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# THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this Prospectus (as defined herein) or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all or part of your Shares (as defined herein), you should at once hand the Rights Issue Documents (as defined herein) to the purchaser or transferee or bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or transferee.

A copy of each of the Rights Issue Documents, having attached thereto the documents specified in the section headed "Documents registered with the registrar of companies" in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong. The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of these documents.

Dealings in the Shares and the Rights Shares (as defined herein) in their nil-paid and fully-paid forms may be settled through CCASS (as defined herein) and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

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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)

**PROPOSED RIGHTS ISSUE OF NOT LESS THAN 294,261,987  
AND NOT MORE THAN 334,261,987 RIGHTS SHARES  
AT HK\$0.25 EACH  
ON THE BASIS OF ONE (1) RIGHTS SHARE  
FOR EVERY THREE (3) SHARES HELD ON THE RECORD DATE**

Underwriter to the Rights Issue

**Beijing**  
Securities  
**Beijing Securities Limited**

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The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Tuesday, 12 July 2011. The procedures for acceptance and payment or transfer of the Rights Shares are set out on pages 11 and 12 of this Prospectus.

The Underwriting Agreement (as defined herein) in respect of the Rights Issue (as defined herein) contains provisions entitling the Underwriter (as defined herein), by giving notice to the Company (as defined herein), to terminate the obligations of the Underwriter thereunder on the occurrence of certain events including force majeure prior to 4:00 p.m. on the Long Stop Date (as defined herein) (which is expected to be Thursday, 14 July 2011). These events are set out in the section headed "Termination of the Underwriting Agreement" on page 5 of this Prospectus. If the Underwriting Agreement is terminated, the Rights Issue will not proceed.

The Rights Issue is subject to certain conditions as described in the section headed "Conditions of the Rights Issue" on pages 13 and 14 of this Prospectus. If any of the conditions (except condition (g)) referred to in that section is not fulfilled by 4:00 p.m. on the Long Stop Date (which is expected to be Thursday, 14 July 2011), the Rights Issue will not proceed.

Dealings in the Shares on an ex-rights basis have been taking place since Thursday, 16 June 2011. Dealings in the Rights Shares in their nil-paid form are expected to take place from Wednesday, 29 June 2011 to Thursday, 7 July 2011, both days inclusive.

Any dealings in the Shares from now and up to 4:00 p.m. on the Long Stop Date (which is expected to be Thursday, 14 July 2011), being the time and date by which all the conditions to which the Rights Issue is subject are required to be fulfilled before the Rights Issue becomes unconditional and when the right of the Underwriter to terminate the Underwriting Agreement is to lapse, and any dealings in the Rights Shares in their nil-paid form between Wednesday, 29 June 2011 and Thursday, 7 July 2011, both days inclusive, are accordingly subject to the risk that the Rights Issue may not become unconditional or the Underwriting Agreement may be terminated and the Rights Issue may not proceed. Shareholders (as defined herein) and potential investors should therefore exercise caution when dealing in the Shares or the Rights Shares in their nil-paid form and, if they are in any doubt about their position, they should consult their professional adviser(s).

27 June 2011

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## DEFINITIONS

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*In this prospectus, the following expressions shall have the following meanings unless the context indicates otherwise:*

“Acceptance Date”	Tuesday, 12 July 2011, being the last day for acceptance of and payment for the Rights Shares, or such other date as the Company and the Underwriter may agree in writing
“associate”	where the context requires, has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or public holiday or a day on which either a tropical cyclone warning signal Number 8 or above or a “black” rainstorm warning signal is or remains hoisted between 9:00 a.m. and 4:00 p.m.) on which banks are open in Hong Kong for general commercial business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Law”	Companies Law (2010 Revision) of the Cayman Islands (as amended)
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“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
“connected person”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“Convertible Notes”	the convertible notes issued by the Company on 13 October 2010 with an aggregate principal amount of HK\$30,000,000 conferring rights to convert into a total of 120,000,000 Shares at an initial conversion price of HK\$0.25 per Share (subject to adjustment)
“Director(s)”	the director(s) of the Company
“EAF(s)”	application form(s) for use by the Qualifying Shareholders who wish to apply for excess Rights Shares
“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Board, after taking appropriate legal advice in the relevant jurisdiction in which the addresses of the Overseas Shareholders recorded in the register of members of the Company are situated, considers it necessary or expedient not to offer the Rights Shares to on account either of legal restrictions under the laws of that relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that relevant jurisdiction
“Group”	the Company and its subsidiaries

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## DEFINITIONS

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“GTC”	Global Trade Center Holdings Co. Limited, a company incorporated with limited liability in Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third parties independent of and not connected with the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates
“Last Trading Day”	Monday, 30 May 2011, being the last trading day of the Shares on the Stock Exchange prior to the issue of the announcement of the Company dated 31 May 2011 in relation to the Rights Issue
“Latest Practicable Date”	Thursday, 23 June 2011, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained in this Prospectus
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	second Business Day following the Acceptance Date or such later date as the Company and the Underwriter may agree
“Noteholders”	six subscribers of the Convertible Notes who are individual professional investors and are PRC nationals, and the term “Noteholder” means any one of them
“Overseas Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company as at the close of business on the Record Date and whose addresses as shown on such register are outside Hong Kong
“PAL(s)”	renounceable provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders for the Rights Shares
“Posting Date”	Monday, 27 June 2011 or such other date as the Company and the Underwriter may agree in writing for the despatch of the Rights Issue Documents
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus only (unless otherwise indicated) excludes Hong Kong, Macau and Taiwan
“Prospectus”	this prospectus, issued by the Company in relation to the Rights Issue
“Qualifying Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company as at the close of business on the Record Date, other than the Excluded Shareholder(s)

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## DEFINITIONS

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“Record Date”	Friday, 24 June 2011, the record date for determining Qualifying Shareholders and their entitlements under the Rights Issue
“Rights Issue”	the issue of not less than 294,261,987 and not more than 334,261,987 Rights Shares at the Subscription Price on the basis of one (1) Rights Share for every three (3) existing Shares held as at the close of business on the Record Date payable in full on acceptance
“Rights Issue Documents”	this Prospectus, the PALs and the EAFs
“Rights Share(s)”	new Share(s) to be allotted and issued to the Qualifying Shareholders for subscription pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Registrar”	Union Registrars Limited, the branch share registrar and transfer office of the Company, at 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong
“Share(s)”	ordinary share(s) in the Company with par value of HK\$0.025 each
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.25 per Rights Share
“subsidiary”	has the meaning ascribed to it in the Listing Rules and “subsidiaries” shall be construed accordingly
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“Underwriter”	Beijing Securities Limited, a licensed corporation to carry out types 1 (dealing in securities), 2 (dealing in futures contracts), 4 (advising on securities) and 6 (advising on corporate finance) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 30 May 2011 entered into between the Company and the Underwriter in relation to the Rights Issue
“Underwritten Rights Shares”	294,261,987 Rights Shares (being all the Rights Shares other than the Rights Shares that may be provisionally allotted to the Noteholders if the Noteholders exercise the conversion rights attaching to the Convertible Notes and become Qualifying Shareholders on or before the Record Date) which are fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement
“%”	per cent

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## EXPECTED TIMETABLE

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**2011**

First day of dealings in nil-paid Rights Shares .....	Wednesday, 29 June
Latest time for splitting nil-paid Rights Shares .....	4:30 p.m. on Monday, 4 July
Last day of dealings in nil-paid Rights Shares .....	Thursday, 7 July
Latest time for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares .....	4:00 p.m. on Tuesday, 12 July
Latest time for termination of the Underwriting Agreement .....	4:00 p.m. on Thursday, 14 July
Announcement of results of the Rights Issue to be published in the respective websites of the Stock Exchange and the Company .....	Friday, 15 July
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be posted on or before .....	Monday, 18 July
Certificates for the Rights Shares expected to be despatched on or before .....	Monday, 18 July
Dealings in fully-paid Rights Shares commence .....	9:00 a.m. on Wednesday, 20 July

*Notes:*

- (a) All references to times and dates in this Prospectus refer to Hong Kong time and dates.
- (b) Dates or deadlines specified in this Prospectus for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by agreement between the Company and the Underwriter. In such an event, changes to the expected timetable will be published by way of announcements or otherwise notified to Shareholders as soon as practicable.
- (c) The latest time for acceptance of and payment for the Rights Shares shall not take place at 4:00 p.m. on Tuesday, 12 July 2011 if there is a tropical cyclone warning signal Number 8 or above, or a “black” rainstorm warning signal:
  - (i) in force in Hong Kong at any time before 12:00 noon but no longer in force after 12:00 noon on Tuesday, 12 July 2011 (in which case the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same day); or
  - (ii) in force in Hong Kong at any time between 12:00 noon and 4:00 p.m. on Tuesday, 12 July 2011 (in which case the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the next following Business Day).

If the latest time for acceptance of and payment for the Rights Shares is rescheduled in accordance with the above paragraphs, the dates mentioned in this section may be affected. In such an event, an announcement will be made by the Company as soon as practicable.

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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The Underwriter is entitled to terminate the Underwriting Agreement in the circumstances described below.

If, at any time prior to 4:00 p.m. on the Long Stop Date (which is expected to be Thursday, 14 July 2011):

- (a) the occurrence of the following events would, in the opinion of the Underwriter, materially and adversely affect the business, financial or trading position or prospects of the Group as a whole or otherwise makes it inexpedient or inadvisable for the Company or the Underwriter to proceed with the Rights Issue:
  - (i) 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 nature whatsoever;
  - (ii) 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 Underwriting Agreement) of a political, military, financial, economic, currency or other nature (whether or not sui generis with any of the foregoing or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict); or
  - (iii) the occurrence of any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities);
- (b) any change occurs in the circumstances of the Company or any member of the Group which would materially and adversely affect the prospects of the Group as a whole;
- (c) the Company commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement;
- (d) the Underwriter shall receive notification pursuant to the Underwriting Agreement or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated as provided in the Underwriting Agreement and the Underwriter shall in its reasonable opinion determine that any such untrue representation or warranty represents or is likely to represent a material and adverse change in the business, financial or trading position or prospects of the Company as a whole or is otherwise likely to have a material and adverse effect on the Rights Issue; or
- (e) the Company shall, after any matter or event referred to in the Underwriting Agreement has occurred or come to the attention of the Underwriter, fail promptly to send out any announcement or circular (after the despatch of the Rights Issue Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company,

then and in any such case the Underwriter may, upon giving notice to the Company, terminate the Underwriting Agreement with immediate effect. If the Underwriting Agreement is terminated, the Rights Issue will not proceed.

In the event the Underwriter exercises its right to terminate the Underwriting Agreement, the Underwriting Agreement shall, save in respect of certain provisions therein, terminate and the obligations of the Company and the Underwriter shall cease and be null and void and none of the Company and the Underwriter shall, save in respect of certain provisions and any right or liability accrued under the Underwriting Agreement before such termination, have any right against or liability towards the other arising out of or in connection with the Underwriting Agreement.

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LETTER FROM THE BOARD

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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)

*Board of Directors*

*Executive Directors:*

Mr. Han Qingyun (*Chairman*)

Dr. Han Xiaoyue (*Joint Chairman*)

Ms. Guo Yan Ni

Mr. Long Ming Fei

Mr. Xu Nian Chun

*Independent Non-executive Directors:*

Mr. Li Xinzhong

Mr. Zhang Wen

Ms. Zhu Jing Hua

*Registered Office*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal Place of Business in Hong Kong*

Suites 913-917, 9/F

Sun Hung Kai Centre

30 Harbour Road

Wanchai

Hong Kong

*Head office in the People's Republic of China*

Floor 8,

Convention and Exhibition Center

No. 1, Software Road

Zhuhai SEZ

The People's Republic of China

27 June 2011

*To the Qualifying Shareholders*

*(and, for information only, to the Excluded Shareholders, if any)*

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE OF NOT LESS THAN 294,261,987  
AND NOT MORE THAN 334,261,987 RIGHTS SHARES  
AT HK\$0.25 EACH  
ON THE BASIS OF ONE (1) RIGHTS SHARE  
FOR EVERY THREE (3) SHARES HELD ON THE RECORD DATE**

**INTRODUCTION**

As disclosed in the announcements of the Company issued on 31 May 2011 and 3 June 2011 respectively, the Company announced its proposal to raise not less than approximately HK\$73.6 million (before expenses) and not more than approximately HK\$83.6 million (before expenses) by way of the Rights Issue by issuing not less than 294,261,987 and not more than 334,261,987 Rights Shares at the Subscription Price payable in full on acceptance.

*\* for identification purpose only*



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## LETTER FROM THE BOARD

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The purpose of this Prospectus is to provide you with further details regarding the Rights Issue, including information on dealing in, transfer and acceptance of the Rights Shares, and certain financial and other information in respect of the Group.

### RIGHTS ISSUE DETAILS

Basis of the Rights Issue:	One (1) Rights Share for every three (3) existing Shares held as at the close of business on the Record Date
Subscription Price:	HK\$0.25 per Rights Share payable in full on acceptance
Acceptance Date:	4:00 p.m. on a date which is expected to be Tuesday, 12 July 2011
Number of existing Shares in issue:	882,785,961 Shares as at the Latest Practicable Date
Number of Rights Shares:	Not less than 294,261,987 and not more than 334,261,987 Rights Shares
Amount to be raised:	Not less than approximately HK\$73.6 million (before expenses) and not more than approximately HK\$83.6 million (before expenses)
Estimated net proceeds:	HK\$70.1 million (if 294,261,987 Rights Shares are to be issued) to HK\$80.1 million (if 334,261,987 Rights Shares are to be issued)
Net subscription price per Right Share:	From approximately HK\$0.238 (if 294,261,987 Rights Shares are to be issued) to approximately HK\$0.240 (if 334,261,987 Rights Shares are to be issued)
Status of the Rights Shares:	The Rights Shares, when allotted, issued and fully-paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares
Right to make excess applications:	Qualifying Shareholders will only have the right to apply for the Rights Shares in excess of their provisional allotments
Excluded Shareholders:	The Rights Issue will not be extended to the Excluded Shareholders, if any. No provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to the Excluded Shareholders. Rights Shares which represent entitlements of the Excluded Shareholders will be sold for their benefit on the Stock Exchange, in nil-paid form, as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium, net of expenses, can be obtained. The proceeds of the sale, less expenses, will be paid to such Excluded Shareholders pro rata to their entitlements to the Rights Shares had they been Qualifying Shareholders as at the close of business on the Record Date in Hong Kong dollars, except that any individual amount of less than HK\$100 will be retained for the benefit of the Company. Any such entitlements not sold in the market will be made available for application by the Qualifying Shareholders under the excess applications

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## LETTER FROM THE BOARD

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Underwriter:	Beijing Securities Limited, and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties
Number of Underwritten Rights Shares:	294,261,987 Rights Shares (being the total number of Rights Shares to be issued under the Rights Issue after deducting the Rights Shares for which the Noteholders will have to irrevocably undertake to the Underwriter to take up if they intend to convert the Convertible Notes into Shares, please refer to paragraph (h) in the subsection headed "Conditions of the Rights Issue" for details)

### TERMS OF THE RIGHTS ISSUE

#### Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must (i) have been registered as a member of the Company as at the close of business on the Record Date; and (ii) be a Qualifying Shareholder.

In order to have been registered as a member of the Company on the Record Date, a person must have lodged his/her/its transfer of Shares (together with the relevant share certificate(s)) with the Share Registrar for registration at or prior to 4:30 p.m. on Friday, 17 June 2011.

Based on the register of members of the Company as at the Latest Practicable Date, there were total of 6 Overseas Shareholders, whose registered addresses as shown in the register of members of the Company were outside Hong Kong, namely in the PRC.

After making enquiries with the Company's PRC legal adviser regarding the legal restriction under the laws of the PRC and the requirements of the relevant regulatory body or stock exchange in the PRC to offer the Rights Shares (in nil-paid and fully paid forms) to such Overseas Shareholders in accordance with Rule 13.36(2)(a) of the Listing Rules, the Directors are advised by the PRC legal adviser that there is no onerous requirement or restriction on extending the Rights Issue to the Overseas Shareholders in the PRC. Accordingly, Overseas Shareholders in the PRC are also Qualifying Shareholders.

The Rights Issue Documents have been despatched to the Qualifying Shareholders on the Posting Date.

#### Number of Rights Shares

As at the Latest Practicable Date, there were (i) 882,785,961 Shares in issue; and (ii) outstanding Convertible Notes with an aggregate principal amount of HK\$30,000,000 convertible into 120,000,000 new Shares at the conversion price of HK\$0.25 per conversion share (subject to adjustment). Save as aforesaid, there are no convertible securities, options or warrants in issue which would otherwise confer any right to subscribe for, convert or exchange into new Shares as at the Latest Practicable Date.

As disclosed in this Prospectus, it is one of the conditions of the Rights Issue that each of the holders of all outstanding Convertible Notes having provided to the Underwriter irrevocable undertaking for agreeing not to exercise any right to convert any part of the Convertible Notes into Shares under the Convertible Notes on or before the Record Date unless with prior written consent of the Underwriter and the Underwriter shall give consent to conversion of such part of the Convertible Notes if the holder of such part shall have provided the Underwriter with an irrevocable undertaking for undertaking to take up the Rights Shares which will be issued in connection with the Shares to be issued by the Company to the holder on or before the Record Date following exercise of the conversion rights regarding the said part of the Convertible Notes. As at the Latest Practicable Date, the Company has not received any notice to exercise the conversion rights under the Convertible Notes from any Noteholders.

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## LETTER FROM THE BOARD

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Assuming none of the Convertible Notes are converted into Shares, 294,261,987 Rights Shares are expected to be provisionally allotted under the Rights Issue on the basis of one (1) Rights Share for every three (3) existing Shares held as at the close of business on the Record Date.

The 294,261,987 Rights Shares represent 33.33% of the existing issued share capital of the Company and 25.00% of the issued share capital of the Company as enlarged by the issue of the Rights Shares.

If the Noteholders exercise the conversion rights attaching to the Convertible Notes in full and assuming all of such Noteholders become Qualifying Shareholders on or before the Record Date, the number of Shares in issue will be increased to 1,002,785,961. Accordingly, the number of Rights Shares to be allotted and issued pursuant to the Rights Issue will be increased from 294,261,987 to 334,261,987.

The 334,261,987 Rights Shares represent 33.33% of the issued share capital (as enlarged by the issue of the Shares upon exercise of the conversion rights attaching to the Convertible Notes in full) of the Company and 25.00% of the issued share capital of the Company (as enlarged by the issue of the Shares upon exercise of the conversion rights attaching to the Convertible Notes in full and by the issue of the Rights Shares).

### **Subscription Price**

The Subscription Price is HK\$0.25 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares or application for excess Rights Shares or when a renounee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of 41.18% to the closing price of HK\$0.425 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a discount of 48.98% to the closing price of HK\$0.49 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of 44.81% to the average closing price of HK\$0.453 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day;
- (d) a discount of 44.57% to the average closing price of HK\$0.451 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day;
- (e) a discount of 37.89% to the average closing price of HK\$0.4025 per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day; and
- (f) a discount of 41.86% to the theoretical ex-rights price of HK\$0.43 based on the closing price of HK\$0.49 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the prevailing market price of the Shares and current market conditions.

The Directors consider the terms of the Rights Issue and the Subscription Price to be fair and reasonable and the Rights Issue to be in the interests of the Company and Shareholders as a whole.

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## LETTER FROM THE BOARD

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### **Basis of provisional allotments**

The Company will provisionally allot the Rights Shares to the Qualifying Shareholders on the basis of one (1) Rights Share in nil-paid form for every three (3) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

### **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully-paid, will rank pari passu in all respects with the Shares then in issue, including the right to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares.

### **Share certificates and refund cheques for the Rights Shares**

Subject to the fulfilment of the conditions to the Rights Issue as described in the section headed "Conditions of the Rights Issue" below and the Underwriting Agreement not being terminated by the Underwriter in the circumstances described in the section headed "Termination of the Underwriting Agreement" below, share certificates for all fully-paid Rights Shares are expected to be posted by ordinary mail on or about Monday, 18 July 2011 to those Qualifying Shareholders or their transferees who have accepted and paid for the Rights Shares, at their risk.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares are also expected to be posted by ordinary mail on or about Monday, 18 July 2011 at such applicants' risk.

### **Fractional entitlements of Rights Shares and Rights Shares which would have been allotted to Excluded Shareholders had they been Qualifying Shareholders**

The Company has not provisionally allotted any Rights Shares to any Shareholder in respect of Shares held at the Record Date by such Shareholder which are less than an integral of three (3) Shares (a "**fractional entitlement of Rights Shares**"). Arrangements will be made by the Company for the sale in the market of Rights Shares comprised in all fractional entitlements of Rights Shares, including Rights Shares created by adding fractions of Rights Shares, in nil-paid form and, if the Company does so, it will keep the net proceeds for its own use and benefit. Any such Rights Shares unsold will be available for excess Rights Shares applications.

In the case of the Rights Shares which would have been allotted to the Excluded Shareholders, if any, had they been Qualifying Shareholders, the Company shall use its reasonable endeavours to procure that all or as many as possible of such Rights Shares are sold on the Stock Exchange, in nil-paid form, at such a premium in excess of the expenses of sale as may reasonably be obtained as soon as practicable after the commencement of dealings in the nil-paid Rights Shares but before the latest time for dealings in the nil-paid Rights Shares. The Company will distribute to the Excluded Shareholders the net proceeds of such sale of the Rights Shares (pro rata to their entitlement to the Rights Shares had they been Qualifying Shareholders) except that a sum due to any Excluded Shareholder of less than HK\$100 will not be distributed but will be retained by the Company for its own use and benefit. In the event that such Rights Shares are not sold on the Stock Exchange, they will become part of the excess Rights Shares available for application by the Qualifying Shareholders.

### **Excluded Shareholders**

Any Overseas Shareholder to whom the Board, based on advice provided by legal advisers, considers it necessary or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of the relevant overseas jurisdiction in which the address of such Overseas Shareholder recorded in the register of members of the Company is situated or the requirements of the relevant regulatory body or stock exchange in that jurisdiction will not be regarded as a Qualifying Shareholder. The Company reserves the right, however, in its discretion to vary the requirements set out above to avoid any offer of Rights Shares to Shareholders (without compliance with registration or other legal and regulatory requirements) outside Hong Kong.

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## LETTER FROM THE BOARD

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The Rights Issue Documents have not been registered under any securities or equivalent legislation of any jurisdictions other than the applicable laws in Hong Kong. Accordingly, no action has been taken to permit the Rights Issue in any jurisdiction other than Hong Kong. No person receiving a PAL or EAF in any jurisdiction other than Hong Kong may treat it as an offer or invitation to apply for the Rights Shares or excess Rights Shares, unless in the relevant jurisdiction such an offer or invitation to apply for the Rights Shares or excess Rights Shares could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares or excess Rights Shares to satisfy himself/herself/itself, before exercising any rights to subscribe for the provisionally allotted Rights Shares or excess Rights Shares, as to the observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents and to pay any taxes and duties required to be paid in such jurisdiction in connection therewith. The Company reserves the right to refuse to accept any application for the Rights Shares or excess Rights Shares if it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

Based on the registered of members of the Company as at the Latest Practicable Date, there were total of 6 Overseas Shareholders, whose registered addresses as shown in the register of members of the Company were outside Hong Kong, namely in the PRC.

### **Procedures for acceptance and payment or transfer**

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Share Registrar, Union Registrars Limited at 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong by not later than 4:00 p.m. on Tuesday, 12 July 2011 or such later time and/or date as may be agreed between the Company and the Underwriter. **All remittances must be made in Hong Kong dollars. Cheques must be drawn on a bank account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "Vitop Bioenergy Holdings Limited - Rights Issue Account" and crossed "Account Payee Only".**

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Share Registrar by not later than 4:00 p.m. on Tuesday, 12 July 2011, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer a part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer all or part of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Monday, 4 July 2011 with the Share Registrar, who will cancel the original PAL and issue new PAL(s) in the denomination(s) required which will be available for collection from the Share Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

All cheques and cashier's orders for the Rights Shares will be presented for payment immediately following receipt and all interest earned on such monies, if any, will be retained for the use and benefit of the Company. If any cheque or cashier's order is dishonoured on first presentation, the PAL is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

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## LETTER FROM THE BOARD

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If, at any time prior to 4:00 p.m. on the Long Stop Date (which is expected to be Thursday, 14 July 2011), any of the conditions of the Rights Issue are not fulfilled or the Underwriter exercises its right to terminate the Underwriting Agreement in accordance with its terms, the Rights Issue will not proceed and the monies received in respect of acceptances of the Rights Shares will be refunded to the applicants without interest by means of cheques to be despatched by ordinary mail at the risk of such applicants on or about Monday, 18 July 2011.

### **Application for excess Rights Shares**

A Qualifying Shareholder shall be entitled to apply for (i) any unsold entitlement of the Excluded Shareholders, if any; (ii) any unsold Rights Shares comprised in any fractional entitlement of Rights Shares; and (iii) any Rights Shares provisionally allotted but not accepted by other Qualifying Shareholders.

Any Qualifying Shareholder wishing to apply for any excess Rights Shares in addition to his/her/its provisional allotment must complete and sign the enclosed EAF as indicated thereon and lodge it, together with a separate remittance for the full amount payable on application in respect of the excess Rights Shares applied for, with the Share Registrar, Union Registrars Limited at 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong by not later than 4:00 p.m. on Tuesday, 12 July 2011, or such later time and/or date as may be agreed between the Company and the Underwriter. **All remittances must be made in Hong Kong dollars. Cheques must be drawn on a bank account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "Vitop Bioenergy Holdings Limited - Excess Application Account" and crossed "Account Payee Only".**

The Board will allocate the excess Rights Shares at its discretion on a fair and reasonable basis on the following principles:

- (a) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with the intention to abuse this mechanism; and
- (b) subject to availability of excess Rights Shares after allocation under principle (a) above, the excess Rights Shares will be allocated to the Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied for by them (i.e. the Qualifying Shareholders applying for smaller numbers of Rights Shares are allocated with a higher percentage of successful application but will receive less number of Rights Shares; whereas the Qualifying Shareholders applying for larger numbers of Rights Shares are allocated with a smaller percentage of successful application but will receive higher number of Rights Shares).

The Directors consider such an allocation basis to be fair and reasonable.

Persons whose Shares are held by a nominee company (or which are held in CCASS) should note that for the purposes of the principles above, the Company will regard the nominee company (including HKSCC) as a single Shareholder according to the register of members of the Company. Accordingly, persons whose Shares are registered in the name of a nominee company (or which are held in CCASS) should note that the arrangements in relation to the allocation of the excess Rights Shares will not be extended to them individually.

If no excess Rights Shares are allotted to a Qualifying Shareholder who has applied for excess Rights Shares, it is expected that a cheque for the amount tendered on application in full without interest will be posted to his/her/its registered address by ordinary mail at his/her/its risk on or about Monday, 18 July 2011. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, it is expected that a cheque for the amount of the surplus subscription monies, without interest, will be posted to his/her/its registered address by ordinary mail at his/her/its risk on or about Monday, 18 July 2011.

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## LETTER FROM THE BOARD

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All cheques and cashier's orders for the application of excess Rights Shares will be presented for payment immediately following receipt and all interest earned on such monies, if any, will be retained for the use and benefit of the Company. Completion and return of the EAF, together with a cheque or cashier's order in payment for the excess Rights Shares applied for, will constitute a representation and warranty to the Company by the applicant that the cheque or cashier's order will be honoured on first presentation. If the cheque or cashier's order is not honoured on first presentation, the application for excess Rights Shares is liable to be rejected.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent by ordinary mail at the risk of the persons entitled thereto to their registered address by the Share Registrar.

If any of the conditions of the Rights Issue is not fulfilled or the Underwriter exercises its right to terminate the Underwriting Agreement in accordance with its terms prior to 4:00 p.m. on the Long Stop Date (which is expected to be Thursday, 14 July 2011), the Rights Issue will not proceed and the monies received in respect of applications for excess Rights Shares will be refunded to the applicants without interest by means of cheques to be despatched by ordinary mail at the risk of such applicants on or about Monday, 18 July 2011.

### **Application for listing**

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

No part of the share capital of the Company is listed or dealt in on any other stock exchange, nor is listing of or permission to deal in the share capital or any part of the share capital of the Company being or is proposed to be sought on any other stock exchange.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Rights Shares in their nil-paid and fully-paid forms or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Nil-paid Rights Shares are expected to be traded in board lots of 10,000 (as the Shares are currently traded on the Stock Exchange in board lots of 10,000). Dealings in the Rights Shares, in both nil-paid and fully-paid forms, will be subject to the payment of stamp duty, the Stock Exchange trading fee, the SFC transaction levy and other applicable fees and charges in Hong Kong.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the following:

- (a) the signing and certification of the Rights Issue Documents by the Directors;
- (b) the Underwriting Agreement is not terminated by the Underwriter;
- (c) the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong respectively of the Rights Issue Documents in compliance with section 342C(3) of the Companies Ordinance (and all other documents required to be attached thereto) and otherwise complying with the requirements of the Companies Ordinance and the Listing Rules;

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## LETTER FROM THE BOARD

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- (d) if required, the filing with Registrar of Companies in the Cayman Islands one copy of the Rights Issue Documents duly signed by either all Directors or one of the Directors (for and on behalf of all the Directors) and all other documents to be attached thereto and otherwise in compliance with the Companies Law;
- (e) the posting of copies of the Rights Issue Documents to the Qualifying Shareholders;
- (f) compliance by the Company with its obligations under the Underwriting Agreement;
- (g) the Listing Committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) by no later than the Posting Date and not having withdrawn or revoked such listing and permission on or before the fourth Business Day after the Acceptance Date;
- (h) each of the holders of all outstanding Convertible Notes having provided to the Underwriter irrevocable undertaking for agreeing not to exercise any right to convert any part of the Convertible Notes into Shares under the Convertible Notes on or before the Record Date unless with prior written consent of the Underwriter and the Underwriter shall give consent to conversion of such part of the Convertible Notes if the holder of such part shall have provided the Underwriter with an irrevocable undertaking for undertaking to take up the Rights Shares which will be issued in connection with the Shares to be issued by the Company to the holder on or before the Record Date following exercise of the conversion rights regarding the said part of the Convertible Notes.

In the event that any of the above conditions is not satisfied at any time prior to 4:00 p.m. on the Long Stop Date (which is expected to be Thursday, 14 July 2011) (save condition (g) above which shall be satisfied on or before the fourth Business Day after the Acceptance Date), the Underwriting Agreement shall, save in respect of certain provisions therein, terminate and the obligations of the Company and the Underwriter shall cease and be null and void upon such termination and none of the Company and the Underwriter shall, save in respect of any right or liability accrued under the Underwriting Agreement before such termination, have any right against or liability towards the other arising out of or in connection with the Underwriting Agreement.

### **IRREVOCABLE UNDERTAKINGS**

It is one of the conditions of the Rights Issue that each of the holders of all outstanding Convertible Notes having provided to the Underwriter irrevocable undertaking for agreeing not to exercise any right to convert any part of the Convertible Notes into Shares under the Convertible Notes on or before the Record Date unless with prior written consent of the Underwriter and the Underwriter shall give consent to conversion of such part of the Convertible Notes if the holder of such part shall have provided the Underwriter with an irrevocable undertaking for undertaking to take up the Rights Shares which will be issued in connection with the Shares to be issued by the Company to the holder on or before the Record Date following exercise of the conversion rights regarding the said part of the Convertible Notes.

As at the Latest Practicable Date, the Company has not received any notice to exercise the conversion rights under the Convertible Notes from any Noteholders.

As at the Latest Practicable Date, the Board has not received any information from any substantial shareholders of their intention to subscribe for their entitlements under the Rights Issue.



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## LETTER FROM THE BOARD

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### UNDERWRITING ARRANGEMENT

The Rights Shares (other than the Rights Shares that may be provisionally allotted to the Noteholders if the Noteholders exercise the conversion rights attaching to the Convertible Notes and become Qualifying Shareholders on or before the Record Date) will be fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement, certain details of which are described below. The Underwriter shall subscribe, or procure subscribers, for any Underwritten Rights Shares that are not validly accepted or subscribed for by the Acceptance Date, subject to the terms and the conditions of the Underwriting Agreement including those described below.

Date:	30 May 2011
Underwriter:	Beijing Securities Limited
Number of Underwritten Rights Shares:	294,261,987 Rights Shares
Underwriting commission:	about HK\$2.94 million, being 4% of the aggregate Subscription Price in respect of the Underwritten Rights Shares, payable by the Company to the Underwriter upon completion of the Rights Issue

The Underwriter has agreed to subscribe, or procure subscribers, for any Underwritten Rights Shares that are not validly accepted or subscribed for by the Acceptance Date, subject to the terms and conditions set out in the Underwriting Agreement including the conditions set out in the section headed “Conditions of the Rights Issue” above and the right of the Underwriter to terminate the Underwriting Agreement as set out in the section headed “Termination of the Underwriting Agreement” below.

The underwriting commission payable to the Underwriter was determined after arm’s length negotiation between the Company and the Underwriter by reference to, among other things, the number of the Underwritten Rights Shares, the Subscription Price and the current and expected market conditions.

The Directors (including the independent non-executive Directors) consider the terms of the Underwriting Agreement, including the rate of underwriting commission payable to the Underwriter, to be on normal commercial terms and to be fair and reasonable and in the interests of the Company and Shareholders as a whole.

None of the Directors has a material interest in the Underwriting Agreement or was required to abstain from voting on the board resolutions in respect of the Underwriting Agreement.

### Conditions to the Underwriting Agreement

The obligation of the Underwriter under the Underwriting Agreement to subscribe, or procure subscribers, for the Underwritten Rights Shares is subject to the fulfillment of the conditions set out in the Underwriting Agreement and as described in the section headed “Conditions of the Rights Issue” above.

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## LETTER FROM THE BOARD

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### Termination of the Underwriting Agreement

The Underwriter is entitled to terminate the Underwriting Agreement in the circumstances described below.

If, at any time prior to 4:00 p.m. on the Long Stop Date (which is expected to be Thursday, 14 July 2011):

- (a) the occurrence of the following events would, in the opinion of the Underwriter, materially and adversely affect the business, financial or trading position or prospects of the Group as a whole or otherwise makes it inexpedient or inadvisable for the Company or the Underwriter to proceed with the Rights Issue:
  - (i) 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 nature whatsoever;
  - (ii) 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 Underwriting Agreement) of a political, military, financial, economic, currency or other nature (whether or not sui generis with any of the foregoing or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict); or
  - (iii) the occurrence of any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities);
- (b) any change occurs in the circumstances of the Company or any member of the Group which would materially and adversely affect the prospects of the Group as a whole;
- (c) the Company commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement;
- (d) the Underwriter shall receive notification pursuant to the Underwriting Agreement or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated as provided in the Underwriting Agreement and the Underwriter shall in its reasonable opinion determine that any such untrue representation or warranty represents or is likely to represent a material and adverse change in the business, financial or trading position or prospects of the Company as a whole or is otherwise likely to have a material and adverse effect on the Rights Issue; or
- (e) the Company shall, after any matter or event referred to in the Underwriting Agreement has occurred or come to the attention of the Underwriter, fail promptly to send out any announcement or circular (after the despatch of the Rights Issue Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company,

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## LETTER FROM THE BOARD

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then and in any such case the Underwriter may, upon giving notice to the Company, terminate the Underwriting Agreement with immediate effect. If the Underwriting Agreement is terminated, the Rights Issue will not proceed.

In the event the Underwriter exercises its right to terminate the Underwriting Agreement, the Underwriting Agreement shall, save in respect of certain provisions therein, terminate and the obligations of the Company and the Underwriter shall cease and be null and void and none of the Company and the Underwriter shall, save in respect of certain provisions and any right or liability accrued under the Underwriting Agreement before such termination, have any right against or liability towards the other arising out of or in connection with the Underwriting Agreement.

### CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and assuming completion of the Rights Issue occurs:

#### Scenario 1:

Assuming none of the Convertible Notes are converted into Shares and there is no other change in the issued share capital of the Company on or before the Record Date:

Name of Shareholder	Existing Shareholding as at the Latest Practicable Date		Immediately after completion of the Rights Issue (assuming none of the Convertible Notes are converted into Shares and all Rights Shares will be taken up by Qualifying Shareholders)		Immediately after completion of the Rights Issue (assuming none of the Convertible Notes are converted into Shares and no Rights Share will be taken up by Qualifying Shareholders and the Underwriter will take up all unsubscribed Rights Shares pursuant to the Underwriting Agreement)	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
Han Qingyun (Note 1)	200,000,000	22.66	266,666,666	22.66	200,000,000	16.99
Han Xiaoyue (Note 2)	3,805,112	0.43	5,073,482	0.43	3,805,112	0.32
Noteholders	—	—	—	—	—	—
Underwriter	—	—	—	—	294,261,987	25.00
Public Shareholders	678,980,849	76.91	905,307,800	76.91	678,980,849	57.69
<b>Total</b>	<b>882,785,961</b>	<b>100.00</b>	<b>1,177,047,948</b>	<b>100.00</b>	<b>1,177,047,948</b>	<b>100.00</b>

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## LETTER FROM THE BOARD

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### Scenario 2:

Assuming all the Noteholders have exercised the conversion rights attaching to the Convertible Notes in full and there is no other change in the issued share capital of the Company on or before the Record Date:

Name of Shareholder	Existing Shareholding as at the Latest Practicable Date		Shareholding (assuming all the Noteholders have exercised the conversion rights attaching to the Convertible Notes in full and there is no other change in the issued share capital of the Company) on or before the Record Date		Immediately after completion of the Rights Issue (assuming all Rights Shares will be taken up by Qualifying Shareholders)		Immediately after completion of the Rights Issue (assuming no Rights Share will be taken up by Qualifying Shareholders and the Underwriter will take up all unsubscribed Rights Shares pursuant to the Underwriting Agreement)	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
Han Qingyun (Note 1)	200,000,000	22.66	200,000,000	19.94	266,666,666	19.94	200,000,000	14.96
Han Xiaoyue (Note 2)	3,805,112	0.43	3,805,112	0.38	5,073,482	0.38	3,805,112	0.28
Noteholders	—	—	120,000,000	11.97	160,000,000	11.97	160,000,000	11.97
Underwriter	—	—	—	—	—	—	294,261,987	22.01
Public Shareholders	678,980,849	76.91	678,980,849	67.71	905,307,800	67.71	678,980,849	50.78
<b>Total</b>	<b>882,785,961</b>	<b>100.00</b>	<b>1,002,785,961</b>	<b>100.00</b>	<b>1,337,047,948</b>	<b>100.00</b>	<b>1,337,047,948</b>	<b>100.00</b>

*Note:*

- 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.
- 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.

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## LETTER FROM THE BOARD

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### WARNING OF THE RISKS OF DEALING IN SHARES AND NIL-PAID RIGHTS SHARES

Existing Shares have been dealt with on an ex-rights basis since Thursday, 16 June 2011. The Rights Shares will be dealt with in their nil-paid form from Wednesday, 29 June 2011 to Thursday, 7 July 2011, both days inclusive. If, prior to 4:00 p.m. on the Long Stop Date (which is expected to be Thursday, 14 July 2011), the conditions of the Rights Issue cannot be fulfilled or the Underwriter terminates the Underwriting Agreement (see sub-sections headed “Conditions of the Rights Issue” and “Termination of the Underwriting Agreement” above), the Rights Issue will not proceed.

Any dealings in the Shares from now and up to 4:00 p.m. on the Long Stop Date (which is expected to be Thursday, 14 July 2011), being the time and date by which all the conditions to which the Rights Issue is subject are required to be fulfilled before the Rights Issue becomes unconditional and when the right of the Underwriter to terminate the Underwriting Agreement is to lapse, and any dealings in the Rights Shares in their nil-paid form between Wednesday, 29 June 2011 to Thursday, 7 July 2011, both days inclusive, are accordingly subject to the risk that the Rights Issue may not proceed.

Shareholders and potential investors dealing in the Shares from now and up to 4:00 p.m. on the Long Stop Date (which is expected to be Thursday, 14 July 2011), being the time and date by which all the conditions to which the Rights Issue is subject are required to be fulfilled before the Rights Issue becomes unconditional and when the right of the Underwriter to terminate the Underwriting Agreement is to lapse, or in the Rights Shares in nil-paid form during the period in which they may be traded in their nil-paid form (which is Wednesday, 29 June 2011 to Thursday, 7 July 2011, both days inclusive), bear the risk that the Rights Issue may not proceed.

Shareholders and potential investors should therefore exercise caution when dealing in the Shares or the Rights Shares in their nil-paid form and, if they are in any doubt about their position, they should consult their professional adviser(s).

If the Rights Issue does not proceed, the application monies received will be refunded to the applicants without interest by means of cheques to be posted by ordinary mail at the risk of such applicants on or about Monday, 18 July 2011.

### REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The proceeds from the Rights Issue will be not less than approximately HK\$73.6 million (before expenses) and not more than approximately HK\$83.6 million (before expenses). The estimated net proceeds of the Rights Issue will be not less than approximately HK\$70.1 million and not more than approximately HK\$80.1 million. The entire amount of net proceeds of the Rights Issue will be applied by the Company as general working capital of the Group. As at the Latest Practicable Date, the Company has not identified any specific investment opportunities.

Having considered other fund raising alternatives for the Group, such as bank borrowings and placing of new Shares, and taking into account the benefits and cost of each of the alternatives, the Rights Issue allows the Group to strengthen its balance sheet without facing the increasing interest rates. The Board considers that the Rights Issue is in the interest of the Company and the Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so.

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## LETTER FROM THE BOARD

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### ADJUSTMENT TO THE CONVERTIBLE NOTES

As a result of the Rights Issue, the conversion price of the Convertible notes may be adjusted in accordance with the respective terms and conditions of the Convertible Notes as well as the Listing Rules and the supplemental guidance issued by the Stock Exchange in September 2005. The Company will engage auditors to certify the adjustments to the Convertible Notes and inform the Noteholders of the adjustments accordingly.

### INFORMATION ON THE GROUP

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.

### FUNDS RAISED BY THE COMPANY IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any other fund raising activities in the past twelve months immediately preceding the Latest Practicable Date:

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
4 October 2010	Issue of non-listed Convertible Notes with an aggregate principal amount of HK\$30,000,000 convertible into 120,000,000 new Shares at the conversion price of HK\$0.25 per conversion share (subject to adjustment)	HK\$30 million	General working capital	General working capital

### IMPLICATIONS UNDER THE LISTING RULES

Since the Rights Shares will not increase the issued share capital or the market capitalization of the Company by more than 50% within the 12-month period immediately preceding this announcement, the Rights Issue itself is not subject to the Shareholders' approval.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,  
For and on behalf of the Board of  
**VITOP BIOENERGY HOLDINGS LIMITED**  
**Han Qingyun**  
*Chairman*

**1. FINANCIAL STATEMENTS OF THE GROUP**

The audited consolidated financial statements of the Group for each of the year ended 30 June 2008, 30 June 2009 and 30 June 2010, including the notes thereto, have been published in the annual reports of the Company for the year ended 30 June 2008 (pages 35 to 115), 30 June 2009 (pages 31 to 115) and 30 June 2010 (pages 31 to 107) respectively, which are incorporated by reference into this Prospectus. The said annual reports of the Company are available on the Company's website and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

The unaudited consolidated financial statements of the Group for the six months ended 31 December 2010 together with the relevant notes to the accounts have been disclosed in the interim report of the Company dated 18 March 2011, which are incorporated by reference into this Prospectus. The said interim report of the Company is available on the Company's website and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

The auditors of the Group have not issued any qualified opinion on the Group's financial statements for the financial years ended 30 June 2008, 30 June 2009 and 30 June 2010.

**2. MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 30 June 2010, the date to which the latest published audited consolidated financial statements of the Group were made up.

**3. INDEBTEDNESS**

All information contained in this indebtedness statement is given as of the close of business on 31 May 2011, being the latest practicable date for the purpose of preparing this indebtedness statement prior to the printing of this Prospectus. Intra-group liabilities have been disregarded in the preparation of this indebtedness statement.

At the close of business on 31 May 2011, being the latest practicable date for the purpose of preparing this indebtedness statement prior to the printing of this Prospectus, the Group did not have any outstanding bank borrowings and the finance lease commitments of the Group amounted to approximately HK\$26,000.

As at 31 May 2011, the Group had outstanding convertible notes, which bear interest at the rate of 3% per annum and will mature on 12 April 2012, with a book balance of HK\$30 million.

Saved as disclosed above and apart from intra-group liabilities and normal accounts payable in the ordinary course of business of the Group, the Group did not have any outstanding indebtedness in respect of any mortgages, charges, debentures or other loan capital, bank loans and overdrafts, loans, debt securities (issued and outstanding, and authorised or otherwise created but unissued) or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, or hire purchase commitments, finance lease commitments, guarantees or other material contingent liabilities as at the close of business on 31 May 2011.

**4. WORKING CAPITAL**

The Directors, after due and careful enquiry, are of the opinion that after taking into account the present available financial resources, including the internally generated funds and the net proceeds of the Rights Issue, the Group has sufficient working capital for its business for at least the next 12 months from the date of this Prospectus.

## 5. BUSINESS REVIEW AND FINANCIAL AND TRADING PROSPECTS

### Business Overview

The year 2010 was a year of optimization, consolidation and development. Against the backdrop that global economic crisis has not yet fully bottomed out and some influential media challenged the “meeting marketing” mode, the Group identified it “a year of optimization, consolidation and development” to promote transformation through optimization of business and to push ahead development through consolidation. During the year, the Group further streamlined those operations which the Group was invested in the past but recently found them not profitable, properly optimized the structure and allocation of human resources and adjusted business model operated when necessary based on the concept of “focus on principal business (brand management for healthcare products) with multiple breakthroughs in marketing”. The Group’s consolidation was promoted in two directions. Firstly, the listed company implemented a diversified investment strategy and sought for new quality projects with potential for expansion. Secondly, the Group adjusted its core health care business and transformed of the “meeting marketing” mode by carrying out its “sunshine transition program”, which is a combination of national chain brand counters and elderly service marketing. For development, the Group proactively recruited a sophisticated direct sales team for healthcare products and strengthened the utilization of capital for operation, which has built a solid foundation for steady development of the Group’s healthcare business.

For the six months ended 31 December 2010, the Group recorded sales revenue of approximately HK\$16.08 million, representing a decrease of approximately HK\$27.85 million or 63.40% as compared with that of last period. The decrease was mainly due to the unfashionable marketing mode and cut-throat competition from the Group’s rivals, especially from multi-functional water generators. The sale revenue from multi-functional water generators had been decreased of approximately HK\$21.78 million, representing a decrease of approximately 80.10% as compared with that of last period.

The Group’s gross profit margin for the period was approximately 37.17%, representing an increase of 3.03 percentage points from last period.

The Group’s losses for the Period increased approximately by HK\$4.02 million or approximately 82.89% to HK\$8.87 million from the loss of approximately HK\$4.85 million of last period, mainly due to the decrease of sales revenue from multi-functional water generators.

### Liquidity and Financial Resources

As at 31 December 2010, the Group had no bank and other borrowing.

As at 31 December 2010, the Group’s current ratio and quick ratio were approximately 1.24 (30 June 2010: approximately 1.73) and approximately 0.90 (30 June 2010: approximately 1.10) respectively.

### Employees

As at 31 December 2010, the Group employed a total of 184 employees, of which 178 are based in the PRC and 6 are based in Hong Kong. Competitive remuneration packages are structured to commensurate with individual responsibilities, qualification, experience and performance. The Group has a share option scheme for the benefit of its directors and eligible employees of the Group.



**Business Prospect**

It is time for the Group to transform its business mode within healthcare industry. While the Group has adopted the “meeting marketing” mode over the decade, yet the mode became very unfashionable due to cut-throat competition, which led to a decrease in its sales revenue and operating profit over the years. Decisive transformation of healthcare business, the existing principal or core business of the Group, is a must, or the return for the investors and the leading position of the Group’s brands in PRC will be directly affected.

Despite the “meeting marketing” mode for healthcare product has become unfashionable, it does not mean that the healthcare product industry has shrunk. In fact, the industry represents a “fast growing industry” in PRC. With the rising living standard and quality of living, there is an increasing demand for healthcare products. While the marketing of healthcare products in PRC is heading to “direct marketing” and “gift marketing” modes, the Group expects the modes will continue to lead the market in long run. However, no matter it is a “direct marketing” or “gift marketing”, the domestic operating environment and market trend is looking for a standardized and branding marketing mode. Over the 18 years of brand building, the Group has laid a solid brand foundation for its successful transformation. The Group targeted to develop the recognition and reputation of the Group’s brand (a Famous Trademark and PRC’s Top Brand) through adopting its transformation at low cost, which in turn creating value for shareholders and developing a healthcare product with a hundred years of history for the society. The strategy and method of transformation is to “turn to overtake” promptly and combine the “direct marketing” with the “meeting marketing”, with the aim to achieve a “sunshine transformation”.

Rapid implementation of “direct marketing” by introducing strategic cooperation, the Group has collaborated with Beijing Ruipuruisen for the direct marketing of healthcare products to achieve a win-win situation by leveraging the capacity and experience of its operating team. Meanwhile, the Group will actively apply for the licence for direct marketing, which cannot only increase the sales income and profit of the Company, but also further strengthen the brand assets and improve the intangible value of the capital of the Group.

Implementation of “sunshine transition program”. The Company has directly and promptly entered into the retail market through cooperation with other well-known brand chains and continues to develop the existing network of “meeting marketing” with the combination of store sales, road shows sales and meeting marketing, in order to serve the old and new customers, speed up the development of new products and gradually step into the “three market segments”, which are the consumption market where people purchase products for their own use (the “meeting marketing” market currently mainly for the aged); the consumption market where people purchase products for others (gift markets selling healthcare brands mainly for the middle-aged and the youth as well as group consumption); and the consumption market for households (dominated by technological products of healthcare brands for the aged, the middle-aged and the youth).

In 2011, the Group will continue its principal business of trading of healthcare products in China and will strive to improve its performance. However, due to cut-throat competition from the Group’s rivals, the management of the Company believes that the outlook for the healthcare business in China in 2011 will remain dim. The Board and the management of the Company believe that in order to achieve sustainable financial growth for the Group and to maximize Shareholders’ value, it is in the best interests of the Company to explore business opportunities in other markets. As mentioned in the annual report of the Group for the year 2010, the Group will leverage on the network and experience of the management of the Company to look for more business opportunities to be brought to the Group and may consider diversifying the business of the Group with an objective to broaden its income source and to enhance the long-term growth potential of the Group.

**Subscription for shares in GTC**

As disclosed in the announcement of the Company issued on 31 May 2011, the Company entered into an agreement on 31 May 2011 for the subscription of approximately 9.09% shareholding in GTC, a company established to carry out the business of integrated international trade service.

GTC is carrying out the business of integrated international trade service. It provides trading platforms of commodities for manufacturers and ultimate purchasers. GTC is planning to invest US\$200 million to convert an aircraft manufacturing plant situated at Long Beach, California into a trade centre for the purpose of providing manufacturers to exhibit their products while at the same time attracting professional service providers to provide one-stop services on trade finance, products development, electronic commerce, warehouse logistics and sea customs clearance. It is expected that by using the trading platforms provided by GTC, manufacturers can save their administrative costs and thereby increase their profit margin.

The consideration of the subscription in the sum of HK\$23,340,000 will be satisfied by the Company's issue of 93,360,000 consideration Shares to GTC at the issue price of HK\$0.25 per consideration Share.

*For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the Rights Issue. Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial results and positions for the financial periods concerned.*

**1. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

The unaudited pro forma statement of adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of the Group has been prepared in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and on the basis as set out in the notes below for the purpose to illustrate the effect of the proposed rights issue of not less than 294,261,987 and not more than 334,261,987 rights shares at HK\$0.25 each on the basis of one rights share for every three shares held on the Record Date (the “Rights Issue”), as if it had taken place on 31 December 2010.

The Unaudited Pro Forma Financial Information of the Group has been prepared for illustrative purpose only, and because of its hypothetical nature, it does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 31 December 2010 and any future date.

**APPENDIX II**

**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION ON THE GROUP**

	<b>Unaudited consolidated net assets as at 31 December 2010 (Note a) HK\$'000</b>	<b>Less: Unaudited consolidated intangible assets as at 31 December 2010 (Note b) HK\$'000</b>	<b>Add: Estimated proceeds less related expenses from the Rights Issue (Note c) HK\$'000</b>	<b>Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company after the completion of the Rights Issue HK\$'000</b>
Based on 294,261,987 Rights Shares to be issued	<u>39,594</u>	<u>(299)</u>	<u>70,122</u>	<u>109,417</u>
Based on 334,261,987 Rights Shares to be issued	<u>39,594</u>	<u>(299)</u>	<u>80,122</u>	<u>119,417</u>
Unaudited consolidated net tangible assets per share attributable to the owners of the Company as at 31 December 2010 prior to the Rights Issue (Note d)				<u>HK\$0.0445</u>
Unaudited pro forma adjusted consolidated net tangible assets per share attributable to the owners of the Company after the completion of the Rights Issue based on 294,261,987 Rights Shares to be issued (Note e)				<u>HK\$0.0930</u>
Unaudited pro forma adjusted consolidated net tangible assets per share attributable to the owners of the Company after the completion of the Rights Issue based on 334,261,987 Rights Shares to be issued (Note f)				<u>HK\$0.0981</u>

*Notes:*

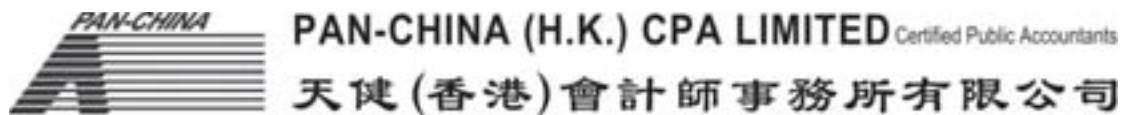
- a. Reference is made to the published interim report of the Company for the six months ended 31 December 2010.
- b. The unaudited consolidated intangible assets of the Group as at 31 December 2010 attributable to the owners of the Company of approximately HK\$299,000 represented the patents and technical know-how of approximately HK\$291,000 and the deferred development costs of approximately HK\$8,000.
- c. The estimated proceeds less related expenses from the Rights Issue of approximately HK\$70,122,000 is calculated on the basis of 294,261,987 Rights Shares to be issued at the subscription price of HK\$0.25 per Rights Share and after deduction of estimated related expenses of approximately HK\$3,443,000. The estimated related expenses are the fees paid or payable to various professional parties that directly attributable to the Rights Issue.

The estimated proceeds less related expenses from the Rights Issue of approximately HK\$80,122,000 is calculated on the basis of 334,261,987 Rights Shares to be issued at the subscription price of HK\$0.25 per Rights Share and after deduction of estimated related expenses of approximately HK\$3,443,000. The estimated related expenses are the fees paid or payable to various professional parties that directly attributable to the Rights Issue.

- d. The number of shares used for the calculation of unaudited consolidated net tangible assets per share attributable to the owners of the Company as at 31 December 2010 prior to the Rights Issue is 882,785,961 shares of the Company in issue as at 31 December 2010.
- e. The number of shares used for the calculation of unaudited pro forma adjusted consolidated net tangible assets per share attributable to the owners of the Company after the completion of the Rights Issue is 1,177,047,948 shares (on the basis that there were 882,785,961 shares in issue as at 31 December 2010 and 294,261,987 Rights Shares were issued under the Rights Issue) were in issue upon the completion of the Rights Issue.
- f. The number of shares used for the calculation of unaudited pro forma adjusted consolidated net tangible assets per share attributable to the owners of the Company after the completion of the Rights Issue is 1,217,047,948 shares (on the basis that there were 882,785,961 shares in issue as at 31 December 2010 and 334,261,987 Rights Shares were issued under the Rights Issue) were in issue upon the completion of the Rights Issue.
- g. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2010.

**2. REPORT FROM THE REPORTING ACCOUNTANTS**

The following is the text of a report, prepared for the sole purpose of inclusion in this Prospectus, received from the independent reporting accountants, Pan-China (H.K.) CPA Limited, Certified Public Accountants, Hong Kong.



The Board of Directors  
**Vitop Bioenergy Holdings Limited**  
Suite 913-917, 9th Floor  
Sun Hung Kai Centre  
30 Harbour Road  
Wanchai,  
Hong Kong

Dear Sirs

We report on the unaudited pro forma statement of adjusted consolidated net tangible assets of Vitop Bioenergy Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”), set out on pages 25 to 27 under the heading of “Unaudited Pro Forma Financial Information” (the “Unaudited Pro Forma Financial Information”) in Appendix II to the prospectus dated 27 June 2011 (the “Prospectus”), in connection with the proposed rights issue of not less than 294,261,987 and not more than 334,261,987 rights shares at HK\$0.25 each on the basis of one rights share for every three shares held on the record date (the “Rights Issue”) of the Company. The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company, for illustrative purposes only, to provide information about how the Rights Issue might have affected the relevant financial information of the Group presented. The basis of preparation of the Unaudited Pro Forma Financial Information is set out on pages 25 to 27 of the Prospectus.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND REPORTING  
ACCOUNTANTS**

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

It is our responsibility to form an opinion, as required by Rule 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion solely to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

**BASIS OF OPINION**

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute as an audit or a review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to Rule 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purpose only, based on the judgments and assumptions of the directors of the Company and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of:

- (a) the financial position of the Group as at 31 December 2010 or any future date; or
- (b) the consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2010 or any future date.

**OPINION**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to Rule 4.29(1) of the Listing Rules.

Yours faithfully

**PAN-CHINA (H.K.) CPA LIMITED**  
**Certified Public Accountants**  
Hong Kong, 27 June 2011

**Choi Man Chau, Michael**  
Practising Certificate Number: P01188

**1. RESPONSIBILITY STATEMENT**

This Prospectus, 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 Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts not contained in this Prospectus, the omission of which would make any statement herein misleading.

The issue of this Prospectus has been approved by the Directors.

**2. FURTHER INFORMATION ABOUT THE COMPANY**

The Company was incorporated in the Cayman Islands on 15 February 2001. Its registered office is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands; its head office is at 33/F, Everbright International Trade Centre, 47 South Haibin Road, Jida, Zhuhai SEZ, The People's Republic of China; and its principal place of business is at Suites 913-917, 9/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.

**Share capital:**

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) as at the Record Date and following completion of the Rights Issue, are as follows:

## (i) As at the Latest Practicable Date

<i>Authorised share capital:</i>		<i>HK\$</i>
<u>20,000,000,000</u>	Shares	<u>500,000,000</u>
<i>Share capital issued as fully-paid:</i>		
<u>882,785,961</u>	Shares	<u>22,069,649.025</u>

## (ii) As at the Record Date and following completion of the Rights Issue

<i>Authorised share capital:</i>		<i>HK\$</i>
20,000,000,000	Shares	500,000,000
<i>Share capital issued as fully-paid:</i>		

**Scenario 1:**

Assuming none of the Convertible Notes are converted into Shares and there is no other change in the issued share capital of the Company on or before the Record Date:

882,785,961	Shares	22,069,649.025
<u>294,261,987</u>	Rights Shares to be issued	<u>7,356,549.675</u>
<u>1,177,047,948</u>	Shares	<u>29,426,198.7</u>



**Scenario 2:**

Assuming all the Noteholders have exercised the conversion rights attaching to the Convertible Notes in full and there is no other change in the issued share capital of the Company on or before the Record Date:

1,002,785,961	Shares	25,069,649.025
334,261,987	Rights Shares to be issued	8,356,549.675
<u>1,337,047,948</u>	Shares	<u>33,426,198.7</u>

All the issued Shares rank pari passu with each other in all respects including the rights as to voting, dividends and return of capital. All the Rights Shares which will be in issue upon completion of the Rights Issue will, when issued and fully paid, rank pari passu in all respects with the then existing Shares in issue regards to all rights as to dividends, voting and return of capital.

The issued Shares are listed and traded on the Stock Exchange. None of the Shares is listed, or dealt in, on any other exchange, nor is any listing of or permission to deal in the Shares being, or proposed to be, sought on any other stock exchange.

**3. PARTIES INVOLVED IN THE RIGHTS ISSUE AND CORPORATE INFORMATION**

<b>Underwriter</b>	Beijing Securities Limited Suite 2907-8, 29th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong
<b>Legal adviser to the Company</b>	<i>On Hong Kong Law</i> Keith Lam Lau & Chan 5th to 7th Floors, The Chinese Club Building, 21-22 Connaught Road Central, Central, Hong Kong
<b>Share registrar and transfer office</b>	Union Registrars Limited 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong
<b>Auditors</b>	Pan-China (H.K.) CPA Limited <i>Certified Public Accountants</i> 20/F, Hong Kong Trade Centre, 161-167 Des Voeux Road Central, Hong Kong
<b>Principal bankers</b>	Bank of Communications 188 Yinchengzhong Road, Shanghai, the PRC  China Everbright Bank Everbright Center, No.25 Taipingqiao Ave, Xicheng District, Beijing, the PRC  Industrial and Commercial Bank of China No.55 FuXingMenNei Street, Xicheng District, Beijing, the PRC  Shanghai Commercial Bank Limited Basement, Manning House, 48 Queen's Road Central, Hong Kong
<b>Authorised representatives</b>	Dr. Han Xiaoyue Mr. Tsui Siu Hung
<b>Company secretary</b>	Mr. Tsui Siu Hung (associate member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of the Certified Public Accountants)

#### 4. PARTICULARS OF DIRECTORS

##### Executive Directors

**Mr. Han Qingyun**, aged 53, graduated from the Chinese Academy of Social Sciences in 1998. Mr. Han is a highly successful entrepreneur in the PRC and has substantial experience in enterprise operations and management. He currently acts as the chairman of Guangdong Bo Ao Hong Ji Investment Company Limited (廣東博澳鴻基投資有限公司). Previous to this, he was the chairman of his own founded Tai Gu Real Estates Development Company Limited and responsible for the operation of that company for years.

Mr. Han was appointed as an executive Director with effect from 15 April 2008. On 28 April 2008, he was re-designated as chairman of the Company. There is no service agreement entered into between Mr. Han and the Company.

As at the Latest Practicable Date, except acting as a Director of the Company, Mr. Han does not hold any other office with the Company and other members of the Group and he did not hold any other directorship in listed public companies in the last three years. He does not have any relationships with any directors, senior management, substantial shareholder or controlling shareholder of the Company. He is a substantial shareholder of the Company and is interested in 200,000,000 Shares of the Company within the meaning of Part XV of the SFO.

**Dr. Han Xiaoyue**, aged 49, holds a Bachelor Degree of Computer Science from Tsinghua University, Beijing and a PhD in Finance from the University of Texas, the United States. He has over 17 years' of experience in investment banking and has worked for multi-national securities firms such as Merrill Lynch Bank USA and Societe Generale. He has involved actively in large-scale investment projects in the PRC and has rich experience in investment management. Mr. Han had been appointed as an executive director and the chief executive officer of Sino Gas Group Limited, a company listed on the Stock Exchange. However, he no longer holds any position in Sino Gas Group Limited at present. He is well versed with the operation and management of the listed company.

Dr. Han was appointed as an executive Director with effect from 23 April 2007. There is no service agreement entered into between Dr. Han and the Company.

As at the Latest Practicable Date, except acting as a Director of the Company, Dr. Han does not hold any other office with the Company and other members of the Group and he did not hold any other directorship in listed public companies in the last three years. He does not have any relationships with any directors, senior management, substantial shareholder or controlling shareholder of the Company. He is interested in 3,805,112 Shares of the Company within the meaning of Part XV of the SFO.

**Ms. Guo Yanni**, aged 43, graduated from the Zhanjiang Ocean University and majoring in finance and accounting. Ms. Guo has years of experience in financial and accounting and financial management. She acted as the treasurer in the finance department of the Huazhou City Agricultural, Industrial and Commercial Supply Company, and acted as the financial controller of the finance department of the Guangzhou Yayuan Real Estates Company Limited for years.

Ms. Guo was appointed as an executive Director with effect from 15 April 2008. There is no service agreement entered into between Ms. Guo and the Company.

As at the Latest Practicable Date, except acting as a Director of the Company, Ms. Guo does not hold any other office with the Company and other members of the Group and she did not hold any other directorship in listed public companies in the last three years. She does not have any relationships with any directors, senior management, substantial shareholder or controlling shareholder of the Company. Ms. Guo does not have any interest in Shares of the Company within the meaning of Part XV of the SFO.

**Mr. Long Mingfei**, aged 39, graduated from Industrial and Civil Construction Department of South China University of Technology in 1994 and is an intermediate engineer. Mr. Long has years of experience in corporate management. He has been the manager of cost management department in Guang Dong Yitao Group Co., Ltd. and became the manager of investment department in Guang Dong Yitao Group Co., Ltd. since 2008.

Mr. Long was appointed as an executive Director with effect from 28 April 2008. There is no service agreement entered into between Mr. Long and the Company.

As at the Latest Practicable Date, except acting as a Director of the Company, Mr. Long does not hold any other office with the Company and other members of the Group and he did not hold any other directorship in listed public companies in the last three years. He does not have any relationships with any directors, senior management, substantial shareholder or controlling shareholder of the Company. Mr. Long does not have any interest in Shares of the Company within the meaning of Part XV of the SFO.

**Mr. Xu Nianchun**, aged 65, graduated from the Nanjing University of Chemical Technology and is a senior engineer. He has engaged in the management of petroleum and chemical systems for years and has substantial experience in management. He acted as the general manager of Southern China Supply Company of the Ministry of Chemical Industry and was awarded for his substantial contributions by the State Council. He currently acts as the deputy chairman of Shenzhen China Petroleum Tong Da Company (深圳中油通達石油公司).

Mr. Xu was appointed as an executive Director with effect from 15 April 2008. There is no service agreement entered into between Mr. Xu and the Company.

As at the Latest Practicable Date, except acting as a Director of the Company, Mr. Xu does not hold any other office with the Company and other members of the Group and he did not hold any other directorship in listed public companies in the last three years. He does not have any relationships with any directors, senior management, substantial shareholder or controlling shareholder of the Company. Mr. Xu does not have any interest in Shares of the Company within the meaning of Part XV of the SFO.

#### **Independent Non-executive Directors:**

**Mr. Li Xinzhong**, aged 53. After graduating from Nankai University in 1983 with a degree in Economics, Mr. Li spent seven years working in the PRC as a lecturer, part-time lawyer and the deputy general manager of a consulting firm in Tianjian before receiving his LL.M. degree at the University of London in 1991. Mr. Li joined Miramar Group as an advisor of China affairs in 1992 and then joined Peregrine Capital Limited in 1993 and became a director in 1996. He spent two years with Alta Capital (H.K.) Limited as an executive director before joining BNP Paribas Peregrine Capital Limited in 2000 as an executive director. He joined Anglo Chinese Corporate Finance Limited in 2003 as a director and then joined DBS Asia Capital Limited as China Team Head of Mergers and Acquisitions in June 2004 responsible for origination of China related corporate finance transactions. Mr. Li has over fifteen years' experience in corporate finance.

Mr. Li was appointed as an independent non-executive Director with effect from 25 February 2008. There is no service agreement entered into between Mr. Li and the Company.

As at the Latest Practicable Date, except acting as a Director of the Company, Mr. Li does not hold any other office with the Company and other members of the Group and he did not hold any other directorship in listed public companies in the last three years. He does not have any relationships with any directors, senior management, substantial shareholder or controlling shareholder of the Company. Mr. Li does not have any interest in Shares of the Company within the meaning of Part XV of the SFO.

**Mr. Zhang Wen**, aged 43, graduated from the University of Hong Kong with a master of business and administration and from the postgraduate class of the postgraduate department of the Shenzhen University. From 2006 till now, he has been the deputy general manager of New Smart Energy Group Limited. Previous to this, he was the deputy president of China Natural Oil And Gas Co., Ltd. and the managing director of Poliwell International Limited for years and accumulated substantial experience in corporate management.

Mr. Zhang was appointed as an independent non-executive Director with effect from 15 April 2008. There is no service agreement entered into between Mr. Zhang and the Company.

As at the Latest Practicable Date, except acting as a Director of the Company, Mr. Zhang does not hold any other office with the Company and other members of the Group and he did not hold any other directorship in listed public companies in the last three years. He does not have any relationships with any directors, senior management, substantial shareholder or controlling shareholder of the Company. Mr. Zhang does not have any interest in Shares of the Company within the meaning of Part XV of the SFO.

**Ms. Zhu Jinghua**, aged 68, graduated from the Dongbei University of Finance and Economics and became a senior accountant in October 1992. She was approved as a chartered accountant by the Chinese Institute of Certified Public Accountants in April 1994. She has worked for the Ministry of Chemical Industry, holding positions of the deputy director and the director of the production for outlet and supply and marketing department of the Ministry of Chemical Industry, the deputy chief of the Bureau of Economics of the Ministry of Chemical Industry, the chief of the Bureau of Finance of the Ministry of Chemical Industry, the deputy chief accountant of State Bureau of Petroleum and Chemical Industries. She currently acts as the deputy president of China Petroleum and Chemical Industry Association. From 2002 till now, she has acted as an independent director of Guizhou Chitianhua Co., Ltd.

Ms. Zhu was appointed as an independent non-executive Director with effect from 15 April 2008. There is no service agreement entered into between Ms. Zhu and the Company.

As at the Latest Practicable Date, except acting as a Director of the Company, Ms. Zhu does not hold any other office with the Company and other members of the Group and she did not hold any other directorship in listed public companies in the last three years. She does not have any relationships with any directors, senior management, substantial shareholder or controlling shareholder of the Company. Ms. Zhu does not have any interest in Shares of the Company within the meaning of Part XV of the SFO.

The business address of each of the Directors is Suites 913-917, 9/F. Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.

## 5. PARTICULARS OF SENIOR MANAGEMENT

**Ms. He Ruihong**, aged 40, is the deputy general manager of Vitop Bioengery (China) Limited (“Vitop China”). Ms. He joined the Group in July 1993 and is responsible for the financial and management of the daily operation of the Group. She graduated from the Department of Economics and Management of Henan Polytechnic University major in accounting and auditing, with a Bachelor degree in Engineering in 1992 and completed a postgraduate course in accounting in the School of Management of Sun Yat-Sen University in 2003. She has over 17 years of experience in financial management.

**Mr. Liu Yisong**, aged 66, is the general manager of Hefei Vitop Meiling Environmental Technologies Co., Ltd (“Vitop Meiling”), a subsidiary of the Company, and is a director of a subsidiary of the Group. Mr. Liu joined the Group in April 2004 and is responsible for the management of Vitop Meiling. He graduated from the Department of Management Engineering of Hefei University of Technology in 1984. Prior to joining the Group, he had over 22 years of experience in business management.

**Mr. Xing Heping**, aged 55, joined the Group in April 2007 as the general manager of Vitop China. He is responsible for the strategic planning, business development and overall management of the Company. He obtained a Bachelor of Arts degree and a Master’s degree in Economics from Wuhan University and Huazhong Normal University and is a senior economist, a law professor and an international arbitrator. He has held senior management positions in well-known state-owned enterprises, foreign-invested enterprises and large-scale private pharmaceutical companies and has extensive experience in international trading, strategic planning and management operations in pharmaceutical market.

**Mr. Yeung Man, Simon**, aged 38, is the financial controller of the Group. Mr. Yeung joined the Group in November 2004 and is responsible for the financial and internal control of the Group. He graduated from the University of Georgia, the United States of America with a Bachelor degree in Accounting and a Bachelor degree in Finance and Banking. Mr. Yeung is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Prior to joining the Group, he worked in an international accounting firm. He has over 13 years of experience in auditing, finance, accounting and business management.

**Mr. Xiao Chengzhi**, aged 39, joined the group in August 2005 as a deputy general manager of Vitop China Ltd. He is responsible for overall marketing and coordination of the Company. He graduated from Hubei University in 1992 and is an intermediate economist. Before joining the Group in 2002, he has over 11 years of experience in marketing and management.

The business address of each member of senior management of the Company described above is Suites 913-917, 9/F. Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.

## 6. DISCLOSURE OF INTERESTS

## (a) Disclosure of interests of Directors

As at the Latest Practicable Date, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed or taken to have under such provisions of the SFO) or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules, and which have been notified to the Company and the Stock Exchange are as follows:

Name of Directors	Capacity	Interest in Shares	Interest in underlying Shares	Total interest in Shares	Percentage of the Company's issued share capital
Han Qingyun ( <i>Note 1</i> )	Corporate and Beneficial Owner	200,000,000	—	200,000,000	22.66%
Han Xiaoyue ( <i>Note 2</i> )	Corporate	3,805,112	—	3,805,112	0.43%

*Note:*

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 Mr. 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.

Save as disclosed herein and so far as is known to the Directors, as at the Latest Practicable Date:

- (i) none of the directors or chief executive of the Company had an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed or taken to have under such provisions of the SFO) or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange;
- (ii) none of the Directors or their respective associates was materially interested in any subsisting contract or arrangement which is significant in relation to the businesses of the Group taken as a whole; and

- (iii) none of the Directors or their respective associates had any interest in a business apart from the businesses of the Group which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

Save as disclosed herein and in the section headed “Disclosure of interests of substantial Shareholders” below, and so far as is known to the Directors, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or a short position in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**(b) Disclosure of interests of substantial Shareholders**

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO, and so far as is known to the Directors, the persons or entities who had an interest or a short position in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or in any options in respect of such share capital are as follows:

Name of Shareholders	Capacity	Interest in Shares	Interest in underlying Shares	Total interest in Shares	Percentage of the Company's issued share capital
Wide Cosmos International Holdings Company Limited (Note 1)	Beneficial Owner	181,843,836	—	181,843,836	20.60%
Wang Jing	Beneficial Owner	66,800,000	—	66,800,000	7.57%
Chen Henglong	Beneficial Owner	52,200,000	—	52,200,000	5.91%

*Note:*

- Wide Cosmos International Holdings Company Limited is beneficially owned by Mr. Han Qingyun, an executive Director and the chairman of the Company.

Save as disclosed herein and so far as is known to the Directors, as at the Latest Practicable Date, no person had an interest or a short position in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and no person was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or in any options in respect of such share capital.

**7. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claims of material importance and no litigation or claim of material importance was pending or threatened against the Company or any of its subsidiaries.

**8. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into any service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

**9. MATERIAL CONTRACTS**

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years preceding the Latest Practicable Date and are or may be material:

- (a) a subscription agreement dated 29 September 2010 entered into between the Company and the Noteholders relating to the Convertible Notes;
- (b) an agreement dated 31 May 2011 entered into between the Company and GTC relating to the subscription of approximately 9.09% shareholding in GTC at a consideration of HK\$23,340,000 to be satisfied by the Company's issue of 93,360,000 consideration Shares to GTC at the issue price of HK\$0.25 per consideration Shares; and
- (c) the Underwriting Agreement.

**10. EXPERT**

The following is the qualification of the expert who has given, or agreed to the inclusion of, its opinion or advice in this Prospectus:

<b>Name</b>	<b>Qualification</b>
Pan-China (H.K.) CPA Limited	Certified Public Accountants

Pan-China (H.K.) CPA Limited has confirmed that it has no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Pan-China (H.K.) CPA Limited has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letter, report and/or reference to its name, as the case may be, in the form and context in which they respectively appear.

**11. INTEREST IN ASSETS**

As at the Latest Practicable Date, none of the Directors or Pan-China (H.K.) CPA Limited had any interest, direct or indirect, in any asset which has since 30 June 2010, being the date to which the latest published audited financial statements of the Group were made up, been acquired or disposed of by or leased to any member of the Group or is proposed to be acquired or disposed of by or leased to any member of the Group.



**12. MISCELLANEOUS**

- (a) The share registrar and transfer office of the Company in Hong Kong is Union Registrars Limited at 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.
- (b) Save as disclosed herein:
  - (ii) no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and
  - (iii) no founder shares, management shares or deferred shares or debentures of the Company or any of its subsidiaries have been issued or agreed to be issued.
- (c) All references to times and dates in this Prospectus refer to Hong Kong times and dates.
- (d) In the event of any inconsistency, the English language text of this Prospectus shall prevail over the Chinese language text.

**13. EXPENSES**

The expenses in connection with the Rights Issue, including underwriting commission, legal and professional fees, and other related expenses, are estimated to be approximately HK\$3.5 million and will be payable by the Group upon completion of the Rights Issue.

**14. DOCUMENTS REGISTERED WITH THE REGISTRAR OF COMPANIES**

A copy of each of the Rights Issue Documents and the written consent given by Pan-China (H.K.) CPA Limited as referred to in this appendix have been registered with the Registrar of Companies in Hong Kong.

**15. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the office of the Company at Suites 913-917, 9/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong for the period of 14 days from the date of this Prospectus:

- (a) the memorandum and articles of association of the Company;
- (b) the report from Pan-China (H.K.) CPA Limited on the unaudited pro forma statement of the adjusted consolidated net tangible assets of the Group as set out in Appendix II to this Prospectus;
- (c) the Company's 2008, 2009 and 2010 annual reports and 2010/2011 interim report;
- (d) the consent letter of Pan-China (H.K.) CPA Limited referred to under the section headed "Expert" above; and
- (e) the material contracts referred to under the section headed "Material Contracts" above.