



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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Vital BioTech Holdings Limited will be held at Caine Room, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 19 May 2008 (Monday) at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the Directors and Auditors of the Company for the year ended 31 December 2007.
2.
 - (a) To re-elect Mr. Tao Lung as an executive director of the Company;
 - (b) To re-elect Mr. Shen Songqing as an executive director of the Company;
 - (c) To re-elect Ms. Guo Lin as an executive director of the Company;
 - (d) To re-elect Mr. Lee Kwong Yiu as an independent non-executive director of the Company;
 - (e) To re-elect Mr. Lui Tin Nang as an independent non-executive director of the Company; and
 - (f) To authorise the Board of Director to fix the remuneration of the Directors.
3. To re-appoint Auditors and to authorise the Board of Director to fix their remuneration.

As special businesses, to consider, and if thought fit, pass the following resolutions:

ORDINARY RESOLUTIONS

4. **“THAT**
 - (a) subject to paragraph (b) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (**“Listing Rules”**), the exercise by the Directors 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, issue or grant offers, agreements and options which will or might require the shares of the Company to be allotted, issued or disposed of during or after the ended of the Relevant Period be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as

hereinafter defined) or (ii) the exercise of the subscription rights granted 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 at the date of passing this resolution and the said approval shall 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 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 to holders of shares of the Company thereof on the register of members on a fixed record date in proportion to their then holdings of such shares thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory applicable to the Company).”

5. **“THAT**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase its own shares, subject to and in accordance with all other applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) above 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 passing of this resolution and the authority pursuant to paragraph (a) above of this resolution shall 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.”

6. “**THAT** conditional upon resolutions numbered 4 and 5 above being passed, the general mandate granted to the Directors to allot, issue and deal with any additional shares of the Company be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the number of shares in the capital of Company which are repurchased by the Company under the authority granted to the Directors as mentioned in ordinary resolution no. 5 above to purchase such shares, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to resolution no. 4 above.”

As at the date of this notice, the Board comprises six executive Directors: Mr. Tao Lung, Mr. Huang Jianming, Mr. Shen Songqing, Mr. Liu James Jin, Mr. Xu Xiaofan and Ms. Guo Lin and three independent non-executive Directors: Mr. Lui Tin Nang, Mr. Lee Kwong Yiu and Mr. Chong Cha Hwa.

Yours faithfully,
For and on behalf of the Board of
Vital BioTech Holdings Limited
Tao Lung
Chairman

Hong Kong, 18 April 2008

Head office and principal office in Hong Kong:
Unit 7, 31st Floor
Tower 1, Lippo Centre
89 Queensway
Hong Kong

Notes:

- (1) A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, in the event of a poll, to 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 duly completed and signed in accordance with the instructions printed thereon and together with the 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 Company's Hong Kong branch share registrar, Union Registrars Limited at Rooms 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the appointed time for holding the meeting or any adjournment thereof.
- (2) For the purpose of determining the Shareholders who are entitled to attend and vote at the meeting convened by the above notice, the Register of Members of the Company will be closed for a period commencing from 13 May 2008 to 19 May 2008, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for attending the meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Union Registrars Limited at Rooms 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 9 May 2008.
- (3) In relation to the proposed resolution numbered 4 above, approval is being sought from the members for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Board has no immediate plans to issue any new shares of the Company other than shares which may fall to be issued under the share option scheme of the Company.
- (4) In relation to the proposed resolution numbered 5 above, the Board wishes to state that it will exercise the powers conferred thereby to purchase shares in circumstances which they deem appropriate for the benefit of the members.
- (5) Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the meeting or any adjournment thereof and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (6) 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.