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(Incorporated in Hong Kong with limited liability)

(Stock code: 345)

PROFIT WARNING

This announcement is made by Vitasoy International Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance, Chapter 571, of the Laws of the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong, China”).

The board of directors of the Company (the “Board”) wishes to inform shareholders of the Company (the “Shareholders”) and potential investors that based on preliminary assessment of information currently available to the Board for the financial year ended 31 March 2022 (the “Financial Year”), the Group is expected to record a loss attributable to the Shareholders in the range of HK\$151,000,000 to HK\$172,000,000, as compared to a profit attributable to the Shareholders of HK\$548,346,000 in the previous year.

As disclosed in the Company’s interim financial report for the six months ended 30 September 2021, the Company suffered a significant reduction in sales during the second quarter of the Financial Year in Mainland China. Since then, the Company has experienced a strong recovery in sales in the second half of the Financial Year in Mainland China such that the year-on-year decline in sales has significantly narrowed compared to the first half of the Financial Year. Further, all the other operating units (Hong Kong, China; Australia & New Zealand; Singapore) have delivered revenue growth for the full Financial Year behind steady performance of both core business and innovation products.

Although the Group is expected to record a decline in profit for the second half of the Financial Year compared to the same period of last year, the decline in profit has narrowed compared to the first half of the Financial Year.

The Company expects to maintain its recovery in sales and to restore year-on-year growth in profit for the financial year of 2022/23 through robust product innovation, advertising and promotion investments, effective go-to-market execution and sales, as well as enhanced communications with consumers.

The loss attributable to the Shareholders expected to be recorded for the Financial Year is mainly attributable to:

1. A significant decline in sales in Mainland China during the peak summer months;
2. The Group obtained COVID-19 relief and subsidies of HK\$19.8 million from the governments during the Financial Year, compared to last year's HK\$225.0 million; and
3. Substantial non-recurring expenses and impairment costs associated with the relocation of the Shenzhen operation to a modern facility in Dongguan as part of our manufacturing innovation program.

This profit warning announcement is based only on the preliminary assessment made by the Board with reference to the management's estimates after taking into account the information currently available (including the unaudited consolidated management accounts of the Company for the Financial Year which have not been audited by the Company's auditor). The Company is in the process of finalizing the annual results for the Financial Year. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the Financial Year, which is expected to be published before the end of June 2022.

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

By Order of the Board
Vitasoy International Holdings Limited
Winston Yau-lai LO
Executive Chairman

Hong Kong, China, 12 May 2022

As at the date of this announcement, Mr. Winston Yau-lai Lo, Mr. Roberto Guidetti and Mr. Eugene Lye are executive directors. Ms. Yvonne Mo-ling Lo, Mr. Peter Tak-shing Lo and Ms. May Lo are non-executive directors. Dr. the Hon. Sir David Kwok-po Li, Mr. Jan P. S. Erlund, Mr. Anthony John Liddell Nightingale, Mr. Paul Jeremy Brough and Dr. Roy Chi-ping Chung are independent non-executive directors.