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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in **Vitop Bioenergy Holdings Limited** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

- (I) PROPOSED PLACING OF NEW SHARES
UNDER SPECIFIC MANDATE;
(II) PROPOSED SUBSCRIPTION OF NEW SHARES UNDER
SPECIFIC MANDATE; AND
(III) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Financial Adviser to the Company



Placing Agent

 KINGSTON SECURITIES

A notice convening an extraordinary general meeting (the “EGM”) of the Company to be held on Tuesday, 15 December 2015 at 11:00 a.m. at Suites 1237–1240, 12/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong is set out on pages EGM-1 to EGM-3 of this circular.

Whether or not you are able to attend the EGM, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar and transfer office in Hong Kong, Union Registrars Limited, A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish.

* For identification purpose only

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Announcement”	the announcement dated 4 November 2015 of the Company relating to (i) formation of a joint venture company, (ii) memorandum of understanding in respect of the Proposed Acquisition, (iii) proposed Placing of new Shares under Specific Mandate and (iv) proposed Subscription of new Shares under Specific Mandate
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which banks in Hong Kong are open for business (other than a Saturday, Sunday or public holiday and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
“City Winner”	City Winner Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“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
“Due Diligence Review”	due diligence review and investigation on each member of the Target Group including without limitation to their assets, liabilities, contracts, commitments and business and financial and legal aspects

DEFINITIONS

“EBITDA”	the net profit before deducting any net interest expense, tax, and amount attributable to amortisation of intangible assets or depreciation of tangible assets, excluding (i) fair value gain or loss arising from valuation of property or non-competition clause or any financial assets and liabilities; (ii) staff expenses in relation to granting of share-options; and (iii) non-recurring gain or loss
“EGM”	an extraordinary general meeting of the Company to be convened for the purposes of considering, and if thought fit, approving the Placing Agreement, the Subscription Agreement and their respective transactions contemplated thereunder
“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
“Icing International”	Icing International Limited, a company incorporated in New Zealand with limited liability
“Independent Third Party(ies)”	third party(ies) that is or 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
“IOT”	internet of things which is a network technology with objects, animals or people provided with unique identifiers and the ability to transfer data over a network without requiring human-to-human or human-to-computer interaction
“JV Company”	Richora Group Limited, a company incorporated in New Zealand with limited liability which is owned as to 51% and 49% by Vitop Manuka and Icing International, respectively, details of which are set out in the Announcement
“Last Trading Day”	4 November 2015, being the last day on which the Shares were traded on the Stock Exchange prior to the issue of the Announcement
“Latest Practicable Date”	25 November 2015, being the latest practicable date for ascertaining certain information contained in this circular
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 4 November 2015 entered into between the Purchaser and the Vendor in relation to the Proposed Acquisition, details of which are set out in the Announcement.
“NZD”	New Zealand dollars, the lawful currency of New Zealand
“Placee(s)”	any independent individual, corporate or institutional investors procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares to the Placee(s) pursuant to the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a corporation licensed to carry out business in Type 1 (dealing in securities) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement dated 4 November 2015 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Placing Completion Date”	a date falling within five (5) Business Days following the satisfaction of the conditions precedent to the Placing (exclusive of the date of satisfaction of all those conditions) or such other date as the Company and the Placing Agent may agree
“Placing Long Stop Date”	one (1) month from the date of EGM (or such later date as may be agreed between the Placing Agent and the Company)
“Placing Price”	HK\$0.10 per Placing Share
“Placing Share(s)”	a maximum of 1,600,000,000 new Shares to be placed by the Placing Agent pursuant to the terms and condition of the Placing Agreement
“PRC” or “China”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau and Taiwan

DEFINITIONS

“Proposed Acquisition”	the proposed acquisition by the Purchaser of not less than 51% of the issued shares of the Target Company, details of which are set out in the Announcement
“Purchaser”	Smart Key Holdings Limited, a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“RFID”	radio-frequency identification which is the wireless use of electromagnetic fields to transfer data for the purposes of automatically identifying and tracking tags attached to objects
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the EGM for the allotment and issue of 1,600,000,000 Placing Shares and 1,100,000,000 Subscription Shares (as the case may be)
“Subscriber”	HuaAn Fund Management Co., Ltd., a company incorporated in Shanghai, the PRC with limited liability
“Subscription”	subscription of the Subscription Shares by the Subscriber at the Subscription Price pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 4 November 2015 entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement

DEFINITIONS

“Subscription Completion Date”	a day falling within five (5) Business Days following the date on which the conditions precedent to the Subscription Completion are fulfilled or such other date as the Company and the Subscriber may agree
“Subscription Long Stop Date”	29 January 2016 or such later date as may be agreed between the Company and the Subscriber
“Subscription Price”	HK\$0.10 per Subscription Share
“Subscription Share(s)”	1,100,000,000 Shares to be subscribed by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“Target Company”	a European company engaging in IOT-related business
“Target Group”	the Target Company together with its subsidiaries
“US\$”	United States dollar, the lawful currency of the United States of America
“Vendor”	DongFin (Hong Kong) Investment Co., Limited, a company incorporated in Hong Kong with limited liability
“Vitop Manuka”	Vitop Manuka Resources Limited, a company incorporated in Hong Kong with limited liability and a direct wholly owned subsidiary of the Company
“%”	per cent.

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This circular has been printed in English and Chinese. In the event of any inconsistency, the English text of this circular shall prevail over its Chinese text.



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)

Executive Directors:

Mr. Xu Zhifeng
Mr. Chan Shun Yee
Mr. Liu Min

Independent Non-executive Directors:

Mr. Su Rujia (*Chairman*)
Mr. Wong Tat Yan Paul
Ms. Zhu Yanzhou

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Head Office and Principal Place of
business in Hong Kong:*

Suites 1237–1240, 12/F
Sun Hung Kai Centre
30 Harbour Road, Wanchai
Hong Kong

26 November 2015

To the Shareholders,

Dear Sir or Madam,

**(I) PROPOSED PLACING OF NEW SHARES
UNDER SPECIFIC MANDATE;
(II) PROPOSED SUBSCRIPTION OF NEW SHARES UNDER
SPECIFIC MANDATE; AND
(III) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement. The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the EGM for (i) placing of new Shares under Specific Mandate pursuant to the Placing Agreement; and (ii) subscription of new Shares under Specific Mandate pursuant to the Subscription Agreement, and to give you the notice of the EGM.

* *For identification purpose only*

LETTER FROM THE BOARD

(I) THE PLACING

The Placing Agreement

Date: 4 November 2015 (after trading hours)

Parties: (i) Issuer: The Company
(ii) Placing Agent: Kingston Securities Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its respective ultimate beneficial owners are Independent Third Parties.

Principle terms of the Placing Agreement

Placing Shares: The Placing Agent has conditionally agreed to procure, on a best effort basis, a total of not less than six Placées to subscribe for a total of 1,600,000,000 Placing Shares.

The 1,600,000,000 Placing Shares represents (i) approximately 56.41% of the existing issued share capital of the Company of 2,836,291,922 Shares as at the Latest Practicable Date; (ii) approximately 36.07% of the issued share capital of the Company of 4,436,291,922 Shares as enlarged by the allotment and issue of the Placing Shares; and (iii) approximately 28.90% of the issued share capital of the Company of 5,536,291,922 Shares as enlarged by the allotment and issue of both the Placing Shares and the Subscription Shares (assuming there will be no other changes in the issued share capital of the Company and the Placing Agent has placed a total of 1,600,000,000 Placing Shares). The aggregate nominal value of the Placing Shares under the Placing will be HK\$40,000,000.

Placing Price: The price of HK\$0.10 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the Shares on the Stock Exchange. The Placing Price represents:

- (a) a discount of approximately 43.82% to the closing price of HK\$0.1780 per Share as quoted on the Stock Exchange on the date of the Placing Agreement, being the Last Trading Day;

LETTER FROM THE BOARD

- (b) a discount of approximately 44.32% to the average closing price of approximately HK\$0.1796 per Share as quoted on the Stock Exchange for the five trading days of the Shares immediately prior to the Last Trading Day;
- (c) a discount of approximately 41.18% to the closing price of HK\$0.1700 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (d) a premium of approximately 71.23% over the audited consolidated net asset value per Share of approximately HK\$0.0584 (based on the latest published audited net asset value of the Group of HK\$165,642,000 as at 30 June 2015 and 2,836,291,922 Shares in issue as at the Latest Practicable Date).

Placing Commission: The Placing Agent will receive a placing commission of 2.5% of the aggregate amount equals to the Placing Price multiplied by the actual number of the Placing Shares being placed.

Placees: The Placing Agent shall, on a best effort basis, place, or procure the placing of, the Placing Shares with not less than six independent institutional, corporate or individual investors who and whose ultimate beneficial owner(s) are independent of and not connected with, and are not acting in concert (as defined under the Code) with the Company and its connected persons.

In this connection, the Placing Agent has undertaken to the Company that:

- (a) it shall not place, or procure placing of, the Placing Shares or any part thereof to the Subscriber and its shareholders and persons acting in concert with any of them (as defined under the Code) under the Placing; and
- (b) it shall use all reasonable endeavours to ensure that each of the Placees procured by the Placing Agent shall: (i) be third party independent of, and not acting in concert (as defined under the Code) with and not connected with the Company and its connected persons (as defined under the Listing Rules); and (ii) not, together with any parties acting in concert (as defined under the Code) with the Placee, hold 30% or more of the voting rights of the Company upon Placing Completion, which will otherwise result it/them to trigger any general offer obligations under the Code.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Placing Agent is yet to procure any Placees. Hence, the Company is unable to ascertain whether any Placees will become a substantial shareholder (as defined in the Listing Rules) upon Placing Completion. In any event, if any Placee has become a substantial shareholder (as defined in the Listing Rules) of the Company upon completion of the Placing, appropriate announcement will be made by the Company. In any event, the Company will act in compliance of the Listing Rules and the Code.

Ranking of the Placing Shares:

The Placing Shares, when issued and fully paid up, shall rank pari passu in all respects inter se and with all other Shares then in issue.

Condition precedent to the Placing:

Placing Completion is conditional upon:

- (a) the Listing Committee granting or agreeing to grant (subject to allotment and/or despatch of certificates for the Placing Shares) the listing of, and permission to deal in, all of the Placing Shares;
- (b) the passing by the Shareholders of the resolution(s) at the EGM to approve the Placing Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Placing Shares pursuant to the Specific Mandate); and
- (c) any other approval as may be required by applicable laws or regulations for the Placing.

If the above conditions are not fulfilled by the Placing Long Stop Date, the Placing will lapse and the obligations and liabilities of the Placing Agent and the Company under the Placing Agreement shall be null and void and the Placing Agent and the Company shall be released from all rights and obligations pursuant to the Placing save for any antecedent breaches thereof.

Placing Completion:

Subject to the fulfilment of the above conditions precedents, Placing Completion shall take place on the Placing Completion Date.

LETTER FROM THE BOARD

Rescission:

If any of the following events occurs at any time prior to 10:00 a.m. on the Placing Completion Date, the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to 10:30 a.m. on the Placing Completion Date rescind the Placing Agreement without liability to the other party thereto or any thereof and, subject to the provisions of confidentiality, representations and warranties and application law and jurisdiction and miscellaneous which shall continue, the Placing Agreement shall thereupon cease to have effect and none of the parties thereto shall have any rights or claims by reason thereof, save for any antecedent breaches:

- (a) in the absolute opinion of the Placing Agent there shall have been the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

LETTER FROM THE BOARD

- (c) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to 10:00 a.m. on the Placing Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (d) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of the announcement relating to the Placing Agreement or any announcements or circulars relating to the Placing; or
- (e) the Placing Agent shall become aware of the fact that any of the representations or warranties as set out in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated upon Placing Completion, and the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing; or
- (f) there is any adverse change in the financial position of the Company which in the opinion of the Placing Agent is material in the context of the Placing.

LETTER FROM THE BOARD

(II) THE SUBSCRIPTION

The Subscription Agreement

Date: 4 November 2015 (after trading hours)

Parties

- (i) Issuer: The Company
- (ii) Subscriber: HuaAn Fund Management Co., Ltd. a company incorporated in Shanghai, the PRC with limited liability

The fund management company was established in 1998. Since its inception, HuaAn Fund Management Co., Ltd. has grown to become one of the largest dedicated fund management firms in the PRC. HuaAn Fund Management Co., Ltd. manages assets of over RMB100 billion (as at 31 December 2014). Since 2001, HuaAn Fund Management Co., Ltd. has developed seven main categories of fund products which comprises of open-ended fund, opened-ended index fund, money market fund, QDII fund, exchange traded fund (“ETF”), short term financial fund and gold ETF.

As at the Latest Practicable Date, the Subscriber does not hold any Shares.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquires, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties of Icing International, the Vendor and their ultimate beneficial owners.

LETTER FROM THE BOARD

Principle terms of the Subscription Agreement

Subscription Shares: The Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 1,100,000,000 new Shares at the Subscription Price. The Subscription Price is equivalent to the Placing Price.

The 1,100,000,000 Subscription Shares represents (i) approximately 38.78% of the existing issued share capital of the Company of 2,836,291,922 Shares as at the Latest Practicable Date; (ii) approximately 27.95% of the issued share capital of the Company of 3,936,291,922 Shares as enlarged by the allotment and issue of the Subscription Shares and (iii) approximately 19.87% of the issued share capital of the Company of 5,536,291,922 Shares as enlarged by the allotment and issue of both the Placing Shares and the Subscription Shares (assuming there will be no other changes in the issued share capital of the Company and the Placing Agent has placed a total of 1,600,000,000 Placing Shares). The aggregate nominal value of the Subscription Shares is HK\$27,500,000.

Subscription Price: The price of HK\$0.10 per Subscription Share was determined after arm's length negotiations between the Company and the Subscriber with reference to the prevailing market price of the Shares on the Stock Exchange. The Subscription Price represents:

- (a) a discount of approximately 43.82% to the closing price of HK\$0.1780 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement, being the Last Trading Day;
- (b) a discount of approximately 44.32% to the average closing price of approximately HK\$0.1796 per Share as quoted on the Stock Exchange for the five trading days of the Shares immediately prior to the Last Trading Day;
- (c) a discount of approximately 41.18% to the closing price of HK\$0.1700 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (d) a premium of approximately 71.23% over the audited consolidated net asset value per Share of approximately HK\$0.0584 (based on the latest published audited net asset value of the Group of HK\$165,642,000 as at 30 June 2015 and 2,836,291,922 Shares in issue as at the Latest Practicable Date).

LETTER FROM THE BOARD

Condition precedent to the Subscription:

It shall be conditions precedent to Subscription Completion that prior thereto:

- (a) the Shareholders shall have approved the Subscription Agreement and all the transactions contemplated thereunder in a general meeting of the Company in accordance with the Listing Rules;
- (b) the Subscriber shall have obtained the approval from relevant regulatory authorities with respect to the entering into of the Subscription Agreement and the transactions contemplated therein;
- (c) the Listing Committee shall have granted the listing of, and permission to deal in, the Subscription Shares; and
- (d) any other approval as may be required by applicable laws, rules or regulations for the Subscription shall have been obtained.

If the above conditions precedent are not fulfilled on or before the Subscription Long Stop Date, the Subscription Agreement will lapse and become null and void and the parties will be released from all obligations and liabilities thereunder, save for the liabilities for any antecedent breaches thereof.

Ranking of the Subscription Shares:

The Subscription Shares will rank *pari passu* among themselves and with all of the Shares in issue as at the Subscription Completion Date.

Subscription Completion:

Subject to the fulfilment of the above conditions precedent, Subscription Completion shall take place on the Subscription Completion Date, at such place and at such time as the Company and the Subscriber may agree, and each party shall perform its respective obligations in accordance with terms and conditions of the Subscription Agreement.

LETTER FROM THE BOARD

FUND RAISING EXERCISES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has conducted the following fund raising activity in the past twelve months from the Latest Practicable Date:

Date of announcement	Description	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of net proceeds as at the Latest Practicable Date (approximately)
28 May 2015 and 10 July 2015	Subscription of new Shares	HK\$49.37 million	For general working capital purpose as and when any suitable opportunity arises, for potential acquisitions in the future	<p>(i) approximately HK\$11.77 million was used as general working capital for selling and distribution costs, administrative expenses and other operating expenses of the Group; and</p> <p>(ii) the remaining balance of approximately HK\$37.60 million was maintained at the Group's bank accounts and is intended to be used as general working capital for the Group for purchase, selling and distribution costs, administrative expenses and other operating expenses for the forthcoming 12 months as and when any suitable opportunity arises, for potential acquisitions in the future. As at the Latest Practicable Date, the Company has no intention to change the intended use of the net proceeds.</p>
17 November 2014	Open offer	HK\$79.64 million	For the general working capital of the Group and for future investments pursuant to the investment objectives of the Company	<p>(i) as to HK\$47.88 million for the acquisition of properties in Nansha District, Guangzhou City, Guangdong Province, the PRC for rental purposes which has been announced on 11 February 2015; and</p> <p>(ii) as to HK\$31.76 million had been used as general working capital for selling and distribution costs, administrative expenses and other operating expenses of the Group.</p>

Save as disclosed above, the Company has not conducted any fund raising exercises in the past twelve months immediately before the Latest Practicable Date.

LETTER FROM THE BOARD

(III) USE OF PROCEEDS AND THE REASONS FOR THE PLACING AND THE SUBSCRIPTION

Assuming the successful completion of the Placing and the Subscription, the maximum gross proceeds from the Placing and the Subscription are expected to be approximately HK\$270 million. The net proceeds of the Placing and the Subscription (after deducting related placing commissions, professional fees and related expenses) are expected to be approximately HK\$264 million. The net issue price per Share from the Placing and the Subscription will be approximately HK\$0.0978.

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. Having engaged in the China healthcare industry for over 10 years, the Group has established a sales network spreading all over the PRC with over 500 franchisee stores. The Group was honored China Top Ten Credible Health Care Brand in 2006.

As mentioned in the annual report of the Company for the year ended 30 June 2015, as the people increasingly concern their health, the PRC healthcare product market is expected to become larger and larger. However, new strong competitors may also emerge in the market and the Group will face huge challenges. To ensure growth is sustained over the long term, the Group will continue to leverage its research and development expertise to develop new products desired by consumers. The Group will continue to optimize its product mix and put more efforts to develop higher profit margin products to improve its overall performance. Other than continual development of its existing business, the Group will, from time to time, seek investment opportunity in different industries that could enhance corporate development and broaden the income base of the Group.

The Company currently intends to use the net proceeds from the Placing and the Subscription in the following manner:

- (i) approximately HK\$230 million for the development of honey and related products business in relation to the formation of the JV company in New Zealand, details of which are set out in the below section headed “A. Formation of the JV Company — Business Plan of JV Company;
- (ii) approximately HK\$10 million for payment of the earnest money pursuant to the terms and conditions of the MOU in respect of the Proposed Acquisition; and
- (iii) the remaining balance for general working capital of the Group mainly for (a) professional fees in contemplation of the development of honey and related products business and the Proposed Acquisition and (b) selling and distribution costs and administrative expenses of the Group’s existing business.

The Directors would adopt a prudent approach and would not commit the Group to deploy up to HK\$230 million into the JV Company unless the Company has secured the required source of funding and also the implementation of the business plan as mentioned in the section headed “A. Formation of the JV Company — Business Plan of the JV Company” is

LETTER FROM THE BOARD

progressing in line with expectations. Based on the assumption of successful completion of the Placing and the Subscription, the Group has formulated a detailed plan for the development of its honey and related business in terms of financial forecast, business model and business operation for the JV Company. In the event that the Placing or the Subscription does not proceed with completion or the proceeds from the Placing and the Subscription are reduced, the net proceeds to be applied for the development of the JV Company will be deferred or scaled down accordingly. In this regard, the profitability and scale of operation of the JV Company will be significantly reduced due to funding deficiency for implementing the originally planned working capital and capital expenditure budgets.

Save for the above, no other investment or business opportunities have been identified as at the Latest Practicable Date.

A. Formation of the JV Company

The opportunity to further optimize the Group's product mix with more honey and honey related products was identified through the effort of Mr. Xu Zhifeng ("Mr. Xu"), being an executive Director of the Company. Mr. Xu, since his appointment as executive Director in May 2015, has been in negotiation with several international healthcare food products companies in order to either obtain exclusive agency rights or acquire at least one of the four underlying well-established Manuka honey brands from New Zealand or Australia. Having considered (i) the huge market demand in the PRC for New Zealand honey with healthcare properties and related products as mentioned in the below section of "A. Formation of the JV Company — Business plan of the JV Company" and (ii) the comparatively more well-known brand image of "Richora" in the PRC which has been tapped into more than 200 retailing counters in the high-ended department stores all over the PRC, TV shopping channels and e-commerce channels, the Company, leveraging from its extensive experience in the healthcare industry in the PRC, formulated a comprehensive business plan and formed the JV Company with Icing International on 21 October 2015. The "Richora" brand will later be transferred from Icing International to the JV Company at no cost.

The information of the JV Company is set out as follows:

Date of incorporation: 21 October 2015

Shareholders:

- (i) Vitop Manuka, a company incorporated in Hong Kong with limited liability and a direct wholly owned subsidiary of the Company
- (ii) Icing International, a company incorporated in New Zealand with limited liability

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Icing International and its ultimate beneficial owners are Independent Third Parties.

LETTER FROM THE BOARD

Capital contribution

As at the Latest Practicable Date, the issued share capital of the JV Company is NZD100, which is held by Vitop Manuka and Icing International in the manner as set out below:

Name of shareholders	Number of shares	Percentage of shareholding
Vitop Manuka	51	51%
Icing International	<u>49</u>	<u>49%</u>
Total	<u>100</u>	<u>100%</u>

The JV Company is an indirect non-wholly owned subsidiary of the Company, the financial results of which will be consolidated into the financial statement of the Group, thus enabling the Group to benefit from the development of honey and related products business through the JV Company. As at the Latest Practicable Date, the Company has no intention to increase its shareholding in the JV Company.

Business scope

The JV Company will be principally engaged in developing, manufacturing, promoting and marketing the honey and honey-related products.

Information of Icing International

Icing International is an international natural health and beauty products group principally engaged in the trading and distribution of Manuka honey and related products imported from New Zealand under the brand “Richora”. Icing International is a licensed company in Unique Manuka Fact or Honey Association with its Manuka honey products under the independent supervisory and quality verification of the association. The Richora Manuka honey products are sourced from two local Manuka honey manufacturers in northern New Zealand, the aggregate production capacity of which is not less than 800 tonnes of raw Manuka honey per annum. The Richora Manuka honey products are sold under various sales channels of the Icing International mainly to the PRC, such as traditional retailing channel with more than 200 retailing counters in the high-ended department stores all over the PRC, TV shopping channels, such as Shanghai Oriental TV shopping and Beijing You TV shopping, and e-commerce channels, such as Tmall, Jingdong, No.1 Sore, JUMEI, Glamour Selling, VIP shop, and Netease.

LETTER FROM THE BOARD

Business Plan of the JV Company

The JV Company aims to become a leader among the manufacturers and distributors of the Manuka honey and related products. The JV Company will become the platform of the Group to develop honey and related products business in New Zealand.

Reference is made to the New Zealand honey industry report prepared by the New Zealand Consulate dated May 2015, over the past ten years the volume of honey exported increased at a compound annual growth rate of 12.07%. The value of New Zealand honey exports grew at almost twice the rate of export volume. The free on board value of the New Zealand honey export products over the same ten year increased at a compound annual growth rate of 21.68%. The value of honey export reached NZD200 million in 2014, compared to NZD36 million in 2005. The growth in New Zealand honey export volume in recent years has been driven by North Asian demand, particularly from the greater China area. The rise of Chinese demand is fundamentally shifting the dynamics of the export picture. In 2014, the volume of honey exported to China and Hong Kong alone comprised 31% of all honey exports out of New Zealand. China had shown significant growth in a very short period of time with export volumes increasing from 194 tonnes in 2011 to 1,356 tonnes in 2014. The greater China area is on track to overtake other European countries as the number one region for New Zealand honey exports in 2015. The Manuka honey is produced in New Zealand by bees that pollinate the native Manuka bush which is marketed for its unique Manuka factor as a high-end health food across the globe. In light of the above, the Manuka honey sells at approximately 6 times the retail price of the U.S. honey and 9 times the retail price of the Chinese honey in 2011 in the U.S. As a result, the Directors are optimistic about the development potential of the New Zealand honey and related products, specifically the Manuka honey, in the greater China area.

In the event that the Group has sufficient financial resources from the proposed Placing and Subscription, it is the intention of the Group to deploy HK\$80 million in trading business of Manuka honey and related products through the JV Company as the sourcing company of the Group. Given that Icing International has established sourcing channel in New Zealand, the extensive distribution channels among television shopping, online shops and offline stores in the department stores in the PRC under the “Richora” brand and the Group has an existing sales network for healthcare products spreading all over the PRC with over 500 franchisee stores, the Group will be able to gain entry into the Manuka honey market in the healthcare industry. It is the intention of the shareholders of the JV Company to transfer the trademark of “Richora” from Icing International to the JV Company at no cost to facilitate its honey and related products trading business. The Group aims to further expand the trading business of honey and related products to Europe, Americas and other Asian districts and countries. The seasonality of the New Zealand honey and related product business is mainly attributable to the nectar gathering period from the late fourth quarter of the year to the first quarter of next year. Therefore, the Group intends to commence the honey and related products trading business immediately

LETTER FROM THE BOARD

after the Placing and the Subscription and apply (i) approximately HK\$70 million as the estimated purchase cost for building up the stock by acquiring approximately 400 tonnes of the raw Manuka honey from the New Zealand honey suppliers by the first quarter of 2016 in order to maintain sufficient inventory level for the Group's newly commenced trading business; and (ii) approximately HK\$10 million as standby general working capital for the administrative expenses and selling and distribution expenses of the JV Company on an on demand basis, as to develop the honey and related products business.

Depending on the review on the growth and profitability of the trading business of honey and related product in a year and in the event that the Group has sufficient financial resources from the proposed Placing and Subscription, the Group will provide funding as the shareholder's loan to the JV Company for the purpose of setting up its own production lines and facilities in New Zealand. The Manuka honey production line is expected to commence production since the late second quarter of 2017 and reaches the productivity of over 1,000 tonnes of Manuka honey by the third quarter of 2018. The total cost of setting up the honey production lines and facilities is envisaged to be approximately HK\$150 million, which includes (i) approximately HK\$6 million for the purchase of industrial land, (ii) approximately HK\$24 million for the construction of Manuka honey production plants with integrated functions of manufacturing, research and development and sight-seeing, (iii) approximately HK\$24 million for the purchase of manufacturing equipment's; (iv) approximately HK\$10.8 million for the purchase of hives, (v) approximately HK\$6 million for the purchase and leasing of special transportation trucks, (vi) approximately HK\$38.7 million for the operating lease of New Zealand Manuka bush plantation and helicopters for gathering nectar, and (vii) approximately HK\$40.5 million for formation and retaining a team of experienced bee keepers. The Group expects that the setting up of its own honey production lines and facilities could allow to secure the scarce Manuka honey resources, such as experience beekeepers, high quality hives and fresh Manuka bush plantation, rather than relying on the supply agreements in short-term nature with the local honey suppliers.

In light of the above business plan in relation to trading and manufacturing of honey and related products, the formation of JV Company provides business synergy between the Group and Icing International, which will expand and enrich the healthcare product portfolio, sale channel, production capacity and the branding and reputation of the Group. The Directors are of the view that, as at the Latest Practicable Date, the proceeds of HK\$230 million from the Placing and the Subscription can satisfy the Company's expected funding needs of the aforementioned business plan for the development of honey and related products business.

LETTER FROM THE BOARD

Reasons for the Formation of the JV Company

The Group is optimistic about the formation of the JV Company for developing the honey and related products business in New Zealand, which is in line with the Group's business strategy as to continue on optimizing its product mix and put more efforts to develop higher profit margin's products to improve its sales and its profitability. The Directors consider that the formation of the JV Company will be beneficial to the Group from the following perspectives:

1. The New Zealand honey and related products business is on a favourable trend in the greater China area and the volume of honey exported to China and Hong Kong alone comprised a substantial amount of all honey exports out of New Zealand in the recent years. The Directors considers the formation of the JV Company represents a valuable business opportunity to tap into the New Zealand honey and related products business;
2. Icing International, which owns 49% of share capital of the JV Company as at the Latest Practicable Date, has well-established sourcing channels in New Zealand and extensive distribution channels among television shopping, online shops and offline stores in the department stores in the PRC under the "Richora" brand, which allow the Group to gain entry into the honey market in the healthcare food products industry in New Zealand and the greater China area. In addition, the Group's existing sales network for healthcare products spreading all over the PRC with over 500 franchisee stores will create synergies for the development of business of honey and related products;
3. the Directors consider that the "Richora" brand which will later be transferred from Icing International to the JV Company at no cost is well-established and that the Group's product portfolio can be broadened as a result of the formation of the JV Company, and the Directors believe that this will be beneficial to the Group's revenue stream and branding; and
4. the formation of the JV Company provides business synergy between the Company and Icing International and is an efficient way to expand and enrich the product portfolio, sales channel, production capacity and the branding and reputation of the Group.

Based on the factors mentioned above, the Directors are of the view that the formation of the JV Company is in the ordinary and usual course of business of the Group and the formation of the JV Company are based on normal commercial terms and are in the interest of the Group and the Shareholders as a whole.

LETTER FROM THE BOARD

B. Memorandum of Understanding in Respect of the Proposed Acquisition

The Company has, from time to time, been actively seeking different investment opportunities in different industries. The Proposed Acquisition was initiated by the Vendor through making a visit to the Directors in July 2015. Subsequently, the Group performed preliminary due diligence and market research in relation to the Proposed Acquisition, including:

- engaging legal adviser to review constitutional documents of the Vendor;
- Mr. Xu conducting site visit of the Target Group's major production facilities in the PRC and interviewing its management in August 2015; and
- reviewing financial information of the Target Group for the three years ended 31 December 2014 and the business model and business operation of the Target Group as the basis to negotiate the term of EBITDA guarantee of not less than HK\$100 million for the year ending 31 December 2016.

Reference is made to “The Internet of Things: Making Sense of the Next Mega-Trend”, the equity research report dated 3 September 2014 published by Goldman, Sachs & Co., the IOT industry connects devices such as everyday consumer objects and industrial equipment onto the network, enabling information gathering and management of these devices via software to increase efficiency, enable new services, or achieve other health, safety, or environmental benefits. Specifically, the IOT applications can be broken up into five key segments of adoption: connected wearable devices, connected cars, connected homes, connected cities, and the industrial internet. The IOT industry development will become a driver of new product cycles for revenue generation and improve productivity and cost saving. Driven by the trend of decreasing cost of IOT sensors, internet bandwidth, data processing equipment and smartphones and the popularity of wireless coverage, mega data sharing and analysis concept and the new internet protocol standard for IOT devices, the IOT is expected to emerge as the third wave in the development of the internet. With reference to “The Internet of Things: Mapping the Value beyond the Hype” dated June 2015 published by McKinsey & Company, it is estimated that the IOT applications has a total potential economic impact of US\$3.9 trillion to US\$11.1 trillion per year in 2025. On the top end, the value of this impact would be equivalent to about 11% of the world GDP in 2025 pursuant to the development of IOT business in the fields including, among others, human healthcare, home, retail environments, offices, factories, worksites, vehicles and cities. Having taken into account of the technology edges and global clients bases of the Target Group in the IOT fields of automated manufacturing, logistic storage, mass transit operations, transportation management, pharmaceutical and healthcare products management and asset management, the Directors considers the Target Group has the potential in the development of IOT industry, the IOT pharmaceutical and healthcare products management of which will consummate the Group's existing healthcare business.

LETTER FROM THE BOARD

In light of the above, the Directors consider the Proposed Acquisition represents a valuable opportunity to enhance corporate development and broaden the income base of the Group, resulting in the MOU being entered into on 4 November 2014.

Reference is made to the Announcement, on 4 November 2015 (after trading hours), the Purchaser, being an indirect wholly-owned subsidiary of the Company, entered into the MOU with 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.

The principal terms of the MOU are as follows:

Assets to be acquired

The Purchaser intended to purchase, and the Vendor intended to sell, not less than 51% of the issued shares of the Target Company. The Target Company is a European company and is principally engaged in the IOT-related business.

The Target Company is a growing and internationally operating high technology European company which is, together with its subsidiaries, engaged in provision of one-stop IOT solutions and applications through contactless smart tickets, industrial RFID tags and specialty labels. Based on clients' needs, the Target Group designs and customizes special IOT tags for applications with which the standard RFID labels are not compatible. With over 100 business partners in the world, the Target Group serves clients from Europe, Americas, the Middle East and Asia in the fields of, among others, automated manufacturing, logistic storage, mass transit operations, transportation management, pharmaceutical management and asset management.

Formal Agreement

Subject to the Purchaser's satisfaction with the Due Diligence Review, the parties agree to proceed to negotiate and with the view to finalise detailed terms and conditions of their investment and cooperation and the Formal Agreement and to execute the Formal Agreement no later than 90 Business Days from the date of the MOU, or such later date as the parties may otherwise agree in writing.

Consideration and earnest money

The consideration for the Proposed Acquisition may be paid by means of a combination of cash and allotment of Shares and/or convertible bonds.

Such consideration shall be determined with reference to the average closing price of the Shares as quoted on the Stock Exchange for the last 20 Business Days immediately prior to the date of this MOU and after arm's length negotiation and mutual agreement between the Purchaser and Vendor, subject to the results of the Due Diligence Review on the Target Group (which shall include, without limitation

LETTER FROM THE BOARD

to, the valuation to be conducted by an independent international valuer to be appointed by the Purchaser) and in compliance with the Hong Kong laws and the Listing Rules.

An earnest money in the aggregate sum of HK\$50 million shall be made payable by the Purchaser to its solicitors as escrow agent in the following manner:

- (a) an initial amount of HK\$10 million shall be payable within 10 days after signing of this MOU; and
- (b) the remaining balance of HK\$40 million shall be payable within 6 months after signing of this MOU, subject to the Purchaser's satisfaction with the results of the Due Diligence Review,

where full amount of the aforesaid earnest money shall be: (a) if the Purchaser is satisfied with the results of the Due Diligence Review and the parties will enter into the Formal Agreement, released in the manner as set out in the Formal Agreement; or (b) if the Purchaser is not satisfied with the results of the Due Diligence Review and the parties will not enter into the Formal Agreement, returned to the Purchaser in the manner as the Purchaser shall notify in writing.

Conditions Precedent for the Proposed Acquisition

Completion of the Formal Agreement and the transactions contemplated therein including, without limitation, the Proposed Acquisition, will be subject to the conditions as detailed in the Formal Agreement being fulfilled. These conditions will include, inter alia, the following:

- (i) the Purchaser being satisfied with the Due Diligence Review, together with the support of legal opinion(s) to be issued by reputable law firm(s) and acceptable to the Purchaser if so required;
- (ii) compliance with all other applicable laws, rules and regulations including but not limiting to the Listing Rules and/or the Code for the transactions contemplated under the Proposed Acquisition (which may include approval by the Shareholders at an extraordinary general meeting of the Company of the Proposed Acquisition and the transactions contemplated thereunder such as allotment and issue of new Shares under a specific mandate to satisfy part of the consideration for the Proposed Acquisition;
- (iii) the grant of any necessary approvals, consents and/or waivers by the relevant governmental or regulatory authorities or bodies, whether in Hong Kong, the PRC or elsewhere (including not limiting to the Stock Exchange and/or the SFC); and
- (iv) the Purchaser not being aware of any material adverse change of the Target Group having occurred or being likely to occur whether on or before completion of the Proposed Acquisition.

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In the event that the above conditions are not fulfilled or waived (other than those conditions (ii) and (iii) above which cannot be waived) in writing by the Purchaser on or before 31 March 2016, or such later date as the Purchaser and Vendor may otherwise agree in writing, the Formal Agreement shall become null and void and be of no further effect whatsoever and all the obligations and liabilities of the Purchaser and Vendor thereunder shall cease and determine (save for any antecedent breaches).

EBITDA Guarantee

The Vendor undertakes to the Purchaser that the EBITDA of the Target Group for the financial year ending 31 December 2016 as audited by the auditors appointed by the Vendor (to the satisfaction of the Purchaser) or by the Purchaser (as the case may be) shall not be less than HK\$100 million.

Exclusivity Period

The Vendor agrees that, without the prior written consent of the Purchaser, it shall not and shall procure the Target Company not to, within 90 Business Days after the date of the MOU, (i) negotiate or enter into any discussions or sign, with any party, any memorandum of understanding, letter of intent, agreement or understanding or arrangements (whether legally binding or not) or continue or permit to continue any such negotiations or arrangements; and (ii) accept, solicit, entertain or consider any offer or offers, in each case in respect of the sale, transfer, assignment of or otherwise deal with the shareholding interests of the Vendor in the Target Company (whether direct or indirect), the interest or investment in the Target Group, or any business that is similar to the transactions contemplated by the MOU or would potentially compete with the businesses and transactions contemplated by the MOU.

Binding effect

The MOU is non-legally binding (save for certain provisions such as the provisions on exclusivity, confidentiality, cost and expenses as well as governing law). If the Proposed Acquisition proceeds, the Formal Agreement will be entered into between the Purchaser and the Vendor in respect of the Proposed Acquisition.

Reasons for and Benefits of the Proposed Acquisition

The Group is optimistic about the development of IOT-related business in the PRC and considers that the Target Group, with the technology edges and global client base in the IOT industry and the aforesaid EBITDA guarantee of not less than HK\$100 million for the year ending 31 December 2016, represents an investment opportunity in different industries that could enhance corporate development and broaden the income base of the Group.

LETTER FROM THE BOARD

The Directors consider that the terms of the MOU are fair and reasonable and that the Proposed Acquisition is in the interest of the Group and the Shareholders as a whole.

Despite of entering into the MOU, the Directors are of the view that given that (i) the Due Diligence Review has just commenced after signing of the MOU; and (ii) the Group has not yet engaged with an international independent valuer to conduct valuation assessment, the Vendor and the Group will not be able to reach any consensus in any major terms of the Proposed Acquisition at this preliminary stage. Moreover, the Group is yet to decide whether it will invest as sole purchaser or invite other parties to co-invest with the Group.

Other Fund Raising Alternatives

The Directors have also considered other ways of fund raising such as debt financing, bank borrowing, rights issue or open offer. As regards to debt financing and bank borrowing, having considered that it would increase the gearing level of the Group and the interest expenses and finance costs would impose additional financial burden to the Group's future cash flow, the Board considered that such fund raising method is currently not the most appropriate method to the Group. Having considered the fund raising size and the current market condition, the Directors consider that they may have difficulty to find an independent underwriter in Hong Kong which is interested to fully underwrite a rights issue or an open offer of the Company to raise the proposed amount of funds. The Directors consider that even if such an independent underwriter were identified, the rights issue or open offer would incur costly underwriting commission and the process would be relatively more time-consuming than the Placing and the Subscription. As the Group intends to deploy a portion of the proceed to trading business of the honey and related products, of which are expected to improve the Group's financial performance within a short period, the Directors are of the view that the additional time required for the rights issue or open offer is comparatively less advantageous as compared to the Placing and the Subscription. In the course of considering the choices and the commercial terms for the Placing and the Subscription, the Company has approached two securities firms and three multi-national fund management companies before concluding this fund raising exercise. The Subscriber, being a fund management company with asset under management of over RMB1,000 million, holds positive views of the prospects of the existing business of the Group in healthcare industry and intends to become a financial investor of the Group through entering into of the Subscription Agreement.

LETTER FROM THE BOARD

As disclosed in the annual report of the Company for the year ended 30 June 2015, the total operating expenses for the year ended 30 June 2015 was approximately HK\$40.08 million. Having taken into account of the existing cash level of the Company of approximately HK\$37.60 million as at Latest Practicable Date to be applied as general working capital as and when any suitable acquisition opportunity arises in the future, the Directors consider that it will be a merit for the Group to have additional working capital for its business operation and development. The Group considers that with the development of the business segments of healthcare food products and the Proposed Acquisition, the Group may have to incur additional operating expenses. Accordingly, the Directors are of the view that the Placing and the Subscription will strengthen the financial position (in particular, the working capital and cash flow position) of the Group. Taking into account the uncertainties in the global financial market, the Directors are of the view that it is reasonable for the Group to enhance the capital base by means of the Placing and the Subscription so as to allow the Group to mitigate any business and financial risk and enhance the financial flexibility of the Group. In addition, as the Group is actively seeking for investment opportunity in different industries that could enhance corporate development and broaden the income base of the Group, sufficient cash reserve is crucial for the development of the Company.

In light of the above, the Board is of the view that the Placing and the Subscription are the most appropriate fund raising methods and are beneficial to the Company. Overall, the Directors, after taking into account the factors, reasons and circumstances disclosed above, consider that the terms of the Placing Agreement and the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Effect on the Shareholding Structure of the Company

The shareholding structures of the Company before and after Placing Completion and/or Subscription Completion are as follows:

	As at the Latest Practicable Date		Immediately after Placing Completion in full (Note 2)		Immediately after Subscription Completion (Note 3)		Immediately after Placing Completion in full and Subscription Completion (Note 4)	
	Approximate		Approximate		Approximate		Approximate	
	No. of Shares	percentage	No. of Shares	percentage	No. of Shares	percentage	No. of Shares	percentage
Ms. Cheung Kwan (Note 1)	318,680,000	11.24	318,680,000	7.18	318,680,000	8.10	318,680,000	5.76
Subscriber	—	—	—	—	1,100,000,000	27.95	1,100,000,000	19.87
Public								
Shareholders:								
Placees	—	—	1,600,000,000	36.07	—	—	1,600,000,000	28.90
Other public Shareholders	<u>2,517,611,922</u>	<u>88.76</u>	<u>2,517,611,922</u>	<u>56.75</u>	<u>2,517,611,922</u>	<u>63.95</u>	<u>2,517,611,922</u>	<u>45.47</u>
Total	<u><u>2,836,291,922</u></u>	<u><u>100.00</u></u>	<u><u>4,436,291,922</u></u>	<u><u>100.00</u></u>	<u><u>3,936,291,922</u></u>	<u><u>100.00</u></u>	<u><u>5,536,291,922</u></u>	<u><u>100.00</u></u>

Notes:

- This represents the aggregate of (i) 60,000,000 Shares beneficially owned by Ms. Cheung Kwan and (ii) 258,680,000 Shares owned by City Winner, which is beneficially owned by Ms. Cheung Kwan.
- Assuming no other issue of new Shares and no repurchase of existing Shares before Placing Completing, and the Placing Agent has placed a total of 1,600,000,000 Placing Shares to not less than six independent Placees.
- Assuming no other issue of new Shares and no repurchase of existing Shares before Subscription Completion.
- Assuming no other issue of new Shares and no repurchase of existing Shares before Placing Completion and Subscription Completion, and the Placing Agent has placed a total of 1,600,000,000 Placing Shares to not less than six independent Placees.

GENERAL

Specific Mandate

The Placing Shares and the Subscription Shares will be allotted and issued under Specific Mandate to be proposed for passing by the Shareholders by ordinary resolution(s) at the EGM. The general mandate of the Company will not be used for the issue of the Placing Shares and the Subscription Shares.

LETTER FROM THE BOARD

EGM

The Specific Mandate is subject to Shareholders' approval at the EGM. The EGM will be convened for the purpose of considering and, if deemed appropriate, approving, among other things, the Placing Agreement, the Subscription Agreement and their respective transactions contemplated thereunder.

In accordance with the Listing Rules, any Shareholder who has a material interest in the Placing and/or the Subscription shall abstain from voting on the resolution(s) to approve the Placing Agreement, the Subscription Agreement and their respective transactions contemplated thereunder at the EGM. To the best of knowledge, information and belief of the Directors, none of the Shareholder has a material interest in the transactions contemplated under the Placing Agreement or the Subscription Agreement and will be required to abstain from voting on the resolution(s) to approve the Placing or the Subscription and the respective transactions contemplated thereunder at the EGM.

Application for Listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares and the Subscription Shares.

EGM AND PROXY ARRANGEMENT

The EGM will be convened and held at Suites 1237–1240, 12/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong at 11:00 a.m. on Tuesday, 15 December 2015 for the purpose of considering and, if thought fit, approving the Placing Agreement, the Subscription Agreement and their respective transactions contemplated thereunder, including the proposed grant of the Specific Mandate.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, no Shareholder is required to abstain from voting on the resolutions to be proposed at the EGM.

A notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed herewith. Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's share registrar and transfer office in Hong Kong, Union Registrars Limited, A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

The resolutions proposed at the EGM will be taken by way of poll. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

Placing Completion and Subscription Completion are not inter-conditional and are subject to the satisfaction of the conditions precedent respectively set out in the Placing Agreement and the Subscription Agreement. As the Placing and the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

RECOMMENDATION

Having noted and considered the reasons stated under the sections “Use of proceeds and the reasons for the Placing and the Subscription”, the Board considers that the Placing Agreement, the Subscription Agreement and their respective transactions contemplated thereunder, including the proposed grant of the Specific Mandate, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

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



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of Vitop Bioenergy Holdings Limited (the “**Company**”) will be held at 11:00 a.m., on Tuesday, 15 December 2015 at Suites 1237–1240, 12/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong to consider and, if thought fit, pass the following resolution as ordinary resolutions.

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the Placing Agreement (as defined in the circular of the Company dated 26 November 2015 (the “**Circular**”)) (a copy of which marked “A” has been produced to the Meeting and signed by the chairman of the Meeting for the purpose of identification) dated 4 November 2015 (the “**Placing Agreement**”) entered into between the Company as issuer and Kingston Securities Limited as placing agent in relation to the placing of a total of 1,600,000,000 new ordinary shares of HK\$0.025 each in the share capital of the Company (the “**Placing Shares**”) at a placing price of HK\$0.10 per Placing Share, and the transactions contemplated thereunder, be and are hereby approved, ratified and confirmed;
- (b) any one director of the Company (the “**Director(s)**”) be and is hereby authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he/she considers necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Placing Agreement or any transactions contemplated thereunder, and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of such Director, in the interests of the Company and its shareholders as a whole; and
- (c) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in the Placing Shares, the Directors be and are hereby specifically authorised to allot and issue such number of new ordinary shares of HK\$0.025 each in the capital of the Company (the “**Placing Specific Mandate**”) as may be required to be allotted and issued pursuant to the terms of the Placing Agreement, where such Placing Shares shall

* *For identification purpose only*

NOTICE OF EGM

rank equally in all respects among themselves and with all fully paid ordinary shares of the Company in issue as at the date of allotment and issue. The Placing Specific Mandate is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which may from time to time be granted to the Directors prior to or after the passing of this resolution.”

2. **“THAT**

- (a) the Subscription Agreement dated 4 November 2015 (as defined in the Circular) (a copy of which marked “B” has been produced to the Meeting and signed by the chairman of the Meeting for the purpose of identification) entered into between the Company as issuer and HuaAn Fund Management Co., Ltd as subscriber in relation to the subscription of 1,100,000,000 new ordinary shares of HK\$0.025 each in the share capital of the Company (the “**Subscription Shares**”) at a subscription price of HK\$0.10 per Subscription Share and any transactions contemplated thereunder, be and are hereby approved, ratified and confirmed;
- (b) any one Director be and is hereby authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he/she considers necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Subscription Agreement and any transactions contemplated thereunder, and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of such Director, in the interests of the Company and its shareholders as a whole; and
- (c) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in the Subscription Shares, the Directors be and are hereby specifically authorised to allot and issue such number of new ordinary shares of HK\$0.025 each in the capital of the Company (the “**Subscription Specific Mandate**”) as may be required to be allotted and issued pursuant to the terms of the Subscription Agreement, where such Subscription Shares shall rank equally in all respects among themselves and with all fully paid ordinary shares of the Company in issue as at the date of allotment and issue. The Subscription Specific Mandate is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which may from time to time be granted to the Directors prior to or after the passing of this resolution.”

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

Hong Kong, 26 November 2015

NOTICE OF EGM

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Head Office and Principal Place
of Business in Hong Kong:*
Suites 1237–1240, 12/F
Sun Hung Kai Centre
30 Harbour Road, Wanchai
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the extraordinary general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai not less than 48 hours before the time for holding the meeting or adjourned meeting. Completion and return of a form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof, should you so wish.

As at the date of this notice, the board of Directors comprises Mr. Xu Zhifeng, Mr. Liu Min and Mr. Chan Shun Yee as executive Directors; and Mr. Su Rujia (Chairman), Mr. Wong Tat Yan Paul and Ms. Zhu Yanzhou as independent non-executive Directors.