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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)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

RESULTS

The board of directors (the “Board”) of Vitop Bioenergy Holdings Limited (“Vitop” or the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 30 June 2014, together with the comparative figures for 2013, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2014

	<i>Notes</i>	2014 <i>HK\$’000</i>	2013 <i>HK\$’000</i>
Revenue	4	14,420	19,823
Cost of sales		<u>(8,234)</u>	<u>19,823</u>
Gross profit		6,186	10,144
Other income	4	616	3,334
Gain on disposal of an associate		–	34
Selling and distribution costs		(7,218)	(7,536)
Administrative expenses		(15,524)	(18,163)
Other operating expenses		<u>(9,252)</u>	<u>(2,401)</u>
Loss from operating activities	5	(25,192)	(14,588)
Finance costs	6	<u>(38)</u>	<u>–</u>
		(25,230)	(14,588)

* *For identification purpose only*

	<i>Notes</i>	2014 HK\$'000	2013 <i>HK\$'000</i>
Share of loss of an associate		<u>(238)</u>	<u>–</u>
Loss before income tax expense		(25,468)	(14,588)
Income tax expense	7	<u>–</u>	<u>–</u>
Loss for the year		<u>(25,468)</u>	<u>(14,588)</u>
Attributable to:			
Owners of the Company	8	(25,262)	(14,404)
Non-controlling interests		<u>(206)</u>	<u>(184)</u>
Loss for the year		<u>(25,468)</u>	<u>(14,588)</u>
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation		<u>402</u>	<u>2,003</u>
		<u>402</u>	<u>2,003</u>
Total comprehensive loss for the year, net of tax		<u>(25,066)</u>	<u>(12,585)</u>
Total comprehensive loss attributable to:			
Owners of the Company		(24,860)	(12,401)
Non-controlling interests		<u>(206)</u>	<u>(184)</u>
		<u>(25,066)</u>	<u>(12,585)</u>
Loss per share attributable to owners of the Company during the year			
Basic	10	<u>HK(1.76) cents</u>	<u>HK(1.04) cents</u>
Diluted		<u>N/A</u>	<u>N/A</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	<i>Notes</i>	2014 HK\$'000	2013 HK\$'000
Non-current assets			
Property, plant and equipment		1,951	2,288
Intangible assets		191	229
Available-for-sale investments		24,336	24,336
Interests in an associate		2,432	–
		<u>28,910</u>	<u>26,853</u>
Current assets			
Inventories		49,807	19,258
Trade receivables	<i>11</i>	2,052	1,415
Deposits, prepayments and other receivables		68,443	56,418
Cash and bank balances		3,896	27,567
		<u>124,198</u>	<u>104,658</u>
Current liabilities			
Trade payables	<i>12</i>	7,041	6,165
Deposits received		9,667	9,733
Accrued liabilities and other payables		8,450	8,718
Amount due to a director		6,067	–
Amount due to an associate		140	–
Secured bank borrowings		8,750	–
		<u>40,115</u>	<u>24,616</u>
Net current assets		<u>84,083</u>	80,042
Total assets less current liabilities		<u>112,993</u>	106,895
Net assets		<u><u>112,993</u></u>	<u><u>106,895</u></u>
Capital and reserves			
Share capital		41,710	34,760
Reserves		69,764	70,410
		111,474	105,170
Non-controlling interests		<u>1,519</u>	<u>1,725</u>
Total equity		<u><u>112,993</u></u>	<u><u>106,895</u></u>

NOTES:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”). The measurement base adopted is the historical cost convention except for the revaluation of certain assets and liabilities.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Standards and Interpretations adopted in current year

In the current year, the Group has adopted the following new and revised standards, amendments and interpretations (hereinafter collectively referred to as “new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) which are relevant to and effective for the Group’s financial period beginning on 1 July 2013:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (2011)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine

The adoption of the new and revised HKFRSs has no material effect on the consolidated financial statements of the Group for the current and prior accounting periods.

(b) Standards and Interpretations is issued but not yet adopted

The Group has not early applied any of the following new and revised standards, amendments and interpretations which have been issued but are not yet effective for annual periods beginning on 1 July 2013:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle ³
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ⁴
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities ¹
Amendments to HKFRS 11	Accounting for Acquisition of Interests in Joint Operations ⁶
HKFRS 9	Financial Instruments ⁴
HKFRS 14	Regulatory Deferral Accounts ⁵
HKFRS 15	Revenue from contracts with Customers ⁷
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ⁶
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions ³
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ¹
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets ¹
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting ¹
HK(IFRIC) – INT 21	Levies ¹

¹ Effective for annual periods beginning on or after 1 January 2014

² Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

³ Effective for annual periods beginning on or after 1 July 2014

⁴ Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

⁵ Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

⁶ Effective for annual periods beginning on or after 1 January 2016

⁷ Effective for annual periods beginning on or after 1 January 2017

The directors of the Company anticipate that the application of the other new and revised standards or interpretations will have no material impact on the consolidated financial statements.

3. SEGMENT INFORMATION

(A) Segment revenue, results, assets and liabilities

Business segments

The following tables present revenue, results and certain assets, liabilities and expenditure information for the Group's business segments:

	BIOenergy products		Healthcare food products		Multi-functional water generators		Others		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue:										
Sales to external customers	<u>7,579</u>	<u>12,979</u>	<u>645</u>	<u>1,448</u>	<u>3,999</u>	<u>3,268</u>	<u>2,197</u>	<u>2,128</u>	<u>14,420</u>	<u>19,823</u>
Segment result	<u>169</u>	<u>2,647</u>	<u>202</u>	<u>(89)</u>	<u>(1,053)</u>	<u>(111)</u>	<u>(350)</u>	<u>161</u>	<u>(1,032)</u>	<u>2,608</u>
Unallocated other income									616	3,334
Unallocated expenses									<u>(24,776)</u>	<u>(20,530)</u>
Loss from operating activities									(25,192)	(14,588)
Finance costs									<u>(38)</u>	<u>—</u>
Share of loss of an associate									(238)	<u>—</u>
Loss before income tax expense									(25,468)	(14,588)
Income tax expense									<u>—</u>	<u>—</u>
Loss for the year									<u>(25,468)</u>	<u>(14,588)</u>

	BIOenergy products		Healthcare food products		Multi-functional water generators		Others		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	48,949	66,471	4,168	7,418	27,465	18,561	14,190	10,896	94,772	103,346
Unallocated assets									58,336	28,165
Total assets									<u>153,108</u>	<u>131,511</u>
Segment liabilities	16,507	14,729	1,405	1,644	11,351	5,828	4,784	2,415	34,047	24,616
Unallocated liabilities									6,068	—
Total liabilities									<u>40,115</u>	<u>24,616</u>
Other segment information										
Depreciation	17	57							17	57
Unallocated amount of depreciation									378	559
									<u>395</u>	<u>616</u>
Amortisation of intangible assets			38	38					<u>38</u>	<u>38</u>
Capital expenditure										
Unallocated amounts of capital expenditure									193	—
									<u>193</u>	<u>—</u>

(B) Geographical segments

A geographical analysis of the Group's revenue from external customers, certain asset and expenditure information is not presented as the Group's revenue and assets in geographical segments other than Mainland China are less than 10% of the aggregate amount of all segments.

(C) Information about major customers

The Group has a very wide customer base, and no single customer contributed more than 10% of the Group's revenue for each of the years ended 30 June 2014 and 2013.

4. REVENUE AND OTHER INCOME

(A) Revenue

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts where applicable. All significant intra-group transactions have been eliminated on consolidation.

Turnover made in Mainland China is subject to value added tax ("VAT") at a rate of 17% ("output VAT"). Such output VAT is payable after offsetting VAT paid by the Company on purchases ("input VAT").

(B) Other Income

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest income	57	112
Reversal of impairment loss on inventories	–	1,276
Gain on disposal of property, plant and equipment	117	–
Others	<u>442</u>	<u>1,946</u>
	<u>616</u>	<u>3,334</u>

5. LOSS FROM OPERATING ACTIVITIES

Loss from operating activities is arrived at after charging:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Auditor's remuneration		
Audit services	700	700
Non-audit services	400	150
Cost of inventories sold	7,731	7,994
Staff costs (including directors' remuneration)		
Wages and salaries	7,872	9,398
Pension scheme contributions	826	1,009
	8,698	10,407
Depreciation	395	616
Amortisation of intangible assets*	38	38
Operating lease charges in respect of land and buildings	3,043	2,138
Impairment loss recognised in respect of available-for-sale investments*	–	1,850
Impairment loss of interest in an associate*	392	–
Share of loss of an associate	238	–
Loss on disposal of property, plant and equipment*	–	84
Provision for obsolete and slow moving inventories*	8,822	–

* *included in other operating expenses*

6. FINANCE COSTS

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on secured bank loan, repayment within 5 year	38	–

7. INCOME TAX EXPENSE

Hong Kong Profits Tax has not been provided as the Group had no assessable profits arising in Hong Kong during the year (2013: Nil). Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdiction in which the Group operates, based on existing legislation, interpretations and practices in respect thereof during the year.

	Group	
	2014	2013
	HK\$'000	HK\$'000
Current – Mainland China		
Charge for the year	<u><u>–</u></u>	<u><u>–</u></u>

8. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

Of the consolidated loss attributable to owners of the Company of HK\$25.3 million (2013: loss of HK\$14.4 million), a loss of HK\$3.81 million (2013: loss of HK\$4.34 million) has been dealt with in the financial statements of the Company.

9. DIVIDENDS

No dividend has been paid or declared by the Company during the years presented in these financial statements.

10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share is based on loss attributable to owners of the Company for the year ended 30 June 2014 of HK\$25.3 million (2013: loss of HK\$14.4 million) and the weighted average of 1,437,629,866 (2013: the weighted average of 1,390,407,948) ordinary shares in issue during the year.

The diluted loss per share for the years ended 30 June 2014 and 2013 has not been disclosed as there were no potential dilutive shares in issue during the years.

11. TRADE RECEIVABLES

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	11,527	10,890
Less: Provision for impairment	<u>(9,475)</u>	<u>(9,475)</u>
	<u>2,052</u>	<u>1,415</u>

The credit terms that the Group offers to customers are generally not more than 90 days.

An aged analysis of trade receivables is as follows:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 – 30 days	32	38
31 – 60 days	32	35
61 – 180 days	129	85
Over 180 days	<u>1,859</u>	<u>1,257</u>
	<u>2,052</u>	<u>1,415</u>

Included in the balances are trade receivables with an aggregate carrying amount of HK\$1.88 million (2013: HK\$1.34 million) which are past due at the reporting date for which the Group has not provided impairment loss as there has been no significant change in credit quality and the amounts are still considered fully recoverable. The Group does not hold any collateral over these balances. No interest is charged on the trade receivables.

Ageing of trade receivables which are past due but not impaired:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
91 – 180 days	21	85
Over 180 days	1,859	1,257
	<u>1,880</u>	<u>1,342</u>

Movement in the allowance for doubtful debts

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Balance at beginning of the year	9,475	9,132
Foreign exchange translation	–	343
Balance at the end of the year	<u>9,475</u>	<u>9,475</u>

12. TRADE PAYABLES

The credit terms of trade payables varies according to the terms agreed with different suppliers. The ageing analysis of the Group's trade payables as at the end of the reporting period is as follows:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 – 30 days	2,174	248
31 – 60 days	138	351
61 – 180 days	648	971
Over 180 days	4,081	4,595
	<u>7,041</u>	<u>6,165</u>

13. EVENT AFTER THE REPORTING PERIOD

Pursuant to the agreement entered into between the Company and the vendor in relation to the proposed acquisition of 90% shareholding in Express Time Enterprise Limited (“Express Time”) with a consideration of HK\$108.5 million dated 2 August 2011, the Company has completed the due diligence on Express Time but is not satisfied with the results. For the sake of the best interest of the Company, the Board of Directors terminated the agreement on 26 September 2014.

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

For the year ended 30 June 2014, the BIOenergy products business recorded revenue of HK\$7.58 million and segmental profit of HK\$0.17 million whereas the revenue and segmental profit for the year ended 30 June 2013 were 12.98 million and 2.65 million respectively. The decrease was due to keen market competition. Although the revenue of other business units were rather stable for the year ended 30 June 2014 but they were also facing intense market competition.

FINANCIAL REVIEW

Revenue

The Group recorded sales revenue of HK\$14.42 million, representing a decrease of HK\$5.40 million or 27.26% as compared with that of last year. The decrease in overall sale revenue was mainly due to the keen market competition.

Gross profit

The Group's gross profit margin for the year was 42.90% (2013: 51.17%), representing a decrease of 8.27 percentage points from last year as the Group had to reduce the gross profit margin due to keen market competition to attract sales.

Selling and distribution costs

Selling and distribution costs for the year amounted to HK\$7.22 million representing a decrease of 4.22% or HK\$0.32 million when compared to last year (2013: HK\$7.54 million). The slightly decrease of HK\$0.32 million was mainly attributed to the combined effects of the decrease in salaries expenses, travelling expenses and meeting expenses and the increase in sales development expenses during the year.

Administrative expenses

During the year, administrative expenses amounted to HK\$15.52 million (2013: HK\$18.16 million), representing a decrease of HK\$2.64 million, which were mainly due to the decrease in travelling expenses and technical development expenses.

Loss for the year

The Group's loss for the year amounted to HK\$25.47 million, representing an increase of 74.58% or HK\$10.88 million when compared to last year (2013: loss of HK\$14.59 million). The increase of the Group's loss was mainly attributed to the decrease in sales which in turn lead to the decrease in gross profit and the increase in the provision for obsolete and slow-moving inventories which was included in other operating expenses during the year.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2014, the Group employed a total of 84 (2013: 112) employees, of which 79 were deployed in Mainland China (2013: 108) and 5 (2013: 4) were deployed in Hong Kong. The total salaries (excluding directors' emoluments) for the year was HK\$8.39 million (2013: HK\$10.41 million). Remuneration packages comprised salary, mandatory provident fund, bonus, medical allowance and share options.

FOREIGN EXCHANGE RISK AND MANAGEMENT

The majority of the Group's operations are located in Mainland China, and the main operational currencies are Hong Kong Dollars and Renminbi. The Company pays regular and active attention to Renminbi exchange rate fluctuation and consistently assesses exchange risks.

LIQUIDITY AND FINANCIAL RESOURCE

As at 30 June 2014, net current assets were HK\$84.08 million (2013: HK\$80.04 million). The Group's cash and bank balance at that date amounted to HK\$3.90 million (2013: HK\$27.57 million), which was denominated in mainly Hong Kong dollars and Renminbi, and the Group had bank borrowings of HK\$8.75 million (2013: Nil) which was denominated in Renminbi. The bank borrowings bore fixed interest rate.

As at 30 June 2014, the Group's current ratio and quick ratio were 3.10 (2013: 4.25) and 1.85 (2013: 3.47) respectively. The decrease in these ratios were mainly due to the increase in bank borrowings and increase in amount due to a director.

The gearing ratio, total bank borrowings divided by total assets at the end of each period, was 5.71% as at 30 June 2014 (2013: Nil), the increase is due to the new bank borrowings for the year.

The Group continued to have no structured investment products, foreign exchange contracts and investments in listed shares, bond and debentures.

As at 30 June 2014, the Group had no material capital commitments (2013: Nil) or investment commitments. The operating lease commitment for the Group as at 30 June, 2014 was around HK\$7.71 million (2013: HK\$1.82 million).

It is the Group's policy to adopt a prudent financial management strategy and maintain a suitable level of liquidity to meet operation requirements and acquisition opportunities.

MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES

During the year ended 30 June, 2014, the Group had disposed certain inactive subsidiaries at nil consideration. The Group also acquired a 49% interest in Zhuhai Wei Tuo Po Technology Limited at a consideration of HK\$3.06 million during the year ended 30 June 2014.

Except for the above, the Group did not make any material acquisition or disposal of subsidiaries and affiliated companies during the year ended 30 June 2014.

CAPITAL STRUCTURE

During the year ended 30 June 2014, the Company issued shares 278,000,000 shares to Super Express Limited by placing arrangement at the price of HK\$0.1121 per placing share.

CONTINGENT LIABILITIES

Neither the Group nor the Company had any significant contingent liabilities at the end of the reporting period.

FINAL DIVIDEND

The Board did not recommend any final dividend for the year ended 30 June 2014.

PROSPECTS

Mainland China's economic growth still tends to slow. As the people increasingly concern their health, the Mainland China's, healthcare product market will become larger and larger. However, new strong competitors will also introduce to the market and the Group will face huge challenges.

To ensure growth is sustained over the long term, the Group will continue to leverage its research and development expertise to develop new products desired by consumers. The Group continues to optimize its product mix and put more efforts to develop higher profit margin's products to improve its sales and its profitability.

The Group also adopted measures and exploring other means to meet these challenges and to turn them into opportunities. The management will from time to time seek for investment opportunity in difference industry that could enhance corporate development and broaden the income base of the Group. After the year ended 30 June 2014, in September 2014, the Group contracted to purchase two commercial units and two duplex residential units in Nansha District, Guangzhou, the PRC at a consideration of approximately HK\$7.84 million for rental purposes. The units are now vacant. The Group begins to step into the property rental business. In addition, in September 2014, the Group terminated the sale and purchase agreement dated 2 August 2011 which was subsequently amended by a first supplemental agreement dated 30 March 2012, a second supplemental agreement dated 27 December 2012, a third supplemental agreement dated 30 June 2013 and a forth supplemental agreement dated 30 December 2013, pursuant to which the long stop date for the fulfillment of the

conditions precedent to the completion of the proposed acquisition has been postponed to 31 December 2014, for the acquisition of 90% shareholding in Express Time Enterprises Limited, a company which indirectly owns 74% interest in a piece of land situated in Xuzhou City, Jiangsu, the People's Republic of China which can be used for commercial building development, at the consideration of HK\$108.5 million due to the Group did not satisfy the due diligent result of the target company. Meanwhile, the management will continue to review the performance of existing businesses and seek for any other investment opportunity in fast growing industry. Should any suitable business opportunity arise, the Group may change its existing business activities and redeploy any assets of the Group. The management remains cautiously optimistic about perpetuating the Group's steady growth over the long term.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, there were no purchase, sale or redemption by the Company, or any its subsidiaries, of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to establishing and maintaining high standards of corporate governance. The directors of the Company believe that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding and maximizing shareholders' interests.

During the year, the Company has applied the principles and complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 to the Listing Rules, except for the deviations from code provisions A.1.1, A.2.1, A.4.1, A.5.1, A.6.7 and E.1.2 as stated and explained below.

Under code provision A.1.1 of the Code, at least four regular board meetings should be held a year at quarterly intervals with active participation of a majority of directors of the Company, either in person or through other electronic means of communication. As the Company did not announce its quarterly results, two regular board meetings were held during the year for reviewing and approving the interim and annual financial performance of the Group. Board meetings will be held on the occasions when board decisions are required. Currently, the board is initiating to increase number of the formal meetings to be held regularly at quarterly intervals and will involve active participation through electronic means of communication.

The Company has not separated the roles of the Chairman of the Board and the Chief Executive as required under code provision A.2.1 of the Code until 1 January 2014. The Company believed that separation of Chairman and the Chief Executive would not result in enhanced efficiency and improved governance before 1 January 2014. The balance of power and authority between the Chief Executive and the Board was ensured by regular discussion and meetings of the full Board and active participation of independent non-executive directors. Following the appointment of chief executive officer of the Company on 1 January 2014, the Company has fully complied with the code provision A.2.1 of the Code.

To the best knowledge of the Company, there is no financial, business, family or other material/relevant relationships among members of the Board and in particular, between the Chairman and the Joint Chairman.

Under code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term and be subject to re-election. The three independent non-executive directors of the Company were not appointed for a specific term, but are subject to retirement no later than the third annual general meeting after his election, under the Company's articles of association. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are not less exacting than those in the Code.

Code A.5.1 provides that the Company should establish a nomination committee. The Board is empowered under the articles of association of the Company to appoint any person as a director of the Company either to fill a casual vacancy or as an addition to the existing Board. No nomination committee was established by the Company. The Board as a whole is responsible for considering the suitability of an individual to act as a director of the Company, and approving and terminating the appointment of a director of the Company. The executive directors of the Company are responsible for selecting and recommending suitable candidates for members of the Board based on their characters, qualifications, experience and background, when there is a vacancy or an additional director is considered necessary. The recommendations of the executive directors are then put forward for consideration by the Board. The Chairman and the other directors review from time to time the composition of the Board. The Board makes recommendations to shareholders on directors standing for re-election, providing information on directors to enable shareholders to make an informed decision on the re-election, and where necessary, to appoint directors to fill casual vacancies.

Code provision A.6.7 of the Code requires that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. Ms. Zhu Jinghua, Mr. Zhang Wen and Mr. Li Xinzong, all being the then independent non-executive Directors, did not attend the Company's annual general meeting held on 17 December 2013 due to their other unexpected business engagement.

Under code provision E.1.2 of the Code, the Chairman of the Board should attend, and the chairman of the audit and remuneration committees should be available to answer questions at the annual general meeting of the Company. Due to prior engagement, the Chairman of the Board, the chairmen of the audit committee and the remuneration committee were unable to attend the annual general meeting of the Company held on 17 December 2013 in person, but the Chairman of the Board has already delegated to one of the executive directors of the Company to chair the meeting on his behalf and on behalf of the chairmen of the audit committee and the remuneration committee.

Details of the Company's corporate governance practices are set out in the Corporate Governance Report, contained in the 2014 annual report.

REVIEW OF ACCOUNTS

The audit committee has reviewed the audited annual results of the Group for the year ended 30 June 2014.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

SCOPE OF WORK OF ELITE PARTNERS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial positions, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2014 as set out in the preliminary announcement have been agreed by the Group's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statement for the year. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with the Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Elite Partners CPA Limited on the preliminary announcement.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange's website at www.hkexnews.hk and the website of the Company at www.vitop.com.hk. The Company's 2014 Annual Report will be available at the same websites and will be dispatched to the Company's shareholders in due course.

MEMBERS OF THE BOARD

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. Zhang Wen, Ms. Guo Yanni, Mr. Xu Nianchun and Mr. Long Mingfei as executive directors; and Ms. Zhu Jinghua, Mr. Deng Zhiqiang and Mr. Li Xinzong as independent non-executive directors.

By order of the Board of
VITOP BIOENERGY HOLDINGS LIMITED
Zhang Wen
Director and chief executive officer

Hong Kong, 30 September 2014