

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.

This announcement includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.



Ko Yo Ecological Agrotech (Group) Limited

玖源生態農業科技(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code on Main Board: 827)

(Stock Code on GEM: 8042)

**TRANSFER OF LISTING
FROM THE GROWTH ENTERPRISE MARKET TO
THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

On 7 July 2008, an application was made by the Company to the Stock Exchange for the transfer of listing from GEM to the Main Board in respect of the Company and the Shares including (i) 6,394,400,000 Shares in issue and (ii) 206,700,000 Shares which may fall to be issued pursuant to the exercise of the outstanding options which were granted under the GEM Share Option Scheme. The approval in principle has been granted by the Stock Exchange for the Shares to be listed on the Main Board and de-listed from GEM.

The last day of dealings in the Shares on GEM (Stock code: 8042) will be 22 August 2008. Dealings in the Shares on the Main Board (Stock code: 827) are expected to commence at 9:30 a.m. on 25 August 2008.

TRANSFER OF LISTING OF THE SHARES FROM GEM TO THE MAIN BOARD

On 7 July 2008, an application was made by the Company to the Stock Exchange for the transfer of listing from GEM to the Main Board in respect of the Company and the Shares including (i) 6,394,400,000 Shares in issue and (ii) 206,700,000 Shares which may fall to be issued pursuant to the exercise of the outstanding options which were granted under the GEM Share Option Scheme.

The Directors confirm that all pre-conditions for the transfer of listing from GEM to the Main Board have, insofar as applicable, been fulfilled in relation to the Company and the Shares.

The approval in principle has been granted by the Stock Exchange for the Shares to be listed on the Main Board and de-listed from GEM.

REASONS FOR THE TRANSFER OF LISTING

The Directors consider that, in view of the financial performance of the Company, the potential benefits of listing on the Main Board and the recent market conditions, the transfer of listing would enhance the Company's corporate image and help its future growth. In addition, the Company will be more flexible to raise funds which can facilitate its further business expansion.

DEALINGS IN THE SHARES ON THE MAIN BOARD

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 10 July 2003, the date on which the Shares were first listed on GEM. Subject to the Listing Committee granting approval of the listing of, and permission to deal in, the Shares on the Main Board and the continual compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on the Main Board commence. All activities under CCASS are subject to the General Rules of the CCASS and CCASS Operational Procedures in effect from time to time. The last day of dealings in the Shares on GEM (Stock code: 8042) will be 22 August 2008. Dealings in the Shares on the Main Board (Stock code: 827) are expected to commence at 9:30 a.m. on 25 August 2008.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes and will not involve any transfer or

exchange of the existing share certificates. No change is proposed to be made to the share certificate, the board lot size (being 20,000 Shares each), the trading currency of the Shares (being Hong Kong dollars) and the HK share registrar of the Company (being Union Registrars Limited).

SHARE OPTION SCHEME

The GEM Share Option Scheme, which was adopted on 10 June 2003 and effective on 10 July 2003, served the purpose of recognising the contribution of the eligible participants and providing a performance related incentive to them.

Pursuant to the terms of the GEM Share Option Scheme, the operation of the GEM Share Option Scheme was conditionally terminated by the Board on 14 August 2008. Upon the listing of the Shares being transferred from GEM to the Main Board, the termination of the GEM Share Option Scheme will become effective and no further options may be offered or granted under the GEM Share Option Scheme. The Company may consider to adopt a new share option scheme which will be in compliance with Chapter 17 of the Main Board Listing Rules and convene an extraordinary general meeting to approve such adoption.

As at the date of this announcement, there are 206,700,000 outstanding share options already granted to the option holders under the GEM Share Option Scheme, including (i) 122,000,000 share options granted on 23 September 2003 with adjusted exercise price of HK\$0.12 and expiry date on 22 September 2013, (ii) 48,500,000 share options granted on 11 April 2006 with adjusted exercise price of HK\$0.15 and expiry date on 10 April 2016, (iii) 6,200,000 share options granted on 16 May 2006 with adjusted exercise price of HK\$0.15 and expiry date on 10 April 2016, and (iv) 30,000,000 share options granted on 10 September 2007 with adjusted exercise price of HK\$0.12 and expiry date on 9 September 2017. All the outstanding share options will remain valid and exercisable in accordance with their terms of issue after the Transfer of Listing.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

During the Company's annual general meeting held on 25 April 2008, a general mandate to allot, issue and deal with Shares not exceeding 20% of the then issued share capital of the Company (equivalent to 1,078,880,000 Shares) was granted to the Directors. On 3 June 2008, the Company placed 1,000,000,000 new Shares under such mandate. In order to allow the flexibility for future business development and/or fund raising, the Company may consider to convene an extraordinary general meeting to seek approval of the independent Shareholders to refresh the general mandate to issue new shares.

Pursuant to Rule 9A.12 of the Main Board Listing Rules, the general mandate granted to the Directors by the Shareholders on 25 April 2008 to repurchase Shares will continue to be valid and remain in effect until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the articles of association of the Company to be held; or
- (c) the revocation or variation of such authority by an ordinary resolution of Shareholders in general meeting.

NON COMPETITION FROM THE CONTROLLING SHAREHOLDER

The Directors confirm that, as at the date of this announcement, none of the Directors or the controlling shareholder of the Company and their respective associates (as defined under the GEM Listing Rules) had any interest in a business which competes or may compete, directly or indirectly with the business of the Company.

GENERAL

The following documents are available for viewing on the websites of the Stock Exchange at www.hkgem.com and www.hkexnews.hk as well as the website of the Company at www.koyochem.com:-

- (a) the Company's 2007 Annual Report;
- (b) the Company's 2008 First Quarterly Report and Interim Report;
- (c) the Company's memorandum and articles of association;
- (d) the Company's circulars to shareholders issued in 2007 and 2008 (including (i) "Proposed General Mandates to Issue Shares and Repurchase Its Own Shares" dated 31 March 2007, (ii) "Very Substantial Acquisition and Connected Transaction, Application for Whitewash Waiver, Proposed Increase of Authorised Share Capital and Proposed Change in Board Lot Size" dated 7 December 2007, and (iii) "Proposed General Mandates to Issue and Repurchase Shares, Re-election of Directors and Notice of Annual General Meeting" dated 31 March 2008); and
- (e) the Company's announcements and other corporate communications as required under the GEM Listing Rules and the Main Board Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions having the following meanings:-

“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Ko Yo Ecological Agrotech (Group) Limited
“Director(s)”	the director(s) of the Company
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“GEM Share Option Scheme”	the Share Option Scheme adopted by the Company pursuant to a written resolution of the shareholders passed on 10 June 2003 and amended on 28 July 2004
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange responsible for the Main Board listing matters
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Main Board Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Shares”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Share Subdivision”	the subdivision of every existing issued and unissued shares into 5 subdivided shares announced on 21 September 2007 and approved on 24 December 2007
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Transfer of Listing” the transfer of listing from GEM to the Main Board
“HK\$” Hong Kong dollars, the lawful currency of Hong Kong
“%” per cent

By Order of the Board
Ko Yo Ecological Agrotech (Group) Limited
Li Weiruo
Chairman

Hong Kong, 14 August 2008

As at the date of this announcement, the executive Directors are Mr. Li Weiruo, Mr. Yuan Bai, Ms. Chi Chuan, Ms. Man Au Vivian and Mr. Li Shengdi; the independent non-executive Directors are Mr. Hu Xiaoping, Mr. Woo Che-wor, Alex and Mr. Qian Laizhong.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its posting, on the “Listing Company Information” page of the Stock Exchange website at www.hkexnews.hk and on the website of the Company at www.koyochem.com.