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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)

SUBSCRIPTION OF NEW SHARES AND RESUMPTION OF TRADING

On 24 September 2008 after the trading hours of the Stock Exchange, the Company entered into the Subscription Agreements with each of the Subscribers respectively whereby the Company conditionally agreed to allot and issue and the Subscribers conditionally agreed to subscribe for a total of 123,300,000 Subscription Shares, at the Subscription Price of HK\$0.095 per new Share.

The Subscription Price represents (i) a discount of 5% to the closing price of HK\$0.1 per Share as quoted on the Stock Exchange on 24 September 2008 (being the date of the Subscription Agreement); and (ii) a discount of approximately 15.93% to the average closing price per Share as quoted on the Stock Exchange of HK\$0.113 for the last 5 trading days up to and including 23 September 2008 (being the last trading day immediately prior to the date of the Subscription Agreement). The Subscription Price was arrived at after arm's length negotiations and on commercial terms between the Company and each of the Subscribers with reference to the 5-day average closing price of the Shares up to and including 23 September 2008.

The 123,300,000 new Shares represents: (i) approximately 16.76% of the existing issued share capital of the Company; (ii) approximately 14.36% of the issued share capital of the Company as enlarged by the Subscription Shares.

The gross proceeds of the Subscriptions will be approximately HK\$11.71 million and, after deduction of approximately HK\$100,000 professional fees incurred for the Subscription, the net proceeds will be approximately HK\$11.61 million. The Company intends to apply the net proceeds as general working capital of the Company.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 25 September 2008 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 29 September 2008.

* For identification purpose only

THE SUBSCRIPTION AGREEMENTS

On 24 September 2008 after the trading hours of the Stock Exchange, the Company entered into the Subscription Agreements with each of the Subscribers respectively whereby the Company conditionally agreed to allot and issue and the Subscribers conditionally agreed to subscribe for a total of 123,300,000 Subscription Shares, at the Subscription Price of HK\$0.095 per new Share. The aggregate nominal value of the Subscription share is HK\$3,082,500.

Subscription Price

The Subscription Price is HK\$0.095 per Subscription Share which was arrived at after arm's length negotiations and on commercial terms between the Company and the Subscribers with reference to the 5-day average closing price of the Shares up to and including 23 September 2008. Based on the net proceeds of approximately HK\$11.61 million, the net price per each Subscription Share is HK\$0.094.

The Subscription Price represents (i) a discount of 5% to the closing price of HK\$0.1 per Share as quoted on the Stock Exchange on 24 September 2008 (being the date of the Subscription Agreement); and (ii) a discount of approximately 15.93% to the average closing price per Share as quoted on the Stock Exchange of HK\$0.113 for the last 5 trading days up to and including 23 September 2008 (being the last trading day immediately prior to the date of the Subscription Agreement).

The Subscription Shares

Pursuant to the Subscription Agreements, the Company conditionally agreed to allot 123,300,000 new Shares in aggregate, representing approximately 16.76% of the existing issued share capital of the Company and approximately 14.36% of the issued share capital of the Company as enlarged by the Subscription Shares.

The Subscription Shares, when issued, will rank pari passu in all respects with all existing Shares in issue as at the Completion.

Condition of the Subscription Agreements

Completion is conditional upon the Listing Committee granting the listing of and permission to deal in, the Subscription Shares on or before the Long Stop Date or such other date as the Company and the Subscribers shall mutually agree. If the aforesaid condition is not fulfilled on or before the Long Stop Date, the Subscription Agreements will be terminated and none of the Company and the Subscribers shall have any claim against the others, save for any rights and obligations accrued before the termination.

Completion

Completion shall take place on any date within five (5) Business Days after the fulfillment of the aforesaid condition, or at such other time and date as the Company and the Subscribers may agree upon.

CHANGES IN SHARE CAPITAL AND SHAREHOLDING STRUCTURE

The share capital and shareholding structure of the Company immediately before and after the Completion are as follows:

	Immediately before the Subscription		Immediately after the Subscription		Immediately after the 8 Sep 2008 Subscription and the Subscription	
	Number of Shares	Approximate % of shareholding	Number of Shares	Approximate % of shareholding	Number of Shares	Approximate % of shareholding
Non-public Shareholders						
Han Qingyun (<i>Note 1</i>)	200,000,000	27.19	200,000,000	23.28	200,000,000	22.66
Chen Henglong (<i>Note 2</i>)	52,200,000	7.09	52,200,000	6.08	52,200,000	5.90
Han Xiaoyue (<i>Note 3</i>)	3,805,112	0.52	3,805,112	0.44	3,805,112	0.43
Sub-total	<u>256,005,112</u>	<u>34.80</u>	<u>256,005,112</u>	<u>29.80</u>	<u>256,005,112</u>	<u>28.99</u>
Public Shareholders						
The Subscribers	—	—	123,300,000	14.36	123,300,000	13.97
The 8 Sep 2008 Subscribers	—	—	—	—	23,800,000	2.70
Other public Shareholders	479,680,849	65.20	479,680,849	55.84	479,680,849	54.34
Sub-total	<u>479,680,849</u>	<u>65.20</u>	<u>602,980,849</u>	<u>70.20</u>	<u>626,780,849</u>	<u>71.01</u>
Total	<u>735,685,961</u>	<u>100.00</u>	<u>858,985,961</u>	<u>100.00</u>	<u>882,785,961</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 Co Ltd, which is beneficially owned by Mr. Han Qingyun. The remaining 18,156,164 Shares are held by Mr. Han Qingyun personally.

Note 2: Mr. Chen Henlong is an executive director of the Company.

Note 3: These 3,805,112 shares are held by Portton Investments Limited (“Portton”), the issued share capital of which is beneficially owned by Dr. Han Xiaoyue (an executive director and the joint-chairman of the Company) and Mr. Wang Jiandong as to 66.67% and 33.33% respectively. Each of Dr. Han Xiaoyue and Mr. Wang Jiandong are deemed to be interested in these 3,805,112 under Part XV of the Securities and Future Ordinance. Portton is wholly owned by Power Field International Limited.

None of the Subscribers will become a substantial shareholder of the Company upon completion of the Subscription.

BACKGROUND OF THE SUBSCRIBERS

All the Subscribers are individual professional investors and are PRC nationals.

To the best of the information, knowledge and belief of the Directors having made all reasonable enquiries:

- (i) each of the Subscribers is a third party independent of the Company and its connected persons;
- (ii) there is no relationship among the Subscribers;
- (iii) none of the Subscribers have any shareholding in the Company before the Subscription;
- (iv) none of the Subscribers are associates of the connected persons of the Company;
- (v) none of the Subscribers are related to any of the subscribers of the 8 Sep 2008 Subscription.

REASONS FOR THE SUBSCRIPTION AND THE USE OF PROCEEDS

The Directors consider that the Subscription represents an opportunity to raise additional capital for the Company and to strengthen the financial position of the Company. The gross proceeds of the Subscriptions will be approximately HK\$11.71 million and, after deduction of approximately HK\$100,000 professional fees incurred for the Subscription, the net proceeds will be approximately HK\$11.61 million. The Company intends to apply the net proceeds as general working capital of the Company.

The Company is in need of a total of HK\$14.53 million as its working capital and therefore liaised with potential investors for the subscription of the Company's shares. The fact that the Company conducted two subscriptions within one month is due to the volatile market condition in September and resulting from the respective arm's length negotiations between the Company and Mr. Chen Ming, Mr. He Jue Fu, and the six subscribers of the Subscription. The Board considers that the terms of both the Subscription and the 8 Sep 2008 Subscription are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

FUND RAISING ACTIVITY OF THE COMPANY

On 8 September 2008, the Company entered into two subscription agreements (which were subsequently amended pursuant to the supplemental agreement dated 17 September 2008) with two subscribers, namely Mr. Chen Ming and Mr. He Jue Fu, pursuant to which the Company conditionally agreed to allot and issue and the two subscribers conditionally agreed to subscribe for a total of 23,800,000 new Shares at the subscription price of HK\$0.1269 per new Share. The net proceeds from the 8 Sep 2008 Subscription of approximately HK\$2.92 million will be used as general working capital of the Company.

As at the date of this announcement, the 8 Sep 2008 Subscription has not yet completed as the Listing Committee has not granted the listing of, and permission to deal in, the related new Shares to be issued.

Save as disclosed above, the Company has not conducted any fund raising activity in the past 12 months immediately before the date of this announcement.

APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee for granting the listing of, and permission to deal in, the Subscription Shares.

ISSUE OF THE SUBSCRIPTION SHARES PURSUANT TO GENERAL MANDATE

The Subscription Shares represents approximately 16.76% of the total issued share capital of the Company as at the date of the Company's annual general meeting of 10 December 2007, in which a general mandate was granted to the Directors for allotment and issue of 147,139,192 Shares (the "General Mandate"). The Subscription Shares will be allotted and issued by the Company pursuant to the General Mandate.

Upon completion of the Subscription and the 8 Sep 2008 Subscription, a total of 147,100,000 Shares will be issued under the General Mandate. And there will only be 39,192 Shares which can be further allotted and issued by the Directors pursuant to the General Mandate.

As at the date of this announcement, no Shares have been allotted and issued pursuant to the General Mandate.

DISCLOSEABLE TRANSACTION — ACQUISITION OF 18% SHAREHOLDING IN SKYFLYING DA ZHONG HUA CIGARETTE LIMITED

Reference is made to the Company's circular issued on 1 April 2008 in relation to the acquisition of 18% shareholding in Skyflying Da Zhong Hua Cigarette Limited (the "Acquisition") and the details of the material delay of the Acquisition as disclosed in the Company's announcement dated 18 September 2008. As at the date of this announcement, the Acquisition has not yet completed and (i) the Company has not yet paid the cash portion of HK\$5,600,000 of the second installment of HK\$10,600,000; and (ii) the Company has not yet decided whether to settle the portion of HK\$5,000,000 as remaining part of the second installment by cash or by issuing 17,143,000 new Shares to the vendor.

Since there will only be 39,192 Shares which can be further allotted and issued by the Directors pursuant to the General Mandate after completion of the Subscription and the 8 Sep 2008 Subscription, in the event that the Company decides to issue the said 17,143,000 new Shares, such Shares will not be issued under the General Mandate and the Directors will seek a specific mandate from the Shareholders at a general meeting of the Company.

GENERAL

The Group is principally engaged in manufacturing and trading of multi-functional water generators, bioenergy products and healthcare food products in the PRC.

RESUMPTION OF TRADING IN THE SHARES

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DEFINITIONS

“8 Sep 2008 Subscription”	the subscription of a total of 23,800,000 Shares by two subscribers Mr. Chen Ming and Mr. He Jue Fu pursuant to two subscription agreements dated 8 September 2008;
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	means a day (other than a Saturday) on which banks in Hong Kong are open for business
“Completion”	completion of the Subscription pursuant to the Subscription Agreements
“Company”	Vitop Bioenergy Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	30 November 2008, being the long stop date of the Subscription Agreements
“PRC”	the People’s Republic of China;
“Share(s)”	ordinary share(s) of HK\$0.025 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	six subscribers who respectively entered into the Subscription Agreement with the Company on 24 September 2008
“Subscription”	the subscription of the Subscription Shares by the Subscribers pursuant to the Subscription Agreements at the Subscription Price;
“Subscription Agreements”	the conditional subscription agreements dated 24 September 2008 entered into between the Company and each of the Subscribers in relation to the Subscription subject to the terms and conditions contained therein

“Subscription Price”	HK\$0.095 per Subscription Share;
“Subscription Share(s)”	123,300,000 new Shares in aggregate to be issued by the Company to the Subscribers pursuant to the Subscription Agreements upon Completion
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Han Qingyun
Chairman

Hong Kong, 26 September 2008

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