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**ANNOUNCEMENT
PRICE SENSITIVE INFORMATION
AND
PROFIT WARNING**

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcement dated 25 January 2011 (the “**Announcement**”) and the 2010 annual report (the “**Annual Report**”) of Vital Group Holdings Limited (the “**Company**”). The Company and its subsidiaries are collectively referred as the group (the “**Group**”).

The Group’s food product, Osteoform compound calcium amino acid chelate food capsule (“**Osteoform Food Product**”), is a food product whose nutrition can facilitate the absorption of calcium by human body and help to formulate bone matrix and maintain bone density. The Group discovers that since June 2011, there has been a substantial drop in the sales of Osteoform Food Product.

Further, the food hygiene license (食品衛生許可證) obtained by the Group will expire on 25 November 2011 and the Group considers renewing the food hygiene licence. However, as advised by the Group’s PRC legal adviser, Tahota Law Firm, due to the change of relevant rules and regulations relating to food hygiene, there will be a great difficulty in renewing the food hygiene licence for Osteoform Food Product.

Considering the substantial drop in the sales of the Osteoform Food Product in June and July of 2011, the uncertainties with the renewal of the food hygiene license and the uncertainties with the renewal of the import drug license for Osteoform Compound Calcium Amino Acid Chelate Capsules as disclosed in the Announcement and the Annual Report, the board of directors (the “**Board**”) considers to temporarily suspend the production of Osteoform Food Product (the “**Suspension**”) so as to improve production efficiency of the Group’s other products and minimize the adverse impact to the Group.

With regard to the Suspension, the Board intends to conduct a full-scale analysis on the existing business of Osteoform Food Product to decide whether to continue or discontinue the production lines and/or re-formulate its current business plans and strategies, including but not limited to, accelerating the sales of the inventory of Osteoform Food Product for seeking the best solution for the interest of the Company and shareholders of the Company. The Board is of the view that the Group will continue to diversify product and business development based on the Group's relevant experiences and expertise, expand and optimize product range and enhance sales & marketing activities in order to promote sales and mitigate the negative effect on the profits of the Group as a result of the Suspension.

As a result of the above event and after reviewing the available financial information of the Group, the Board is of the view that the profits of the Group for the 6 months ended 30 June 2011 are expected to record a substantial decrease when compared to the corresponding period in 2010, due to the impairment for goodwill and the decrease in sales of Osteoform Food Product for the 6 months ended 30 June 2011, in particular, the second quarter.

Furthermore, the Board expects there will be an impairment loss recognized for the 6 months ended 30 June 2011 for the property, plant and equipment of Vital Pharmaceutical (Sichuan) Co., Ltd., a wholly-owned subsidiary of the Company due to an integration of production line (the "**Integration**"), which resulted in the idleness of certain plants and equipment. The Board is of the view that a further decrease is expected to be recorded to the profits of the Group for the 6 months ended 30 June 2011 as a result of the Integration.

The Company is in the process of preparing the unaudited interim results of the Group for the six months ended 30 June 2011. The information contained in this announcement is only based on the preliminary assessment by the Company's management according to the preliminary draft consolidated financial statements of the Group. Details of the Group's performance will be disclosed as and when the unaudited interim results for the six months ended 30 June 2011 are announced.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in shares of the Company.

By order of the board of
Vital Group Holdings Limited
Chen Zhiyu
Executive Director

Hong Kong, 4 August 2011

As at the date of this announcement, the Board comprises six executive directors: Mr. Xu Xiaofan, Mr. Chen Zhiyu, Mr. Liu James Jin, Madam Guo Lin, Mr. Huang Zemin and Mr. Li Ke; and three independent non-executive directors: Mr. Lui Tin Nang, Mr. Lee Kwong Yiu and Mr. Chong Cha Hwa.