target Companies, and the turnover of any director, management or key person will not affect the operations of the Target Companies;
16. The senior management of the Target Companies has adopted reasonable and appropriate contingency measures against any human disruption such as fraud, corruption and strike, and the occurrence of any human disruption will not affect the operations of the Target Companies; and
17. The senior management of the Target Companies has adopted reasonable and appropriate contingency measures against any natural disaster such as fire, flood and hurricane, and the occurrence of any natural disaster will not affect the operations of the Target Companies.

CONFIRMATIONS

Elite Partners CPA Limited (“**Elite Partners**”), acting as the Company’s auditors, has reviewed and examined the calculations of the discounted future estimated cash flows, which do not involve the adoption of accounting policies, on which the Valuation was based. The Directors confirm that the Valuation, which constitute a profit forecast under Rule 14.61 of the Listing Rules, has been made after due and careful enquiry. A letter from Elite Partners and a letter from the Board have been submitted to the Stock Exchange, and are included in Appendix I and II to this announcement pursuant to Rule 14.62 of the Listing Rules.

EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given their opinion and advice included in this announcement.

Name	Qualification
Elite Partners	Certified Public Accountants
BM Intelligence Group Limited	Professional valuer

As at the date of this announcement, to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, neither Elite Partners nor BM Intelligence Group Limited has any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person to subscribe for securities in any member of the Group. As such, Elite Partners and BM Intelligence Group Limited are third parties independent of the Group and not a connected person of the Group.

Each of Elite Partners, and BM Intelligence Group Limited has given and has not withdrawn its consent to the publication of this announcement with inclusion of its report and all reference to its name in the form and context in which it appears.

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

Hong Kong, 20 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

APPENDIX I — LETTER FROM THE COMPANY’S REPORTING ACCOUNTANTS

The following is the text of a report received from Elite Partners CPA Limited for the purpose of inclusion in this announcement.

20 July, 2016



開元信德會計師事務所有限公司
ELITE PARTNERS CPA LIMITED

The Board of Directors
Vitop Group Limited
Unites 1237–1240, 12/F.,
Sun Hung Kai Centre,
30 Harbour Road,
Wan Chai, Hong Kong

Dear Sirs,

PROFIT FORECAST FOR THE FIVE YEARS ENDING 31 MARCH 2021

We refer to the profit forecast of YSK 1860 Investment Company Limited and ECrent (Hong Kong) Limited (“**Target Companies**”) for the period from 1 April 2016 to 31 March 2021 on which the discounted cash flow prepared (hereinafter referred to as the “**Underlying Forecast**”) by BM Intelligence Group Limited was based in respect of the fair value of the Sale Shares of the Target Companies by the Company (“**Acquisition**”) as set out in the valuation reports dated at 31 March 2016.

Respective responsibilities of the directors of the Company and the reporting accountants

It is the responsibility solely of the directors of the Company to prepare the Underlying Forecast. The Underlying Forecast has been prepared using a set of assumptions (the “**Assumptions**”), the completeness, reasonableness and validity of which are the sole responsibility of the directors of the Company.

It is our responsibility to draw a conclusion, based on our work on the arithmetical accuracy of the calculations of the Underlying Forecast and to present our conclusion solely to you, as a body, for the purpose of reporting under paragraph 14.62(2) of the Listing Rules and for no other purpose. We are not reporting on the appropriateness and validity of the bases and Assumptions on which the Underlying Forecast are based and our work does not constitute any valuation of the Target Companies. The Underlying Forecast does not involve the adoption of accounting policies. The Assumptions used in the preparation of the Underlying Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Underlying Forecast and the variation may be material. We have not reviewed, considered or conducted any work on the completeness, reasonableness and the validity of the Assumptions and thus express no opinion whatsoever thereon. Our work is more limited than that for a reasonable assurance

engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. We also accept no responsibility to any other person in respect of, arising out of, or in connection with our work.

Basis of opinion

We carried out our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 “Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness” and with reference to Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company’s directors have properly compiled the Underlying Forecast in accordance with the assumptions made by the directors and as to whether the Profit Forecast is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Company. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the calculations are concerned, the Underlying Forecast has been properly compiled in accordance with the bases and assumptions adopted by the Company’s directors.

Yours faithfully,

Elite Partners CPA Limited

Certified Public Accountants

Hong Kong

Yip Kai Yin

Practising Certificate Number: P05131

APPENDIX II — LETTER FROM THE BOARD

20 July 2016

Listing Division
The Stock Exchange of Hong Kong Limited
11th Floor, One International Finance Centre
1 Harbour View Street
Hong Kong

Dear Sirs,

Re: Discloseable Transaction — Acquisition of ECrent (Hong Kong) Limited and YSK 1860 Investment Company Limited (the “Target Companies”) by Vitop Group Limited (the “Company”)

We refer to the announcement of the Company dated 20 July 2016 of which this letter forms part (the “**Announcement**”). Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings when used herein.

We refer to the Valuation Report dated 20 July 2016 issued by the Valuer regarding the valuation (the “**Valuation**”) of the Sale Shares. Pursuant to Rule 14.61 of the Listing Rules, the Valuation constitute a profit forecast.

We have discussed with the Valuer about different aspects including the bases and assumptions based upon which the Valuation has been prepared, and reviewed the Valuation for which the Valuer is responsible. We have also considered the Valuation Report dated 20 July 2016 from the Reporting Accounts of the Company regarding whether the profit forecast, so far as the accounting policies and calculations are concerned, has properly complied with the bases and assumptions as set out in the Valuation Report. We have noted that the Profit Forecast in the Valuation are mathematically accurate and is presented on a basis consistent in all material aspects with the accounting policies currently adopted by the Company.

We hereby confirm that, the profit forecast, pursuant to the Valuation Report, has been made after due and careful enquiry of the Board.

Yours faithfully,
For and on behalf of the Board
Vitop Group Limited
Xu Zhifeng
Executive Director