



EU YAN SANG INTERNATIONAL LTD
269A South Bridge Road, Singapore 058818
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For Immediate Release

Eu Yan Sang's FY2010 net profit climbs 48% to S\$19.3 million

- **FY2010 revenue improves 10% to S\$244.7 million; tenth consecutive year of record sales since listing in 2000**
- **Proposes dividend of 2.5 cents per share**
- **Proposes 1-for-5 bonus shares issue**
- **Continues expansion through strategic acquisitions and partnerships**

Singapore, 26 August 2010 – SGX mainboard-listed Eu Yan Sang International Ltd (“EYS”, “the Group” or “余仁生国际企业”), a progressive, global healthcare company with a strong foundation in Traditional Chinese Medicine (TCM) and integrative healthcare, posted an increase of 48% in net profit to S\$19.3 million for its financial year ended 30 June 2010 (FY2010) on the back of a tenth year of record revenue of S\$244.7 million since its listing.

Financial Highlights (S\$'000)	FY2010 ended 30 Jun 10	FY2009 ended 30 Jun 09	% Change
Revenue	244,715	222,465	10%
Gross Profit	124,453	113,575	10%
<i>Gross Profit Margin</i>	<i>51%</i>	<i>51%</i>	-
Operating Profit	23,266	20,272	15%
Profit for the year	19,288	13,069	48%
Profit for the year to shareholders	19,207	13,051	47%
EPS [^] (cents)	5.32	3.62	47%

[^]: Calculated on fully diluted basis.



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The Group's higher revenue in FY2010 was mainly attributed to the increase in retail sales in all its three core markets, namely Hong Kong, Malaysia and Singapore. Lower operating costs and better same store sales contributed to a better operating profit before tax. The higher net profit was also further boosted by S\$1.5 million from a fair value gain on property, plant and equipment and a fair value gain on investment properties.

Buoyed by a strong cash generated from operations of S\$31.3 million, the Group ended FY2010 financially stronger with cash-on-hand of S\$35.6 million compared to S\$25.4 million the year before.

Mr Richard Eu (余义明), Group CEO remarked, "With a good set of results for FY2010, we are able to propose a dividend of 2.5 cents per share and a 1-for-5 bonus shares issue to reward shareholders." The proposed dividend of 2.5 cents (FY09: 2.2 cents), comprising a final dividend of 1 cent and a special dividend of 1.5 cents, will be subject to the approval of shareholders during the upcoming Annual General Meeting. The listing and quotation of the bonus share issue is subject to in-principle approval by SGX.

Operations Review

Retail-TCM recorded a surge of 13% in revenue to S\$197.6 million for FY2010, demonstrating the increasing preference of the Group's product from consumers. Wholesale-TCM revenue dipped 5% in revenue due to lower exports to China owing to a license renewal issue. Sales of the Group's top five selling products, namely Bottled Bird's Nest, Bo Ying Compound, Bak Foong Pills, Lingzhi Cracked Spores Capsules and Essence of Chicken, continued to show steady growth. Clinic-TCM revenue maintained at S\$14.3 million.

In geographical and local currency terms, Malaysia continued its surge in revenue, recording a 19% increase. Hong Kong remained the Group's largest market, posting 11% growth. Singapore recorded 8% growth in revenue. The impressive performance by Malaysia was contributed partly by the excellent hamper sales and the improving performance from the Group's new sub-brands such as *Yen* and *HoneyMart*.



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As at 30 June 2010, the Group had 159 Eu Yan Sang retail stores, with a net increase of 5 outlets from the previous year, and 6 sub-brand outlets, giving a total retail presence of 165 stores. The Group also opened a second Integrative Medical Centre in Hong Kong. The total number of clinics stood at 21 as at 30 June 2010.

Business Development

The Group will continue to look into expansion through strategic acquisitions and partnerships. The recent acquisition of a substantial stake in Healthzone Limited (HZL) and the ongoing collaborations with Nestle and Blackmores are part of such expansion efforts.



Healthy Life store of Healthzone Limited



Range of products from strategic partnerships

Mr Eu added, “We will continue our two-prong approach to grow our company. Through our branding efforts, we can widen our reach to new consumer segments. Through research and development, we will have a pipeline to introduce new TCM and health food products and services.”

- The End -



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CORPORATE PROFILE

About Eu Yan Sang International Limited (SGX: EYSI)

Listed on the Singapore Exchange, Eu Yan Sang International Limited (Eu Yan Sang) is a progressive, global healthcare company with a strong foundation in Traditional Chinese Medicine (TCM) and integrative healthcare. It is one of the largest TCM groups in Asia and a leader in adopting a scientific approach in the production of TCM products.

The Group has come a long way from its humble beginnings offering TCM remedies to tin mine coolies in Gopeng, Perak, Malaysia 130 years ago. Today, Eu Yan Sang is a household name in Asia with an unrivalled reputation in leading TCM to greater heights. The Group's vision is to bridge the gap between Eastern and Western health care practices through a holistic approach to preventative care and wellness.

Eu Yan Sang is focused on quality and innovation to ensure its products meets the need of today's discerning customers. By using science, research and development and state-of-the-art technology, the Group has brought its business into the 21st century. The Group's ability to control the total supply chain – from the sourcing of its raw materials to the production and distribution of its products and the provision of treatments gives the Group a competitive edge in the industry.

Apart from retailing fine quality Chinese herbs and Chinese Proprietary Medicines, Eu Yan Sang also retails health foods and supplements. Currently, the Group offers more than 300 products under the Eu Yan Sang brand name and over 1,000 different types of Chinese herbs and other medicinal products. Manufacturing activities are carried out in two of its GMP-certified (Good Manufacturing Practice) factories located in Hong Kong and Malaysia.

As of 30 June 2010, the Group had an extensive distribution network comprising more than 160 Eu Yan Sang and sub-brands retail outlets in China, Hong Kong, Macau, Malaysia and Singapore. Its products are available in drugstores, pharmacies, medical halls, supermarkets, convenience stores, hospitals, health clubs and spas worldwide. The Group also operates a chain of 19 TCM Clinics in Singapore and Malaysia, and two Integrative Medical Centres in Hong Kong.

With the acquisition of Healthzone Limited (HZL), an ASX-listed distributor, franchise retailer and brand owner of health, beauty and natural health products; Eu Yan Sang is better positioned to make further inroads into Australia and China.

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