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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 294,261,987 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**

AND

CLOSURE OF BOOKS

Underwriter to the Rights Issue

Beijing
Securities
Beijing Securities Limited

PROPOSED RIGHTS ISSUE

The Company proposes to raise approximately HK\$73.6 million before expenses by way of the Rights Issue of 294,261,987 Rights Shares at the Subscription Price of HK\$0.25 per Rights Share 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.

Pursuant to the Rights Issue, the Qualifying Shareholders will be provisionally allotted one (1) Rights Share in nil-paid form for every three (3) existing Shares held as at the close of business on the Record Date. Fractional entitlements to the Rights Shares will not be provisionally allotted but will be aggregated and allotted to satisfy excess applications and/or sold for the benefit of the Company.

The Rights Shares will be fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement.

The Rights Issue is not available to the Excluded Shareholders.

* For identification purpose only

As at the date of this announcement, the Board has not received any information from any substantial Shareholders of their intention to subscribe for their entitlements under the Rights Issue.

As at the date of this announcement, there are 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).

The proceeds from the Rights Issue will be approximately HK\$73.6 million (before expenses). The net proceeds of the Rights Issue will enhance the financial condition of the Company by improving its gearing ratio. In addition, the net proceeds of the Rights Issue will be applied by the Company towards funding its future investments and as working capital and for general corporate purposes of the Group.

Completion of the Rights Issue is subject to certain conditions being fulfilled and the Underwriter not exercising its right to terminate the Underwriting Agreement prior to 4:00 p.m. on the Long Stop Date (which is expected to be Thursday, 14 July 2011) (see sub-sections headed “Conditions of the Rights Issue” and “Termination of the Underwriting Agreement” below). If the conditions of the Rights Issue are not fulfilled or the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. As the Rights Issue may or may not proceed, Shareholders and potential investors should 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 are advised to consult their professional adviser(s). Moreover, Shareholders’ and potential investors’ attention is drawn to the section headed “Warning of the risks of dealing in Shares and nil-paid Rights Shares” below.

The last day of dealings in the Shares on a cum-rights basis is Wednesday, 15 June 2011. The Shares will be dealt with on an ex-rights basis from Thursday, 16 June 2011. The Rights Shares are expected to be dealt with in their nil-paid form from Wednesday, 29 June 2011 to Thursday, 7 July 2011, both days inclusive. To qualify for the Rights Issue, a Qualifying Shareholder must be registered as a member of the Company as at the close of business on the Record Date. In order to be registered as a member of the Company on the Record Date, any transfer of the Shares (together with the relevant share certificate(s)) must be lodged for registration with the Company’s branch share registrar in Hong Kong, Union Registrars Limited at 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong by not later than 4:30 p.m. on Friday, 17 June 2011. The Acceptance Date is expected to be on Tuesday, 12 July 2011 or such other date as the Company and the Underwriter may agree in writing.

Shareholders and potential investors dealing in the Shares from the date of this announcement 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 conditions (except condition (g) in the sub-section headed “Conditions of the Rights Issue” below, which shall be satisfied on before the fourth Business Day after the Acceptance Date) to which the Rights Issue is subject must be satisfied 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, 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).

The Company will apply 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.

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.

DESPATCH OF PROSPECTUS

The Company expects to despatch the Rights Issue Documents containing, among other things, further details of the Rights Issue to the Qualifying Shareholders on Monday, 27 June 2011.

The Company will, to the extent reasonably practicable, despatch the Prospectus to the Excluded Shareholders, if any, for their information only. No PALs or EAFs will be despatched to the Excluded Shareholders.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 31 May 2011 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 1 June 2011.

PROPOSED RIGHTS ISSUE

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	882,785,961 Shares as at the date of this announcement in issue
Number of Rights Shares:	294,261,987 Rights Shares
Amount to be raised:	Approximately HK\$73.6 million (before expenses)
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

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

Rights Shares

Under the Rights Issue, 294,261,987 Rights Shares will be provisionally allotted 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.

As at the date of this announcement, the Board has not received any information from any substantial Shareholders of their intention to subscribe for their entitlements under the Rights Issue.

As at the date of this announcement, there are 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 for the outstanding Convertible Notes, there are no other convertible securities, options or warrants in issue which would otherwise confer any right to subscribe for, convert or exchange into the new Shares as at the date of this announcement.

Qualifying Shareholders

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

In order to be registered as a member of the Company on the Record Date, any transfer of Shares (together with the relevant share certificate(s)) must be lodged for registration with the Company's branch share registrar in Hong Kong by not later than 4:30 p.m. on Friday, 17 June 2011.

The Hong Kong branch share registrar of the Company is: Union Registrars Limited at 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 20 June 2011 to Friday, 24 June 2011, both days inclusive, for the purpose of determining the Qualifying Shareholders and their entitlements under the Rights Issue. No transfer of Shares will be registered during this period.

TERMS OF THE RIGHTS ISSUE

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 renouncee 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:

- (i) 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;
- (ii) 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;
- (iii) 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;
- (iv) 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
- (v) 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 Group and Shareholders as a whole.

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. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, will rank pari passu in all respects with all 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 for the Rights Shares

Subject to the fulfillment of the conditions to the Rights Issue as described in the section headed “Conditions of the Rights Issue” in this announcement and the Underwriting Agreement not being terminated by the Underwriter in the circumstances described in the section headed “Termination of the Underwriting Agreement” of this announcement, share certificates for all fully-paid Rights Shares are expected to be posted by ordinary mail on or before Monday, 18 July 2011 to those Qualifying Shareholders or their transferees who have accepted and paid for the Rights Shares, at their own 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 before Monday, 18 July 2011 at such applicants’ risk.

Fractions of Rights Shares

The Company will not provisionally allot and issue fractions of the Rights Shares in nil-paid form. All fractions of the Rights Shares will be aggregated and arrangements will be made by the Company for the sale in the market of any nil-paid Rights Shares created by adding fractions of the Rights Shares, if any, and if the Company does so, it will keep the net proceeds for its own benefit. Any unsold Rights Shares created from aggregating fractional Rights Shares will be available for excess Rights Shares applications.

Rights Shares which would have been allotted to Excluded Shareholders had they been Qualifying Shareholders

In the case of the Rights Shares (excluding fractional entitlements) 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, along with the proceeds of the sale of nil-paid Rights Shares created by adding fractions of the Rights Shares, 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

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

The Directors will make enquiries pursuant to rule 13.36(2)(a) of the Listing Rules as to the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange in those jurisdictions for the issue of the Rights Shares to the Overseas Shareholders and the results of the enquiries will be included in the Prospectus. If, after making such enquiries, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction, not to offer the Rights Shares to any of the Overseas Shareholders, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders.

Accordingly, the Rights Issue will not be extended to the Excluded Shareholders, if any, and no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to the Excluded Shareholders. The Company will despatch the Prospectus to the Excluded Shareholders for their information only. No PALs or EAFs will be despatched to the Excluded Shareholders. The basis of exclusion of the Excluded Shareholders from the Rights Issue will be disclosed in the Prospectus.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to rule 13.36(2)(a) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Application for excess Rights Shares

A Qualifying Shareholder shall be entitled to apply for (i) any unsold Rights Shares created by adding together fractions of the Right Shares; and (ii) any Rights Shares provisionally allotted but not accepted by other Qualifying Shareholders.

Application for excess Rights Shares may be made by completing an EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for.

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 top-up of odd lots for allocation of excess Rights Shares will not be extended to them individually. Beneficial owners with their Shares held by a nominee company (or which are held in CCASS) are advised to consider whether they wish to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

Persons whose Shares are held by a nominee company (or which are held in CCASS) and who wish to have their names registered on the register of members of the Company must lodge all necessary documents with the Company's share registrar in Hong Kong, Union Registrars Limited at 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, by not later than 4:30 p.m. on Friday, 17 June 2011. The register of members of the Company will be closed from Monday, 20 June 2011 to Friday, 24 June 2011, both days inclusive.

Application for Listing

The Company will apply 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 securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

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.

Rights Shares eligible for Admission into CCASS

Subject to the granting of 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 commencement date of dealings in the Rights Shares on the Stock Exchange or such other date 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

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;
- (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 on or before the Long Stop Date (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.

UNDERWRITING ARRANGEMENT

Underwriting Agreement

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” of this announcement and the right of the Underwriter to terminate the Underwriting Agreement as set out in the section headed “Termination of the Underwriting Agreement” of this announcement.

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 Rights Shares to be underwritten by the Underwriter, the Subscription Price per Rights Shares 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 the 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.

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,

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 date of this announcement and assuming completion of the Rights Issue occurs:

Name of Shareholder	Existing Shareholding		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	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
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
Wang Jing	66,800,000	7.57	89,066,666	7.57	66,800,000	5.68
Chen Henglong (Note 3)	52,200,000	5.91	69,600,000	5.91	52,200,000	4.43
Underwriter	—	—	—	—	294,261,987	25.00
Public Shareholders	559,980,849	63.43	746,641,132	63.43	559,980,849	47.58
Total	<u>882,785,961</u>	<u>100.00</u>	<u>1,177,047,948</u>	<u>100.00</u>	<u>1,177,047,948</u>	<u>100.00</u>

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 Dr. Han Xiaoyue and Mr. Wang Jiandong as to 66.67% and 33.33% respectively. Dr. Han Xiaoyue is an Executive Director and the Chairman of the Company.
3. Mr. Chen Henglong is an executive director of the Company.

EXPECTED TIMETABLE

2011

Last day of dealings in the Shares on a cum-rights basis	Wednesday, 15 June
Commencement of dealings in the Shares on an ex-rights basis	Thursday, 16 June
Latest time for lodging transfer of the Shares in order to be qualified for the Rights Issue	4:30 p.m. on Friday, 17 June
Register of members of the Company closes	Monday, 20 June to Friday, 24 June (both days inclusive)
Record Date	Friday, 24 June
Register of members of the Company re-opens	Monday, 27 June
Despatch of the Rights Issue Documents	Monday, 27 June
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

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 in force in Hong Kong at any time before 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 rescheduled to 4:00 p.m. on the following Business Day). If the latest time for acceptance of and payment for the Rights Shares does not take place on Tuesday, 12 July 2011, the dates mentioned above may be affected. In such event, an announcement will be made by the Company as soon as practicable.

Dates or deadlines specified in this announcement are indicative only and may be varied by agreement between the Company and the Underwriter. In such event, an announcement will be made by the Company as soon as practicable.

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

Existing Shares will be dealt with on an ex-rights basis from 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 the date of this announcement 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 of the Rights Issue are to be fulfilled 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 the date of this announcement 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 conditions to which the Rights Issue is subject must be satisfied 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, 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).

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The proceeds from the Rights Issue will be approximately HK\$73.6 million (before expenses). The estimated net proceeds of the Rights Issue will be HK\$69 million and will enhance the financial condition of the Company by improving its gearing ratio. In addition, the net proceeds of the Rights Issue will be applied by the Company towards funding its future investments and as working capital and for general corporate purposes of the Group.

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.

DESPATCH OF PROSPECTUS

The Company expects to despatch the Rights Issue Documents containing, among other things, further details of the Rights Issue to the Qualifying Shareholders on Monday, 27 June 2011.

The Company will, to the extent reasonably practicable, despatch the Prospectus to the Excluded Shareholders, if any, for their information only. No PALs or EAFs will be despatched to the Excluded Shareholders.

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 before the date of this announcement:

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.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 31 May 2011 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 1 June 2011.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“associates”	has the meaning ascribed thereto in the Listing Rules
“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
“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 Holding Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“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)
“Directors”	directors of the Company
“EAFs”	application forms 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
“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 this announcement
“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
“PALs”	renounceable provisional allotment letters 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 announcement only (unless otherwise indicated) excludes Hong Kong, Macau and Taiwan
“Prospectus”	the prospectus to be 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)
“Record Date”	Friday, 24 June 2011, the record date for determining Qualifying Shareholders and their entitlements under the Rights Issue
“Rights Issue”	the proposed issue of 294,261,987 Rights Shares by way of a rights issue to the Qualifying Shareholders 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”	the Prospectus, the PALs and the EAFs
“Rights Share(s)”	new Share(s) proposed 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
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company
“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
“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 Securities and Futures Ordinance in Hong Kong
“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”	all the Rights Shares being up to 294,261,987 Rights Shares to be fully underwritten by the Underwriter and subject to the terms and conditions of the Underwriting Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 31 May 2011

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

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