



Vital BioTech Holdings Limited

維奧生物科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1164)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Vital BioTech Holdings Limited (the “**Company**”) will be held at 9:30 a.m. on 27 July 2006 at Caine Room, Level 7, Conrad Hong Kong, 88 Queensway, Hong Kong for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution which will be proposed as an ordinary resolution:

ORDINARY RESOLUTION

“THAT

- (a) the new marketing and distribution agreement (the “**New Marketing and Distribution Agreement**”) dated 26 May 2006 and entered between Beshabar (Macao Commercial Offshore) Limited (“**Beshabar**”), a wholly owned subsidiary of the Company, and Pharmco International, Inc. (“**Pharmco**”) in relation to the purchase of Osteoform powder by Beshabar from Pharmco (a copy of which has been produced to the meeting marked “A” and has been initiated by the chairman of the meeting for the purpose of identification) and the continuing connected transactions contemplated under the New Marketing and Distribution Agreement be and it is hereby approved;
- (b) the maximum aggregate annual value of the continuing connected transactions contemplated under the New Marketing and Distribution Agreement for each of the financial year ending 31 December 2006, 2007 and 2008 is HK\$88.9 million, HK\$106.7 million and HK\$128.1 million respectively; and
- (c) any one of the Directors be and he is hereby authorised to do or execute for and on behalf of the Company all such acts and things and such other documents by hand and where required, under the common seal of the Company together with such other Director or person authorised by the board of Directors, which in his or their opinion may be necessary, desirable or expedient to carry into effect or to give effect to the New Marketing and Distribution Agreement and all the transactions contemplated therein, including such changes and amendments thereto as any one Director may consider necessary, desirable and expedient.”

The Board as at the date of this announcement comprises five executive directors: Mr. Tao Lung, Mr. Huang Jianming, Mr. Xu Xiaofan, Mr. Shen Songqing, and Mr. Liu James Jin and three independent non-executive directors: Mr. Lui Tin Nang, Mr. Lee Kwong Yiu and Mr. Lo Wa Kei Roy.

By order of the Board of
Vital BioTech Holdings Limited
Tao Lung
Chairman

Hong Kong, 26 June 2006

Head office and principal place of business in Hong Kong:

31st Floor, Sunshine Plaza
353 Lockhart Road
Wanchai, Hong Kong

Notes:

- (1) A member of the Company entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
- (2) A form of proxy for use at the EGM is enclosed with circular. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and 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 must be deposited at the branch share registrar of the Company in Hong Kong, Union Registrars Limited at Room 311-312, Two Exchange Square, Central, Hong Kong not less than 48 hours before the time holding the meeting or any adjournment thereof.
- (3) Completion and return of the form of proxy will not preclude members of the Company from attending and voting in person at the meeting should he so wish.
- (4) In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

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