



For Immediate Release

**Vitasoy Announces 15% Growth in Net Sales Revenue to
HK\$2,783 million for FY2008/09**

Positive Sales Growth Recorded in All Major Markets

Financial Highlights

For the year ended 31st March

| Results | Consolidated income statement for the year ended 31st March, (excluding one-off provision) | | | One-off provision | | Consolidated income statement for the year ended 31st March, (including one-off provision) | | | % Change |
|---|---|------------|-------------|----------------------|------------|---|------------|-------------|-------------|
| | 2009 | 2008 | % Change | 2009 | 2008 | 2009 | 2008 | % Change | |
| | HK\$ Mn | HK\$ Mn | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | | |
| Turnover | 2,783 | 2,416 | 15% | - | - | 2,783 | 2,416 | 15% | |
| Gross profit | 1,288 | 1,131 | 14% | (9) | - | 1,279 | 1,131 | 13% | |
| EBITDA | 431 | 391 | 10% | (25) | - | 406 | 391 | 4% | |
| Profit before taxation | 326 | 292 | 12% | (25) | - | 301 | 292 | 3% | |
| Profit after taxation | 265 | 236 | 12% | (21) | - | 244 | 236 | 3% | |
| Profit attributable to equity shareholders of the Company | 238 | 211 | 13% | (21) | - | 217 | 211 | 3% | |
| Basic earnings per Share (HK cents) | 23.5 | 20.9 | 12% | (2.1) | - | 21.4 | 20.9 | 2% | |
| Dividend (HK cents) | 21.8 | 21.5 | 1% | - | - | 21.8 | 21.5 | 1% | |



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Hong Kong, 29th June 2009 — Vitasoy International Holdings Limited (“VIHL” or “the Company”) and its subsidiaries (together referred to as the “Group”) (SEHK Code:0345), a Hong Kong-based manufacturer, marketer and distributor of non-carbonated beverages and food, today announced its net sales revenue for the year ended 31st March 2009, with healthy growth of 15%, reached HK\$2,783 million. The Company’s profit attributable to shareholders was HK\$238 million, up 13%, before the one-off provision on leave pay entitlements for Hong Kong employees over the previous five-and-a-half years from October 2002 to March 2008, which amounted to HK\$25 million. Including the impact of the one-off provision, the profit attributable to shareholders was HK\$217 million, up by 3% from the previous financial year.

Mr. Winston Yau-lai Lo, Executive Chairman of the Group said, "Despite the challenges brought by the global financial crisis and the intensified market competition, VIHL maintained its growth momentum and delivered satisfactory operating results in all major markets, with the North American operation further narrowing its operating loss. The results were led by an orchestrated effort of new product launches, channel development, a focused strategy on core competencies and core products, and brand building initiatives. The profitability of the Group’s operations and the market position were further enhanced during the year."

During the year, the Group reported strong growth of 13% in gross profit to HK\$1,279 million. The Group’s gross profit margin stood at 46%, which was slightly below the previous year’s reflecting the impact of higher costs such as raw material and fuel.

The Group’s basic earnings per share were HK21.4 cents, increasing by 2% from the previous financial year. However, if the one-off provision were to be excluded, the Group’s basic earnings per share would have been HK23.5 cents, a growth of 12%.

The Board of Directors of VIHL proposed the payment of a final dividend of HK9.0 cents per share, which together with the interim dividend of HK2.8 cents per share made a total dividend of HK11.8 cents per share (FY2007/08: HK11.5 cents per share, excluding special dividend) for the year ended 31st March 2009.

In view of the Group's business performance and strong cash position, the Board of Directors recommended the payment of a special dividend of HK10.0 cents per share (FY2007/08 special dividend: HK10.0 cents per share).



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Hong Kong and Macau

During the year, the Group's Hong Kong and Macau operation posted a steady growth of 7% in net sales revenue, despite high raw material costs in the first half of the year and the outbreak of the global financial crisis in the second half. Sales were also impacted by rainy summer weather and the melamine issue.

The Hong Kong operation focused on product innovation, packaging revamp, marketing initiatives and distribution expansion, which contributed to the business growth and helped to reinforce the brands' market position. The Hong Kong operation leveraged on its product development capabilities and rolled out new products with healthy features such as low-sugar and low-fat to meet the growing consumer demand for healthy products. The revamp of the VITASOY brand was well received by the market.

The tuck shop business operated under Vitaland Services Limited maintained its overall gross profit, while Hong Kong Gourmet, which provides lunchboxes and catering service, continued to perform.

Export sales for the Hong Kong operation posted a growth rate of 9%.

"In the coming year, we will continue to drive sales growth and focus on market penetration by using our strength in product innovation. In order to enhance our production efficiency substantially, the management commissioned a major capital investment project, in which new high-speed packaging and filling machines were installed in our Tuen Mun plant. As for our tuck shop business, we strive to improve our asset utilization and to enhance our services and competitiveness during the new school tendering process," commented Mr. Larry Eisentrager, Group Chief Executive Officer of VIHL.

Mainland China

The Group's Mainland China operation achieved growth of 56% in net sales revenue. During the year, the efforts in brand building, expansion in distribution and market penetration were put to test. The China operation continued to implement the "Core Business, Core Brand and Core City" strategy, which was complemented by an aggressive marketing campaign and appropriate pricing strategy. This resulted in strong sales growth and consolidated VITASOY's leading position in the domestic soymilk market, particularly the Southern part. In addition, the investment in consumer



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education to promote the health benefits of soy resulted in increased sales. Three new products were launched as part of the China operation's policy of promoting a healthy diet. The new products have helped boost the sales growth and they included a domestically manufactured VITA lemon tea, VITASOY Black Soya Bean Milk — sold exclusively in the domestic market and a low-fat, less-sweet and calcium-enriched VITASOY soymilk product.

"Looking forward, the growth of China's economy will pick up. We expect the retail market to remain competitive. We will continue to pursue our focused strategy to boost sales and capture a larger market share, and further expand distribution channels to cement our market position in existing cities. In view of the public's increasing awareness over food safety, preference over natural ingredients and healthy dieting, we see more opportunities coming up from growing consumers' demand for soymilk. The China operation will use a premium position supported by high product quality to promote the VITASOY brand and soy benefits as an alternative to dairy milk," said Mr. Winston Lo.

Australia and New Zealand

The Group's Australian operation continued to deliver strong business results. Net sales revenue was up by 13% in original Australian currency.

During the year, the Australian operation continued to pursue a product development strategy to enrich its product offerings and launched three new products in Australia and two products in New Zealand. The VITASOY brand also achieved the No. 1 market position in soy and rice milk combined category in Australia at the end of the financial year, supported by its strong brand name, premium product quality and diverse product range.

Whilst market competition remained fierce, the soy and rice milk markets in Australia picked up its growth momentum, as consumers preferred more healthy food products. Steady growth was also seen in the New Zealand grocery soy and rice milk markets.

"In order to strengthen our leading marketing position, we will continue to focus on our product and package innovation capabilities as well as maintaining our premium positioning. We will employ more aggressive promotion and marketing initiatives to drive category growth," Mr. Eisentrager added.



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North America

During the year, the Group further narrowed its operating loss and reported positive growth in net sales of 2% in its North American operation. The positive results were driven by focusing on profitable and fast-growing products, improvement in trade spending and further strengthening its position in the tofu segment. The sales of NASOYA and AZUMAYA tofu and pasta/wrap grew by 11% and 29% respectively. After an intensive review of the rapidly deteriorating business model for the aseptic soymilk for the mainstream market, the Group's North American operation elected to exit the loss making business in the last quarter of 2008. All necessary write-offs have been provided for in the operating loss for the year.

"Our North American operation will focus on core competencies, widen the product range of tofu and pasta businesses and Asian beverage, as well as expand distribution channels, including club stores and food service. Stronger product development will also be put on the tofu and wrap and pasta categories. We will continue to turnaround our business and develop a solid foundation for future growth," Mr. Eisentrager commented.

Singapore

The Group's Singaporean operation recorded an increase of total sales revenue by 26%, thanks to better product portfolio management and improved customer service. The UNICURD brand tofu has become the major growth driver in the key account channels. The export business of the Singaporean operation grew by 17% during the year.

"Under the economic recession, the growth of tofu consumption in Singapore is expected to slow down in certain channels in the coming year. We will continue to drive category growth by using our strengths in product innovation and brand building. The management of customer service and our customer base in the restaurant, wholesale and wet market channels will also be enhanced," said Mr. Eisentrager.

Business Outlook

"Looking ahead, the impact brought on by the global financial crisis makes the overall operating environment challenging and weakens spending, while market competition will remain severe. However, we find opportunities amidst challenges. With the prices of raw materials showing some relief from record highs, increases in home consumption and a growing demand for soy-



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based products. We are well poised to capture these opportunities given our established status as 'the Soy Expert'," Mr. Winston Lo concluded.

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Vitasoy International Holdings Limited is one of the leading manufacturers and distributors of non-carbonated drinks with a base in Hong Kong. Founded in 1940 and with production facilities in Hong Kong, Mainland China, Australia, the United States and Singapore, Vitasoy currently provides consumers in 40 markets worldwide with over 1,000 stock keeping units. Over the years, Vitasoy has successfully established a corporate image as "the Soy Expert". Vitasoy is a constituent stock of the Morgan Stanley Capital International ("MSCI") Hong Kong Small Cap Index.

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