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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)

**(1) CHANGES IN MANAGEMENT STRUCTURE OF THE COMPANY  
(2) REDESIGNATION OF OFFICERS OF THE COMPANY,  
(3) APPOINTMENT OF EXECUTIVE DIRECTOR, JOINT CHAIRMAN  
AND CHIEF EXECUTIVE OFFICER, AND RESIGNATION OF EXECUTIVE DIRECTOR,  
(4) PROPOSED GRANT OF OPTIONS BEYOND MAXIMUM ENTITLEMENT OF  
INDIVIDUAL PARTICIPANTS  
AND (5) REFRESHMENT OF THE LIMIT ON GRANT OF OPTIONS UNDER THE SHARE  
OPTION SCHEME**

The Board announces the establishment of the Strategic Committee and the following changes effective 5 December 2006:

- the redesignation of Mr. Kam from managing director to Vice-chairman of the Company
- the redesignation of Mr. Chan from chief operating officer to Chief Financial Officer of the Group
- the appointment of Mr. Ying as an executive Director and Joint Chairman of the Company
- the appointment of Mr. Lum as Chief Executive Officer of the Group
- the resignation of Mr. Ma as an executive Director

On the same day, the Company entered into a service agreement with each of Mr. Ying, Mr. Lum and Mr. Chan for a term of three years each. Details of the Service Agreements are set out in the paragraph headed "The Service Agreements" below.

It is a term of the Service Agreements that each of Mr. Ying, Mr. Lum and Mr. Chan be conditionally granted Options to subscribe for up to 14,000,000 Shares, up to 20,000,000 Shares and up to 10,000,000 Shares, respectively, at the exercise price of HK\$0.10 per share exercisable during the period of five years from the date of the grant, which shall be the date that the Independent Shareholders shall approve the Proposed Grant. The Proposed Grant has been conditionally approved by the Independent Non-executive Directors and is more particularly described in the paragraph headed "The Grant of Options" below.

As both Mr. Ying and Mr. Chan are executive Directors and Mr. Lum is the Chief Executive Officer of the Group and as the Shares to be issued and allotted to Mr. Ying upon exercise in full of the Options granted to him represent approximately 2.00% of the existing issued share capital of the Company, the Shares to be issued and allotted to Mr. Lum upon exercise in full of the Options granted to him represent approximately

2.86% of the existing issued share capital of the Company and the Shares to be issued and allotted to Mr. Chan upon exercise in full of the Options granted to him represent approximately 1.43% of the existing issued share capital of the Company, the grant of Options to each of Mr. Ying, Mr. Lum and Mr. Chan requires and will be subject to the approval of the Independent Shareholders.

The Board also proposes to seek the Shareholders' approval to refresh the Scheme Limit.

A circular containing details of: (i) the grant of Options to each of Mr. Ying, Mr. Lum and Mr. Chan; (ii) re-election of Mr. Ying as an executive Director; (iii) a letter from the independent board committee; (iv) refreshment of the Scheme Limit and (v) a notice of an extraordinary general meeting, will be dispatched to the Shareholders as soon as practicable. Each of Mr. Ying, Mr. Lum and Mr. Chan and their respective associates will abstain from voting on the resolution to be proposed at the extraordinary general meeting in relation to the grant of Options to Mr. Ying, Mr. Lum and Mr. Chan as the case may be.

## **A. CHANGES IN MANAGEMENT STRUCTURE OF THE COMPANY**

At a Board meeting held on 23 October 2006, the Board decided to revamp the management structure of the Company with a view to introduce more professional managers and to improve the management efficiency. This was done by (i) creating the new positions of Joint Chairman, Chief Executive Officer and Vice Chairman (subject to identification of suitable candidates to fill the posts); (ii) abolishing the post of Chief Operating Officer and replacing the same with the new post of Chief Financial Officer; and (iii) establishing the Strategic Committee. At that time, the Board had not yet identified suitable candidates for the above positions. A brief description of the scope of duties of each position is as follows:

The newly created position of Chief Executive Officer shall include reporting to the Board, the Chairman and Joint Chairman regarding the day-to-day business operations of the Group. He shall also be in charge of, among other things, the management of the Group's daily operations and enhance management efficiency and implementation of operation and business strategies and oversee and supervise all department leaders.

The newly created position of Chief Financial Officer of the Group shall be appointed by the Board. The Chief Financial Officer shall lead all finance departments of the members of the Group and provide professional advice in financial and risk management and to assist in developing business strategies, new investment plans, and mergers and acquisitions. He shall also devise the Group's overall financial planning and enhance financial liquidity and loan facilities structure of the Group and be the main contact person for banks and financial institutions on behalf of the Group.

The position of Joint Chairman is created to enhance the efficiency and effectiveness of the execution of the powers of the role of chairman of the Company. The main function of the Joint Chairman is to lead the Group in strategic planning and business development and improving corporate governance and procedures of the Group and to assist and act for the Chairman in leading the Board and in other matters whenever necessary.

The Vice-chairman shall not be involved in daily operations of the Group but shall primarily be responsible for leading the Strategic Committee.

The primary goal of the Strategic Committee is to evaluate and devise practical corporate solutions for the Group as well as strengthen overall corporate governance of the Group.

The Strategic Committee comprised the following members: Mr. Kam, Ms. Sae-lao Rakchanok, a consultant to the Company and a substantial Shareholder, Mr. Ying, Mr. Ma Yufeng, a former executive Director and Mr. Liu Jun, an executive Director.

## **B. APPOINTMENT/REDESIGNATION OF DIRECTORS AND OFFICERS**

Effective 5 December 2006, the following appointments/re-designations were made:

<b>Position</b>	<b>Appointee</b>	<b>Former position</b>
Vice Chairman	Mr. Kam	Managing Director
Chief Financial Officer	Mr. Chan	Chief Operating Officer
Joint Chairman	Mr. Ying	–
Chief Executive Officer	Mr. Lum	–

## **C. APPOINTMENT OF EXECUTIVE DIRECTOR, JOINT CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF THE GROUP AND RESIGNATION OF EXECUTIVE DIRECTOR**

The Board is pleased to announce that effective from 5 December 2006, Mr. Ying was appointed as an executive Director and Joint Chairman and Mr. Lum was appointed as the Chief Executive Officer of the Group, respectively. On the same day, Mr. Kam was redesignated from the position of managing director to the Vice-chairman of the Company and Mr. Chan was redesignated from the position of Chief Operating Officer to Chief Financial Officer of the Group. The biographies of each of Mr. Ying, Mr. Kam, Mr. Lum and Mr. Chan are set out below.

### **1. Mr. Ying Yoke Nean – executive Director and Joint Chairman**

Mr. Ying, aged 45. He joined the Group on 5 December 2006 as an executive Director and Joint Chairman. He obtained the Bachelor's degree of Accountancy (Honours) from the National University of Singapore in 1984. He was granted the Chevening Scholarship by the British Government to pursue and obtained the Master of Business Administration from the Cranfield University, the United Kingdom in 1988. He is a Fellow of the Association of Chartered Certified Accountants, the Chartered Institute of Management Accountants and the Chartered Institute of Secretaries and Administrators. He had over 22 years of experience in accounting, financial management, corporate finance, structuring merger and acquisition transactions, raising private equity capital, advising on corporate public transactions, and managing franchise development and business expansion strategies, Mr. Ying is currently also the Managing Director of Horwath Private Client Services, a firm providing solutions to personal and corporate issues faced by significantly wealthy entrepreneurs.

Save as disclosed herein, Mr. Ying has not held any other directorships in publicly listed companies in the last three years.

Details of the Service Agreement with Mr. Ying are set out in the paragraph headed "The Service Agreements" below.

As at the date of this announcement, Mr. Ying does not hold any other positions with the Company or members of the Group other than acting as an executive Director. He does not have any interest in the Shares within the meaning of Part XV of the SFO or have any relationship with any Directors, senior management, or substantial or controlling Shareholders.

Save as disclosed above, there are no other matters in relation to the appointment of Mr. Ying as an executive Director and Joint Chairman that needs to be brought to the attention of the Shareholders and there is no information required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

- 2. Mr. Kam Ioi**, aged 50, is an executive Director and Vice-chairman of the Company and director of various subsidiaries of the Company. Mr. Kam joined the Group in October 1992 and is responsible for the strategic planning and business development of the Group. He holds a degree in Economics from the Huaiyin Teachers College (淮陰師範學院) and has over 29 years of experience in the textile and health care industries. Mr. Kam is one of the Group's founders and an inventor of the BIOenergy<sup>®</sup> compound. He is also the vice chairman of the China Health Care Association on Aging (中國老年保健協會) and the vice president of the China Health Care Association (中國保健協會). Mr. Kam did not hold any other directorships in listed public companies in the last three years.

The Group has entered into a service agreement with Mr. Kam for a term of three years, unless and until terminated in accordance with the terms of the service agreement, Mr. Kam is entitled to an annual salary of RMB1,100,000 (equivalent to approximately HK\$1,078,431). He is also entitled to a discretionary year-end bonus as may be determined and paid by the Board or the remuneration committee of the Company in accordance with the remuneration guidelines and policy of the Group adopted by the remuneration committee of the Company from time to time. The remuneration of Mr. Kam is determined with reference to his duties, responsibilities and performance and the results of the Group. Mr. Kam does not have any relationship with any Directors, senior management or substantial or controlling Shareholders. As at the date of this announcement, he is interested in 119,805,112 Shares (representing approximately 17.15%) in the issued share capital of the Company, within the meaning of Part XV of the SFO.

### **3. Mr. Lum Kan Fai, Vincent – Chief Executive Officer of the Group**

Mr. Lum, aged 44, was appointed as the Chief Executive Officer of the Group on 5 December 2006. A graduate in Computer and Communications in University of Essex, United Kingdom, Mr. Lum has over 21 years of experience in sales and marketing management and he held leadership positions in a number of multinational enterprises for IT industry and consumer market. Prior to joining the group, Mr. Lum was the Asia Pacific Marketing Director in York International, one of the world's largest air conditioning manufacturers in the United States. His previous experience includes Datacraft Asia, the largest networking systems integrator in Asia, where he served as chief strategy officer, managing director, i-commerce and marketing director. In addition, he was also the Asia Pacific marketing director and consumer lines of business director in Apple Computer in the mid 1990's.

Save as disclosed herein, Mr. Lum has not held any other directorships in publicly listed companies in the last three years.

Details of the Service Agreement with Mr. Lum are set out in the paragraph headed "The Service Agreements" below.

As at the date of this announcement, Mr. Lum does not hold any other positions with the Company or members of the Group other than acting as the Chief Executive officer of the Group. He does not have any interest in the Shares within the meaning of Part XV of the SFO or have any relationship with any Directors, senior management, or substantial or controlling Shareholders.

Save as disclosed above, there are no other matters in relation to the appointment of Mr. Lum as the Chief Executive Officer of the Group that needs to be brought to the attention of the Shareholders and there is no information required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

- 4. Mr. Chan Yuk Tong**, aged 44, is an executive Director of the Company and Chief Financial Officer of the Group and director of one of the Company's subsidiaries. He joined the Group in September 2005 and is responsible for the financial management of the Group. He holds a Bachelor's degree in Commerce from the University of Newcastle in Australia and a Master's degree in Business Administration from the Chinese University of Hong Kong. He has more than 20 years experience in accounting, auditing, management consultancy and financial advisory services. Mr. Chan is a practicing fellow member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia. He is an independent non-executive director of Anhui Conch Cement Company Limited, Carico Holdings Limited, Kam Hing International Holdings Limited and Daisho Microline Holdings Limited. He was also an independent non-executive director of Luks Industrial (Group) Limited from 30 September 2004 to 1 December 2005. Save as disclosed herein, Mr. Chan has not held any other directorships in listed public companies in the last three years.

Details of the Service Agreement with Mr. Chan are set out in the paragraph headed "The Service Agreements" below.

As at the date of this announcement, Mr. Chan does not hold any other positions with the Company or members of the Group other than acting as an executive Director and director of one of the Companies subsidiaries. He does not have any interest in the Shares within the meaning of Part XV of the SFO or have any relationship with any Directors, senior management, or substantial or controlling Shareholders.

Due to personal reasons, Mr. Ma tendered his resignation as an executive Director of the Company effective on 5 December 2006. With Mr. Ma's resignation, he will no longer be one of the retiring Directors eligible for re-election at the Company's upcoming annual general meeting to take place on 22 December 2006 as previously stated in the Company's circular dated 26 October 2006. Mr. Ma's service contract with the Company terminated automatically upon his resignation. Mr. Ma has been appointed as a member of the Strategic Committee and remains as director to various subsidiaries of the Company, including Vitop Bioenergy (China) Limited with which Mr. Ma has entered into a service contract. The current term of the said contract shall expire on 2 June 2007. Mr. Ma is entitled to remuneration of RMB20,000.00 per month.

Mr. Ma confirms that there are no matters that need to be brought to the attention of the Shareholders in relation to his resignation.

#### **D. THE SERVICE AGREEMENTS**

On 5 December 2006, the Company entered into the Service Agreements with Mr. Ying, Mr. Lum and Mr. Chan. Details of the Service Agreements with each of Mr. Ying, Mr. Lum and Mr. Chan are set out below. It is a term of the Service Agreements that each of Mr. Ying, Mr. Lum and Mr. Chan be conditionally granted Options to subscribe for up to 14,000,000 Shares, up to 20,000,000 Shares and up to 10,000,000 Shares, respectively, at the exercise price of HK\$0.10 per share exercisable during the period of five years from the date of the grant, being the date that the Independent Shareholders approve the Proposed Grant. The Proposed Grant has been conditionally approved by the Independent Non-executive Directors and is more particularly described in the paragraph headed "The Grant of Options" below.

## The Service Agreements

On 5 December 2006, the Company entered into a service agreement with each of Mr. Ying, Mr. Lum and Mr. Chan for a term of three years each commencing from 5 December 2006 which may be terminated by either party by giving to the other party three months' notice in writing.

- Pursuant to the Service Agreements, Mr. Ying is entitled to a basic salary of HK\$840,000 per annum, Mr. Lum is entitled to a basic and salary of HK\$1.2 million for the first year of service and a basic salary of HK\$1.44 million for each of the second and third years of service and Mr. Chan is entitled to a basic salary of HK\$720,000 per annum, Mr. Chan's Service Agreement supersedes an existing service contract between Mr. Chan and the Company dated 30 September 2005. Each of Mr. Ying, Mr. Lum and Mr. Chan are entitled to a discretionary management bonus in respect of each financial year of the Company.

None of Mr. Ying, Mr. Lum or Mr. Chan nor their associates shall vote on any resolution of the Board regarding the amount of discretionary year-end bonus payable to him under the terms of his respective Service Agreement.

## E. THE GRANT OF OPTIONS

Pursuant to the terms of the Service Agreements, on the Board Resolution Date, the Board approved the conditional grant of the Options to Mr. Ying, Mr. Lum and Mr. Chan respectively. Details of the Proposed Grant are as follows:

Grantee	Mr. Ying	Mr. Lum	Mr. Chan
<b>Date of grant</b>	The date of approval by the Independent Shareholders of the grant of Options	The date of approval by the Independent Shareholders of the grant of Options	The date of approval by the Independent Shareholders of the grant of Options
<b>Number of Shares subject to the Options</b>	14,000,000 Options Dividing into 3,150,000 shares (the " <b>First Tranche</b> "), 4,900,000 shares (the " <b>Second Tranche</b> ") and 5,950,000 Shares (the " <b>Third Tranche</b> ")	20,000,000 Options Dividing into 4,500,000 shares (the " <b>First Tranche</b> "), 7,000,000 shares (the " <b>Second Tranche</b> ") and 8,500,000 Shares (the " <b>Third Tranche</b> ")	10,000,000 Options Dividing into 2,250,000 shares (the " <b>First Tranche</b> "), 3,500,000 shares (the " <b>Second Tranche</b> ") and 4,250,000 Shares (the " <b>Third Tranche</b> ")
<b>Exercise price, which is determined in accordance with Note 1 to Rule 17.03(9) of the Listing Rules</b>	HK\$0.10 per Share which is equivalent to at least the higher or the closing price of the Shares on the Stock Exchange on the Board Resolution Date and the average closing price of the Shares for 5 business days immediately preceding the Board Resolution Date	HK\$0.10 per Share which is equivalent to at least the higher or the closing price of the Shares on the Stock Exchange on the Board Resolution Date and the average closing price of the Shares for 5 business days immediately preceding the Board Resolution Date	HK\$0.10 per Share which is equivalent to at least the higher or the closing price of the Shares on the Stock Exchange on the Board Resolution Date and the average closing price of the Shares for 5 business days immediately preceding the Board Resolution Date

The Options shall be exercisable by each of Mr. Ying, Mr. Lum and Mr. Chan (referred to below as the Executives) in the following manner:

- (i) if the audited consolidated net profits after taxation and minority interests but before extraordinary and exceptional items of the Group for the financial year ending 30 June 2007 (the “**2007 Final Results**”) as shown in the audited final results of the Group for the financial year ending 30 June 2007 published by the Company as required under the Listing Rules is not less than HK\$0, the Executives shall be entitled to exercise the subscription rights attaching to the Options to subscribe for up to the First Tranche during the period commencing on the date of publication of the 2007 Final Results and ending on the date falling five years from the date of grant of the Options;
- (ii) if the audited consolidated net profits after taxation and minority interests but before extraordinary and exceptional items of the Group for the financial year ending 30 June 2008 (the “**2008 Final Results**”) as shown in the audited final results of the Group for the financial year ending 30 June 2008 published by the Company as required under the Listing Rules is not less than HK\$10,000,000, the Executives shall be entitled to exercise the subscription rights attaching to the Options (excluding the First Tranche) to subscribe for up to the Second Tranche during the period commencing on the date of publication of the 2008 Final Results and ending on the date falling five years from the date of grant of the Options;
- (iii) if the audited consolidated net profits after taxation and minority interests but before extraordinary and exceptional items of the Group for the financial year ending 30 June 2009 (the “**2009 Final Results**”) as shown in the audited final results of the Group for the financial year ending 30 June 2009 published by the Company as required under the Listing Rules is not less than HK\$20,000,000, the Executives shall be entitled to exercise the subscription rights attaching to the Options (excluding the First Tranche and the Second Tranche) to subscribe for up to the Third Tranche during the period commencing on the date of publication of the 2009 Final Results and ending on the date falling five years from the date of grant of the Options.

#### **Circumstances in which the Options will lapse**

- (a) In the event the 2007 Final Results is less than HK\$0, the First Tranche shall lapse automatically upon the publication of the 2007 Final Results.
- (b) In the event the 2008 Final Results is less than HK\$10,000,000, the Second Tranche shall lapse automatically upon the publication of the 2008 Final Results.
- (c) In the event the 2009 Final Results is less than HK\$20,000,000, the Third Tranche shall lapse automatically upon the publication of the 2009 Final Results.
- (d) Upon the termination of the appointment of the respective Executive, except as otherwise provided in the respective Executive’s Service Agreement, all Options that have become exercisable and not already exercised shall lapse automatically on the last actual working day of the respective Executive with the Company in accordance with Clause 6.03(a) of the rules of the Share Option Scheme.

As Mr. Ying and Mr. Chan are executive Directors and Mr. Lum is the Chief Executive Officer of the Group, the grant of Options to each of them is subject to the approval by the independent non-executive Directors. Furthermore, as the Shares to be issued and allotted to Mr. Ying upon exercise in full of the Options granted to him represent approximately 2.00% of the existing issued share capital of the Company, the Shares to be issued and allotted to Mr. Lum upon exercise in full of the Options granted to him represent approximately 2.86% of the existing issued share capital of the Company and the Shares to be issued and allotted to Mr. Chan upon exercise in full of the Options granted to him represent approximately 1.43% of the existing issued share capital of the Company, the grant of Options to each of Mr. Ying, Mr. Lum and Mr. Chan requires and will be subject to the approval of the Independent Shareholders in general meeting. It is proposed that voting in respect of the Independent Shareholders' approval to be sought at the extraordinary general meeting shall be taken by poll with Mr. Ying, Mr. Lum, Mr. Chan and their respective associates abstaining from voting at the extraordinary general meeting.

As at the date of this announcement, none of Mr. Ying, Mr. Lum or Mr. Chan have previously been granted Options.

## **F. REFRESHMENT OF SCHEME LIMIT**

Under the rules of the Share Option Scheme:

- (i) the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company if such grant would result in the above limit being exceeded;
- (ii) no options may be granted under the Share Option Scheme and any other share option schemes of the Company if it results in the Scheme Limit being exceeded, unless the approval of Shareholders has been obtained. Options lapsed in accordance with the terms of the Share Option Scheme will not be counted for the purpose of calculating the 10% limit; and
- (iii) the Scheme Limit may be refreshed by Shareholders in general meeting provided that the total number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of Shares in issue as at the date of approval of the "refreshed" Scheme Limit. Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option schemes of the Company) will not be counted for the purpose of calculating the Scheme Limit as "refreshed".

Based on 680,136,400 Shares in issue as at the annual general meeting of the Company held on 18 October 2004 when the last refreshed Scheme Limit was approved, the Scheme Limit as refreshed is 68,013,640 Shares. Since the Scheme Limit has been refreshed at the last annual general meeting of the Company held on 18 October 2004, a total of 6,000,000 Options have been granted by the Company (representing about 0.88% of the Shares in issue as at the date of such grant). Whether such Options are exercised or not, Options for a maximum of 62,013,640 Shares (representing about 9.12% of the Shares in issue as at the date of such grant) may be granted under the Share Option Scheme before the refreshment of the Scheme Limit. Under the Proposed Grant, the Board approved the conditional grant of Options for up to 44,000,000 Shares (representing approximately 6.23% of the Shares in issue as at the Board Resolution Date) which, if approved by the Independent Shareholders at the upcoming extraordinary general meeting, will leave the Board with an allowance to grant Options for up to a maximum of 18,013,640 Shares. As at

the date of this announcement, a total of 117,611,228 Options have been granted by the Company since the Share Option Scheme was adopted. With a total of 62,471,464 Options lapsed and 13,088,400 Options exercised since the Share Option Scheme was adopted, Options carrying the rights to subscribe for up to a total of 42,051,364 Shares remain outstanding as at the date of this announcement.

The Directors consider that the Company should refresh the Scheme Limit so that the Company will have more flexibility to provide incentives or rewards to participants for their contributions to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. An ordinary resolution will be proposed at the extraordinary general meeting to approve the refreshment of the Scheme Limit.

## **G. GENERAL**

As at the date of this announcement, none of Mr. Ying, Mr. Lum or Mr. Chan had any interests in the Shares, directly or indirectly, nor held any options to subscribe for Shares granted under the Share Option Scheme.

Rules 17.03(4) and 17.04 of the Listing Rules provided that any grant of options to a director or chief executive shall be approved by the independent non-executive directors of the listed company and any grant of options which would result in the grantee being interested in shares exceeding 1% of the issued share capital of the listed company in any 12-month period up to the date of exercise of such option would have to be approved by shareholders other than the grantee and his associates. As Mr. Ying is an executive Director and the Joint Chairman of the Company, Mr. Lum is the Chief Executive Officer of the Company and Mr. Chan is an executive Director and Chief Financial Officer, and the Shares to be issued and allotted to Mr. Ying, Mr. Lum and Mr. Chan upon the exercise in full of the Options represent approximately 2.00%, 2.86% and 1.43% of the existing share capital of the Company, respectively, the grant of the Options has been approved by the Independent non-executive Directors and will be subject to the approval of the Independent Shareholders.

Three separate resolutions will be put to the vote of the Independent Shareholders in respect of the Proposed Grant to each of Mr. Ying, Mr. Lum and Mr. Chan and each of the respective resolutions is not conditional on the others being passed. Under Rule 17.03(4) of the Listing Rules, Mr. Ying and his associates will have to abstain from voting on the resolution to be proposed at the extraordinary general meeting in relation to the grant of Options to Mr. Ying, Mr. Lum and his associates will have to abstain from voting on the resolution to be proposed at the extraordinary general meeting in relation to the grant of Options to Mr. Lum and Mr. Chan and his associates will have to abstain from voting on the resolution to be proposed at the extraordinary general meeting in relation to the grant of Options to Mr. Chan.

A circular containing details of: (i) the grant of Options to each of Mr. Ying, Mr. Lum and Mr. Chan; (ii) the re-election of Mr. Ying; (iii) a letter from the independent board committee; (iv) refreshment of Scheme Limit and (v) a notice of an extraordinary general meeting, will be dispatched to the Shareholders as soon as practicable.

## **H. DEFINITIONS**

In this announcement, unless otherwise defined, terms and expressions used herein shall have the following meanings:

“associates”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors;

“Board Resolution Date”	5 December 2006, being the date on which the Proposed Grant under the Share Option Scheme was conditionally approved by the Board;
“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 thereto in the Listing Rules;
“Directors”	the directors of the Company;
“Executives”	collectively Mr. Ying, Mr. Lum and Mr. Chan
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Independent Shareholders”	Shareholders other than Mr. Ying and his associates, Shareholders other than Mr. Lum and his associates or Shareholders other than Mr. Chan and his associates as the case may be;
“Independent Non-executive Directors”	Mr. Yuan Tsu I, Professor Li Li Te and Mr. Chan Chiu Hung Alex;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Chan”	Mr. Chan Yuk Tong, an executive Director and Chief Financial Officer of the Group;
“Mr. Kam”	Mr. Kam Ioi, an executive Director and Vice Chairman of the Company;
“Mr. Lum”	Mr. Lum Kan Fai Vincent, the Chief Executive Officer of the Group;
“Mr. Ma”	Mr. Ma Yufeng, a former executive Director who resigned with effect from 5 December 2006;
“Mr. Ying”	Mr. Ying Yoke Nean, an executive Director and Joint Chairman of the Company;
“Options”	the options to subscribe for Shares pursuant to the Share Option Scheme;
“PRC”	The People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan;

“Proposed Grant”	the conditional grant of Options to subscribe for up to 14,000,000 Shares, 20,000,000 Shares and 10,000,000 Shares to each of Mr. Ying, Mr. Lum and Mr. Chan, respectively, under the Share Option Scheme pursuant to the terms of the Service Agreements;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Scheme Limit”	the total number of Shares in respect of which Options may be granted under the Share Option Scheme and any other share option schemes of the Company not exceeding 10% of the existing issued share capital of the Company;
“Service Agreements”	the service agreements dated 5 December 2006 entered into between the Company and each of Mr. Ying, Mr. Lum and Mr. Chan relating to the appointments of Mr. Ying as an executive Director and Joint Chairman, the services of Mr. Lum as the Chief Executive Officer of the Group and Mr. Chan as an executive Director and Chief Financial Officer of the Group, the particulars of which are set out in the paragraph headed “The Service Agreements” in this Announcement; and a “Service Agreement” shall refer to any one of the agreements;
“Share(s)”	share(s) of HK\$0.025 each;
“Shareholder(s)”	holder(s) of Share(s);
“Share Option Scheme”	the share option scheme adopted by the Company at an extraordinary general meeting held on 23 January 2003;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Strategic Committee”	the committee of the Board established in a Board meeting held on 23 October 2006 and which comprises, Mr. Kam, Ms. Sae-lao Rakchanok, a consultant to the Company and a substantial Shareholder, Mr. Ying, Mr. Ma and Mr. Liu Jun, an executive Director.

*As at the date of this announcement, taking into account the appointment mentioned herein, the Board comprises eight Directors, comprising five executive Directors, namely, Hung Kai So (Chairman), Ying Yoke Nean (Joint Chairman), Kam Ioi (Vice Chairman), Chan Yuk Tong and Mr. Liu Jun and three independent non-executive Directors, namely, Yuan Tsu I, Li Li Te and Chan Chiu Hung Alex.*

By Order of the Board  
**VITOP BIOENERGY HOLDINGS LIMITED**  
**Hung Kai So**  
*Chairman*

Hong Kong, 5 December 2006

*\* for identification purpose only*

Please also refer to the published version of this announcement in the China Daily.