


PRESS RELEASE - EU YAN SANG POSTS RECORD EARNINGS OF S\$24.9 MILLION FOR ITS FY2011 *
FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT

* Asterisks denote mandatory information

Name of Announcer *	EU YAN SANG INTERNATIONAL LTD
Company Registration No.	199302179H
Announcement submitted on behalf of	EU YAN SANG INTERNATIONAL LTD
Announcement is submitted with respect to *	EU YAN SANG INTERNATIONAL LTD
Announcement is submitted by *	Danny Heng Hang Siong
Designation *	Chief Financial Officer & Company Secretary
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

For the Financial Period Ended *	30-06-2011
Description	Please see attached.
Attachments	 EYS_FY11_PressRelease.pdf Total size = 75K (2048K size limit recommended)



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For Immediate Release

Eu Yan Sang posts record earnings of S\$24.9 million for its FY2011

- **FY2011 revenue increases 9% to S\$266.3 million; eleventh consecutive year of record sales since listing in 2000**
- **Operating profit up 35% to S\$31.4 million on lower than proportionate increase in total expenses, reflecting robustness of business model**
- **Proposes dividend of 2.2 Singapore cents per share**
- **Organic growth of 26 new retail outlets in FY2011 brings total to 185**

Singapore, 25 August 2011 – SGX mainboard-listed Eu Yan Sang International Ltd (“EYS”, “the Group” or “余仁生国际企业”), a trusted global integrative healthcare and wellness company with a strong foundation in Traditional Chinese Medicine (TCM), posted an increase of 30% in net profit to shareholders to S\$24.9 million for its financial year ended 30 June 2011 (FY2011) on the back of a eleventh year of record revenue of S\$266.3 million since its listing.

Table 1: Financial Highlights

Financial Highlights (S\$'000)	FY2011 ended 30 Jun 11	FY2010 ended 30 Jun 10	% Change
Revenue	266,330	244,715	9%
Gross Profit	135,029	124,453	8%
<i>Gross Profit Margin</i>	<i>51%</i>	<i>51%</i>	-
Operating Profit	31,441	23,266	35%
Taxation	(8,523)*	(4,823)	77%
Profit for the year	24,939	19,288	29%
Profit for the year to shareholders	24,878	19,207	30%
EPS^ (cents)	5.61	4.42**	27%

*: includes a one-off tax expense of S\$1.8 million

** : Restated as a result of bonus issue on 25 November 2010

^: Calculated on fully diluted basis.



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The Group's higher revenue in FY2011 was mainly attributed to the increase in its business segments of Retail-TCM and Clinic-TCM. As the Group's financial reporting is expressed in Singapore currency, the stronger Singapore dollar has negatively impacted the Group's reporting results. If we compare FY2011 results with FY2010's using the same exchange rate, the Group's revenue growth would have been 13% and the net profit growth 37%.

Table 2: Impact of Strong Singapore Dollar

(S\$'000)	Actual FY2011	FY2011 (applying FY10 forex rate)	Variance	Actual FY2010	% Change
Revenue	266,330	275,688	9,358	244,715	13%
Gross Profit	135,029	139,649	4,620	124,453	12%
<i>Gross Profit Margin</i>	<i>51%</i>	<i>51%</i>	-	<i>51%</i>	-
Operating Profit	31,441	33,610	2,169	23,266	44%
<i>Operating Profit Margin</i>	<i>11.8%</i>	<i>12.2%</i>	-	<i>9.5%</i>	-
Profit to shareholders	24,579	26,378	1,799	19,207	37%
<i>Net Profit Margin</i>	<i>9.2%</i>	<i>9.6%</i>	-	<i>7.9%</i>	-

Mr Richard Eu (余义明), Group CEO remarked, "Our robust business model has helped us to increase our sales while limiting operating expenses. As a result, operating profit improved 35% to S\$31.4 million."

As reported earlier, a one-off additional tax expense incurred in 2QFY2011 trimmed the increase in net profit for the year to 28%. Notwithstanding the higher tax for FY2011, the Group posted a record net profit to shareholders of S\$24.9 million. FY2011 also marks the first time the earnings of the Group's associate company, Healthzone Limited, are accounted in the Group's financial results.

Mr Richard Eu (余义明), Group CEO remarked, "With a good set of results for FY2011, we are able to propose a dividend of 2.2 cents per share to reward shareholders. This is a 6% increase over last year's dividends, taking into consideration the 1-for-5 bonus issue." The proposed dividend, comprising a final dividend of 1 cent and a special dividend of 1.2 cents, will be subject to the approval of shareholders during the upcoming Annual General Meeting.



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Operations Review

FY2011 Retail-TCM revenue increased 11% to S\$219.9 million on better same stores sales and the opening of new stores, demonstrating the continued consumer acceptance and trust of the Group's brand in the region. Bottled Bird's Nest, Bo Ying Compound, Bak Foong Pills, Lingzhi Cracked Spores Capsules and Essence of Chicken remained as the Group's top selling products.

Wholesale-TCM revenue however decreased 10% to S\$28.0 million largely due to the slower stock replenishment by wholesalers. Clinic-TCM revenue improved 11% to S\$15.9 million, reflecting the continual acceptance of TCM treatment.

In geographical and local currency terms, all the Group's three core markets posted double-digit growth in revenue. Hong Kong, the Group's largest market, posted a strong 14% growth. However, the strengthening of the Singapore dollar against the Hong Kong dollar trimmed this growth when viewed in Singapore dollars. Singapore posted a growth of 13% while Malaysia returned with a 10% increase.

Mr Eu added, "We have added 26 stores to our retail network in FY2011, surpassing our target. These new stores are mostly in our core markets of Hong Kong, Singapore and Malaysia, dispelling the misconception that these markets are saturated. We also added four new clinics in FY2011." As at 30 June 2011, the Group had 185 retail stores and sub-brand stores and a chain of 23 TCM Clinics in Singapore and Malaysia, and two Integrative Medical Centres in Hong Kong.

Outlook

The sovereign debt problems of USA and a few European countries have brought uncertainty to the global financial situation and economic outlook. Nonetheless, the Group is cautiously optimistic that with the rising affluence of Asia and the consequent increase in domestic consumption, it will continue to maintain steady growth.

- The End -



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CORPORATE PROFILE

(As at Aug 2011)

About Eu Yan Sang International Limited (SGX: EYSI)

Listed on the Singapore Exchange, Eu Yan Sang International Limited (Eu Yan Sang) is a trusted global integrative healthcare and wellness company with a strong foundation in Traditional Chinese Medicine (TCM). Eu Yan Sang is an industry leader, and one of the largest TCM groups in South East Asia. It is at the forefront of adopting a modern and scientific approach in the production and retailing of both TCM and wellness products.

The Group has come a long way from its humble beginnings offering TCM remedies to tin mine coolies in Gopeng, Perak, Malaysia over 130 years ago. Today, Eu Yan Sang is a household name in Asia with an unrivalled reputation as the leader in the TCM industry.

Eu Yan Sang'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 an excellent competitive edge in the industry.

To give an added assurance to consumers, the Group developed the world's first certification standard for TCM herbs, called the "Eu Yan Sang Good Agronomic Practices for Herbs (EYSGAP-Herbs) Certification". This certification ensures world-leading standards are maintained at all stages of growing, processing and retailing of TCM herbs.

Eu Yan Sang is also developing a world first integrated online portal to keep track of TCM herbs throughout the whole value chain, known as "integrated Good Agronomic Practices for Traditional Chinese Medicine Electronic System" (iGATES).

Apart from retailing fine quality Chinese herbs and Chinese Proprietary Medicines, Eu Yan Sang also retails health foods and supplements. This is complemented by continual education and public awareness initiatives, as part of Eu Yan Sang's aim to promote an easy understanding of TCM, thus making it more accessible to the modern consumer. 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 Practices) factories located in Hong Kong and Malaysia.

As of August 2011, Eu Yan Sang has an extensive distribution network comprising 186 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 2 Integrative Medical Centres in Hong Kong.

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