

IMPORTANT

If you are in doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Vital BioTech Holdings Limited, you should at once hand this circular to the purchaser or the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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Vital BioTech Holdings Limited

維奧生物科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND NOTICE OF ANNUAL GENERAL MEETING

Resolutions will be proposed at the AGM of Vital BioTech Holdings Limited to be held at 18th Floor, CRE Building, 303 Hennessy Road, Wanchai, Hong Kong on 1 April 2004 at 10:00 a.m. to approve the matters referred to in this circular. Whether or not you are able to attend the AGM in person, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

8 March 2004

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meaning:

“Annual Report”	the audited consolidated financial statements and the reports of the Directors and auditors of the Company for the year ended 31 December 2003;
“AGM”	the annual general meeting of the Company to be held at 18th Floor, CRE Building, 303 Hennessy Road, Wanchai, Hong Kong, on 1 April 2004 at 10:00 a.m. at which the Annual Report will be adopted;
“Company”	Vital BioTech Holdings Limited;
“Directors”	directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Issue Mandate”	the proposed issue mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the resolution approving this issue mandate;
“Latest Practicable Date”	27 February 2004, being the latest practicable date prior to the printing of this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Repurchase Mandate”	the proposed mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the resolution approving this repurchase mandate;
“Shareholders”	holders of Shares;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing of their securities in the Stock Exchange;

DEFINITIONS

“Stock Exchange”

The Stock Exchange of Hong Kong Limited; and

“Takeover Code”

The Codes on Takeovers and Mergers and Share Repurchases approved by the Securities and Futures Commission as amended from time to time.

LETTER FROM THE CHAIRMAN



Vital BioTech Holdings Limited

維奧生物科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Directors:

Mr. Ko Sai Ying, Thomas (*Chairman*)
Mr. Au Yeung Terence Ping Yuen (*Deputy Chairman*)
Mr. Liu Jin, James
Mr. Tao Lung
Mr. Lui Tin Nang*
Mr. Lee Kwong Yiu*

* *Independent Non-executive Directors*

Registered Office:

Century Yard
Cricket Square
Hutchins Drive
George Town
Grand Cayman
Cayman Islands
British West Indies

Head Office and Principal

Place of Business:

18th Floor
CRE Building
303 Hennessy Road
Wanchai
Hong Kong

8 March 2004

To the Shareholders,

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES
AND
AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM for the approval of (i) amendments to the articles of association of the Company; (ii) granting to the Directors general mandate to repurchase Shares, the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of such a resolution; (iii) granting to the

LETTER FROM THE CHAIRMAN

Directors general mandate to allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing such a resolution; and (iv) granting to the Directors general mandate to extend the Issue Mandate to the nominal amount (up to a maximum of 10% of the aggregate nominal amount of the Company's then issued share capital) of any Shares repurchased by the Company.

These general mandates will remain in effect until whichever is the earliest of the date of the next annual general meeting, the date by which the next annual general meeting is required to be held by law and the date upon which such an authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company. The Directors wish to state that they have no present intention to repurchase any Shares or issue any new Shares in the event that these general mandates are approved.

An explanatory statement as required under the Share Repurchase Rules, given certain information regarding the Repurchase Mandate, is set out in this circular.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Directors wish to propose a special resolution at the AGM to amend the existing articles of association of the Company. The purposes of the amendments are to keep the articles of association of the Company in compliance with the amended provisions of Appendix 3 to and other provisions of the Listing Rules which will take effect on 31 March 2004. In principle, the articles of association of the Company must conform with the following:

- (i) the minimum seven-day period for lodgment by shareholders of the notice to nominate a director shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting;
- (ii) directors shall abstain from voting at the board meeting on any matter in which any of his associates has a material interest and are not to be counted towards the quorum of the relevant board meeting; and
- (iii) where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restriction shall not be counted.

In addition, the Directors wish to impose a limitation of the maximum number of executive Directors, non-executive Directors and independent non-executive Directors for not more than 7, 3 and 3 respectively. Apart from the above proposed amendments, all existing provisions in the articles of association of the Company shall remain the same. Details of the amendments are set out in Resolution 5F of the notice of AGM.

LETTER FROM THE CHAIRMAN

RECOMMENDATION

The Directors consider that the Repurchase Mandate, the Issue Mandate, the extension of the Issue Mandate and the amendments to the articles of association of the Company are in the best interests of the Company and its Shareholders. Hence they recommend you to vote in favour of the resolutions at the forthcoming AGM.

Yours faithfully,
For and on behalf of the Board of
VITAL BIOTECH HOLDINGS LIMITED
Au Yeung Terence Ping Yuen
Deputy Chairman

EXPLANATORY STATEMENT OF THE SHARE REPURCHASE MANDATE

The following explanatory statement contains all the information required pursuant to Rule 10.06 of the Listing Rules to be given to all Shareholders relating to the resolution to be proposed at the forthcoming AGM authorising the Repurchase Mandate.

1. EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, the issued ordinary share capital of the Company comprised 1,492,156,127 Shares. Subject to the passing of the ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing of such a resolution, the Directors would be authorised to repurchase up to 149,215,612 Shares (being 10% of the Shares in issue) during the period up to the next annual general meeting in 2005 or the expiration of the period within which the next annual general meeting of the Company is required by law to be held or the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

2. REASONS FOR REPURCHASE

The Directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such repurchases when appropriate and beneficial to the Company. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of the net assets and/or earnings per Share of the Company.

3. GENERAL

As compared with the financial position of the Company as disclosed in its most recent published audited consolidated accounts as at 31 December 2003, the Directors consider that there might be a material adverse impact on the working capital or gearing position of the Company in the event that the proposed share repurchases were to be carried out in full during the proposed purchase period. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company.

4. FUNDING OF REPURCHASES

Repurchasing shares must be made of the funds legally available for such purpose in accordance with the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands.

5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), has any present intention, in the event that the repurchase proposal is approved by the Shareholders, to sell Shares to the Company or its subsidiaries.

EXPLANATORY STATEMENT OF THE SHARE REPURCHASE MANDATE

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company or its subsidiaries, or has undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases of its Shares pursuant to the Repurchase Mandate and in accordance with the Listing Rules and all applicable laws of the Cayman Islands, and in accordance with the regulations set out in the memorandum and articles of association of the Company.

6. EFFECT OF TAKEOVER CODE

If on exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder' proportionate interest in the voting rights of the Company increases, such an increase will be treated as an acquisition for the purpose of Rule 32 of the Takeover Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Perfect Develop Holding Inc. (whose shareholders are Mr. Tao Lung, Mr. Ko Sai Ying, Thomas, Mr. Liu Jin, James and Mr. Au Yeung Terence Ping Yuen) which held approximately 643,977,902 shares representing approximately 43.16% in the total issued number of Shares in the Company, and Mr. Tao Lung who held 754,869,550 shares representing approximately 50.59% in the total issued number of Shares in the Company, were the substantial shareholders holding more than 10% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding of Perfect Develop Holdings Inc. and Mr. Tao Lung in the Company would be increased to approximately 47.95% and 56.21% of the issued share capital of the Company. It is considered that, Perfect Develop Holding Inc, in such circumstances, may technically be obliged to make a mandatory offer in accordance with the Takeover Code on account of the creeper provisions, subject to any exemptions available under the Takeover Code. The Company will not repurchase Shares if that repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the Company's issued share capital.

7. SHARE PURCHASE MADE BY THE COMPANY

The Company has not repurchased any of its Shares during the six months period preceding the Latest Practicable Date.

EXPLANATORY STATEMENT OF THE SHARE REPURCHASE MANDATE

8. SHARE PRICES

During each of the previous twelve months, the highest and lowest prices at which the Shares were traded on the Stock Exchange were as follows:

Months	Per Share	
	Highest <i>(Note)</i> HK\$	Lowest <i>(Note)</i> HK\$
2003		
March	0.280	0.230
April	0.246	0.315
May	0.310	0.390
June	0.315	0.415
July	0.385	0.455
August	0.485	0.360
September	0.550	0.455
October	0.820	0.485
November	0.910	0.730
December	0.880	0.740
2004		
January	0.840	0.640
February	0.880	0.860

Note: The shares of the Company had been delisted from the Growth Enterprise Market of the Stock Exchange effectively from 4 August 2003 and at the same day, the shares of the Company were listed on the main board of the Stock Exchange.

NOTICE OF ANNUAL GENERAL MEETING



Vital BioTech Holdings Limited 維奧生物科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

NOTICE IS HEREBY GIVEN that the annual general meeting of Vital BioTech Holdings Limited (the “Company”) will be held at 18th Floor, CRE Building, 303 Hennessy Road, Wanchai, Hong Kong on 1 April 2004 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and the auditors for the year ended 31 December 2003.
2. To declare a final dividend with scrip alternative.
3. To authorize the board of directors to fix the remuneration of the directors.
4. To re-appoint auditors and to authorize the board of directors to fix their remuneration.
5. As special businesses, to consider, and if thought fit, pass the following resolutions:

ORDINARY RESOLUTIONS

A. **“THAT**

to consider and approve the appointments of Mr. Liao Yong Guang, Mr. Shen Song Qing, Mr. Huang Jian Ming and Mr. Jin Wei as executive directors of the Company with immediate effect and to authorise the board of directors to enter into service contracts with each of Mr. Liao Yong Guang, Mr. Shen Song Qing, Mr. Huang Jian Ming and Mr. Jin Wei upon such terms and conditions as the board of directors shall think fit.”

B. **“THAT**

to consider and approve the re-appointment of Mr. Liu Jin, James as a non-executive director of the Company with immediate effect and to authorise the board of directors to enter into a service contract with Mr. Liu Jin, James upon such terms and conditions as the board of directors shall think fit.”

NOTICE OF ANNUAL GENERAL MEETING

C. “THAT

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of the subscription rights under the share option scheme of the Company or (iii) an issue of shares as scrip dividends pursuant to the memorandum and articles of association of the Company from time to time shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:–

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:–

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable law of the Cayman Islands to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the law of, or the requirements of any recognized regulatory body or any stock exchange in any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

D. **“THAT**

- (a) the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval be limited accordingly; and
- (c) for the purposes of this resolution:–

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:–

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable law of the Cayman Islands to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

E. **“THAT**

conditional upon resolution nos. 5C and 5D above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution no. 5C above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 5D above.”

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

F. “THAT

the articles of association of the Company be amended as follows:

1. by deleting the existing definition of “associates” in article 1 and substituting therefore the following new definition:

“associate(s)” shall have the meaning as prescribed in the Listing Rules as amended from time to time;

2. by adding the definition of “Listing Rules” in article 1 as follows:

“Listing Rules” shall mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time.”;

3. by the addition of the following as a new article 94(A) thereof:

“Where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.”;

4. by deleting the existing article 110 in its entirety and that the following new article be inserted in its replacement:

“The Company in general meeting shall from time to time fix and may from time to time by ordinary resolution increase or reduce the maximum and minimum number of Directors but so that the number of Directors shall not be fewer than the number as required under the Listing Rules from time to time.”;

5. by the addition of the following as a new article 110(A) thereof:

“The maximum numbers of executive directors, non-executive directors and independent non-executive directors shall not be more than seven (7), three (3) and three (3) respectively.”

6. by deleting the existing article 113 in its entirety and that the following new article be inserted in its replacement:

“No person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration

NOTICE OF ANNUAL GENERAL MEETING

office provided that the minimum length of the period, during which such notice(s) are given, shall be at least (7) days and that the period for lodgement of such notice(s) shall commence no earlier than the date after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”;

7. by deleting the existing article 107(H) in its entirety and that the following new article be inserted in its replacement:

107 (H) “A Director shall not vote (nor be counted in the quorum) on any resolution of the Directors approving any contract or arrangement or proposal in which he or any of his associate(s) is/are, to the knowledge of the Director, materially interested, and if he shall do so his vote shall not be counted (nor is he counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving by the Company of any security or indemnity to the Director or his associate(s) in respect of money lent or obligation undertaken by him or any of them for the benefit of the Company or any company in which the Company has interest;
- (ii) any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any company in which the Company has interest which the Director or his associate(s) has himself/ themselves guaranteed or secured in whole or in part;
- (iii) any contract or arrangement by the Director or his associate(s) to subscribe for shares or debentures or other securities of the Company to be issued pursuant to any offer or invitation to the shareholders or debenture or securities holders of the Company or to the public which does not provide the Director or his associate(s) any privilege not accorded to any other shareholders or debenture or securities holders of the Company or to the public;
- (iv) any contract or arrangement concerning an offer of the shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer and/or for the purposes of making any representations, the giving of any covenants, undertakings or warranties or assuming any other obligations in connection with such offer;

NOTICE OF ANNUAL GENERAL MEETING

- (v) any contract or arrangement in which the Director or his associate(s) is/are interested as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company and/or his/their being the offeror(s) or one of the offerors or is/are interested in one of the offerors for the purchase or effective acquisition of such shares, debentures or other securities;
- (vi) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director, and any of his associates are, not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;
- (vii) any proposal or arrangement for the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme or personal pension plan under which a Director or his associates may benefit and which has been approved by or is subject to and conditional on approval by the relevant taxing authorities for taxation purposes or relates both to Directors, his associates and employees of the Company or of any of its subsidiaries and does not give the Director or his associate(s), as such any privilege not accorded to the class of persons to whom such scheme or fund relates;
- (viii) any proposal concerning the adoption, modification or operation of any employees' share scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or its subsidiaries under which the Director or his associate(s) may benefit; and
- (ix) any contract, arrangement, transaction or proposal concerning the purchase and/or maintenance of any insurance policy for the benefit of any Director, his associates, officer or employee pursuant to these Articles."

NOTICE OF ANNUAL GENERAL MEETING

8. by deleting the existing article 107(I) in its entirety and that the following new article be inserted in its replacement:

107(I) “A company shall be deemed to be a company in which a Director together with any of his associates owns five (5) per cent. or more of any class of the voting equity share capital of such company or of the voting rights of any class of shares of such company if and so long as (but only if and so long as) he together with his associates is (either directly or indirectly) the holder of or beneficially interested in five (5) per cent. or more of any class of the issued voting equity share capital of such company (or of any third company, other than the Company or any of its subsidiaries, through which his interest is derived) or of the voting rights of any class of shares of the company. For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder, and shares which carry no voting right at general meetings and no or nugatory dividend and return of capital rights.”;

9. by deleting the existing article 107(J) in its entirety and that the following new article be inserted in its replacement:

107(J) “Where a company (other than a company which is a wholly owned subsidiary of the Company or a subsidiary or associated company of the Company in the voting equity capital of which neither the Director nor any of his associates has any interests) in which a Director together with any of his associates hold five (5) per cent. or more of any class of the voting equity share capital of such company or of the voting rights of any class of shares available to shareholders of the company is materially interested in a transaction, then that Director or his associate(s) shall also be deemed materially interested in such transaction.”;

10. by deleting the existing article 107(K) in its entirety and that the following new article be inserted in its replacement:

107(K) “If any question shall arise at any meeting of the Directors as to the materiality of the interest of a Director or his associate(s) or as to the entitlement of any Director to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question (unless it relates to the Chairman) shall be referred to the Chairman and his

NOTICE OF ANNUAL GENERAL MEETING

ruling in relation to such Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director or his associate(s) concerned as known to such Director has not been fairly disclosed to the other Directors. If any question as aforesaid shall arise in respect of the Chairman such question shall be decided by a resolution of the Directors (for which purpose the Chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of the Chairman as known to him has not been fairly disclosed to the other Directors.”

Yours faithfully,
For and on behalf of the Board of
VITAL BIOTECH HOLDINGS LIMITED
Au Yeung Terence Ping Yuen
Deputy Chairman

Hong Kong, 8 March 2004

Principal Office:
18th Floor, CRE Building
303 Hennessy Road
Wanchai
Hong Kong

Notes:–

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited of Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (2) The Register of Members of the Company will be closed from 26 March 2004 to 1 April 2004, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for receiving the final dividend and attending the forthcoming Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited of Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:00 p.m. on 25 March 2004.
- (3) In order to qualify for the final dividend payable on 4 May 2004, all transfers, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited of Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:00 p.m. on 25 March 2004.