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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)

**ANNOUNCEMENT
PROPOSED LISTING ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF INTRODUCTION
PROPOSED VOLUNTARY WITHDRAWAL OF LISTING ON
THE GROWTH ENTERPRISE MARKET OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

The Company is proposing to list the Shares on the Main Board by way of introduction. An advance booking of an application for the proposed listing has been made to the Stock Exchange on 21 March 2003. The Company has also informed the Stock Exchange of its intention to voluntarily withdraw the listing of the Shares on GEM which will be conditional upon, among other things, the approval of the application for the proposed listing of the Shares on the Main Board.

The Directors consider that the listing of Shares on the Main Board will enable the Company to gain further recognition from the investing public and will be beneficial and complementary to the future growth and development of the Group.

The Introduction and the Proposed Withdrawal may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

INTRODUCTION

The Directors announce that on 21 March 2003, Core Pacific – Yamaichi Capital Limited has, on behalf of the Company, submitted an advance booking of an application to the Stock Exchange for the proposed listing of the Shares on the Main Board by way of introduction and informed the Stock Exchange of its intention to voluntarily withdraw the listing of the Shares on GEM subject to the conditions set out in the paragraph headed “Conditions of the Proposed Withdrawal” below being fulfilled. The Directors would like to emphasise that the Introduction and the Proposed Withdrawal are at a preliminary stage and specific timing of the Introduction and the Proposed Withdrawal has not yet been finalised. There is no assurance that the Company will proceed with the Introduction and the Proposed Withdrawal.

REASONS FOR THE INTRODUCTION

The Group is principally engaged in the research and development, production and distribution of biopharmaceutical and conventional pharmaceutical products with a focus on downstream value adding biotechnology processing systems.

Since the listing of the Shares on GEM on 7 February 2002, the Group has sustained a considerable growth in business and substantial increase in public recognition. The Directors consider that the listing of Shares on the Main Board will enable the Company to gain further recognition from investing public, in particular, large scale institutional investors, and which will be beneficial and complementary to the future growth and development of the Group. The Introduction will not materially affect the current business objectives and strategies of the Group. The Company will continue with its present business operations and will continue to pursue its business objectives as stated in the prospectus of the Company dated 31 January 2002.

CONDITIONS OF THE PROPOSED WITHDRAWAL

If the Company proceeds with the Introduction, the Proposed Withdrawal will be conditional upon, among other things:

- (i) the passing of an ordinary resolution by the Shareholders at the Extraordinary General Meeting to approve, inter alia, the Proposed Withdrawal;
- (ii) the publication of a notice of the Proposed Withdrawal as required by GEM Listing Rules after the approval of the Shareholders has been obtained at the Extraordinary General Meeting;
- (iii) the Listing Committee of the Main Board granting the listing of, and permission to deal in, the Shares in issue and any Shares which may fall to be allotted and issued upon the exercise of any options which were granted under the Share Option Scheme or may, prior to its termination, be granted thereunder, or which may be granted under the Proposed Share Option Scheme on the Main Board, which is also a condition of the Introduction; and
- (iv) the Listing Committee of GEM granting the waiver for the minimum three months’ notice required under the GEM Listing Rules to a minimum period of five clear business days after the approval of the Shareholders for the Proposed Withdrawal obtained.

In this regard, the Extraordinary General Meeting will be convened at an appropriate time to seek the approval of the Shareholders on the Proposed Withdrawal if the Company proceeds with the Introduction.

Warning:

There is no assurance that approval will be obtained from the Stock Exchange for the Introduction. Shareholders and potential investors should be aware that the implementation of the Introduction and the Proposed Withdrawal are subject to certain conditions, including those set out above, being fulfilled and thus may or may not become effective. **Accordingly, the Introduction and the Proposed Withdrawal may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

GENERAL

A circular containing, among other things, further details of the Proposed Withdrawal, a summary of the principal terms of the Proposed Share Option Scheme, the expected timetable and a notice convening the Extraordinary General Meeting will be despatched to the Shareholders as soon as practicable if the Company proceeds with the Introduction. A listing document in relation to the Introduction will also be despatched to the Shareholders for their information if the Company proceeds with the Introduction and the Listing Committee of the Stock Exchange gives a preliminary indication of the approval of the Introduction. In relation to the Proposed Withdrawal, the Company has made an application for a waiver to reduce the minimum three month's notice period to the Shareholders for the Proposed Withdrawal as required under Rule 9.19(3) of the GEM Listing Rules to a minimum of five clear business days, subject to, among other things, prior approval being obtained from the Shareholders for the reduction of the notice period. Further announcements will be made to keep the Shareholders informed of the progress of the Introduction and the Proposed Withdrawal including, among other things, the timetable.

DEFINITIONS

“Company”	Vital BioTech Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on 30 May 2001, the Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“Extraordinary General Meeting”	an extraordinary general meeting of the Company to be convened for the purpose of considering and approving, among others, the Proposed Withdrawal, the termination of the Share Option Scheme and the adoption of the Proposed Share Option Scheme
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Introduction”	the proposed listing of the Shares on the Main Board by way of introduction pursuant to the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM and which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Proposed Share Option Scheme”	the share option scheme proposed to be adopted at the Extraordinary General Meeting
“Proposed Withdrawal”	the proposed voluntary withdrawal of the listing of the Shares on GEM
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on 26 January 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the board of Directors
VITAL BIOTECH HOLDINGS LIMITED
Au Yeung Ping Yuen, Terence
Vice-chairman

Hong Kong, 21 March 2003

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the date of its posting.