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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)**

**CONNECTED TRANSACTION  
IN RELATION TO  
SUBSCRIPTION OF NEW SHARES OF THE TARGET COMPANY**

**THE SUBSCRIPTION AGREEMENT**

Reference is made to the announcement of the Company dated 8 July 2016 in relation to the MOU for the proposed acquisition of the total issued share capital of the Target Company by the Company.

The Board is pleased to announce that, on 8 November 2016 (after trading hours of the Stock Exchange), the Company, the Original Shareholder and the Target Company entered into the Subscription Agreement, pursuant to which (i) the Original Shareholder shall, by way of contributing the HK\$ equivalent of RMB4.9 million to the Target Company, subscribe for 4,899 new shares of the Target Company, representing 48.99% of the enlarged issued share capital of the Target Company upon Completion; and (ii) the Company shall, by way of contributing the HK\$ equivalent of RMB5.1 million to the Target Company, subscribe for 5,100 new shares of the Target Company, representing 51% of the enlarged issued share capital of the Target Company upon Completion.

The Target Group is principally engaged in the e-commerce platform related business in the PRC under the brand of 消費寶 (Xiao Fei Bao\*). Immediately after Completion, the Company will become interested in 51% of the issued share capital of the Target Company, which will be accounted for as a subsidiary of the Company and whose financial results will be consolidated into the accounts of the Company.

\* For identification purpose only

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the entire issued share capital of the Target Company is owned by the Original Shareholder, which is in turn held as to 15% by Mr. Liu Min. Mr. Liu Min is currently an executive Director and is therefore regarded as a controller of the Company under Rule 14A.28(1) of the Listing Rules. As such, the Subscription by the Company as contemplated under the Subscription Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Subscription by the Company contemplated under the Subscription Agreement exceed 0.1% but are less than 5%, such Subscription is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A.76(2) of the Listing Rules.

## **GENERAL**

**Shareholders and potential investors of the Company should note that Completion is subject to the fulfillment (or, as the case may be, waiver) of the conditions precedent under the Subscription Agreement. The Subscription may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.**

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 8 July 2016 in relation to, among other things, the entering into of the MOU in respect of the proposed acquisition of the total issued share capital of the Target Company by the Company.

Since the entering into of the MOU, the Company and the Original Shareholder have been in close negotiation to explore any means of cooperations. The Board is pleased to announce that, on 8 November 2016 (after trading hours of the Stock Exchange), the Company, the Original Shareholder and the Target Company entered into the Subscription Agreement, pursuant to which (i) the Original Shareholder shall, by way of contributing the HK\$ equivalent of RMB4.9 million to the Target Company, subscribe for 4,899 new shares of the Target Company, representing 48.99% of the enlarged issued share capital of the Target Company upon Completion; and (ii) the Company shall, by way of contributing the HK\$ equivalent of RMB5.1 million to the Target Company, subscribe for 5,100 new shares of the Target Company, representing 51% of the enlarged issued share capital of the Target Company upon Completion.

Principal terms of the Subscription Agreement are set forth below:

## **THE SUBSCRIPTION AGREEMENT**

The principal terms of the Subscription Agreement are as follows:

- Date: 8 November 2016
- Parties: (i) the Company;  
(ii) the Original Shareholder; and  
(iii) the Target Company

Save the fact that as at the date of this announcement, (i) Mr. Liu Min, an executive Director, holding 15% interest in the Original Shareholder; and (ii) the entire issued share capital of the Target Company is owned by the Original Shareholder, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Original Shareholder, the Target Company and their ultimate beneficial owners are Independent Third Parties.

The Original Shareholder is an investment holding company.

### **Subscription for new shares of the Target Company**

Pursuant to the terms of the Subscription Agreement, the Target Company shall issue and allot, and the Original Shareholder and the Company shall subscribe for, the new shares of the Target Company in the following manner:

- (a) the Original Shareholder shall, by way of contributing the HK\$ equivalent of RMB4.9 million to the Target Company, subscribe for 4,899 new shares of the Target Company, representing 48.99% of the enlarged issued share capital of the Target Company upon Completion; and
- (b) the Company shall, by way of contributing the HK\$ equivalent of RMB5.1 million to the Target Company, subscribe for 5,100 new shares of the Target Company, representing 51% of the enlarged issued share capital of the Target Company upon Completion.

The new shares of the Target Company are fully-paid and free from any lien, charge, pledge, third party right, encumbrance and claim. The new shares of the Target Company shall rank *pari passu* with other shares in issue in all respects, especially the rights as to the distribution of dividend. The new shares of the Target Company shall confer the same rights as other shares in issue as to the entitlement to dividends on or after the Completion Date.

Pursuant to the Subscription Agreement, the exchange rate between HK\$ and RMB will be based on the median exchange rate between HK\$ and RMB announced by the People's Bank of China as at the Completion Date.

The consideration of the HK\$ equivalent of RMB5.1 million payable by the Company and the HK\$ equivalent of RMB4.9 million payable by the Original Shareholder under the Subscription have been agreed after arm's length negotiation between the Company and the

Original Shareholder. Such amount will be fully applied for the business operation of, and fulfilment of registered capital requirement for, the Xiaofeibao Group, being the principal operating subsidiaries of the Target Group.

### **Conditions precedent**

Completion of the Subscription Agreement and the transactions contemplated thereunder will be subject to the following conditions precedent:

- (a) the Company having received the PRC legal opinion from the PRC legal advisors acceptable to the Company (in form and substance satisfactory to the Company) including, among others, (i) the basic information and business operation of the Xiaofeibao Group; and (ii) such other matters as may be from time to time required by the Company (as subsequently amended and/or supplemented from time to time);
- (b) the Company having received the audited consolidated accounts of the Target Group issued by the auditors of the Company, in form and substance satisfactory to the Company, for the period commencing from the date of its incorporation to 30 June 2016 (or such longer period as required by the Company);
- (c) there being no notification from the Company to the Target Company prior to the Completion that the Company is not satisfied with the results of the Due Diligence Review;
- (d) there being no notification from the Company to the Target Company prior to the Completion that the Company is aware of the existence or occurrence of any event and circumstance which constitute a breach by the Target Company and/or the Original Shareholder of the warranties given by the Target Company;
- (e) the relevant third parties (including any governmental, official or regulatory authorities) having granted all necessary consents and approvals and no orders, legislations, regulations or decisions which prohibit and restrict the issuance of new shares by the Target Company being proposed, promulgated or adopted by any governmental, official or regulatory authorities; and
- (f) the Target Company having provided (or the Original Shareholder having procured the Target Company to provide) a certificate of incumbency and a certificate of good standing to the Company issued within 5 Business Days prior to the Completion Date.

The Company may at any time serve a written notice on the Target Company and/or the Original Shareholder to waive all or any of the above condition(s) precedent.

On or before the Completion Date, the Target Company and the Original Shareholder shall use their best endeavours to procure and ensure the fulfilment of the above conditions precedent.

If the above conditions precedent are not fulfilled (or waived by the Company as described above) by 30 November 2016 (or such other date as agreed by the Original Shareholder, the Company and the Target Company) (the “**Long Stop Date**”), the Subscription Agreement and the transactions contemplated thereunder shall forthwith terminate and be of no further

effect (save as certain clauses in relation to, including but not limited to, representations, warranties and undertaking given by the Target Company and the Original Shareholder, guarantee given by the Original Shareholder, fees, notice, governing laws and jurisdiction), without prejudice to the obligations of any party against the other party(ies) in relation to breach of any terms of the Subscription Agreement.

### **Board Composition**

Upon Completion, the board of the Target Company will comprise seven directors, with four of such directors (excluding Mr. Liu Min) to be nominated by the Company and three to be nominated by the Original Shareholder.

Each director of the Target Company will serve a term of three years. Each of the Company and the Original Shareholder shall be entitled to terminate the appointment of one or more of its nominated director(s), to be replaced by other director(s) for the remaining term. In case of any vacancy of directorship as a result of retirement, removal, resignation, illness, incapacity or death of a director, the party initially nominating such director may appoint a successor for the rest of the term of such director.

### **Completion**

The respective Subscription contemplated under the Subscription Agreement by the Original Shareholder and the Company shall take place simultaneously on the Completion Date.

Immediately after the Completion, the Company will become interested in 51% of the issued share capital of the Target Company, which will be accounted for as a subsidiary of the Company and whose financial results will be consolidated into the accounts of the Company.

If any event of default under the Subscription Agreement occurs after the Completion, the Company shall be entitled to terminate the Subscription Agreement by notifying the Original Shareholder in writing and require the Original Shareholder to buy back all the shares of the Target Company held by the Company at the price of the HK\$ equivalent of RMB5.1 million, after deducting all the dividends or bonus in relation to such shares as received by the Company.

### **INFORMATION ON THE TARGET GROUP**

The Target Company, an investment holding company incorporated in the British Virgin Islands with limited liability, currently wholly owns China Consumer Service Group Limited, which is an investment holding company incorporated in Hong Kong with limited liability, and currently wholly owns Xiaofeibao, where the Xiaofeibao Group is principally engaged in the e-commerce platform related business in the PRC.

The Xiaofeibao Group through its e-commerce platform known as “消費寶 (Xiao Fei Bao\*)”, operates in the “Factory to Consumer” (F2C) business model, which promotes disintermediation of the traditional model of middleman distribution channel and targets to provide customers with more convenient, affordable and high quality consumer goods and services. As at the date of this announcement, Xiaofeibao Group has established its sales network among Beijing, Guangxi, Hunan, Shandong and Inner Mongolia in the PRC.

## FINANCIAL INFORMATION OF THE TARGET GROUP

The following table summarizes the consolidated financial results of the Target Group for the period from the date of the incorporation of the Target Company (i.e. 11 January 2016) up to 30 June 2016 prepared in accordance with the Hong Kong Financial Report standard and reviewed by an independent auditor:

|                         | <b>For the period from<br/>11 January 2016 to<br/>30 June 2016</b><br><i>Unaudited</i><br><i>HK\$'000</i> |
|-------------------------|---|
| Revenue                 | —   |
| Loss before taxation    | (3,770)   |
| Net loss for the period | (3,770)   |

As at 30 June 2016, the unaudited net liabilities of the Target Group amounted to HK\$3,736,836.

Since the Xiaofeibao Group is in its early stage of developing the F2C business model, the registered capital of the Xiaofeibao Group members has not yet been fully paid as at the date of this announcement. Pursuant to the Subscription Agreement, the Original Shareholder has undertaken to the Company that it will procure the relevant Xiaofeibao Group members to complete all procedures in relation to the reduction of their respective registered capital within one year from the date of signing of the Subscription Agreement, where the aggregate amount of the registered capital payable for the Xiaofeibao Group as a whole will not exceed RMB9 million.

Pursuant to the Subscription Agreement, the Original Shareholder and the Company have agreed that save payment of the consideration for the Subscription by the Company in the amount of the HK\$ equivalent of RMB5.1 million, the Company has no obligation or responsibility to increase the capital of any Xiaofeibao Group member. If any Xiaofeibao Group member is unable to complete the above-mentioned reduction of registered capital, the Original Shareholder has undertaken to the Company that the Original Shareholder will fully assume all obligations and liabilities for the registered capital payable for the relevant Xiaofeibao Group member(s), and will fully indemnify the Company from any loss, damage, expense, cost or other liability arising from the failure of the Original Shareholder to properly complete such reduction of registered capital. For the avoidance of doubt, the proportion of the equity interest to be held by the Company in the relevant Xiaofeibao Group members pursuant to the Subscription Agreement will not be affected by completion of the payment of such registered capital.

## REASONS FOR AND BENEFITS OF THE SUBSCRIPTION BY THE COMPANY

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 annual results announcement of the Company for the financial year ended 30 June 2016, the Group continues from time to time to seek new investment opportunities in different industries that could enhance corporate development and broaden the income base of the Group. On the ground that the Group is approaching the new economic models such as internet commerce, the Board has proposed to change the Company name to “Share Economy Group Limited” to reflect the current status of the Group’s business development and its direction of future evolution. Having taken into consideration:

- (i) the Subscription in relation to the Target Group, being well-positioned in the consumer goods and services market in the PRC through its F2C business model, represents an investment opportunity to enhance corporate development and broaden the income base of the Group;
- (ii) the synergy between the seasoned management team, well-established online and offline operation team and existing F2C sales channel of the Xiaofeibao Group, and the development of the Group’s existing businesses of manufacturing and trading of consumer goods; and
- (iii) upon Completion, the shareholders of the Original Shareholder, being the founders of the Xiaofeibao Group, will indirectly retain 49% shareholding of the Target Company through the Original Shareholder, which will benefit further development and growth of the Target Group and align the interests between the Shareholders of the Company and the shareholders of the Original Shareholder;

the Directors (including the independent non-executive Directors) consider the Subscription contemplated under the Subscription Agreement presents a valuable investment opportunity for the Group to further tap into the field of internet commerce which also facilitates the development of the Group’s existing business of manufacturing and trading of consumer goods.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable and that the Subscription by the Company contemplated under the Subscription Agreement is in the interest of the Company and Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the entire issued share capital of the Target Company is owned by the Original Shareholder, which is in turn held as to 15% by Mr. Liu Min. Mr. Liu Min is currently an executive Director and is therefore regarded as a controller of the Company under 14A.28(1) of the Listing Rules. As such, the Subscription by the Company as contemplated under the Subscription Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Subscription by the Company contemplated under the Subscription Agreement exceed 0.1% but are less than 5%, such Subscription is subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and shareholders’ approval requirements under Chapter 14A.76(2) of the Listing Rules.

Mr. Liu Min, an executive Director, being indirectly interested in the Target Company through his 15% interest in the Original Shareholder as at the date of this announcement as described above, is considered to have a material interest in the transactions contemplated under the Subscription Agreement. Accordingly, he is required to abstain, and has abstained, from voting on the relevant Board resolutions approving the same. Save for the above, none of the other Directors has any material interest in the transactions contemplated under the Subscription Agreement and is therefore required to abstain from voting on the relevant Board resolutions in respect of the same.

## GENERAL

**Shareholders and potential investors of the Company should note that Completion is subject to the fulfillment (or, as the case may be, waiver) of the conditions precedent under the Subscription Agreement. The Subscription may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.**

## DEFINITIONS

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

|                   |   |
|-------------------|---|
| “associate(s)”    | has the meaning ascribed thereto under the Listing Rules  |
| “Board”           | board of the Directors  |
| “Business Day”    | a day (other than a Saturday, Sunday, public holiday or any day on which a tropical cyclone warning no. 8 or a “black” rainstorm warning signal is hoisted before 10:00 a.m.) on which licensed banks in Hong Kong are generally open for normal banking business |
| “BVI”             | British Virgin Islands  |
| “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”      | completion of the Subscription Agreement and the transactions contemplated thereunder in accordance with its terms and conditions   |
| “Completion Date” | within 30 days after fulfillment of the conditions precedent pursuant to the Subscription Agreement   |
| “Directors”       | directors of the Company  |



|                                |  |
|--------------------------------|--|
| “Due Diligence Review”         | due diligence and investigation to be carried out by the Company on the Target Group as to, including but not limited to, their assets, liabilities, contracts, undertakings, businesses, sales, purchases, expenses, accounts, as well as financial, legal and taxation aspects |
| “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   |
| “Independent Third Party(ies)” | third party(ies) independent of, not connected with, the Company and any of its connected persons (as defined under the Listing Rules) or any of their respective associates   |
| “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 Original Shareholder in relation to the proposed acquisition by the Company of the total issued share capital of the Target Company   |
| “Original Shareholder”         | Cheer Fortune Holdings Inc., a limited liability company incorporated in the BVI, which owns the entire issued share capital of the Target Company as at the date of this announcement   |
| “PRC”                          | the People’s Republic of China, which shall, for the purpose of this announcement only, exclude Hong Kong, Taiwan and the Special Administrative Region of Macau   |
| “RMB”                          | Renminbi, the lawful currency of the PRC   |
| “Share(s)”                     | ordinary share(s) of HK\$0.025 each in the share capital of the Company  |
| “Shareholder(s)”               | holder(s) of the Share(s)  |
| “Stock Exchange”               | The Stock Exchange of Hong Kong Limited  |
| “Subscription”                 | subscription by the Original Shareholder and the Company of 4,899 and 5,100 new shares, respectively, to be issued and allotted by the Target Company, subject to and upon the terms and conditions of the Subscription Agreement  |

|                          |   |
|--------------------------|---|
| “Subscription Agreement” | the conditional subscription agreement dated 8 November 2016 entered into among the Company, the Target Company and the Original Shareholder in relation to the Subscription        |
| “Target Company”         | Metro Winner Enterprises Inc., a company incorporated in the BVI with limited liability, which is principally engaged in investment holding   |
| “Target Group”           | the Target Company and its subsidiaries, including the Xiaofeibao Group   |
| “Xiaofeibao”             | 康思姆（重慶）科技有限公司（KSM (Chong Qing) Technology Company limited*), a limited liability company established in the PRC, which is an indirect wholly-owned subsidiary of the Target Company |
| “Xiaofeibao Group”       | Xiaofeibao and its subsidiaries in the PRC, being principally engaged in the e-commerce platform related business in the PRC  |

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

Hong Kong, 8 November 2016

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

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