



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

## **Eu Yan Sang's 3QFY2011 net profit to shareholders increases 47% y-o-y to S\$11.2 million**

- **3QFY2011 revenue up 9% y-o-y to S\$81.7 million**
- **9MFY2011 net profit to shareholders of S\$19.4 million surpasses 12MFY2010's S\$19.2 million**
- **Group looks forward to another successful FY2011**

**Singapore, 12 May 2011** – 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, recorded an increase of 47% in its net profit to shareholders to S\$11.2 million for its third financial quarter ended 31 March 2011 (3QFY2011). 9MFY2011 net profit to shareholders improves 22% to S\$19.4 million surpassing 12MFY2010's net profit of S\$19.2 million.

<b>Financial Highlights (S\$ '000)</b>	<b>3QFY2011 ended 31 Mar 11</b>	<b>3QFY2010 ended 31 Mar 10</b>	<b>% Change</b>	<b>9MFY2011 ended 31 Mar 11</b>	<b>9MFY2010 ended 31 Mar 10</b>	<b>% Change</b>
Revenue	81,661	75,226	9%	203,294	186,841	9%
Gross Profit	39,095	35,955	9%	102,372	94,492	8%
<i>Gross Profit Margin</i>	<i>47.9%</i>	<i>47.8%</i>	-	<i>50.4%</i>	<i>50.6%</i>	-
Operating Profit	13,009	9,625	35%	26,052	20,345	28%
Profit attributed to shareholders	11,189	7,602	47%	19,398	15,948	22%
EPS <sup>^</sup> (cents)	2.84	2.10	35%	4.92	4.41	12%

<sup>^</sup>: Calculated on fully diluted basis, adjusted for the 1-for-5 bonus shares issued in November 2010

The net profit improvement is largely attributed to a 9% increase in 3QFY2011 revenue to S\$81.7 million and the stable operating expenses, demonstrating the robustness of the Group's business model.



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Commenting on the sterling results, Mr Richard Eu (余义明), Group CEO said, “In nine months, we have already achieved our entire financial year 2010 net profit. Nonetheless, we will continue to work hard to sustain such growth for the long term.”

The Group’s higher revenue in 3QFY2011 was mainly attributed to the increase in its business segments of Retail-TCM and Clinic-TCM. 3QFY2011 gross margins remained stable at 47.9% while total operating expenses dipped 1%, reflecting the Group’s prudent cost control. As a result profit before tax improved 34% to S\$12.9 million. 3QFY2011 tax expenses were lower; consequently, net profit to shareholders improved 47% to S\$11.2 million.

As the Group’s results are expressed in Singapore dollars for all its overseas markets, the recent weakening of the US dollar has pruned the growth of revenue and profit when viewed in Singapore dollars. Had the exchange rate for 9MFY2010 been applied to 9MFY2011 results, net profit would have been S\$20.4 million, an increase of 27%, instead of the actual 22%.

Cash and cash equivalent further strengthened to S\$41.5 million as at 31 March 2011 contributed by the net cash generated by operating activities in 3QFY2011 of S\$15.9 million.

### **Operations Review**

3QFY2011 Retail-TCM revenue increased 11% to S\$70.0 million, demonstrating the continued consumer recognition and trust of the Group’s brand in its regional markets. Bottled Bird’s Nest, Bo Ying Compound, Bak Foong Pills, Lingzhi Cracked Spores Capsules and Essence of Chicken retained as the Group’s top selling products.

Wholesale-TCM revenue however decreased by 14% to S\$7.2 million largely due to the slower stock replenishment by wholesalers during the Chinese New Year period. Clinic-TCM revenue improved 9% to S\$3.8 million, reflecting the continual growing acceptance of TCM treatment.



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In geographical and local currency terms, Hong Kong, the Group's largest market, surged ahead with a strong 18% growth in revenue. However, the strengthening of the Singapore dollar against the Hong Kong dollar trimmed this growth when viewed in Singapore dollars. Singapore maintained its revenue growth with 7% increase while Malaysia recorded a 6% increase.

Mr Eu added, "We have added 16 stores to our retail network in just 9 months, surpassing our target for the entire current financial year." As at 31 March 2011, the Group had 179 retail stores and a chain of 23 TCM Clinics in Singapore and Malaysia, and two Integrative Medical Centres in Hong Kong.

## **Outlook**

With the economies in the Group's core markets growing steadily, the Group will continue to leverage on its competency and explore opportunities to grow its core business. Following the strong performance for its first nine months, the Group expects a better FY2011 compared to FY2010.

- The End -

## **CORPORATE PROFILE**

(As at May 2011)

### **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 131 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.



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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 21<sup>st</sup> 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 31 March 2011, the Group had an extensive distribution network comprising more than 170 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 23 TCM Clinics in Singapore and Malaysia, and two Integrative Medical Centres in Hong Kong.

With the investment in 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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