



For Immediate Release

Solid Business Growth in Vitasoy's Operating Markets for FY2009/2010

Financial Highlights

Results	Consolidated results for the year ended 31 st March (excluding one-off provision*)			One-off provision*		Consolidated results for the year ended 31 st March (including one-off provision*)			% Change
	2010	2009	% Change	2010	2009	2010	2009	% Change	
	HK\$ Mn	HK\$ Mn		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn		
Net Sales Revenue	3,012	2,809	+7%	-	-	3,012	2,809	+7%	
Gross profit	1,498	1,314	+14%	-	(9)	1,498	1,305	+15%	
EBITDA	483	431	+12%	-	(25)	483	406	+19%	
Profit before taxation	375	326	+15%	-	(25)	375	301	+25%	
Profit after taxation	301	265	+13%	-	(21)	301	244	+23%	
Profit attributable to equity shareholders of the Company	260	238	+9%	-	(21)	260	217	+20%	
Basic earnings per Share (HK cents)	25.6	23.5	+9%	-	(2.1)	25.6	21.4	+20%	
Dividend (HK cents)	26.6	21.8	+22%	-	-	26.6	21.8	+22%	

* The one-off provision made in FY2008/2009 for leave entitlement of Hong Kong employees for the previous five-and-a-half years.

Hong Kong, 8th June 2010 – Vitasoy International Holdings Limited (“VIHL” or “the Company”) (SEHK Code:0345), a Hong Kong-based manufacturer, marketer and distributor of non-carbonated beverages and food, today announced a healthy growth of 7% in total net sales revenue to HK\$3,012 million for FY2009/2010. Gross profit and profit attributable to shareholders were HK\$1,498 million and HK\$260 million respectively, an increase of 15% and 20% from the previous year. The Company’s gross profit margin improved by 3 percentage points to 50%, driven by effective cost management and lower prices of raw materials in the first half of the year.

“This year we celebrate the 70th anniversary of the Company’s inception in Hong Kong. Our emphasis on delivering quality and healthy products, supported by product innovations, brand building and market penetration have gained the trust of consumers in the past seven decades and helped us strengthen our market position in those countries we operate.” Mr Winston Yau-lai Lo, Executive Chairman of VIHL said: “In the past year, the business focus of Hong Kong was to drive sales by increasing brand awareness and staying price competitive whereas in Mainland



Press Release

China and Australia/New Zealand, our continued investment in building brand equity and product development has yielded very satisfactory business results. We also successfully achieved a turnaround in our North American business and recorded profit for the first time in over a decade. We believe the steady performance of our business in our operating markets has laid a strong foundation for the sustainable growth of the Company in the future.”

Basic earnings per share were HK25.6 cents for the year. The Board of Directors of VIHL proposed the payment of a final dividend of HK13.4 cents per share, which together with the interim dividend of HK3.2 cents per share made a total dividend of HK16.6 cents per share (FY2008/09: HK11.8 cents per share, excluding special dividend) for the year ended 31st March 2010.

In view of the Company's business performance and strong cash position, the Board of Directors recommended the payment of a special dividend of HK10.0 cents per share (FY2008/09 special dividend: HK10.0 cents per share).

Hong Kong and Macau – Satisfactory Performance under a Challenging Environment

During the year, the operation reported net sales of HK\$1,470 million, representing a 1% increase over the previous year. The Company rolled out new marketing campaigns for core products, including VITASOY, VITA Lemon Tea, VITA Distilled Water and SANSUI Tofu, to drive brand awareness and fuel demand for products. Sales in Macau reported robust growth of 16%. However, the tuck shop business suffered severely from territory-wide school closures brought on by the swine flu pandemic in 2009 and that affected the overall performance of Hong Kong operation despite a good growth in beverages.

“To celebrate our 70th anniversary with consumers, we launched a 360-degree campaign, which included various above-the-line and consumer engagement programmes. The highlight of the campaign was the launch of 70th anniversary packs. The campaign has successfully projected a vibrant and youthful image and strengthened brand loyalty among the younger generation. Brand rejuvenation will continue to be a key driver in maintaining business growth,” said Mr Larry Eisentrager, Group Chief Executive Officer of VIHL.

Mainland China – Main Growth Driver of the Group

The Mainland China operation continued to deliver strong growth, and has become the main growth engine of the Company. Total net sales surged by 29% to HK\$729 million.

“Competition in the beverage industry has been becoming intense, following the recovery in the dairy industry. The joint efforts of our strong product development and aggressive marketing initiatives have withstood the pricing pressure from competitors and strengthened our brand position in the soymilk market, especially in Southern China. Our investment in soy education has paid off and stimulated stronger demand for our products,” said Mr Lo.

Looking forward, the Company will continue its investment in brand building in the market, especially Eastern China, to drive towards achieving critical mass. Following the successful introduction of new products such as VITASOY Black Bean Soymilk and VITASOY High-Fibre



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Slim, the Company will further enhance its product development capability and roll out new products addressing various consumer needs.

To cope with the rapid growth in business, the Company is building a new plant in Nanhai, Guangzhou which will commence operation in the next financial year. When it is fully geared up, the new plant will double the existing production capacity in Southern China.

Australia and New Zealand – Strong Sales and Category Growth

The business in Australia and New Zealand reported another successful year by delivering 22% growth in net sales revenue, partly due to the positive currency movement during the year. VITASOY has been one of the primary drivers of the category's growth. "We will continue our investment in brand building, product development and production capacity to drive volume growth," commented Mr Eisentrager.

North America – First Operating Profit Recorded in Over a Decade

The major restructuring in business has successfully helped the North American operation report positive contribution to the Company for the first time in over a decade. The market share and profit margins of core products have also increased. Operating profit was HK\$8 million, compared to a loss of HK\$6 million in the previous year.

"Riding on the good business momentum, we will concentrate on the business of core domestic NASOYA and AZUMAYA brands and Asian imported beverages, and our expanded customer base in both mainstream and Asian markets." said Mr Eisentrager.

Singapore – Driving Category Growth

The Singaporean business recorded an increase in product sales from supermarket and other channels and outperformed its competitors. Two new products with functional ingredients were added to the Company's product offering.

Outlook

"Looking forward, the business environment will be challenged by the fluctuation in raw material costs, the intensified uncertain economic conditions particularly in Europe and increased market competition. We will remain alert and adopt various measures to mitigate cost pressures and to face the operational challenges. We will also ensure our production facilities worldwide have enough capacity and invest in brand building for future growth. Last but not least, I would like to thank the Board of Directors and local business partners for their guidance and encouragement, our employees for their undivided dedication and our consumers for their loyal supports around the world in the past 70 years. The Board is committed to delivering outstanding results to shareholders when the Company steps into its eighth decade of operation," Mr Lo concluded.

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About Vitasoy



Press Release

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, Hang Seng Composite Index, Hang Seng Composite Industry Index – Consumer Goods and Heng Seng Composite SmallCap Index.

Vitasoy website: www.vitasoy.com

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