
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Vitasoy International Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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

A notice convening the Annual General Meeting of the Company to be held at Salon 1-3, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 3rd September, 2009 at 4:00 p.m., at which the above proposals will be considered, is being dispatched to shareholders together with this circular. Whether or not you are able to attend the Annual General Meeting, you are required to complete and return the form of proxy enclosed with the Annual Report that is being dispatched to the shareholders, in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time of the Annual General Meeting. Completion of the form of proxy shall not preclude you from attending and voting at the Annual General Meeting should you so wish.

15th July, 2009

LETTER FROM THE CHAIRMAN



維他奶國際集團有限公司

VITASOY INTERNATIONAL HOLDINGS LTD.

(Incorporated in Hong Kong with limited liability)
(Stock code: 345)

Directors:

Mr. Winston Yau-lai LO (*Executive Chairman*)

Dr. The Hon. Sir David Kwok-po LI

(*Independent Non-executive Director*)

Mr. Iain F. BRUCE (*Independent Non-executive Director*)

Mr. Jan P. S. ERLUND (*Independent Non-executive Director*)

Ms. Myrna Mo-ching LO (*Non-executive Director*)

Ms. Yvonne Mo-ling LO (*Non-executive Director*)

Mr. Laurence P. EISENTRAGER (*Executive Director*)

Mr. Eric Fat YU (*Executive Director*)

Registered Office:

No.1 Kin Wong Street,
Tuen Mun,
New Territories,
Hong Kong

15th July, 2009

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

At the Annual General Meeting, resolutions will be proposed to renew General Mandates granted to the directors of the Company (the “Directors”) to issue shares and repurchase shares and to re-elect retiring Directors of the Company.

The purpose of this circular is to provide you with information regarding the above proposals and to seek the approval of shareholders for the resolutions relating to such matters at the Annual General Meeting.

GENERAL MANDATE TO THE DIRECTORS FOR REPURCHASE OF SHARES

An ordinary resolution will be proposed at the Annual General Meeting to give a Repurchase Mandate to the Directors at any time until the first to occur of the conclusion of the next annual general meeting of the Company following the passing of the resolution (unless the mandate is renewed at such meeting) or the expiration of the period within which the next annual general meeting of the Company is required by

LETTER FROM THE CHAIRMAN

the Companies Ordinance or the Company's Articles of Association to be held or until the mandate is revoked or varied by an ordinary resolution of the Company's shareholders in general meeting. The shares of the Company which may be repurchased pursuant to the Repurchase Mandate is limited to a maximum of 10% of the issued share capital of the Company at the date of the resolution approving the Repurchase Mandate.

GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to issue further new shares representing up to 20% of the aggregate nominal amount of the share capital of the Company in issue on the date the resolution is passed. Subject to the passing of the ordinary resolution to approve the General Mandate to issue new shares and on the basis of the issued share capital of the Company of 1,015,623,500 Shares as at 13th July, 2009 (the "Latest Practicable Date" prior to the printing of this document) and assuming that no further shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed to issue a maximum of 203,124,700 Shares. In addition, an ordinary resolution will also be proposed to authorise an extension of such General Mandate to be granted to the Directors to issue new shares during the period up to the next annual general meeting of the Company or such earlier period as stated in the relevant resolution by adding to it the number of shares repurchased under the Repurchase Mandate.

RE-ELECTION OF DIRECTORS

Three Directors will retire from office by rotation at the Annual General Meeting pursuant to Article 104 of the Company's Articles of Association and will offer themselves for re-election. The details of those three Directors are as follows:

Dr. The Hon. Sir David Kwok-po LI, aged 70, was appointed an Independent Non-executive Director of the Company in 1994. Sir David holds Honorary Doctorate Degrees in Law from the Universities of Cambridge, Warwick and Hong Kong. He also holds Honorary Doctorate Degrees from Lingnan University (Social Sciences), Trinity College, Hartford (Humane Letters), Edinburgh Napier University (Business Administration) and Imperial College London (Science). He is Fellow of the Chartered Institute of Bankers, the Institute of Chartered Accountants in England and Wales and the Australian Society of Certified Practising Accountants. Sir David is the chairman and chief executive of The Bank of East Asia, Limited, a company listed on the Hong Kong Stock Exchange. He is the chairman of the Chinese Banks' Association, Limited and the Hong Kong Management Association. He is a member of the Legislative Council of the Hong Kong Special Administrative Region. He is also a member of the Banking Advisory Committee and the Council of the Treasury Markets Association. Sir David is a director of Hong Kong Interbank Clearing Limited, The Hong Kong Mortgage Corporation Limited. He is also a director of China Overseas Land & Investment Limited, COSCO Pacific Limited, Guangdong Investment Limited, The Hong Kong and China Gas Company Limited, The Hongkong and Shanghai Hotels, Limited, PCCW Limited, San Miguel Brewery Hong Kong Limited, SCMP Group Limited, AFFIN Holdings Berhad, Criteria CaixaCorp, S.A. and IMG Worldwide Inc., all being companies listed either in Hong Kong or overseas. He was a director of AviChina Industry & Technology Company Limited, China Merchants China Direct Investments Limited and Dow Jones & Company, Inc., all being companies listed either in Hong Kong or overseas. Save as disclosed, he has not held any directorship in other listed public companies in the last three years.

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Sir David is not related to any Director, senior management or substantial or controlling shareholder of the Company. Sir David has not held any positions with the Company and other members of the Group in the last three years.

As at the Latest Practicable Date, Sir David had a personal interest of 6,000,000 shares in the Company (representing 0.59 per cent of the issued share capital of the Company) within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) as recorded in the register required to be kept under section 352 of the SFO.

As an Independent Non-executive Director, Sir David has not entered into any service contract with the Company.

Sir David is not appointed for a specific term but is subject to retirement by rotation and re-election at the Company’s Annual General Meeting in accordance with Article 104 of the Articles of Association. The fee payable to Sir David is determined by the Board of Directors of the Company with reference to his duties and responsibilities with the Company and the market benchmark. The Director’s fee of Sir David as an Independent Non-executive Director and a member of the Audit Committee and the chairman of the Remuneration and Nomination Committee will be at an amount of HK\$274,745 for the year of 2009/2010.

Save as disclosed above, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) (h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Company’s shareholders.

Mr. Jan Peter Seeberg ERLUND, aged 70, was appointed an Independent Non-executive Director of the Company in 2006. He graduated with a Master degree in Law from the University of Aarhus and studied at the Nordic Institute for Maritime Law, the University of Oslo. Mr. Erlund was admitted to the Danish Bar in 1968 and was admitted to the Supreme Court in 1976. Mr. Erlund is now a partner in Copenhagen Chambers focusing on Danish and international arbitration. He was a partner of Gorrissen Federspiel Kierkegaard, a law firm in Copenhagen, Denmark. He was the president of the Danish Bar and Law Association, president of the Danish Maritime Law Association and chairman of the Maritime and Transport Committee of the International Bar Association. Mr. Erlund is the chairman of the board of directors of Dansk Skovselskab A/S and deputy chairman of ERRIA A/S, both being listed on the Stock Exchange in Denmark. Mr. Erlund was a member of the board of directors of PSA International Pte. Ltd.. He was the chairman of the board of directors of The East Asiatic Company Ltd., a company listed on the Stock Exchange in Denmark. Save as disclosed, he has not held any directorship in other listed public companies in the last three years.

Mr. Erlund is not related to any Director, senior management or substantial or controlling shareholder of the Company. Mr. Erlund has not held any positions with the Company and other members of the Group in the last three years.

As at the Latest Practicable Date, Mr. Erlund had a personal interest of 100,000 shares in the Company (representing 0.01 per cent of the issued share capital of the Company) within the meaning of Part XV of the SFO as recorded in the register required to be kept under section 352 of the SFO.

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As an Independent Non-executive Director, Mr. Erlund has not entered into any service contract with the Company.

Mr. Erlund is not appointed for a specific term but is subject to retirement by rotation and re-election at the Company's Annual General Meetings in accordance with Article 104 of the Articles of Association. The fee payable to Mr. Erlund is determined by the Board of Directors of the Company with reference to his duties and responsibilities with the Company and the market benchmark. The Director's fee of Mr. Erlund as an Independent Non-executive Director and the member of the Audit Committee and Remuneration and Nomination Committee will be at an amount of HK\$269,138 for the year of 2009/2010.

Save as disclosed above, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) (h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Company's shareholders.

Mr. Eric Fat YU, aged 59, was appointed an Executive Director of the Company in 1989. Mr. Yu obtained a higher certificate in mechanical engineering from the Hong Kong Technical College. Mr. Yu is the Group's Senior Director - Manufacturing and Project Management. He has experience in engineering works and project management whilst working previously with a number of companies overseas. He joined the Group in 1974. He is now responsible for the formulation of the Group's manufacturing policy and strategy and the management of the Group's new joint venture project.

Mr. Yu is not related to any Director, senior management or substantial or controlling shareholder of the Company. Mr. Yu holds directorships in certain companies controlled by the Company and does not hold/has not held any directorship in other listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Yu had a personal interest of 2,587,000 shares in the Company (representing 0.25 per cent of the issued share capital of the Company) within the meaning of Part XV of the SFO as recorded in the register required to be kept under section 352 of the SFO, which include 2,512,000 underlying shares attached to the share options granted by the Company.

The Director's fee payable to Mr. Yu is determined by the Board of Directors of the Company with reference to his duties and responsibilities with the Company and the market benchmark. The Director's fee of Mr. Yu as an Executive Director will be at an amount of HK\$82,236 for the year of 2009/2010. There exists a service agreement between Mr. Yu and the Company for a term of three years starting from 1st April, 2009 ("Service Agreement") under which the amount of his emoluments, inclusive of basic salary and other allowances, is approximately HK\$1,771,150 per annum. In addition, a discretionary bonus is payable under the Service Agreement to Mr. Yu with the amount of such bonus to be fixed at the discretion of the Company each year. The emoluments and discretionary bonus payable to Mr. Yu under the Service Agreement is determined by the Company with reference to the Company's and individual performance, the industry benchmark and general market conditions. Mr. Yu is subject to retirement by rotation and re-election at the Company's Annual General Meeting in accordance with Article 104 of the Articles of Association.

Save as disclosed above, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) (h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Company's shareholders.

LETTER FROM THE CHAIRMAN

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the Annual General Meeting will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

ACTION TO BE TAKEN

A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you intend to attend at the Annual General Meeting, you are requested to complete and return the form of proxy to the registered office of the Company in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time fixed for the meeting. The completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting if you so wish.

RECOMMENDATION

The Directors believe that the General Mandate to issue new shares and the Repurchase Mandate, and the re-election of Directors are in the best interests of the Company and its shareholders. Accordingly, the Directors recommend all shareholders to vote in favour of the resolutions to be proposed at the Annual General Meeting.

By Order of the Board
Winston Yau-Lai LO
Executive Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate and should be read in conjunction with the Chairman's Letter on pages 1 to 5 of this circular.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,015,623,500 shares of HK\$0.25 each ("Share").

Subject to the passing of the ordinary resolution to approve the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 101,562,350 Shares.

2. FUNDING OF REPURCHASES

Repurchases would be funded entirely from the Company's available cash flow or working capital facilities legally available for the purpose and in accordance with the laws of Hong Kong Special Administrative Region and the Memorandum and Articles of Association of the Company.

In the event that the proposed Share repurchases were to be carried out in full at any time during the proposed repurchase period there could be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the Company's latest published audited consolidated accounts for the year ended 31st March, 2009). However, the Directors do 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 requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

3. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve months prior to the Latest Practicable Date were as follows:

	Per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
July 2008	4.00	3.58
August 2008	4.00	3.46
September 2008	4.14	2.70
October 2008	3.70	2.50
November 2008	3.34	2.69
December 2008	3.50	2.80
January 2009	3.58	3.11
February 2009	3.40	3.15
March 2009	3.60	3.12
April 2009	3.66	3.30
May 2009	3.95	3.48
June 2009	4.29	3.73
July 2009 (<i>up to Latest Practicable Date</i>)	4.66	3.98

4. GENERAL

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchases pursuant to the ordinary resolution proposed at the Annual General Meeting in accordance with the Listing Rules and the laws of Hong Kong Special Administrative Region.

If, on the 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 increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers ("Code"). Accordingly, a shareholder, or a group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer under Rule 26 of the Code. As at the Latest Practicable Date, Mr. Winston Yau-lai Lo and his immediate family were interested in 82,684,300 Shares, representing approximately 8% of the issued share capital of the Company, which together represented the single largest shareholding in the Company as at that date. In the event that the Repurchase Mandate is exercised in full, the interest of Mr. Winston Yau-lai Lo and his immediate family would be increased to approximately 9% of the issued share capital of the Company. The Directors are not aware of any consequences which may arise under the Code as a result of any repurchase made under the Repurchase Mandate.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate if such Repurchase Mandate is approved by the Company's shareholders.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Company's shareholders.

5. SHARE REPURCHASES MADE BY THE COMPANY

No Share repurchases have been made by the Company (whether on the Stock Exchange or otherwise) in the six months prior to the Latest Practicable Date before the printing of this document.

6. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its shareholders to seek a general authority from the shareholders to enable the Directors to repurchase Shares of the Company in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing.

NOTICE OF ANNUAL GENERAL MEETING



(Incorporated in Hong Kong with limited liability)
(Stock code: 345)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Salon 1-3, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 3rd September, 2009 at 4:00 p.m. for the following purposes:

1. To receive and adopt the audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31st March, 2009;
2. To approve the payment of a final dividend in respect of the year ended 31st March, 2009;
3. To approve the payment of a special dividend in respect of the year ended 31st March, 2009;
4. To re-elect Directors and fix their remuneration;
5. To appoint Auditors and authorise the Directors to fix their remuneration;
6. As special business, to consider and, if thought fit, to pass with or without amendments, the following resolutions as Ordinary Resolutions:
 - A. **“THAT** there be granted to the Directors of the Company an unconditional general mandate to issue, allot and deal with additional shares in the capital of the Company, and to make or grant offers, agreements and options in respect thereof, subject to the following conditions:
 - (a) such mandate shall not extend beyond the Relevant Period (as defined below) save that the Directors of the Company may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
 - (b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company; and (iii) an issue of shares pursuant to the exercise of any options which may be granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, shall not exceed the aggregate of (aa) 20 per cent of the aggregate

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nominal amount of the share capital of the Company in issue at the date of passing of this resolution plus (bb) (if the Directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent 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 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 Articles of Association of the Company or any applicable laws 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 of the Company made to holders of shares on the Register of the Company on a fixed record date in proportion to their then holdings of shares subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restriction or obligation under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, or in any territory outside, Hong Kong.”

- B. “**THAT** there be granted to the Directors of the Company an unconditional general mandate to repurchase shares of HK\$0.25 each in the capital of the Company, and **THAT** the exercise by the Directors of the Company of all powers of the Company to purchase shares subject to and in accordance with all applicable laws, rules and regulations be and is hereby generally and unconditionally approved, subject to the following conditions:

- (a) such mandate shall not extend beyond the Relevant Period (which shall have the same meaning for the purpose of this resolution, mutatis mutandis, as given in paragraph (c) of Resolution 6A set out in the Notice of Annual General Meeting);

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- (b) such mandate shall authorise the Directors of the Company to procure the Company to repurchase shares at such prices as the Directors of the Company may at their discretion determine; and
 - (c) the aggregate nominal amount of shares repurchased or agreed to be repurchased by the Company pursuant to paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution and the said approval shall be limited accordingly.”
- C. “**THAT**, conditional upon the passing of Resolutions 6A and 6B set out in the Notice of Annual General Meeting, the aggregate nominal amount of the shares which are repurchased by the Company pursuant to and in accordance with Resolution 6B set out in the Notice of Annual General Meeting shall be added to the aggregate nominal amount of the shares which may be allotted or agreed, conditionally or unconditionally, to be allotted by the Directors of the Company pursuant to and in accordance with Resolution 6A set out in the Notice of Annual General Meeting”.

By Order of the Board
Paggie Ah-hing TONG
Company Secretary

Hong Kong, 15th July, 2009

Notes:

1. A shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
2. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited with the Company Secretary at the Registered Office of the Company at No. 1 Kin Wong Street, Tuen Mun, New Territories, Hong Kong not less than 48 hours before the appointed time for holding the meeting or any adjournment hereof (as the case may be).
3. The Register of Members of the Company will be closed from Monday, 31st August, 2009 to Thursday, 3rd September, 2009 (both days inclusive) during which period no transfer of shares will be effected. In order to qualify for the final and special dividends, all transfers, accompanied by the relevant share certificates should be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, Hong Kong for registration not later than 4:00 p.m. on Friday, 28th August, 2009.