

FULL YEAR RESULTS * 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_SGXNET_Finalized.pdf Total size = 138K (2048K size limit recommended)

Unaudited Financial Statements And Dividend Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		Change
	Year ended	Year ended	
	30-Jun-11	30-Jun-10	
	S\$'000	S\$'000	
Revenue	266,330	244,715	9%
Cost of Sales	(131,301)	(120,262)	9%
Gross Profit	135,029	124,453	8%
Other operating income	2,099	765	174%
Distribution and selling expenses	(82,988)	(79,067)	5%
Administrative expenses	(22,193)	(21,833)	2%
Other operating expenses	(506)	(1,052)	-52%
Operating Profit	31,441	23,266	35%
Foreign exchange loss	(466)	(61)	664%
Interest income	73	29	152%
Interest expenses	(803)	(605)	33%
Goodwill written off	(98)	(25)	292%
Revaluation gain on property, plant and equipment	-	331	N.M.
Fair value gain on investment properties	2,547	1,176	117%
Share of results of associate *	640	-	N.M.
Fair value gain on derivatives	128	-	N.M.
Profit before tax	33,462	24,111	39%
Taxation	(8,523)	(4,823)	77%
Profit for the year, net of tax	24,939	19,288	29%
Attributable to:			
Owners of the parent	24,878	19,207	30%
Non-controlling interests	61	81	-25%
	24,939	19,288	29%

Note:

* Included in the share of results of associate is Healthzone Limited's results from date of acquisition to latest available financial information.

1(a) Consolidated Statement of Comprehensive Income

	Group		Change
	Year ended	Year ended	
	30-Jun-11	30-Jun-10	
	S\$'000	S\$'000	
Profit for the year, net of tax	24,939	19,288	29%
Other comprehensive income:			
Currency translation adjustments on foreign operations	(8,907)	(1,096)	713%
Revaluation gain on property, plant and equipment	2,357	3,464	-32%
Share of other comprehensive income of associate	(34)	-	N.M.
Other comprehensive income for the year	<u>(6,584)</u>	<u>2,368</u>	-378%
Total comprehensive income for the year	<u><u>18,355</u></u>	<u><u>21,656</u></u>	-15%
Attributable to:			
Owners of the parent	18,220	21,576	-16%
Non-controlling interests	<u>135</u>	<u>80</u>	69%
	<u><u>18,355</u></u>	<u><u>21,656</u></u>	-15%

Notes:

- (i) Operating profit is arrived at after charging(crediting) the following:

	Year ended	Year ended
	30-Jun-11	30-Jun-10
	S\$'000	S\$'000
Inventory written down	231	589
Inventory written off	2	115
Amortisation of intangible assets	307	140
Bad debts (trade) written off	-	42
Depreciation of property, plant and equipment	6,486	7,179
Gain on disposal of property, plant and equipment	(9)	(50)
Property, plant and equipment written off	151	295
Share-based payment expenses	642	234
Reversal of write-down inventories	-	(353)

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30-Jun-11 S\$'000	30-Jun-10 S\$'000	30-Jun-11 S\$'000	30-Jun-10 S\$'000
Non-current assets				
Property, plant and equipment	66,116	64,142	425	119
Investment properties	22,028	7,021	-	-
Intangible assets	710	662	-	-
Investments in subsidiaries	-	-	43,918	52,928
Investments in associate	7,626	-	7,009	-
Amount due from subsidiaries	-	-	29,463	24,273
	96,480	71,825	80,815	77,320
Current assets				
Inventories	45,511	44,858	-	-
Trade and other receivables	15,482	20,008	243	14
Prepayments	3,576	4,068	155	170
Derivatives	1,183	-	1,183	-
Amount due from subsidiaries	-	-	14,625	10,091
Fixed bank deposits	2,641	1,706	-	-
Cash and bank balances	36,138	33,899	3,203	1,373
	104,531	104,539	19,409	11,648
Current Liabilities				
Trade and other payables	28,525	28,923	1,824	1,738
Provision for long service payments	1	130	-	-
Amount due to subsidiaries	-	-	-	734
Hire purchase creditors	122	94	54	21
Provision for restoration costs	379	33	-	-
Deferred revenue	1,951	1,307	-	-
Interest bearing loans and borrowings	25,070	26,589	22,520	25,980
Tax Payable	6,068	4,905	1,205	843
	62,116	61,981	25,603	29,316
Net current assets / (liabilities)	42,415	42,558	(6,194)	(17,668)
Non-current liabilities				
Long term loans from non-controlling shareholders of subsidiaries	141	156	-	-
Provision for long service payments	66	75	-	-
Provision for restoration costs	1,555	728	-	-
Hire purchase creditors	298	119	160	11
Interest bearing loans and borrowings	10,000	-	10,000	-
Deferred tax liabilities	6,366	5,411	63	63
	18,426	6,489	10,223	74
Net assets	120,469	107,894	64,398	59,578
Equity attributable to owners of the parent				
Share capital	38,539	35,487	38,539	35,487
Reserves	81,576	72,188	25,859	24,091
	120,115	107,675	64,398	59,578
Non-controlling interests	354	219	-	-
Total equity	120,469	107,894	64,398	59,578

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30-Jun-11		As at 30-Jun-10	
Secured	Unsecured	Secured	Unsecured
S\$122,000	S\$25,070,000	S\$94,000	S\$26,589,000

Amount repayable after one year

As at 30-Jun-11		As at 30-Jun-10	
Secured	Unsecured	Secured	Unsecured
S\$298,000	S\$10,141,000	S\$119,000	S\$156,000

Details of any collateral

Nil

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group Year ended	
	30-Jun-11 S\$'000	30-Jun-10 S\$'000 (Restated)
Cash flows from operating activities		
Profit before taxation and non-controlling interests	33,462	24,111
Depreciation of property, plant and equipment	6,486	7,179
Amortisation of intangible assets	307	140
Gain on disposal of property, plant and equipment	(9)	(50)
Property, plant and equipment written off	151	295
Foreign currency translation realignment	(3,483)	(636)
Goodwill written off	98	25
Revaluation gain on property, plant and equipment	-	(331)
Fair value gain on investment properties	(2,547)	(1,176)
Fair value gain on derivatives	(128)	-
Inventory written down	231	589
Inventory written off	2	115
Reversal of write-down of inventories	-	(353)
Allowance for doubtful receivables (trade)	-	285
Bad debts (trade) written off	-	42
Interest income	(73)	(29)
Interest expense	803	605
Share-based payment expenses	642	234
Share of results of associate	(640)	-
Deferred revenue	644	453
(Decrease)/Increase in long service payments	(113)	129
Operating income before reinvestment in working capital	35,833	31,627
Decrease/(Increase) in trade and other receivables	4,638	(2,177)
Decrease/(Increase) in prepayments	492	(2,542)
Increase in inventories	(886)	(4,273)
(Decrease)/Increase in trade and other payables	(644)	7,914
Cash generated from operations	39,433	30,549
Interest received	73	29
Interest paid	(803)	(605)
Income tax refund	98	40
Income tax paid	(6,236)	(6,122)
Net Cash generated by operating activities	32,565	23,891
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,261)	(4,688)
Purchase of investment property	(12,486)	-
Purchase of intangible assets	(396)	(802)
Proceeds from sale of property, plant and equipment	47	183
Investments in associate	(7,009)	-
Purchase of derivatives	(1,055)	-
Acquisition of business by a subsidiary	(961)	-
Net Cash used in investing activities	(29,121)	(5,307)
Cash flows from financing activities		
Proceeds from interest bearing loans and borrowings	50,190	15,309
Repayment of interest bearing loans and borrowings	(41,676)	(16,335)
Repayment of hire purchase creditors	(155)	(282)
Proceed from exercise of employee share options	2,704	509
Dividends paid	(9,126)	(7,930)
Net cash provided by / (used in) financing activities	1,937	(8,729)
Net increase in cash & cash equivalent	5,381	9,855
Cash and cash equivalent as at beginning of the year	35,605	25,378
Effects of exchange rates changes on cash and cash equivalents	(2,207)	372
Cash and cash equivalent as at end of the year	38,779	35,605

	Group	
	Year ended	
	30-Jun-11	30-Jun-10
	S\$'000	S\$'000
		(Restated)
A. Purchase of property, plant and equipment		
Aggregate cost of property, plant and equipment acquired*	9,934	5,600
Less :		
Financed by hire purchase creditors	(370)	(151)
Restoration costs	(1,173)	(761)
Cash payments to acquire property, plant and equipment	<u>8,391</u>	<u>4,688</u>

* During the financial year, the group acquired property, plant and equipment with an aggregate cost of \$1.13 million through acquisition of business by a subsidiary.

Note to Consolidated Cash Flow Statement

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balance sheet amounts:

	Group	
	Year ended	
	30-Jun-11	30-Jun-10
	S\$'000	S\$'000
Fixed Bank Deposits	2,641	1,706
Cash and bank balance	36,138	33,899
	<u>38,779</u>	<u>35,605</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to owners of the parent						Total	Non-controlling interests	Total Equity
	Share capital	Asset revaluation reserve	Capital reserve	Share Option reserve	Foreign currency translation reserve	Revenue Reserve			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
Group									
At 1 July 2010	35,487	11,602	453	767	(9,372)	68,738	107,675	219	107,894
Profit for the year, net of tax	-	-	-	-	-	24,878	24,878	61	24,939
Other comprehensive income	-	2,357	-	-	(8,981)	-	(6,624)	74	(6,550)
Other comprehensive income of associate	-	-	-	-	(34)	-	(34)	-	(34)
Total comprehensive income for the year	-	2,357	-	-	(9,015)	24,878	18,220	135	18,355
Shares issued pursuant to the exercise of share options	3,052	-	-	(348)	-	-	2,704	-	2,704
Share options lapsed	-	-	-	(4)	-	4	-	-	-
Grant of share options to employees	-	-	-	642	-	-	642	-	642
Dividends, Net	-	-	-	-	-	(9,126)	(9,126)	-	(9,126)
At 30 Jun 2011	38,539	13,959	453	1,057	(18,387)	84,494	120,115	354	120,469

	Attributable to owners of the parent						Total	Non-controlling interests	Total Equity
	Share capital	Asset revaluation reserve	Capital reserve	Share Option reserve	Foreign currency translation reserve	Revenue Reserve			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
Group									
At 1 July 2009	34,931	8,138	453	632	(8,277)	57,409	93,286	139	93,425
Profit for the year, net of tax	-	-	-	-	-	19,207	19,207	81	19,288
Other comprehensive income	-	3,464	-	-	(1,095)	-	2,369	(1)	2,368
Total comprehensive income for the year	-	3,464	-	-	(1,095)	19,207	21,576	80	21,656
Shares issued pursuant to the exercise of share options	556	-	-	(47)	-	-	509	-	509
Share options lapsed	-	-	-	(52)	-	52	-	-	-
Grant of share options to employees	-	-	-	234	-	-	234	-	234
Dividends, Net	-	-	-	-	-	(7,930)	(7,930)	-	(7,930)
At 30 Jun 2010	35,487	11,602	453	767	(9,372)	68,738	107,675	219	107,894

Company	Attributable to owners of the Company			Total Equity
	Share capital S\$'000	Share option reserve S\$'000	Revenue Reserve S\$'000	S\$'000
At 1 Jul 2010	35,487	767	23,324	59,578
Total comprehensive income for the year	-	-	10,600	10,600
Shares issued pursuant to the exercise of share options to employees	3,052	(348)		2,704
Share option lapsed	-	(4)	4	-
Grant of share options to employees	-	642	-	642
Dividends, Net	-	-	(9,126)	(9,126)
At 30 Jun 2011	38,539	1,057	24,802	64,398
At 1 Jul 2009	34,931	632	14,978	50,541
Total comprehensive income for the year	-	-	16,224	16,224
Shares issued pursuant to the exercise of share options to employees	556	(47)	-	509
Share option lapsed	-	(52)	52	-
Grant of Share options to employees	-	234	-	234
Dividends, net	-	-	(7,930)	(7,930)
At 30 Jun 2010	35,487	767	23,324	59,578

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

A) Changes in share capital during the financial period

As at 30th June 2011, the Company's issued and paid up capital, excluding treasury shares comprises of 441,415,217 (30th June 2010: 362,105,188) ordinary shares. Movement in the number of the Company's issued and paid-up capital, excluding treasury shares are as follows:

Number of shares issued and paid up 1-Jul-10	Shares issued pursuant to the exercise of share options	Bonus Issue	Number of shares issued and paid up 30-Jun-11
362,105,188	6,292,600	73,017,429	441,415,217

B) Share Options – Eu Yan Sang Employees Share Option Scheme

Between 1st April 2011 and 30th June 2011, the Company issued zero ordinary share under the Eu Yan Sang Employees Share Option Scheme 2000 (“the 2000 scheme”) and 368,000 ordinary shares under the Eu Yan Sang Employees Share Option Scheme 2006 (“the 2006 scheme”).

Under the 2000 scheme, options to subscribe for 3,872,500 shares remained outstanding as at 30th June 2011, compared to 4,496,250 as at 30th June 2010. Movements in the number of the unissued shares of the Company under the 2000 scheme during the year are as follows:

Outstanding options as at	Options adjustment as a result of bonus issue	Number of options exercised	Outstanding options as at
1-Jul-10			30-Jun-11
4,496,250	799,250	(1,423,000)	3,872,500

Under the 2006 scheme, options to subscribe for 9,697,000 shares remained outstanding as at 30th June 2011, compared to 10,195,000 as at 30th June 2010. Movements in the number of the unissued shares of the Company under the 2006 scheme during the year are as follows:

Outstanding options as at	Number of options granted	Options adjustment as a result of bonus issue	Number of options exercised	Number of options lapsed	Outstanding options as at
1-Jul-10					30-Jun-11
10,195,000	2,985,000	1,536,600	(4,869,600)	(150,000)	9,697,000

C) Performance Share Plan

At the extraordinary general meeting of the Company held on 25th October 2007, the Company’s shareholders approved the adoption of the Eu Yan Sang Performance Share Plan (“EYS PSP”). As at 30th June 2011, no shares were granted and outstanding under the EYS PSP (30th June 2010: nil).

D) Treasury shares

No treasury shares were held by the Company as at 30th June 2011 and 30th June 2010.

1(d)(iii) To show the total number of issued shares excluding treasury shares at the end of the current financial period and as at the end of the immediately preceding year.

The number of issued shares as at 30th June 2011 is 441,415,217(30th June 2010: 362,105,188) ordinary shares.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not Applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

This financial statement has been prepared based on the accounting policies and methods of computation consistent with those adopted in the most recent audited financial statement for the year ended 30 June 2010.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	Year Ended 30-June-11 (cents)	Year Ended 30-Jun-10 (cents) (Restated)
Earnings per ordinary share of the Group based on net profit attributable to shareholders:		
(i) Based on the weighted average number of ordinary shares	5.67	4.43
Weighted average number of shares	438,881,924	433,823,466
(ii) On a fully diluted basis	5.61	4.42
Weighted average number of shares	443,643,458	434,791,542

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year**

	30-Jun-11	30-Jun-10 (Restated)
Net asset value per ordinary share based on issued share capital		
For the Group (Cents)	27.2	24.8
For the Company (Cents)	14.6	13.7

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- a. **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - b. **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Overview

Group revenue for the year ended 30th June 2011 ("FY11") increased 9% to S\$266.3 million as compared to the same period in last year ("FY10"). The increase was mainly attributable to the increase in retail sales in all our 3 core markets. Operating profit increased 35% to S\$31.4 million while profit for the year, net of tax, attributed to Owners of the parent increased 30% to S\$24.9 million.

(A) Revenue

Group revenue for FY11 increased by 9% to S\$266.3 million as compared to S\$244.7 million achieved in FY10. The increase was mainly attributable to the increase in retail sales in all our 3 core markets, namely Hong Kong, Malaysia and Singapore.

Revenue by Activities:

Activities	Group		
	Year ended		Change
	30-Jun-11	30-Jun-10	
	S\$'000	S\$'000	
Retail - TCM*	219,856	197,625	11%
Wholesale - TCM	27,970	31,083	-10%
Clinic - TCM	15,919	14,298	11%
Others	2,585	1,709	51%
	266,330	244,715	9%

- *Traditional Chinese Medicine ("TCM") - comprising Chinese Proprietary Medicine ("CPM"), Health Foods and Medicinal Herbs.*

Retail – TCM revenue achieved in FY11 was 11% higher than FY10. Retail activities were relatively resilient at our outlets throughout the regional markets as consumers continue to recognise our premium brand and accept TCM as an alternative to western medicine and health supplements. The Group's top selling products such as Bottled Bird's Nest ("BBN"), Bo Ying Compound ("BYC"), Bak Foong Pills ("BFP"), Lingzhi Cracked Spores Capsules ("LCS") and Essence of Chicken ("EOC") continue to be our top selling products.

Wholesale – TCM revenue decreased by 10% to S\$28 million in FY11, the decrease was mainly due to slower stock replenishment by wholesalers.

Clinic – TCM revenue increased by 11% to S\$16 million in FY11, mainly due to recognition of TCM as an alternative to western medicine.

Revenue under Others was mainly contributed from food & beverages and rental income.

Turnover by Geographical Locations:

		Group		
Core Countries	Year ended			
		30-Jun-11	30-Jun-10	Change
		'000	'000	
Hong Kong*	SGD	110,124	105,321	5%
	HKD	662,399	581,346	14%
Singapore**	SGD	76,591	67,675	13%
Malaysia	SGD	79,615	71,719	11%
	MYR	189,861	172,162	10%
Total	SGD	266,330	244,715	9%

* Include Macau and China.

** Include Australia

Hong Kong market led our growth by 14% to HK\$662 million, Singapore market grew 13% to S\$76.6 million while Malaysia market increased by 10% to MYR190 million. These revenue growth in our core countries signified robust demand for our products as we continue to fulfill our vision to our customer.

(B) FY2011 Outlets & Clinics

Countries	Retail		General TCM Clinics		Premier TCM Clinics		Integrative Medical Centre	
	Added / (Closed)	Total	Added / (Closed)	Total	Added / (Closed)	Total	Added / (Closed)	Total
Malaysia	11	79		3	-	-	-	-
Hong Kong	5	51	-	-	-	-	-	2
Singapore	9	49	4	18	-	2	-	-
China	1	4	-	-	-	-	-	-
Macau	-	2	-	-	-	-	-	-
Total	26	185	4	21	-	2	-	2

In FY11, the Group added 26 outlets and 4 clinics. The establishment of these new outlets and clinic will contribute positively to the improvement of our Group turnover.

C) Profitability

In line with the higher revenue in FY11, Gross Profit increased by 8% to S\$135 million compared to S\$124.5 million achieved in FY10. Gross Profit margin was stable at 50.7%. Operating Profit increased by 35% to S\$31.4 million as compared to FY10 was mainly due higher revenue growth in FY11.

Profit for the year, net of tax, attributable to Owners of the parent for FY11 increased by 30% to S\$24.9 million as compared to S\$19.2 million in FY10 was mainly due to higher revenue, other income and fair value gain on investment properties.

(D) Other operating income

The increase in other operating income was mainly due to government grants and membership fees subscription received in FY11.

(E) Distribution and selling expenses

In FY11, distribution and selling expenses increased 5% to S\$83.0 million as compared to FY10. The higher distribution and selling expenses were mainly due to higher salaries and rental expenses.

(F) Administrative expenses

In FY11, administrative expenses increased 2% to S\$22.2 million as compared to FY10 was mainly due to the extension of cost cutting measures adopted since FY10.

(G) Interest income and Interest expenses

Higher interest income was due to higher fixed deposits interest received from our principal bankers.

Higher interest expenses were attributable to higher interest bearings loans as compared with FY10.

(H) Taxation

Higher tax expenses were mainly due to a settlement of S\$1.8 million following a tax investigation by Malaysian tax authority regarding manufacturing rebates given to other Group subsidiaries from 2002 to 2007.

(I) Investment properties

The increase was due to the purchase of an industrial property in Singapore.

(J) Investment in associate

The increase was due to the purchase of a stake in Healthzone Limited, a company listed on the Australian Stock Exchange.

The stake comprises of the followings:

- i) a private placement of 4,560,963 ordinary shares with 3,952,488 detachable warrants in August 2010 for a consideration of A\$1.4 million (approximately S\$1.7million);
- ii) open market purchase of 7,296,500 ordinary shares in August 2010 for a consideration of A\$2.2 million (approximately S\$2.7 million); and
- iii) a private placement of 7,310,755 ordinary shares with 1,462,151 detachable warrants in June 2011 for a consideration of A\$2.8 million approximately S\$3.7million.

On acquisition date, the costs of the warrants were reclassified to Derivatives.

(K) Trade and other receivables

Lower trade and other receivables were due to timing differences of payment from our debtors.

(L) Derivatives

The increase was due to detachable warrants from the purchase of Healthzone Limited's ordinary shares in FY11 measured at fair value.

The details of the detachable warrants are as follows:

Issuance date	Number of warrants	Exercise price	Expiry date
03-Aug-10	3,952,488*	A\$ 0.38	28-Feb-15
03-Jun-11	1,462,151**	0.48	03-Jun-16

Note:

*The detachable warrants are exercisable on condition that the ordinary share price of Healthzone Limited exceeds A\$0.38 at the exercise date.

** The detachable warrants are exercisable on condition that the ordinary share price of Healthzone Limited exceeds A\$0.48 at the exercise date.

(M) Prepayments

Lower prepayments were mainly due to the reclassification of the prepaid portion of an industrial property to investment properties upon the completion of the purchase.

(N) Trade and other payables

Lower trade and other payables were due to timing differences of payment to our creditors.

(O) Interest bearing loans and borrowings

Higher interest bearing loans and borrowings were mainly due to the purchase of an industrial property in Singapore.

(P) Tax payable

Higher tax payable was mainly due additional tax expense accrued relating to prior year tax assessment finalized by the tax authority in Malaysia.

(Q) Cash flows

Net cash generated from operating activities for FY11 was S\$32.6 million. The increase was mainly due to higher profit before tax and non-controlling interests.

The increased in net cash used in investing activities were mainly due to the acquisition of an investment property and investment in an associated company.

The increased in net cash provided by financing activities in FY11 was mainly attributed to proceeds from exercising of stock options.

As at 30th June 2011, the Group had cash and cash equivalent amounting to S\$38.8m as compared to S\$35.6 m as at 30th June 2010.

The Group's gearing ratio was 29.7% as at 30th June 2011.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The results for the period are in line with the prospect statement contained in the FY2010 full year announcement made on 26th August 2010.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The demand for quality healthcare products and services may remain resilient, driven by growing affluence and ageing population. However, sovereign debts problems in the West, coupled with increasing commodity and food prices may erode economic growth and affect consumer sentiments.

With a backdrop of weaker economic outlook, the general market and business conditions are expected to remain challenging and competitive in the next 12 months. The stronger Singapore dollar against Hong Kong dollar may continue to impact our results when expressed in Singapore dollar terms. Moving forward, the Group's strategy is to continue leveraging on its competency and brand strength to explore opportunities to grow its core business. The Group will continue to manage its business risks prudently and review its business strategy with a view to enhance shareholders' value.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of Dividend	First & Final and Special
Dividend Type	Cash
Dividend Rate	First & Final of 1.0 cent and Special of 1.2 cent per ordinary share
Par Value of shares	N/A
Tax Rate	Tax Exempt one-tier dividend

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of Dividend	First & Final and Special
Dividend Type	Cash
Dividend Rate	First & Final of 1.0 cent and Special of 1.5 cent per ordinary share (Paid prior to 1 for 5 bonus issue on 25 November 2010)
Par Value of shares	N/A
Tax Rate	Tax Exempt one-tier dividend

(c) Date payable

24th November 2011

d) Books closure date

The Register of Members and Register of Transfers of the Company will be closed at 5.00pm on 9th November 2011 and up to 5.00pm on 10th November 2011 (both days inclusive) for the purpose of determining Shareholders' entitlements to dividends. Registrable Transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623, up to 5.00pm on 9th November 2011 will be registered before entitlements to the dividend are determined.

The Annual General Meeting will be held on 28th October 2011.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Business Segments

	2011	Continuing Operations			Total Operations	
		TCM S\$'000	Clinics S\$'000	Others S\$'000	Eliminations S\$'000	S\$'000
Revenue:						
Sales to external customers		247,826	15,919	2,585	-	266,330
Inter-segment sales		59,385	-	24,667	(84,052)	-
Total revenue		<u>307,211</u>	<u>15,919</u>	<u>27,252</u>	<u>(84,052)</u>	<u>266,330</u>
Results:						
Segment result		44,955	1,486	2,925	(15,174)	34,192
Interest income		-	-	73	-	73
Interest expense		-	-	(803)	-	(803)
Profit before taxation and non-controlling interests		<u>44,955</u>	<u>1,486</u>	<u>2,195</u>	<u>(15,174)</u>	<u>33,462</u>
Tax expense						<u>(8,523)</u>
Profit for the financial year, net of tax						<u><u>24,939</u></u>
Assets and liabilities:						
Segment assets		130,749	7,342	62,920	-	<u>201,011</u>
Segments liabilities		35,750	3,276	41,516	-	<u>80,542</u>
Other segment information:						
Capital expenditure:						
- property, plant and equipment		8,290	512	1,132	-	9,934
- intangible assets		396	-	-	-	396
- investment properties		-	-	12,486	-	12,486
Depreciation of property, plant and equipment		5,554	416	516	-	6,486
Amortisation of intangible assets		258	49	-	-	307
Fair value gain on revaluation of investment properties		-	-	2,547	-	2,547
Other non-cash expenses		143	1	-	-	144

Business Segments

	2010				Total Operations
	Continuing Operations				S\$'000
	TCM S\$'000	Clinics S\$'000	Others S\$'000	Eliminations S\$'000	
Revenue:					
Sales to external customers	228,708	14,298	1,709	-	244,715
Inter-segment sales	52,107	-	27,342	(79,449)	-
Total revenue	<u>280,815</u>	<u>14,298</u>	<u>29,051</u>	<u>(79,449)</u>	<u>244,715</u>
Results:					
Segment result	35,820	644	1,674	(13,451)	24,687
Interest income	-	-	29	-	29
Interest expense	-	-	(605)	-	(605)
Profit before taxation and non-controlling interests	<u>35,820</u>	<u>644</u>	<u>1,098</u>	<u>(13,451)</u>	<u>24,111</u>
Tax expense					(4,823)
Profit for the financial year, net of tax					<u>19,288</u>
Assets and liabilities:					
Segment assets	130,447	4,248	41,669	-	<u>176,364</u>
Segments liabilities	32,944	2,344	33,182	-	<u>68,470</u>
Other segment information:					
Capital expenditure:					
- property, plant and equipment	4,560	583	457	-	5,600
- intangible assets	655	147	-	-	802
Depreciation of property, plant and equipment	6,136	605	438	-	7,179
Amortisation of intangible assets	125	15	-	-	140
Revaluation gain on property, plant and equipment	-	-	331	-	331
Fair value gain on revaluation of investment properties	-	-	1,176	-	1,176
Other non-cash expenses	796	8	-	-	804

Geographical Segments

	Singapore*		Malaysia		Hong Kong**		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:										
Sales to external customers	76,591	67,675	79,615	71,719	110,124	105,321	-	-	266,330	244,715
Inter-segment sales	24,918	28,279	13,568	11,805	45,566	39,365	(84,052)	(79,449)	-	-
Segment revenue	<u>101,509</u>	<u>95,954</u>	<u>93,183</u>	<u>83,524</u>	<u>155,690</u>	<u>144,686</u>	<u>(84,052)</u>	<u>(79,449)</u>	<u>266,330</u>	<u>244,715</u>
Other segment information:										
Segment assets	88,479	62,129	41,845	39,856	70,687	74,379	-	-	201,011	176,364
Segments liabilities	53,681	43,689	13,140	12,082	13,721	12,699	-	-	80,542	68,470
Other segment information:										
Capital expenditure:										
- property, plant and equipment	3,063	1,733	3,356	2,404	3,515	1,463	-	-	9,934	5,600
- intangible assets	311	147	85	294	-	361	-	-	396	802
- investment properties	12,486	-	-	-	-	-	-	-	12,486	-

* Include Australia

** Include Macau and China

14. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to discussion in Note 8 of this announcement.

15. **A breakdown of sales**

		Latest Financial Year	Previous Financial Year	% Increase/ Decrease
		Group S\$'000	Group S\$'000	
a)	Sales reported for the first half	121,633	111,615	9%
b)	Operating Profit after tax before deducting non-controlling interests for first half year	8,247	8,404	-2%
c)	Sales reported for the second half	144,697	133,100	9%
d)	Operating Profit/(loss) after tax before deducting non-controlling interests for second half year	16,692	10,884	53%

16. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

<i>Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details)</i>		
	<u>Latest Full Year</u>	<u>Previous Full Year</u>
Ordinary	S\$9,125,805	S\$7,929,574
Preference	-	-
Total:	S\$9,125,805	S\$7,929,574

BY ORDER OF THE BOARD

Danny Heng Hang Siong
 Chief Financial Officer & Company Secretary
 25th August 2011