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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)

MAJOR TRANSACTION

**ACQUISITION OF SHARES IN
EXPRESS TIME ENTERPRISES LIMITED
AND
ISSUE OF CONSIDERATION SHARES**

ACQUISITION

On 2 August 2011 (after the trading hours in the morning session), the Company entered into the Agreement for the acquisition of 90% shareholding in the Target Company at the Consideration of HK\$108,500,000.

Part of the Consideration in the sum of HK\$55,500,000 will be satisfied by way of the Company's issuing 300,000,000 new Shares of HK\$0.025 each at the issue price of HK\$0.185 per Share. The Company will seek to obtain the Specific Mandate from its Shareholders at the EGM to be convened for the allotment and issuance of the Consideration Shares. The balance of the Consideration in the sum of HK\$53,000,000 will be paid by cash.

GENERAL

As the applicable percentage ratios in relation to the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be held for the Shareholders to consider and, if thought fit, approve the ordinary resolution(s) in respect of (i) the Agreement and the transactions contemplated thereby; and (ii) the granting of the Specific Mandate. As no Shareholder has a material interest in the Agreement, no Shareholder will be required to abstain from voting at the EGM in respect of the aforesaid ordinary resolution(s).

A circular containing, among other things, further details of the Acquisition and a notice convening the EGM will be despatched to the Shareholders on or before 2 September 2011 in accordance with the Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been suspended with effect from 1:30 p.m. on 2 August 2011 pending the release of this announcement. An application has been made by the Company for the resumption of trading in the Shares with effect from 9:00 a.m. on 15 August 2011.

ACQUISITION OF SHARES IN EXPRESS TIME ENTERPRISES LIMITED

Reference is made to the two announcements of the Company respectively issued on 2 and 5 August 2011.

On 2 August 2011 (after the trading hours in the morning session), the Company entered into the Agreement for the acquisition of 90% shareholding in the Target Company at the Consideration of HK\$108,500,000.

SUMMARY OF THE AGREEMENT:–

Date of Agreement: 2 August 2011 (after the trading hours in the morning session)

Parties to the Agreement: the Company (as purchaser)
the Vendor (as vendor)

The principal activities of the Company and its subsidiaries are investment holding and manufacturing and trading of bio-energy products, healthcare food products, multi-functional water generators and other healthcare products in the PRC.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Vendor is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

Subject Matter: The Company has agreed to purchase 90% of the issued share capital of the Target Company at the consideration of HK\$108,500,000.

The Target Company is a company incorporated with limited liability in the British Virgin Islands and as at the date hereof, it has an issued share capital of US\$100 divided into 100 shares of US\$1 each.

The Target Company is an investment holding company. As at the date of this announcement,

- (i) the Vendor owns 100% of the issued share capital of the Target Company;
- (ii) the Target Company owns 100% of the equity interest in Yi Te (Beijing);
- (iii) the equity interest of the Project Company is owned (i) as to 74% by Yi Te (Beijing); and (ii) as to 26% by an independent third party; and
- (iv) the Project Company is the owner of the Land.

The Land with an area of 635Mu (畝) (equivalent to approximately 423,335 square meters) is located in Xuzhou City, Jiangsu Province, the PRC and can be used for commercial building development.

The principal businesses of the Target Group are (i) real estate development; (ii) operation of wholesale market and organization of products expositions; and (iii) property leasing and management.

Based on the latest consolidated unaudited management accounts of the Target Company, its net asset value as at 31 July 2011 was RMB103,692,020 (equivalent to approximately HK\$124,430,424).

Based on the consolidated unaudited management accounts of the Target Company for the two financial years ended 31 December 2010, the net loss before and after taxation and extraordinary items and the net asset value of the Target Company were as follows:

	For the year ended	
	31 December	
	2009	2010
	<i>(RMB)</i>	<i>(RMB)</i>
Loss before taxation and extraordinary items	(1,300,124)	(19,438)
Loss after taxation and extraordinary items	(1,300,124)	(19,438)
Net asset value	26,375,358	25,475,242

Conditions Precedent:

Completion is conditional upon:

- (i) the due diligence result on the Project Company is satisfactory to the Company;
- (ii) the Company being satisfied that:
 - (a) the Vender is the lawful owner of 100% of the issued share capital of the Target Company free and clear of encumbrances;
 - (b) the Target Company owns 100% of the equity interest in Yi Te (Beijing);
 - (c) Yi Te (Beijing) owns 74% of the equity interest in the Project Company;
- (iii) the Company has the right to appoint the majority number of directors for the Target Company, Yi Te (Beijing) and the Project Company.

- (iv) the approval by the Shareholders at the general meeting for the Company's entering into the Agreement and the transactions contemplated thereunder in accordance with the Listing Rules and any applicable laws and regulations;
- (v) the obtaining of the Specific Mandate from the Shareholders at the general meeting for issuing the Consideration Shares; and
- (vi) the Listing Committee of the Stock Exchange having granted (whether conditionally or unconditionally) the listing of, and permission to deal in, the Consideration Shares.

If any of the conditions precedent is not fulfilled or waived by the Company (except conditions (iv) to (vi) which are not capable of waiver) on or before 31 March 2012 (or such later date as the parties to the Agreement may agree), the Vendor shall return the Deposit to the Company and all other rights and obligations of the parties under the Agreement shall cease and determine, and the parties to the Agreement shall not have any claim against each other, save for any antecedent breach.

Completion will take place on the third business day after all of the conditions precedent have been satisfied.

Consideration and
terms of payment:

The Consideration of HK\$108,500,000 will be satisfied:

- (i) as to HK\$15,000,000 as cash deposit paid by the Company to the Vendor upon signing of the Agreement;
- (ii) as to HK\$55,500,000 by the Company's issue of 300,000,000 new Shares to the Vendor at the issue price of HK\$0.185 per Share; and
- (iii) as to the balance of HK\$38,000,000 by cash.

At Completion, the Consideration Shares will be issued to the Vendor and the balance of HK\$38,000,000 will be paid by cash to the Vendor out of the Company's internal resources.

According to the report prepared by an independent professional property valuer, the value of the Land as at 1 August 2011 was RMB136,000,000 (equivalent to approximately HK\$163,200,000). The Consideration was determined by the parties to the Agreement with reference to the value of the Land assessed by the independent professional property valuer and taking into account the potential commercial benefits which will be accrued to the Company pursuant to the Acquisition, namely the opportunity for the Company to enter into the businesses of commercial building development and operation of wholesale markets.

Upon Completion, the shareholding of the Target Company will be held as to 90% by the Company and therefore the Target Company will become a subsidiary of the Company. Accordingly, the results of the Target Group will be consolidated into the Company's account upon Completion.

The Company confirms that there is no other acquisition or transactions in relation to the Target Company and/or the Vendor which shall be aggregated with the Acquisition in accordance with Rule 14.22 of the Listing Rules.

CONSIDERATION SHARES

The 300,000,000 Consideration Shares will be allotted and issued under the Specific Mandate to be obtained from the Shareholders at the EGM.

The issue price of HK\$0.185 per Consideration Share:

- (a) equals to the closing price of HK\$0.185 per Share as quoted on the Stock Exchange's daily quotation sheet on 2 August 2011, being the Last Trading Day; and
- (b) represents a premium of approximately 1.65% to the average closing price of approximately HK\$0.182 per Share as quoted on the Stock Exchange's daily quotation sheets for last five consecutive trading days immediately preceding the Last Trading Day.

The Consideration Shares to be allotted and issued represent approximately 25.49% of the existing issued share capital of the Company and approximately 20.31% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares. The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects with each other and with the Shares in issue on the date of allotment and issue of the Consideration Shares. There is no restriction on sales of the Consideration Shares by the Vendor.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

EFFECT ON SHAREHOLDING STRUCTURE

Assuming that there is no further change in the Company's shareholding structure before Completion, the shareholding structures of the Company as at the date of this announcement and immediately after Completion are shown as follows:

Name of Shareholder	As at the date of this announcement		Immediately after Completion	
	No. of Shares <i>(approx.)</i>	% <i>(approx.)</i>	No. of Shares <i>(approx.)</i>	% <i>(approx.)</i>
Han Qingyun <i>(Note 1)</i>	200,000,000	16.99	200,000,000	13.54
Han Xiaoyue <i>(Note 2)</i>	3,805,112	0.32	3,805,112	0.26
Vendor	–	–	300,000,000	20.31
Public Shareholders	<u>973,242,836</u>	<u>82.69</u>	<u>973,242,836</u>	<u>65.89</u>
Total	<u><u>1,177,047,948</u></u>	<u><u>100%</u></u>	<u><u>1,477,047,948</u></u>	<u><u>100%</u></u>

Notes:

1. Mr. Han Qingyun is an Executive Director and the Chairman of the Company. Out of the 200,000,000 Shares, 181,843,836 Shares are held by Wide Cosmos International Holdings Company Limited, which is beneficially owned by Mr. Han Qingyun. The remaining 18,156,164 Shares are held by Mr. Han Qingyun personally.
2. These 3,805,112 shares are owned by Portton Investments Limited, which is beneficially owned by Dr. Han Xiaoyue and Mr. Wang Jiandong as to 66.67% and 33.33% respectively. Dr. Han Xiaoyue is an Executive Director and the Joint Chairman of the Company.

REASONS FOR THE ACQUISITION

The Group is principally engaged in the manufacturing and trading of bio-energy products, healthcare food products, multi-functional water generators and other healthcare products in the PRC. In order to diversify the businesses of the Group and to broaden its income base, the Board considers that the Acquisition gives the Group a good chance to enter into the businesses of commercial building development and operation of whole sale markets. The Board believes that there is a high potential for such businesses to make profits and that the businesses of the Target Group will bring a sustainable and steady cash flow to the Company. Therefore, the Board believes that the Acquisition will be beneficial to the Company and its Shareholders.

The terms of the Acquisition (including the amount of Consideration) were agreed upon after arm's length negotiations between the Company and the Vendor.

After exercise of due care and diligence, the Board believes that the terms and conditions of the Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

GENERAL

The Vendor is not a party acting in concert with any of the Directors or the substantial shareholders of the Company.

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The EGM will be held for the Shareholders to consider and, if thought fit, approve the ordinary resolution(s) in respect of (i) the Agreement and the transactions contemplated thereunder; and (ii) the granting of the Specific Mandate. As no Shareholder has a material interest in the Agreement, no Shareholder will be required to abstain from voting at the EGM in respect of the aforesaid ordinary resolution(s).

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“Acquisition”	the acquisition of 90% of the issued share capital of the Target Company pursuant to the Agreement
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“Agreement”	the agreement for the Acquisition dated 2 August 2011 entered into between the Company as purchaser and the Vendor as vendor
“Board”	the board of Directors
“Company”	Vitop Bioenergy Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the Agreement
“Consideration”	HK\$108,500,000 (Hong Kong dollars One Hundred and Eight Million and Five Hundred Thousand)
“Consideration Shares”	300,000,000 new Shares to be allotted and issued to the Vendor at the issue price of HK\$0.185 per Share to satisfy part of the Consideration
“Deposit”	the deposit in the sum of HK\$15,000,000 paid by the Company to the Vendor upon signing of the Agreement
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for (i) approving the Agreement and the transactions contemplated thereby; and (ii) obtaining the Specific Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Land”	the piece of land owned by the Project Company with an area of 635Mu (畝) (equivalent to approximately 423,335 square meters) located in Xuzhou City, Jiangsu Province, the PRC
“Last Trading Day”	2 August 2011, being the last trading day before the Agreement is signed
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China
“Project Company”	淮海環球商貿物流城開發股份有限公司 (Huai Hai Global Trade Logistics City Development Company Limited), a company incorporated with limited liability in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.025 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Specific Mandate”	the specific mandate for the allotment and issuance of the Consideration Shares to be obtained from the Shareholders at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Express Time Enterprises Limited, a company incorporated with limited liability in the British Virgin Islands
“Target Group”	the Target Company, Yi Te (Beijing) and the Project Company
“Yi Te (Beijing)”	億特網華信息技術（北京）有限公司 (Yi Te Wang Hua Information Technology (Beijing) Company Limited), a company incorporated with limited liability in the PRC
“%”	per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00=HK\$1.20 has been used for currency translation, where applicable. Such exchange rate is for illustration purpose only and does not constitute a representation that any amount in HK\$ or RMB have been, could have been or may be converted at such or any other rates or at all.

By Order of the Board of
Vitop Bioenergy Holdings Limited
Han Xiaoyue
Joint Chairman

Hong Kong, 12 August 2011

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Han Qingyun as chairman; Dr. Han Xiaoyue as joint chairman; Mr. Xu Nian Chun, Ms. Guo Yan Ni and Mr. Long Minfei as executive directors; and Ms. Zhu Jing Hua, Mr. Zhang Min and Mr. Li Xinzong as independent non-executive directors.

** For identification purpose only*