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Press Release - Eu Yan Sang's FY2012 revenue up 9% to S\$289.9 million; 12th consecutive year of record sales since listing in 2000 * Financial Statement And Related Announcement

* Asterisks denote mandatory information

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>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	30-06-2012
Description	Please see attached.

Attachments

 [EYS_FY12_PressRelease_FINAL_20120828.pdf](#)
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For Immediate Release

**Eu Yan Sang's FY2012 revenue up 9% to S\$289.9 million;
12th consecutive year of record sales since listing in 2000**

- Retail network boosted with addition of 114 new outlets, mainly in Australia and China, bringing total outlets to 299
- Lower net profit of S\$16.5 million (FY2011: S\$25.4 million) due to operating losses from newly acquired Australian business and higher operating expenses
- Proposes dividend of 2.0 Singapore cents per share

Singapore, 28 Aug 2012 – 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), reported a 9% year-on-year (y-o-y) increase in its revenue to S\$289.9 million for the financial year ended 30 June 2012 (FY2012). The higher revenue came from overall improvement in sales from the Group’s three core markets, Hong Kong, Singapore and Malaysia, as well as the additional sales contributed by the stores in Australia.

Table 1: Financial Highlights

Financial Highlights (S\$ 'million)	FY2012 ended 30 Jun 12	FY2011 ended 30 Jun 11	% Change	4QFY2012 ended 30 Jun 12	4QFY2011 ended 30 Jun 11	% Change
Revenue	289.9	266.3	9%	69.6	63.0	10%
Gross Profit	147.9	135.0	10%	36.2	32.7	11%
<i>Gross Profit Margin</i>	<i>51.0%</i>	<i>50.7%</i>	-	<i>52.0%</i>	<i>51.9%</i>	-
Operating Profit	24.4	31.4	(22%)	2.6	5.4	(51%)
Profit for the period	16.5	25.4	(35%)	9.2	5.9	55%



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Australia, since the inception of the HealthyLife business in February, has contributed S\$7.8 million and S\$11.2 million for the 4th quarter and full year respectively, representing 11% and 4% of the Group's revenue.

Operating expenses, however, increased in FY2012 and impacted the Group's operating profit. Distribution and selling expenses and administrative expenses grew by S\$13.7 million (17%) and S\$6.2 million (28%) y-o-y respectively. These increases in operating expenses were mainly due to expenses from Australian business and the Group's retail expansion in China. As a result of the higher expenses and an operating loss for the new business in Australia, the Group's FY2012 net profit decreased 35% y-o-y to S\$16.5 million.

Revenue for the retail segment increased 5% to S\$231.3 million on contribution from Australia, excluding which; retail revenue growth would be up by 2%. Wholesale revenue surged 37% to S\$38.3 million primarily due to improved wholesale activities in the 3 core markets. Clinic-TCM revenue grew 8% to S\$17.2 million, primarily driven by higher sales in the Singapore market.

In local currency terms, Hong Kong led the Group's core markets in growth with a 10% increase while Singapore and Malaysia recorded 3% and 6% growth in revenue respectively.

The acquisition of the business in Australia added 24 company-owned and 64 franchised HealthyLife outlets. Mr Richard Eu (余义明), Group CEO, remarked, "Our expansion into the Australia speeds up our penetration into the market via HealthyLife's wide network. Concurrently, we are also able to expand our product offering by carrying HealthyLife's products in Eu Yan Sang retail outlets. Our retail network has also grown from 185 to 299 outlets in 12 months, expanding our retail outreach from China to Australia."

Notwithstanding the impact from the operating loss in the Group's new Australia business and the higher operational expenses from an expanded network, the Group believes the



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Australia acquisition and the retail outlet expansion in China will lay the foundation for the Group to grow its results in the long term.

Mr Eu added, “Despite the softening of the retail environment, we believe that Eu Yan Sang, with our strong brand recognition in Asia and more than 100 years of experience, will weather this rocky period and emerge from it stronger. We see a lot of potential in both Australia and China and aim to grow them to become our future core markets while solidifying our status as a leader in the current 3 core markets.”

- The End -

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 trusted, global leading 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 132 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. 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



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products. Manufacturing activities are carried out in two of its GMP-certified (Good Manufacturing Practices) factories located in Hong Kong and Malaysia.

Eu Yan Sang's wholly-owned Australian subsidiary, Healthy Life Group Pty Ltd, operates a chain of 88 Healthy Life stores and a distribution business which is one of the largest health food distributors in Australia. This business has over 25 years' experience in Australia, supplying in excess of 3000 product lines from 170 suppliers to more than 500 retailers in the health food, pharmacy and grocery retail segments.

As of 30 June 2012, Eu Yan Sang has an extensive distribution network comprising 299 retail outlets in China, Hong Kong, Macau, Malaysia, Singapore and Australia. 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 24 TCM Clinics in Singapore and Malaysia, and 2 Integrative Medical Centres in Hong Kong.

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