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If you are in any 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 Pharmaceutical Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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維奧醫藥控股有限公司
Vital Pharmaceutical Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01164)

**MAJOR TRANSACTION
IN RELATION TO
THE LAND ACQUISITION**

Financial adviser to the Company

Quam  **華富嘉洛**
CAPITAL 企業融資

A notice convening the EGM to be held at Tai Tam Room, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 25 June 2010 (Friday) at 11:00 a.m. is set out on pages 29 to 30 of this circular.

Whether or not you propose to attend the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same to the branch share registrar and transfer office in Hong Kong of the Company, Union Registrars Limited, at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

9 June 2010

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DEFINITIONS

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

“Agent”	四川維奧製藥有限公司 (Vital Pharmaceuticals (Sichuan) Co., Ltd.), a company established under the laws of the PRC and a wholly-owned subsidiary of the Company and the agent for the participation in the auction of the Land
“Board”	the board of Directors
“Bureau”	成都市國土資源局 (Chengdu Bureau of Land Resources*)
“Chengdu Zhonghe”	成都眾合高新企業管理有限公司 (Chengdu Zhonghe Management Company Limited*), a company established under the laws of the PRC with limited liability
“Company”	Vital Pharmaceutical Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Confirmation Letter”	the confirmation letter received by the Agent on 6 May 2010 which confirmed the successful bidding of the Land by Vital Property
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the acquisition of the Land
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the Land Acquisition
“Enlarged Group”	the Group upon completion of the Land Acquisition
“Group”	the Company and its subsidiaries
“JV Agreement”	the joint venture agreement dated 10 May 2010 entered into between Vital Chengdu, Chengdu Zhonghe and Sichuan Xiwen in relation to, among others, the formation of a joint venture company to be established under the law of the PRC for the development of the Land

DEFINITIONS

“JV Announcement”	the announcement of the Company dated 11 May 2010 in relation to, among other things, the formation of the joint venture company
“Land”	a piece of land located at the Wancheng Community, Liucheng Street, Wenjiang District, Chengdu, the PRC (中國成都市溫江區柳城街辦萬盛社區) with a total site area of 49,595.3 square meters
“Land Acquisition”	acquisition of the Land by the Group through Vital Property, subject to the Shareholders’ approval at the EGM
“Land Grant Contract”	the contract to be entered into between Vital Property and the Bureau for the acquisition of the land use right in relation to the Land (國有建設用地使用權出讓合同)
“Latest Practicable Date”	7 June 2010, being the latest practicable date for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Sichuan Xiwen”	四川西文科技有限公司 (Sichuan Xiwen Technology Company Limited*), a company established under the laws of the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Termination Agreement”	the agreement dated 26 May 2010 entered into between Vital Chengdu, Chengdu Zhonghe and Sichuan Xiwen in relation to the termination of the JV Agreement
“Vital Chengdu”	維奧(成都)製藥有限公司 (Vital Pharmaceutical (Chengdu) Co., Ltd.*), a company established under the laws of the PRC and a wholly-owned subsidiary of the Company

DEFINITIONS

“Vital Property”	成都溫江維奧房地產開發有限公司 (Chengdu Wenjiang Vital Property Development Company Limited*), a company to be established under the laws of the PRC with limited liability for the development of the Land
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

For the purpose of this circular, all amounts denominated in RMB have been translated (for information only) into HK\$ using the exchange rate of RMB1.00: HK\$1.14. No representation is made that any amounts in RMB or HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

** For identification purposes only*

LETTER FROM THE BOARD



維奧醫藥控股有限公司
Vital Pharmaceutical Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01164)

Executive Directors:

Mr. Xu Xiaofan (*Chairman*)
Mr. Chen Zhiyu (*Chief Executive Officer*)
Madam Guo Lin
Mr. Huang Zemin
Mr. Li Ke
Mr. Liu James Jin

Independent non-executive Directors:

Mr. Lee Kwong Yiu
Mr. Lui Tin Nang
Mr. Chong Cha Hwa

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Unit 7, 31st Floor
Tower 1, Lippo Centre
89 Queensway
Hong Kong

9 June 2010

To the Shareholders,

Dear Sirs,

MAJOR TRANSACTION IN RELATION TO THE LAND ACQUISITION

INTRODUCTION

References are made to the JV Announcement dated 11 May 2010 in relation to the formation of a joint venture pursuant to the JV Agreement entered into between Vital Chengdu, Chengdu Zhonghe and Sichuan Xiwen for the purpose of holding and development of the Land and the announcement of the Company dated 26 May 2010 in relation to the termination of the JV Agreement and the Land Acquisition.

On 26 May 2010, the Board announced that the parties to the JV Agreement entered into the Termination Agreement on even date to terminate the JV Agreement with effect from the date of approval by the Shareholders at the EGM of the Land Acquisition.

Following the termination of the JV Agreement, the Company will solely invest in the Land Acquisition and the development of the Land through Vital Property.

LETTER FROM THE BOARD

The Land Acquisition constitutes major transaction of the Company and is therefore subject to approval by the Shareholders at the EGM. The purpose of this circular is to provide you with, among other things, further details of the Land Acquisition, financial information of the Group, valuation report of the Land and a notice convening the EGM.

TERMINATION OF THE JV AGREEMENT

Subsequent to the entering into of the JV Agreement, the management of the Company have revisited the overall business plan of and resources available to the Group. Having considered the resources available to the Group for the development of the Land and the reasons as set out in the section headed "Reasons for and benefits of the Land Acquisition" below, the Company liaised with Chengdu Zhonghe and Sichuan Xiwen for the termination of the JV Agreement.

On 26 May 2010, Vital Chengdu, Chengdu Zhonghe and Sichuan Xiwen entered into the Termination Agreement to terminate the JV Agreement with effect from the date of approval by the Shareholders at the EGM of the Land Acquisition. Upon termination of the JV Agreement, save that the parties to the JV Agreement are entitled to be refunded the capital contributed thereunder, neither of the parties to the JV Agreement shall have any claims against the other parties.

Each of Chengdu Zhonghe and Sichuan Xiwen is a company established under the laws of the PRC and is principally engaged in investment holding.

The Board considers that the termination of the JV Agreement will have no adverse impact on the existing business operations of the Group.

THE LAND ACQUISITION

As disclosed in the JV Announcement, on 6 May 2010, the Agent received the Confirmation Letter from the Bureau confirming the successful bid for the Land at an auction for an aggregate consideration of approximately RMB204.6 million (equivalent to approximately HK\$233.2 million). The Bureau is a PRC governmental bureau in charge of the management of land resources in Chengdu, the PRC and an independent third party to the Company and its connected persons.

Following the termination of the JV Agreement as disclosed above, the Company will solely invest in the Land Acquisition and the development of the Land through Vital Property. Upon completion of the incorporation of Vital Property, it will enter into the formal Land Grant Contract with the Bureau.

Information of the Land

As disclosed in the JV Announcement, the Land is located in the Wancheng Community, Liucheng Street, Wenjiang District, Chengdu, the PRC (中國成都市溫江區柳城街辦萬盛社區) with a total site area of approximately 49,595.3 square meters. The Land is designated for integrated residential and commercial use. The terms for the grant of the land use right of the Land for residential use and commercial use are 70 years and 40 years respectively.

LETTER FROM THE BOARD

Based on the valuation performed by BMI Appraisals Limited (the “Valuer”), an independent professional valuer, the market value of the Land as at 31 May 2010 would be approximately RMB208.0 million assuming, among others, that relevant title documents of the Land have been obtained. As at the date of valuation, the Valuer cannot attribute any commercial value to the land due to the absence of relevant title documents. Details of the valuation are set out in the valuation report contained in Appendix III to this circular.

It is the initial intention of the Company to develop the Land into residential properties with total floor area of approximately 180,000 square metre and commercial properties with total floor area of approximately 20,000–30,000 square metre. The estimated total investment amount for the development project (including Land cost) is approximately HK\$992,000,000 (approximately RMB870,000,000), provided that the planned plot ratio is around 4.0. The Company intends to finance the development project by its internal resources and/or bank financing. The development based on the aforementioned initial intention is expected to complete in or around three years time. The development plan is yet to be finalised and thus the final total investment amount may vary. Accordingly, there is no concrete plan for the financing of the investment as at the Latest Practicable Date and the Company shall determine the best financing method as and when appropriate taking into account the then overall financial position of the Group and the market environment.

Consideration and payment terms

The Consideration of approximately RMB204.6 million (equivalent to approximately HK\$233.2 million) was determined through the auction carried out by the Bureau.

As disclosed in the JV Announcement, the Company has, through the Agent, paid a security deposit of RMB27.0 million (equivalent to approximately HK\$30.8 million) to the Bureau for the purpose of participating in the auction and approximately RMB1.9 million (equivalent to approximately HK\$2.2 million) as the auction service charge. On 13 May 2010, being the fifth day after the receipt of the Confirmation Letter, 50% of the Consideration as offset by the RMB27.0 million security deposit already paid, which amounted to approximately RMB75.3 million (equivalent to approximately HK\$85.8 million), was paid to the Bureau in the name of Vital Property in accordance with the relevant terms of the auction set by the Bureau. Pursuant to the relevant terms of the auction set by the Bureau, the remaining balance of the Consideration of approximately RMB102.3 million (equivalent to approximately HK\$116.6 million) shall be settled in cash in the following manner:

- (i) as to RMB40.9 million (equivalent to approximately HK\$46.6 million), being 20% of the Consideration, to be paid within 60 days from 13 May 2010; and
- (ii) as to RMB61.4 million (equivalent to approximately HK\$70.0 million), being the remaining 30% of the Consideration, to be paid within 180 days from 13 May 2010.

The Company intends to finance the Land Acquisition by its internal resources and/or bank financing.

LETTER FROM THE BOARD

Conditions precedent to completion of the Land Acquisition

Completion of the Land Acquisition is conditional upon the Company having obtained approval by the Shareholders at the EGM in respect of the Land Acquisition and the balance of the Consideration being fully paid by Vital Property according to the payment schedule as set out in the above paragraph headed "Consideration and payment terms". In the event that the Land Acquisition is not approved by the Shareholders at the EGM, the Termination Agreement will not become effective and the Company will continue its investment in the Land through Vital Property in the form of joint venture pursuant to the JV Agreement.

REASONS FOR AND BENEFITS OF THE LAND ACQUISITION

As at the Latest Practicable Date, the Group is principally engaged in the research and development, distribution, sale and manufacture of pharmaceutical products.

As mentioned in the JV Announcement, the Directors have been continuing in exploring suitable business opportunities to broaden the revenue base and to diversify the business scope of the Company. The Land Acquisition represents an opportunity to tap into the PRC property market and the Board is of the view that such opportunity would enhance the Shareholders' value in the long run. Furthermore, the Board is of the view that the Land is of outstanding development potential, given the unique location of the Land, which is surrounded by a number of universities and colleges and with a significant number of teachers, university students and young entrepreneurs.

Taking into account the aforementioned benefits and potential of the Land Acquisition to the Group and the Directors' assessment of the best utilization of the Group's resources, the Directors consider it would be in the interest of the Company and its Shareholders for the Company to invest in the Land on a sole basis. The future returns from the development of the Land can be fully consolidated into the accounts of the Group and the Company will have full control and more efficient management over the development of the Land in contrast to that in the form of a joint venture.

FINANCIAL EFFECT OF THE LAND ACQUISITION ON THE GROUP

Vital Property, upon incorporation, will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated in the future financial statements of the Group. Assuming the Land Acquisition had been completed on 31 December 2009, the total assets of the Group would have increased from approximately HK\$725.1 million to approximately HK\$841.7 million and the total liabilities of the Group would have increased from approximately HK\$74.9 million to approximately HK\$191.5 million as set out in Appendix II to this circular in respect of the unaudited pro forma financial information of the Enlarged Group.

With the outstanding development potential given the unique location of the Land, the Directors are optimistic that the Land Acquisition and the development of the Land would have a positive impact to the earnings of the Group in the long run.

IMPLICATIONS UNDER THE LISTING RULES

Given certain of the applicable percentage ratios for the Land Acquisition represent 25% or more but less than 100% for the Company, the Land Acquisition constitutes a major transaction of the Company under the Listing Rules. The Land Acquisition is therefore

LETTER FROM THE BOARD

subject to the requirements of reporting, announcement and Shareholders' approval pursuant to Chapter 14 of the Listing Rules.

As no Shareholder has any material interest in the Land Acquisition which is different from other Shareholders, no Shareholder is required to abstain from voting in respect of the resolution to be proposed at the EGM for the approval of the Land Acquisition.

EGM

A notice convening the EGM of the Company to be held at Tai Tam Room, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 25 June 2010 (Friday) at 11:00 a.m. for the purpose of considering, and if thought fit, the passing of the ordinary resolution in respect of the Land Acquisition is set out on pages 29 to 30 of this circular.

Whether or not you intend to be present at the EGM, you are requested to complete the form of proxy and return it to the office of the branch share registrar and transfer office of the Company in Hong Kong, Union Registrars Limited, 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding of the EGM or any adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting thereof (as the case may be) if you wish to do so.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the EGM will be voted by poll.

RECOMMENDATIONS

Having considered the reasons set out herein, the Directors (including the independent non-executive Directors) are of the opinion that the Land Acquisition are on normal commercial terms, fair and reasonable in so far as the Shareholders are concerned and in the interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the proposed ordinary resolution set out in the notice of the EGM to approve the Land Acquisition.

GENERAL

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
Vital Pharmaceutical Holdings Limited
Xu Xiaofan
Chairman

1. THREE-YEAR FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 December 2009, 2008 and 2007 are disclosed in the annual reports of the Company for the years ended 31 December 2009, 2008 and 2007 respectively, which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.vital-pharm.com).

2. STATEMENT OF INDEBTEDNESS

Pledge of assets

At the close of business on 30 April 2010, being the latest practicable date for the purpose of the statement of indebtedness prior to the printing of this circular, the Group had the following assets pledged to secure the banking facilities granted to the Group:–

	As at 30 April 2010 HK\$'000
Property, plant and equipment	38,801
Investment properties	59,393
Bank balances and cash	643
Prepaid lease payments on land use rights	16,027
	<hr/>
	114,864
	<hr/> <hr/>

At the close of business on 30 April 2010, none of the banking facilities was utilised by the Group.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have any loan capital issued and outstanding, or authorised or otherwise created but unissued, any term loans (secured, unsecured, guaranteed or not), bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities at the close of business on 30 April 2010.

Foreign currency amounts have been translated into Hong Kong dollars at the approximate exchange rates prevailing at the close of business on 30 April 2010.

3. WORKING CAPITAL

The Directors are of the opinion that, taking into account its internal resources and the existing available credit facilities of the Group, and upon the completion of the Land Acquisition, the Group has sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS

As at the Latest Practicable Date, the Group is principally engaged in the research and development, distribution, sale and manufacture of pharmaceutical products. In respect of its pharmaceutical business, the Group intends to diversify its product range based on the Group's relevant experiences and expertise. In the coming future, the Group will continue to expand its products portfolios. The Group will concentrate its resources on domestic sales and marketing efforts in the PRC. The Group will also provide services and distribution network to foreign companies in the PRC in an appropriate manner. By establishing an effective, fast and flexible marketing system to accommodate different needs of marketing solutions for different products.

Furthermore, the Directors have been continuing in exploring suitable business opportunities to broaden the revenue base and to diversify the business scope of the Company. The Land Acquisition represents an opportunity to tap into the PRC property market and the Board is of the view that such opportunity would enhance the Shareholders' value in the long run.

5. MATERIAL ADVERSE CHANGE

The Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31 December 2009, the date to which the latest published audited consolidated financial statements of the Group were made up.

1. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following is an illustrative and unaudited pro forma consolidated statement of financial position of the Enlarged Group which has been prepared based on the consolidated statement of financial position of the Group as set out in the Company's published annual report for the year ended 31 December 2009, after making the pro forma adjustments relating to the Land Acquisition that are (i) directly attributable to the Land Acquisition; and (ii) factually supportable.

This unaudited pro forma consolidated statement of financial position of the Enlarged Group has been prepared to illustrate the effect of the Land Acquisition for the purpose of properties development as if the Land Acquisition had taken place on 31 December 2009. This unaudited pro forma consolidated statement of financial position of the Enlarged Group has been prepared on the basis of the notes set out below and is consistent with the accounting policies adopted by the Group.

This unaudited pro forma consolidated statement of financial position of the Enlarged Group has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged Group had the Land Acquisition been completed as at 31 December 2009 or at any future date.

(a) Unaudited pro forma consolidated statement of financial position of the Enlarged Group

	Audited consolidated statement of financial position of the Group as at 31 December 2009 HK\$'000	Pro forma adjustments HK\$'000	Notes	Unaudited pro forma consolidated statement of financial position of the Enlarged Group HK\$'000
Non-current assets				
Intangible assets	3,030			3,030
Property, plant and equipment	203,015			203,015
Investment properties	74,384			74,384
Prepaid lease payments on land use rights	38,711			38,711
Deposit for acquisition of property, plant and equipment	4,201			4,201
Available-for-sale investments	2,331			2,331
Goodwill	74,924			74,924
	<u>400,596</u>			<u>400,596</u>
Current assets				
Properties under development	–	261,806	2(i)	261,806
Inventories	73,730			73,730
Trade and other receivables	69,241			69,241
Prepaid lease payments on land use rights	800			800
Income tax recoverable	9,118			9,118
Value added tax recoverable	5,537			5,537
Held-for-trading investment	2,121			2,121
Bank balances and cash				
– pledged	668			668
– unpledged	163,291	(145,227)	2(ii)	18,064
	<u>324,506</u>			<u>441,085</u>

	Audited consolidated statement of financial position of the Group as at 31 December 2009 HK\$'000	Pro forma adjustments HK\$'000	Notes	Unaudited pro forma consolidated statement of financial position of the Enlarged Group HK\$'000
Current liabilities				
Trade and other payables	58,993			58,993
Obligations under finance leases	446			446
Bank borrowings	–	116,579	2(ii)	116,579
	<u>59,439</u>			<u>176,018</u>
Net current assets	<u>265,067</u>			<u>265,067</u>
Total assets less current liabilities	<u><u>665,663</u></u>			<u><u>665,663</u></u>
Capital and reserves				
Share capital	15,511			15,511
Reserves	633,871			633,871
Equity attributable to owners of the Company	649,382			649,382
Minority interests	<u>808</u>			<u>808</u>
Total equity	<u>650,190</u>			<u>650,190</u>
Non-current liabilities				
Other payables	2,778			2,778
Deferred tax liabilities	12,695			12,695
	<u>15,473</u>			<u>15,473</u>
	<u><u>665,663</u></u>			<u><u>665,663</u></u>

(b) Notes to the unaudited pro forma consolidated statement of financial position of the Enlarged Group

1. The audited consolidated statement of financial position of the Group as at 31 December 2009 is extracted from the Company's published annual report for the year ended 31 December 2009.
2. The adjustments represent the following:
 - (i) The recognition of properties under development amounts to approximately HK\$261,806,000 (equivalent to approximately RMB229,780,000), including the purchase consideration for the Land Acquisition amounting to approximately HK\$233,087,000 (equivalent to approximately RMB204,570,000) and expenses directly attributable to the Land Acquisition amounting to approximately HK\$28,719,000 (equivalent to approximately RMB25,210,000). The expenses mainly include city planning duty of approximately HK\$12,119,000 (equivalent to approximately RMB10,640,000) and stamp duty of approximately HK\$7,028,000 (equivalent to approximately RMB6,170,000); and
 - (ii) The settlement in cash of the purchase consideration for the Land Acquisition will be funded by internal resources of the Group and bank borrowings amounting to approximately HK\$145,227,000 (equivalent to approximately RMB127,500,000) and approximately HK\$116,579,000 (equivalent to approximately RMB102,280,000) respectively.

Bank borrowings are assumed to be drawn under existing banking facilities available to the Group.
3. Apart from the Land Acquisition, no adjustment has been made to reflect the results or transactions of the Group entered into subsequent to 31 December 2009.

**2. REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION
FROM THE REPORTING ACCOUNTANT**

The following is the text of a report received from SHINEWING (HK) CPA Limited, Certified Public Accountants, in respect of the unaudited pro forma financial information of the Enlarged Group for the purpose of incorporation in this circular.

**ACCOUNTANTS' REPORT ON UNAUDITED PRO FORAMA FINANCIAL
INFORMATION**

SHINEWING (HK) CPA Limited
43/F., The Lee Gardens
33 Hysan Avenue
Causeway Bay, Hong Kong

9 June 2010

The Board of Directors
Vital Pharmaceutical Holdings Limited
Unit 7, 31st Floor
Tower 1, Lippo Centre
89 Queensway
Hong Kong

Dear Sirs,

We report on the unaudited pro forma financial information of Vital Pharmaceutical Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group" and, immediately after the completion of the Land Acquisition (defined below), as the "Enlarged Group") in relation to the proposed acquisition of the land located at Wancheng Community, Liucheng Street, Wenjiang District, Chengdu, the People's Republic of China (the "Land Acquisition") set out in Section 1 of Appendix II of the circular dated 9 June 2010 (the "Circular"), which has been prepared by the directors of the Company (the "Directors") for illustrative purpose only, to provide information about how the Land Acquisition might have affected the financial information presented.

Respective responsibilities of Directors and reporting accountants

It is the responsibility solely of the Directors to prepare the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our

opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma financial information is for illustrative purpose only, based on the judgments and assumptions of the Directors, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group or the Enlarged Group as at 31 December 2009 or any future date.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Ip Yu Chak

Practising Certificate Number: P04798

Hong Kong

The following is the text of a letter, summary of value and valuation certificate, prepared for the purpose of incorporation in this circular received from BMI Appraisals Limited, an independent valuer, in connection with its valuation as at 31 May 2010 of the property to be held by the Group located in the PRC.

BMI APPRAISALS

BMI Appraisals Limited 中和邦盟評估有限公司

Suite 11-18, 31/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong
香港灣仔港灣道6-8號瑞安中心3111-18室
Tel電話：(852) 2802 2191 Fax傳真：(852) 2802 0863
Email電郵：info@bmintelligence.com Website網址：www.bmintelligence.com

9 June 2010

The Directors
Vital Pharmaceutical Holdings Limited
Room 3107, Tower One
Lippo Centre
No. 89 Queensway
Hong Kong

Dear Sirs,

INSTRUCTIONS

We refer to the instructions from Vital Pharmaceutical Holdings Limited (the “Company”) for us to value the property to be held by the Company and/or its subsidiaries (hereinafter referred to as the “Group”) located in the People’s Republic of China (the “PRC”) (the “property”). We confirm that we have conducted an inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 31 May 2010 (the “date of valuation”).

BASIS OF VALUATION

Our valuation of the property has been based on the Market Value, which is defined as “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

VALUATION METHODOLOGY

In valuing the property to be held by the Group, we have valued it on an open market basis by the Comparison Approach assuming sale in its existing state with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market. Appropriate adjustments have then been made to account for the differences between the property and the comparables in terms of time, location and other relevant factors.

TITLE INVESTIGATION

We have been provided with copies of title/ legal documents and have been advised by the Group that no further relevant documents have been produced. However, we have not examined the original documents to verify ownership or to ascertain the existence of any amendment documents, which may not appear on the copies handed to us. In the course of our valuation, we have relied upon the advice and information given by the Group and its PRC legal adviser, regarding the title of the property. All documents have been used for reference only.

In valuing the property, we have relied on the advice given by the Group that the owner of the property has valid and enforceable title to the property which is freely transferable, and has free and uninterrupted right to use the same, for the whole of the unexpired term granted subject to the payment of annual government rent/land use fees and all requisite land premium/purchase consideration payable have been fully settled.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the property is sold in the market without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which would serve to affect the value of the property.

In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no forced sale situation in any manner is assumed in our valuation.

VALUATION CONSIDERATIONS

We have carried out an on-site inspection of the property within the attached valuation certificate. However, no tests or investigations are carried out to determine stability or suitability of ground conditions or factors, such as archaeological artifacts, contamination, ecological or environmental considerations, which could delay any development on the property. Unless otherwise informed, we have assumed that the site is sound and no delays will occur in a construction schedule due to considerations relating to the site, and that the ground is not contaminated.

In the course of our valuation, we have relied to a considerable extent on the information given by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenures, particulars of occupancy, site areas, identification of the property and other relevant information.

Except otherwise stated, dimensions, measurements and site areas included in the valuation certificate are based on information contained in the leases and other documents provided to us and are therefore only approximations.

We have not carried out detailed on-site measurements to verify the correctness of the site areas in respect of the property but have assumed that the site areas shown on the documents handed to us are correct.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group and we have relied on your confirmation that no material facts have been omitted from the information so supplied. We consider that we have been provided with sufficient information for us to reach an informed view.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property or for any expenses or taxation, which may be incurred in effecting a sale or purchase.

Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoing of an onerous nature, which could affect its value.

Our valuation has been prepared in accordance with the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors.

Our valuation has been prepared under the generally accepted valuation procedures and is in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

REMARKS

We hereby certify that we neither have any present nor any prospective interest in the Group or the appraised property or the value reported.

Unless otherwise stated, all money amounts stated herein are in Renminbi (RMB) and no allowances have been made for any exchange transfer.

Our summary of value and the valuation certificate are attached herewith.

Yours faithfully,
For and on behalf of
BMI APPRAISALS LIMITED

Dr. Tony C.H. Cheng

*BSc, MUD, MBA (Finance), MSc (Eng), PhD (Econ),
MHKIS, MCI Arb, AFA, SIFM, FCIM,
MASCE, MIET, MIEEE, MASME, MIIE*

Managing Director

Joannau W.F. Chan

*BSc. MSc. MRICS MHKIS RPS(GP)
Senior Director*

Notes:

Dr. Tony C.H. Cheng is a member of The Hong Kong Institute of Surveyors (General Practice) who has over 17 years' experience in valuations of properties in Hong Kong and the People's Republic of China.

Ms. Joannau W.F. Chan is a member of The Hong Kong Institute of Surveyors (General Practice) who has over 17 years' experience in valuations of properties in Hong Kong and over 11 years' experience in valuations of properties in the People's Republic of China.

SUMMARY OF VALUE

Property to be held by the Group for future development

Property	Market Value in existing state as at 31 May 2010 RMB
Land Parcel No. WJ01(252/211):2010-035, Wansheng Community, Liucheng Street, Wenjiang District, Chengdu City, Sichuan Province, The PRC	No Commercial Value
中國四川省成都市 溫江區柳城街辦 萬盛社區 WJ01(252/211):2010-035號地塊	_____
Total:	Nil

VALUATION CERTIFICATE

Property to be held by the Group for future development

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2010 RMB
Land Parcel No. WJ01(252/211):2010-035, Wansheng Community, Liucheng Street, Wenjiang District, Chengdu City, Sichuan Province, The PRC 中國四川省成都市 溫江區柳城街辦 萬盛社區 WJ01(252/211):2010-035號 地塊	The property comprises a parcel of vacant land with a site area of approximately 49,595.3 sq.m. (or about 533,843.81 sq.ft.). As per information provided by the Group, the property is planned to be developed into a composite commercial/residential development. The land use rights of the property will be granted for terms of 70 years and 40 years for residential and commercial uses respectively.	The property is vacant.	No Commercial Value

Notes:–

- Pursuant to a Chengdu City State-owned Construction Land Use Rights Auction Disposal Transaction Confirmation Letter (成都市國有建設用地使用權拍賣出讓成交確認書) (the "Confirmation Letter") entered into between Wenjiang District Land Resources Bureau (溫江區國土資源局) and Vital Pharmaceutical (Sichuan) Co., Ltd. (四川維奧製藥有限公司) ("Vital Sichuan") dated 6 May 2010, the former confirmed that Vital Sichuan had made a successful bid for the acquisition of the land use rights of the property with a site area of 49,595.3 sq.m. (or 74.39 mu) for 2nd category residential use (including commercial use of not less than 10%) with land use rights terms of 70 years and 40 years for residential and commercial uses respectively at a consideration of RMB204,572,500.
- Pursuant to a Chengdu City Auction Disposal State-owned Construction Land Use Rights Announcement (成都市拍賣出讓國有建設用地使用權公告), Cheng Guo Tu Pai Gao (2010) No. 04 (成國土拍賣(2010)04號), issued by Chengdu City Land Resources Bureau (成都市國土資源局) dated 13 April 2010, the planning and design requirements of the property are as follows:

Plot Ratio	:	≥2.0
Building Density	:	≤28%
Greenery Ratio	:	≥30%
Use	:	2 nd category residential use (including commercial use of not less than 10%)
- Pursuant to a Chengdu City Auction Disposal State-owned Construction Land Use Rights Bid Notice (成都市拍賣出讓國有建設用地使用權競買須知), issued by Chengdu City Land Resources Bureau (成都市國土資源局) dated 13 April 2010, the construction work of the property should commence within 1 year of the date signed for the State-owned Land Use Rights Grant Contract and be completed within 2 years of commencement of the construction work.

4. As at the date of valuation, we cannot attribute any commercial value to the property due to the absence of relevant title documents. For your internal reference purpose, as at the date of valuation, the market value of the property assuming that relevant title documents have been obtained and the property could be disposed of freely in the open market would be in the sum of approximately RMB208,000,000.
5. As advised by the Group, the property will be held by Chengdu Wenjiang Vital Property Development Company Limited (成都溫江維奧房地產開發有限公司) (“Vital Property”), a company to be established under the laws of the PRC with limited liability.
6. The status of title and grant of major approvals and licenses in accordance with the information provided by the Group are as follows:
- | | |
|--|-----|
| Auction Grant Conclude Confirmation Letter | Yes |
| State-owned Land Use Rights Grant Contract | No |
| State-owned Land Use Rights Certificates | No |
| Business License | No |
7. The legal opinion of the PRC legal adviser of the Company to the Group contains, inter-alia, the following:
- a. Vital Sichuan has made a successful bid for the acquisition of the property;
 - b. 50% of the land premium of the property has been settled;
 - c. There exist no legal impediments for Vital Property to obtain the legal title and relevant title documents upon the following conditions have been fulfilled: i) the land premium has been fully settled in accordance with the payment schedule required by the land & resources bureau; ii) the business registration of Vital Property must be completed before full settlement of the land premium; and iii) there exists no breach of the terms in the Confirmation Letter; and
 - d. After the completion of business registration, Vital Property will be a wholly-owned subsidiary of the Company.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) The Directors' and chief executives' interests and short position in the shares, underlying shares and debentures of the Company or any associated corporation

As at the Latest Practicable Date, the interests and short positions of the Directors, chief executives of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Capacity	Number and class of securities (Note 1)	Percentage shareholding in the same class of securities
Mr. Chen Zhiyu (Chief executive officer)	Beneficial owner	26,666 (L)	0.0017%
Mr. Liu James Jin	Beneficial owner	14,630,400 (L)	0.94%

Note:

- The letter "L" stands for the Director's long position in the Shares.

Directors' and Chief Executive's interests in underlying Shares under equity derivatives

As at the Latest Practicable Date, the directors and chief executive of the Company had the following personal interests in options to subscribe for Shares of the Company granted under the share option scheme of the Company.

Name of Director	Date of grant	Exercisable period	Exercise price per Share (HK\$)	No. of Shares involved in the options outstanding at the Latest Practicable Date
Mr. Xu Xiaofan (Executive Director and Chairman)	12 September 2005	1 January 2006 to 6 February 2012 (Note 2)	0.23	15,000,000
Ms. Guo Lin (Executive Director)	29 September 2003	2 January 2004 to 6 February 2012 (Note 3)	0.51	3,000,000
	29 January 2008	1 October 2008 to 6 February 2012 (Note 4)	0.28	8,500,000
Mr. Liu James Jin (Executive Director)	29 January 2008	1 October 2008 to 6 February 2012 (Note 4)	0.28	8,500,000
Mr. Chong Cha Hwa (Independent non-executive Director)	29 January 2008	1 October 2008 to 6 February 2012 (Note 4)	0.28	1,500,000

Notes:

2. Mr. Xu Xiaofan can exercise his rights in two periods starting from 1 January 2006 to 6 February 2012. From 1 January 2006 to 31 December 2006, he can exercise up to 50% of his rights, and starting from 1 January 2007 to 6 February 2012, he can exercise any unexercised remaining rights.
3. Ms. Guo Lin can exercise her rights in two periods starting from 2 January 2004 to 6 February 2012. From 2 January 2004 to 1 July 2004, she can exercise up to 500,000 share options, and starting from 2 July 2004 to 6 February 2012, she can exercise any unexercised remaining rights. Ms. Guo Lin is appointed as an executive Director from 1 January 2008. She had been granted share options since 29 September 2003.
4. Mr. Liu James Jin, Ms. Guo Lin and Mr. Chong Cha Hwa can exercise their rights in two periods starting from 1 October 2008 to 6 February 2012. From 1 October 2008 to 31 December 2008, grantees can exercise up to 30% of their rights, and starting from 1 January 2009 to 6 February 2012, grantees can exercise any unexercised remaining rights.

Save as disclosed above, none of the Directors and the chief executive of the Company had any interest and short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders' interest and short positions in the shares or underlying shares of the Company

As at the Latest Practicable Date, according to the register of members kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons/entities, other than a Director or chief executive of the Company, had an interest or short position in the shares and underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly, or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meetings of the Company:

Name	Company/ Name of Group member	Capacity	Number of Shares (Note 1)	Approximate percentage of shareholding
Perfect Develop Holding Inc. (Note 2)	Corporate	Beneficial owner	522,526,940 (L)	33.69%

Notes:

1. The letter "L" denotes the person's/entity's long position in the Shares.
2. The issued share capital of Perfect Develop Holding Inc. is beneficially owned as to 58.28% by Mr. Tao Lung, 30.67% by Mr. Huang Jianming and 11.05% by Mr. Liu James Jin. Mr. Tao Lung and Mr. Huang Jianming are founders of the Group, former executive Directors, and currently paid consultants of the Company. Mr. Liu James Jin is founder of the Group and executive Director.

Save as disclosed above, the Directors are not aware of any person as at the Latest Practicable Date who had an interest or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of part XV of the SFO, or was directly or indirectly, interested in 10% or more of the nominal value of any class of shares capital carrying rights to vote in all circumstances at general meetings of the Company.

3. COMPETING INTERESTS

Mr. Chen Zhiyu (“Mr Chen”), an executive Director and chief executive officer of the Company, has approximately 52% shareholding in the Guangdong Suntop Pharmaceutical Co., Ltd. (the “Guangdong Suntop”). The Guangdong Suntop principally engages in the sales of pharmaceutical products in the PRC. The major pharmaceutical products sold by the Guangdong Suntop are Houtou Jun TiQuWu KeLi (猴頭菌提取物顆粒), which is for the treatment of chronic gastritis, and fungus related products Compound TianMa MiHuanTangTai Pian (複方天麻蜜環糖肽片), which is for the treatment of high blood pressures and cerebral thrombosis etc. These products are different and easily distinguishable from the major products, i.e. calcium capsule, minerals, vitamins and liver protecting drug, of the Company. As there is a clear delineation between the products sold by the Company and by Guangdong Suntop, the Directors believe that there is no direct competition between the Guangdong Suntop and the Company.

As at the Latest Practicable Date, save as disclosed above, none of the Directors and/or their respective associates had any interests in a business which competes or may compete with the business of the Group or had any other conflict of interests with the Group.

4. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, there was no existing and any proposed service contract, excluding contract expiring or terminable by the employer within one year without payment of compensation (other than statutory compensation), between the Directors with the Company.

5. DIRECTORS’ INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors has any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group, since 31 December 2009, being the date to which the latest published audited accounts of the Company were made up.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any member of the Group.

7. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given opinion and advise, which is contained in this circular:

Name	Qualification
SHINEWING (HK) CPA Limited	Certified Public Accountants
BMI Appraisals Limited	Professional valuer

Each of SHINEWING (HK) CPA Limited and BMI Appraisals Limited has given and has not withdrawn their respective written consents to the issue of this circular with the inclusion herein of their respective letters and references to their respective names in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above experts are not beneficially interested in any shareholding in the Company nor have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company, nor did they have any interest, either direct or indirect, in any assets of the Company which have been, since 31 December 2009 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of or leased to, or are proposed to be acquired or disposed of or leased to, the Company.

8. MATERIAL CONTRACTS

Save as disclosed below, no material contracts (not being contracts entered into in the ordinary course of business carried out by the Enlarged Group) have been entered into by any member of the Enlarged Group within the two years preceding the date of this circular:

- (a) the JV Agreement; and
- (b) the Termination Agreement.

9. GENERAL

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the head office and the principal place of business of the Company in Hong Kong is at Unit 7, 31st Floor, Tower 1, Lippo Centre, 89 Queensway, Hong Kong.
- (b) The branch share registrar and transfer office of the Company in Hong Kong is Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.

- (c) The company secretary of the Company is Mr. Leung Wai Pong, who is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant (Aust.) of CPA Australia.
- (d) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copy of the following documents will be available for inspection during normal business hours at the Company's head office and principal place of business in Hong Kong at Unit 7, 31st Floor, Tower 1, Lippo Centre, 89 Queensway, Hong Kong from the date of this circular up to the date of the EGM to be held on 25 June 2010:

- (a) the memorandum and articles of association of the Company;
- (b) the material contracts which the Group has entered into within two years preceding the date of this circular as summarised in the paragraph headed "Material Contracts" in this Appendix;
- (c) the report on the unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix II to this circular;
- (d) the letter, summary of value and valuation certificate from BMI Appraisals Limited in connection with the valuation of the Land, the text of which is set out in Appendix III of this circular;
- (e) the annual reports of the Company for the two years ended 31 December 2009;
- (f) the written consents as referred to under the section headed "Experts and Consents" in this Appendix; and
- (g) this circular and circulars of the Company pursuant to requirements set out in Chapters 14 and/or 14A issued since 31 December 2009, being the date the latest published audited accounts of the Company.

NOTICE OF EGM



維奧醫藥控股有限公司
Vital Pharmaceutical Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01164)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of Vital Pharmaceutical Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) will be held at Tai Tam Room, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 25 June 2010 (Friday) at 11:00 a.m. for the following purposes:

“**THAT:**

AS ORDINARY RESOLUTION

1. (a) the land grant contract to be entered into between 成都溫江維奧房地產開發有限公司 (Chengdu Wenjiang Vital Property Development Company Limited*), a company to be established by the Company, and 成都市國土資源局 (Chengdu Bureau of Land Resources*) in relation to the acquisition of a piece of land located at the Wancheng Community, Liucheng Street, Wenjiang District, Chengdu, the People’s Republic of China at an aggregate consideration of approximately RMB204.6 million (the “Land Acquisition”) be and is hereby approved; and
- (b) the directors of the Company be and are hereby authorised for and on behalf of the Company to sign, execute and deliver all such documents and deeds, and do all such acts, matters and things as they may in their discretion consider necessary or desirable to carry out the Land Acquisition into effect.”

Yours faithfully,

For and on behalf of the Board of
Vital Pharmaceutical Holdings Limited

Xu Xiaofan

Chairman

Hong Kong, 9 June 2010

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Unit 7, 31st Floor

Tower 1, Lippo Centre

89 Queensway

Hong Kong

* *for identification purposes only*

NOTICE OF EGM

Notes:–

- (1) A member 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 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 Company's Hong Kong branch share registrar, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not later than 48 hours before the appointed time for holding the meeting or any adjourned meeting.
- (2) Completion and return of a form of proxy will not preclude a member of the Company 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.
- (3) 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.
- (4) As at the date of this notice, the executive Directors are Mr. Xu Xiaofan, Mr. Chen Zhiyu, Madam Guo Lin, Mr. Huang Zemin, Mr. Li Ke and Mr. Liu James Jin; and the independent non-executive Directors are Mr. Lee Kwong Yiu, Mr. Lui Tin Nang and Mr. Chong Cha Hwa.