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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)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED NEW ISSUE AND OFFER FOR SALE BY WAY OF PLACING OF SHARES

Number of Placing Shares	:	300,000,000 Shares consisting of 240,000,000 New Shares and 60,000,000 Sale Shares (subject to Over-allotment Option of up to 45,000,000 Shares)
Placing Price	:	Not more than HK\$0.50 per Placing Share
Nominal Value	:	HK\$0.01 each
Stock Code	:	8193

Global Coordinator and Sponsor



Core Pacific – Yamaichi Capital Limited

Lead Manager



Core Pacific – Yamaichi International (H.K.) Limited

Underwriters

**Guotai Junan Securities (Hong Kong) Limited
Celestial Capital Limited
SBI E2-Capital Securities Limited
Taiwan Securities (Hong Kong) Company Limited**

**GC Capital (Asia) Limited
First Shanghai Securities Limited
Sun Hung Kai International Limited
YF Securities Company Limited**

Unless otherwise defined herein, terms used in this announcement have the same meanings as those defined in the prospectus dated 30th January, 2002 issued by Vital BioTech Holdings Limited (the "Company") (the "Prospectus").

Application has been made to the GEM Listing Committee of the Stock Exchange for the listing of and permission to deal in the ordinary shares of HK\$0.01 each in the share capital of the Company in issue and to be issued as described in the Prospectus including any additional Shares which may be issued upon the exercise of the Over-allotment Option and of the subscription rights attaching to options that may be granted under the Share Option Scheme. Dealings in the Shares on GEM are expected to commence at 10:00 a.m. on 7th February, 2002.

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM as well as the compliance with the stock admission requirements of Hongkong Clearing, the Shares will be accepted as eligible securities by Hongkong Clearing for deposit, clearance and settlement in the Central Clearing and Settlement System ("CCASS") with effect from the commencement date of dealings in the Shares on GEM or any other date as may be determined by Hongkong Clearing. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Applications for the Placing Shares will only be considered on the basis of the terms and conditions of the Prospectus.

The Placing Price will not be more than HK\$0.5 per Placing Share and is expected to be not less than HK\$0.4 per Placing Share although Core Pacific – Yamaichi International (H.K.) Limited ("CPY International") (on behalf of the Underwriters) and the Company may agree to a lower price. The final Placing Price is expected to be fixed by agreement between CPY International (on behalf of the Underwriters) and the Company on or before 5:00 p.m. on 30th January, 2002. In the case that the Placing Price is lower than the above price range, notices of the reduction in the indicative Placing Price range will be published on the GEM website no later than 31st January, 2002. If CPY International (on behalf of the Underwriters) and the Company are unable to reach agreement on the Placing Price by 5:00 p.m. on 30th January, 2002, or such later date as may be agreed between CPY International (on behalf of the Underwriters) and the Company (but in any event not later than 5:00p.m on 1st February, 2002), the Placing will not become unconditional and will lapse. In such case, an announcement will be made immediately on the GEM website.

Pursuant to the Underwriting Agreement, the Company has granted to the Underwriters the right but not the obligation of the Over-allotment Option, exercisable by CPY International (on behalf of the Underwriters) within 30 days from the date of the Prospectus, to require the Company to issue up to an aggregate of 45,000,000 additional Shares, representing approximately 15% of the number of Shares initially available under the Placing. These Shares will be issued at the Placing Price for the purpose of covering over-allocations in the Placing. In the event that the Over-allotment Option is exercised, the additional Shares issued will be allocated to the Placing at the discretion of CPY International which may, at its option, also cover any over-allocations through a stock borrowing arrangement with Perfect Develop, the controlling shareholder of the Company and the purchase of Shares in the secondary market or otherwise as may be permitted under applicable laws and regulations. An announcement will be made if the Over-allotment Option is exercised.

Copies of the Prospectus are available, for information purposes only, during normal office hours (9:00 a.m. - 5:00 p.m.) for a period of 14 business days from 31st January, 2002 to 22nd February, 2002 (both dates inclusive) at the office of Core Pacific – Yamaichi Capital Limited at 30th Floor, Two Pacific Place, 88 Queensway, Hong Kong.

By order of the Board
Vital BioTech Holdings Limited
Ko Sai Ying, Thomas
Chairman

Hong Kong, 30th January, 2002

This announcement and a copy of the Prospectus will remain on the GEM website at <http://www.hkgem.com> for at least 7 days from the day of its posting.