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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 RESUMPTION OF TRADING AND MATERIAL DELAY IN COMPLETION OF DISCLOSEABLE TRANSACTION**

On 8 September 2008 after the trading hours of the Stock Exchange, the Company entered into the Subscription Agreements (which were subsequently amended pursuant to the supplemental agreements dated 17 September 2008) 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 23,800,000 Subscription Shares, at the Subscription Price of HK\$0.1269 per new Share.

The Subscription Price represents (i) a premium of approximately 10.35% to the closing price of HK\$0.115 per Share as quoted on the Stock Exchange on 8 September 2008 (being the date of the Subscription Agreement); and (ii) a discount of approximately 19.99% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$0.1586 for the last 5 trading days up to and including 5 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 5 September 2008 and the current volatile stock market condition.

The 23,800,000 new Shares represents approximately 3.24% of the existing issued share capital of the Company and approximately 3.13% of the issued share capital of the Company as enlarged by the Subscription Shares.

The gross proceeds of the Subscriptions will be HK\$3.02 million and, after deduction of approximately HK\$100,000 professional fees incurred for the Subscription, the net proceeds will be approximately HK\$2.92 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 9 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 19 September 2008.

\* For identification purpose only

## **THE SUBSCRIPTION AGREEMENTS**

On 8 September 2008 after the trading hours of the Stock Exchange, the Company entered into the Subscription Agreements (which were subsequently amended pursuant to the supplemental agreements dated 17 September 2008) 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 23,800,000 Subscription Shares, at the Subscription Price of HK\$0.1269 per new Share.

### **Subscription Price**

The Subscription Price is HK\$0.1269 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 5 September 2008 and the current volatile stock market condition. Based on the net proceeds of approximately HK\$2.92 million, the net price per each Subscription Share is HK\$0.123.

The Subscription Price represents (i) a premium of approximately 10.35% to the closing price of HK\$0.115 per Share as quoted on the Stock Exchange on 8 September 2008 (being the date of the Subscription Agreement); and (ii) a discount of approximately 19.99% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$0.1586 for the last 5 trading days up to and including 5 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 23,800,000 new Shares in aggregate, representing approximately 3.24% of the existing issued share capital of the Company and approximately 3.13% 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	
	Number of Shares	Approximate % of shareholding	Number of Shares	Approximate % of shareholding
<b>Non-public Shareholders</b>				
Han Qingyun ( <i>Note 1</i> )	200,000,000	27.19	200,000,000	26.33
Chen Henglong ( <i>Note 2</i> )	52,200,000	7.09	52,200,000	6.88
Han Xiaoyue ( <i>Note 3</i> )	3,805,112	0.52	3,805,112	0.50
Sub-total	<u>256,005,112</u>	<u>34.80</u>	<u>256,005,112</u>	<u>33.71</u>
<b>Public Shareholders</b>				
The Subscribers	—	—	23,800,000	3.13
Other public Shareholders	<u>479,680,849</u>	<u>65.20</u>	<u>479,680,849</u>	<u>63.16</u>
Sub-total	<u>479,680,849</u>	<u>65.20</u>	<u>503,480,849</u>	<u>66.29</u>
<b>Total</b>	<u><u>735,685,961</u></u>	<u><u>100.00</u></u>	<u><u>759,485,961</u></u>	<u><u>100.00</u></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 Futures 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.

## **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 HK\$3.02 million and, after deduction of approximately HK\$100,000 professional fees incurred for the Subscription, the net proceeds will be approximately HK\$2.92 million. The Company intends to apply the net proceeds as general working capital of the Company.

## **FUND RAISING ACTIVITY OF THE COMPANY**

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 3.24% 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. As at the date of this announcement, no Shares have been allotted and issued pursuant to the General Mandate.

## **MATERIAL DELAY IN COMPLETION OF 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"). 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.

The completion of the Acquisition was originally agreed to be on or before 31 May 2008. However, as the Company has not yet decided whether to issue new Shares as part payment of the second installment payment, the Company and the Vendor have agreed that completion of the Acquisition shall be postponed to a date on or before 31 December 2008. In the event that Company decides to issue the said 17,143,000 new Shares, such new Shares will also be issued under the General Mandate, as the Directors will remain authorised to allot and issue 123,339,192 shares under the General Mandate after completion of the Subscription.

The Directors consider that the postponement of the completion of the Acquisition has constituted a material delay under Rule 14.36 of the Listing Rules. Further announcement on any material variation of the terms of the Acquisition will be issued as soon as practicable as and when the circumstances required for compliance with the requirements under the Listing Rules.

### **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**

"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”	two subscribers who respectively entered into the Subscription Agreement with the Company, namely 陳明 (Chen Ming) and 何爵福 (He Jue Fu)
“Subscription”	the subscription of the Subscription Shares by the Subscribers pursuant to the Subscription Agreements at the Subscription Price
“Subscription Agreement”	the conditional subscription agreement dated 8 September 2008 as amended pursuant to the supplemental agreement dated 17 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\$0.1269 per Subscription Share
“Subscription Share(s)”	23,800,000 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, 18 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.*