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## **DESPATCH OF THE CIRCULAR**

Reference is made to the Announcement in relation to (1) the Subscription Agreement in relation to (A) proposed subscription of shares in Vital Group Holdings Limited; and (B) proposed subscription of convertible bonds issued by Vital Group Holdings Limited; (2) application for the granting of the Whitewash Waiver.

The Circular containing, among other things, further details of the Subscription Agreement and the Whitewash Waiver has been dispatched to the Shareholders on 23 May 2011.

Reference is made to the announcement dated 31 March 2011 issued by Vital Group Holdings Limited (the “**Company**”) in relation to (1) the Subscription Agreement in relation to: (A) proposed subscription of shares in Vital Group Holdings Limited; and (B) proposed subscription of convertible bonds issued by Vital Group Holdings Limited; (2) application for the granting of the Whitewash Waiver (the “**Announcement**”). Unless otherwise defined in this announcement, terms used in this announcement shall have the same meanings as defined in the Announcement.

The Directors announce that the circular (the “**Circular**”) containing, among other things, (i) information on the Subscription Agreement and the Whitewash Waiver; (ii) a letter of recommendation from the Independent Board Committee in respect of the Subscription Agreement, the Whitewash Waiver and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Subscription Agreement, the Whitewash Waiver and the transactions contemplated thereunder; and (iv) a notice of the EGM has been dispatched to the Shareholders on 23 May 2011.

Shareholders are advised to read carefully the contents of the Circular, in particular, the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser, before considering the resolutions to approve the Subscription Agreement, the Whitewash Waiver and the transactions contemplated thereunder.

By Order of the Board  
**VITAL GROUP HOLDINGS LIMITED**  
**Chen Zhiyu**  
*Executive Director*

Hong Kong, 23 May 2011

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

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.*