

IMPORTANT

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities 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 and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or licensed securities dealer 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: 1164)

**PROPOSAL FOR GENERAL MANDATES TO ALLOT AND ISSUE SHARES
AND TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM (as defined herein) to be held at Caine Room, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 1 June 2009 (Monday) at 11:00 a.m. is set out on pages 12 to 15 of this circular.

Whether or not you are able to attend the AGM in person, you are requested to complete and return the accompanying form of proxy enclosed with this circular in accordance with the instructions printed thereon and deposit the same to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Rooms 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

27 April 2009

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at Caine Room, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 1 June 2009 (Monday) at 11:00 a.m., the notice of which is set out on pages 12 to 15 of this circular;
“Articles”	the articles of association of the Company as altered from time to time;
“Board”	the board of Directors;
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
“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;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the resolution approving this issue mandate at the AGM;
“Latest Practicable Date”	20 April 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

DEFINITIONS

“Repurchase Mandate”	a general and unconditional mandate to the Directors to repurchase shares of the Company the aggregate nominal amount of which 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 the resolution approving this repurchase mandate at the AGM;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

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: 1164)

Directors:

Mr. Tao Lung (*Chairman*)
Mr. Huang Jianming (*Chief Executive Officer*)
Mr. Shen Songqing
Mr. Liu James Jin
Mr. Xu Xiaofan
Ms. Guo Lin
Mr. Lui Tin Nang*
Mr. Lee Kwong Yiu*
Mr. Chong Cha Hwa*

* *independent non-executive Directors*

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

27 April 2009

To the Shareholders, and, for information only, holders of options

Dear Sir or Madam,

**PROPOSAL FOR GENERAL MANDATES TO ALLOT AND ISSUE SHARES
AND TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to the forthcoming AGM for the approval of, among others, (i) the proposed granting of the Issue Mandate and the Repurchase Mandate; (ii) the proposed extension of the Issue Mandate; and (iii) the proposed re-election of Directors at the forthcoming AGM. In addition, the purpose of this circular is to give you notice of the AGM to be convened for the purpose of considering and, if thought fit, passing, among others, the abovementioned resolutions.

LETTER FROM THE BOARD

GENERAL MANDATES TO ALLOT AND ISSUE SHARES AND REPURCHASE SHARES

At the forthcoming AGM, ordinary resolutions will be proposed to renew the general mandates to the Directors so that the Directors will be empowered (i) to allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company, amounting to 310,211,398 shares, as at the date of passing such resolution, on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing of such resolution at the AGM; (ii) to repurchase Shares, the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution; and (iii) to extend the Issue Mandate to the nominal amount (up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution) of any Shares repurchased by the Company.

These general mandates will remain in effect until whichever is the earliest of: (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by Companies Law or the Articles; or (iii) the date upon which such an authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company. The Board wishes to state that they have no present intention to repurchase any Shares or issue any new Shares in the event that these general mandates are approved.

Under the Listing Rules, the Company is required to give all information to the Shareholders which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the AGM. An explanatory statement required under Rule 10.06(1)(b) of the Listing Rules for such purpose is set out in Appendix I to this circular.

RE-ELECTION OF DIRECTORS

In accordance with Article 108 of the Articles, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director, including those appointed for a specified term, shall be subject to retirement by rotation at least once every three years. Accordingly, Mr. Huang Jianming, Mr. Xu Xiaofan and Mr. Liu James Jin will retire by rotation at the AGM and, being eligible, will offer themselves for re-election.

Particulars of the Directors subject to re-election at the AGM are set out in Appendix II to this circular.

AGM

The notice convening the AGM is set out on pages 12 to 15 of this circular. At the AGM, ordinary resolutions will be proposed to approve, among others, the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate and the re-election of Directors. The full text of the proposed resolutions to be proposed at the AGM is set out on pages 12 to 15 of this circular.

LETTER FROM THE BOARD

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are intend to attend the AGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Rooms 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, as soon as possible but in any event, not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

VOTING BY POLL

Pursuant to Rule 13.39 of the Listing Rules, any votes of the Shareholders at a general meeting must be taken by poll, the chairman of the AGM will demand a poll for each and every resolution put forward at the AGM pursuant to Article 72 of the Articles. The Company will appoint scrutineers to handle vote-taking procedures at the AGM. The results of the poll will be published on the HKExnews website at www.hkexnews.hk and the Company's website at www.vital-pharm.com on the business day following the AGM.

RECOMMENDATION

The Board considers that the proposal for the Issue Mandate and the Repurchase Mandate and the extension of the Issue Mandate and the re-election of the Directors are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

ADDITIONAL INFORMATION

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

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

The following explanatory statement contains all the information required pursuant to Rule 10.06 of the Listing Rules to be given to all Shareholders relating to the resolution to be proposed at the forthcoming AGM authorising the Repurchase Mandate and to enable all Shareholders to make an informed decision whether to vote for or against the resolution to approve the grant of the Repurchase Mandate to the Directors.

1. EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, the issued ordinary share capital of the Company comprised 1,551,056,993 Shares. Subject to the passing of the ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing of such a resolution at the AGM, the Directors would be authorised to repurchase up to 155,105,699 Shares (being 10% of the Shares in issue) during the period up to (i) the next annual general meeting of the Company in 2010; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Law to be held; or (iii) the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

2. REASONS FOR REPURCHASE

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company the flexibility to make such repurchases when appropriate and beneficial to the Company. Such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the value of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

3. GENERAL

As compared with the financial position of the Company as disclosed in its most recent published audited consolidated financial statements as at 31 December 2008, the Directors consider that there might be a material adverse impact on the working capital or gearing position of the Company in the event that the proposed share repurchases were to be carried out in full during the proposed purchase period. However, the Board does not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company.

4. FUNDING OF REPURCHASES

Repurchasing Shares must be made out of the funds legally available for such purpose in accordance with the Articles, the Companies Law and the applicable laws of the Cayman Islands and the Listing Rules. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the Listing Rules. Under the Companies Law,

repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital. Such purchase may not be made if, on the date the purchase is to be effected, there are reasonable grounds to believe that the Company is, or after the purchase would be, unable to pay its liabilities as they become due.

5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), has any present intention, in the event that the repurchase proposal is approved by the Shareholders, to sell Shares to the Company or its subsidiaries.

As at the Latest Practicable Date, no connected person of the Company had notified the Company that he/she had a present intention to sell Shares to the Company or its subsidiaries, or had undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases of its Shares pursuant to the Repurchase Mandate and in accordance with the Listing Rules and all applicable laws of the Cayman Islands, and in accordance with the regulations set out in the memorandum and articles of association of the Company.

6. EFFECT OF TAKEOVERS CODE

If on exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such an increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, other than Perfect Develop Holding Inc. (whose shareholders include Mr. Tao Lung, Mr. Huang Jianming and Mr. Liu James Jin (all of them are executive Directors) holding 522,526,940 Shares, representing approximately 33.69% of the issued share capital as at the Latest Practicable Date, no other person had notified the Company that it had an interest of 10% or more of the issued share capital of the Company.

On the basis that 1,551,056,993 Shares were in issue as at the Latest Practicable Date and assuming there will be no further issue nor repurchase of Shares for the period from the Latest Practicable Date up to and including the date of the AGM, in the event that the

Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding percentage of Perfect Develop Holding Inc. would be increased to approximately 37.43%. It is considered that Perfect Develop Holding Inc. and persons acting in concert (as defined in the Takeovers Code) with each of them, in such circumstances, may technically be obliged to make a mandatory offer in accordance with the Takeovers Code on account of the creeper provisions, subject to any exemptions available under the Takeovers Code. The Directors do not intend to exercise the Repurchase Mandate to repurchase Shares if that repurchase would result in the above persons becoming obliged to make a mandatory offer in accordance with the Takeovers Code or in the number of Shares which are in the hands of the public falling below 25% of the Company's issued share capital.

7. SHARE PURCHASE MADE BY THE COMPANY

The Company has not repurchased any of its Shares (whether on the Stock Exchange or otherwise) during the six months period immediately preceding the Latest Practicable Date.

8. SHARE PRICES

During each of the previous twelve calendar months immediately preceding the Latest Practicable Date, the highest and lowest prices at which the Shares had been traded on the Stock Exchange were as follows:

Months	Per Share	
	Highest HK\$	Lowest HK\$
2008		
March	0.280	0.180
April	0.260	0.180
May	0.320	0.220
June	0.355	0.230
July	0.340	0.242
August	0.270	0.210
September	0.225	0.153
October	0.300	0.190
November	0.220	0.170
December	0.190	0.160
2009		
January	0.172	0.153
February	0.185	0.145
March	0.155	0.087
April (up to the Latest Practicable Date)	0.169	0.092

The emoluments of all the executive Directors are recommended by the remuneration committee of the Company and are based on the working experience, skill, knowledge and involvement in the Company's affairs of each Director and are determined by reference to the Company's performance and profitability, as well as the remuneration benchmark in the industry and the prevailing market conditions. The emoluments of all the independent non-executive Directors are based on their professional skill, knowledge and the prevailing market conditions.

The biographies of the Directors eligible for re-election at the AGM are set out below:

Executive Directors

1. **Mr. Huang Jianming**, aged 45, one of the founders of the Group, chief executive officer, an executive Director and directors of several subsidiaries of the Company. He is responsible for planning and deciding the business and production strategy and daily operation of the Group. Mr. Huang graduated from Luzhou Chemical Engineering College in 1981. Mr. Huang was employed as a management staff of Sichuan Chengdu Forth Pharmaceutical Plant for 11 years since 1982 and accumulated totally over 22 years of management experience in the pharmaceutical industry. He joined the Group since its establishment in April 1998. Mr. Huang is a director and a shareholder of Perfect Develop Holding Inc., a substantial shareholder of the Company. As at the Latest Practicable Date, save as aforesaid, Mr. Huang did not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company. Save as aforesaid, Mr. Huang did not hold any directorship in other listed companies in the past three years and position in the Group.

As at the Latest Practicable Date, Mr. Huang was interested in 8,500,000 share options and indirectly interested in 160,258,849 Shares or underlying Shares through Perfect Develop Holding Inc., a corporation of which he has 30.67% shareholding, within the meaning of Part XV of the SFO. Mr. Huang is entitled to a monthly salary of approximately HK\$28,000 and has entered into a service agreement with the Company for an initial term of two years which will continue thereafter until terminated by either party to the other with not less than three months' notice in writing in accordance with the terms of the agreement. He, together with other executive Directors, is entitled to a discretionary management bonus provided that the aggregate amount of the discretionary management bonus payable to all the executive Directors for any financial year may not exceed 10% of the audited profit attributable to the Shareholders in respect of that financial year. He, together with other executive Directors and independent non-executive Directors, is entitled to a discretionary share based payment, provided that the amount of share based payment may not exceed the individual limit set out in the share option scheme.

2. **Mr. Xu Xiaofan**, aged 45, an executive Director and member of the Remuneration Committee. He is responsible for the business planning of the Group. He joined the Group since October 2004. Mr. Xu obtained a bachelor degree from Beijing University. Mr. Xu has been employed as a civil servant in the Government of the People's Republic of China for over 10 years; and he has management experience in the China Securities Regulatory Commission and several companies for over 3 years and 4 years experience respectively.

As at the Latest Practicable Date, Mr. Xu did not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company. Save as aforesaid, Mr. Xu did not hold any directorship in other listed companies in the past three years and position in the Group.

As at the Latest Practicable Date, Mr. Xu was interested in 15,000,000 share options or underlying Shares within the meaning of Part XV of the SFO. Mr. Xu is entitled to a monthly salary of HK\$10,000 and has entered into a service agreement with the Company for an initial term of two years which will continue thereafter until terminated by either party to the other with not less than three months' notice in writing in accordance with the terms of the agreement. He, together with other executive Directors, is entitled to a discretionary management bonus provided that the aggregate amount of the discretionary management bonus payable to all the executive Directors for any financial year may not exceed 10% of the audited profits attributable to the Shareholders in respect of that financial year. He, together with other executive Directors and independent non-executive Directors, is entitled to a discretionary share based payment, provided that the amount of share based payment may not exceed the individual limit set out in the share option scheme.

3. **Mr. Liu James Jin**, aged 46, one of the founders of the Group, an executive Director and directors of several subsidiaries of the Company. He is responsible for the business investment of the Group. Mr. Liu holds a bachelor degree in mechanical engineering from Shandong Chemistry Institute in China (presently known as Qingdao Technology University). He has years of experience in production and sales of medical products. He joined the Group since its establishment in April 1998. Mr. Liu is a director and a shareholder of Perfect Develop Holding Inc., a substantial shareholder of the Company. As at the Latest Practicable Date, save as aforesaid, Mr. Liu did not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company. Save as aforesaid, Mr. Liu did not hold any directorship in other listed companies in the past three years and position in the Group.

As at the Latest Practicable Date, Mr. Liu was interested in 72,365,327 Shares (being 14,630,400 Shares directly held by him and 57,734,927 Shares held through Perfect Develop Holding Inc., a corporation of which he has 11.05% shareholding) and 8,500,000 share options within the meaning of Part XV of the SFO. Mr. Liu is entitled to a monthly salary of HK\$10,000 and has entered into a service agreement with the Company for an initial term of two years which will continue thereafter until terminated by either party to the other with not less than three months' notice in writing in accordance with the terms of the agreement. He, together with other executive Directors, is entitled to a discretionary management bonus provided that the aggregate amount of the discretionary management bonus payable to all the executive Directors for any financial year may not exceed 10% of the audited profits attributable to the Shareholders in respect of that financial year. He, together with other executive Directors and independent non-executive Directors, is entitled to a discretionary share based payment, provided that the amount of share based payment may not exceed the individual limit set out in the share option scheme.

Save as disclosed above, the Board is not aware that there are any other matters that need to be brought to the attention of the Shareholders.

There is no other information which is required to be disclosed pursuant to any of the requirements under Rule 13.51(2) (h) to (v) of the Listing Rules in respect of re-election of these Directors.

NOTICE OF ANNUAL GENERAL MEETING



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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1164)

NOTICE IS HEREBY GIVEN that the annual general meeting of Vital Pharmaceutical Holdings Limited (the “**Company**”) will be held at Caine Room, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 1 June 2009 (Monday) at 11:00 a.m. for the following purposes:

AS ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and the auditors of the Company for the year ended 31 December 2008.
2.
 - (a) To re-elect Mr. Huang Jianming as an executive director of the Company;
 - (b) To re-elect Mr. Xu Xiaofan as an executive director of the Company;
 - (c) To re-elect Mr. Liu James Jin as an executive director of the Company; and
 - (d) To authorise the board of Directors to fix the remuneration of the Directors.
3. To re-appoint SHINEWING (HK) CPA Limited as auditors of the Company 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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 purpose 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;

NOTICE OF ANNUAL GENERAL MEETING

(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 the 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.”

NOTICE OF ANNUAL GENERAL MEETING

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 Pharmaceutical Holdings Limited
Tao Lung
Chairman

Hong Kong, 27 April 2009

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 25 May 2009 to 1 June 2009, 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 22 May 2009.
- (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.