

**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 30 June 08	Year Ended 30 June 07	
	<b>RESTATED</b>		
	<b>S\$'000</b>	<b>S\$'000</b>	
<b>Revenue</b>	<b>208,504</b>	<b>181,204</b>	15%
Cost of Sales	(103,941)	(90,204)	15%
<b>Gross Profit</b>	<b>104,563</b>	<b>91,000</b>	<b>15%</b>
Other operating income	640	3,565	-82%
Distribution and selling expenses	(63,743)	(52,899)	20%
Administrative expenses	(22,371)	(17,350)	29%
Other operating expenses	(123)	(578)	N.M.
<b>Operating Profit</b>	<b>18,966</b>	<b>23,738</b>	<b>-20%</b>
Foreign exchange loss	(796)	(154)	417%
Interest income	138	188	-27%
Interest expenses	(1,031)	(806)	28%
Gain on dilution of interest in a subsidiary	-	15	-100%
Impairment of long term investments	(3,898)	-	N.M.
Fair value gain on investment properties	1,833	1,760	4%
<b>Profit from continuing operations before tax</b>	<b>15,212</b>	<b>24,741</b>	<b>-39%</b>
Taxation	(4,993)	(5,175)	-4%
<b>Profit from continuing operations after tax</b>	<b>10,219</b>	<b>19,566</b>	<b>-48%</b>
Loss from discontinued operations	(5,295)	(4,855)	9%
<b>Profit for the year</b>	<b>4,924</b>	<b>14,711</b>	<b>-67%</b>
<b>Attributable to:</b>			
<b>Equity holders of the company</b>	<b>4,940</b>	<b>14,720</b>	-66%
<b>Minority Interests</b>	<b>(16)</b>	<b>(9)</b>	78%
	<b>4,924</b>	<b>14,711</b>	<b>-67%</b>

**\*RESTATED** – During the year, the Group disposed the fixed assets and business of subsidiaries, Red White and Pure Pte Ltd (and its subsidiary) which was reported under the Others segment previously, and liquidation of YourHealth Group Pty Ltd (and its subsidiaries) which was reported under Clinic segment previously, as an effort to concentrate on the Group's principal activities. Accordingly, the consolidated profit and loss account have been restated.

## Notes:

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

	Continuing operations		Group Discontinued operations		Total	
	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Depreciation of property, plant and equipment	6,310	4,706	472	703	6,782	5,409
Depreciation of investment properties	-	18	-	-	-	18
Gain on disposal of property, plant and equipment	(7)	(1,426)	-	-	(7)	(1,426)
Gain on disposal of Elixir Business	-	(1,406)	-	-	-	(1,406)
Impairment of goodwill	-	624	-	-	-	624
Property, plant and equipment written off	895	44	-	57	895	101
(Write back)/allowance for doubtful debt receivables trade	-	18	-	-	-	18
Bad debts written off	2	-	-	-	2	-
Inventory written off	341	102	-	-	341	102
Share-based payment expenses	210	186	-	-	210	186
Gain on disposal of investment property	(226)	(318)	-	-	(226)	(318)
Write back on allowance for inventory obsolescence	(140)	-	-	-	(140)	-
Allowance for inventory obsolescence	1,078	321	-	-	1,078	321
Loss on liquidation of subsidiaries	-	-	549	-	549	-
Impairment loss on long term investments	3,898	-	-	-	3,898	-
Loss on impairment of fixed assets	-	-	2,428	-	2,428	-

- (ii) Other operating income – Included in FY2007 other operating income were exceptional gains from sale of properties in Hong Kong (S\$1.3m) and gain on disposal of Elixir's business (S\$1.4m) in USA.
- (iii) The increase in 'Distribution and selling expenses' was due to higher rental incurred for 19 new retail outlets and 2 clinic opened for the 12 months ending 30<sup>th</sup> June 08, escalating rental cost on existing outlets upon renewal and higher manpower cost for our network of 144 retail outlets and 21 clinics.
- (iv) The increase in 'Administrative expenses' was due to higher depreciation and manpower cost to support the growing business, and several initiatives undertaken by corporate office to enhance its corporate image for the 12 months ending 30<sup>th</sup> June 08.
- (v) Impairment of long term investments – this represents impairment in respect of our investments in unquoted shares.
- (vi) The decrease in interest income is due to lower interest rates for fixed deposits while interest charges grew in tandem with increased bank borrowings as at 30 June 2008.

- (vii) The increase in depreciation is due to increase in capital expenditure of S\$11.1 million during the year
- (viii) The Group's effective tax rate was higher mainly due to the following:
  - (a) Losses of foreign subsidiaries which cannot be offset against profit within the group companies; and
  - (b) Higher tax rate in certain foreign subsidiaries.
- (ix) 'N.M.' – Not Meaningful

**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 June 2008	30 June 2007	30 June 2008	30 June 2007
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant & equipment	62,183	60,496	417	549
Investment Properties	9,387	8,437	-	-
Subsidiary companies	-	-	21,180	21,180
Associated Company	-	-	15	15
Long term investments	-	3,900	-	-
Goodwill	26	27	-	-
Deferred Tax	20	-	-	-
Amount due from subsidiaries	-	-	47,505	15,427
	<b>71,616</b>	<b>72,860</b>	<b>69,117</b>	<b>37,171</b>
<b>Current assets</b>				
Inventories	48,565	38,931	-	-
Trade and other receivables	21,358	21,542	494	714
Property held for sale	-	554	-	-
Fixed Assets held for sale	500	-	-	-
Amount due from subsidiaries	-	-	4,769	32,889
Amount due from associated company	30	41	30	41
Fixed bank deposits	1,604	2,711	-	-
Cash and bank balances	13,605	12,789	476	550
	<b>85,662</b>	<b>76,568</b>	<b>5,769</b>	<b>34,194</b>
<b>Current Liabilities</b>				
Bank overdraft	451	41	-	-
Trade and other payables	28,261	26,299	1,356	2,160
Amount due to subsidiaries	-	-	1,056	1,565
Hire purchase creditors	124	144	76	75
Amounts due to bankers	33,814	21,097	31,550	20,997
Tax Payable	2,176	2,709	439	18
	<b>64,826</b>	<b>50,290</b>	<b>34,477</b>	<b>24,815</b>
<b>Net current assets / (liabilities)</b>	<b>20,836</b>	<b>26,278</b>	<b>(28,708)</b>	<b>9,379</b>
<b>Long-term liabilities</b>				
Bank loan, secured	-	4,000	-	4,000
Loans from minority shareholders of subsidiary company	124	59	-	-
Provision for long service	74	82	-	-
Hire purchase creditors	324	415	215	291
Deferred taxation	4,073	3,361	18	18
	<b>4,595</b>	<b>7,917</b>	<b>233</b>	<b>4,309</b>
<b>Net assets</b>	<b>87,857</b>	<b>91,221</b>	<b>40,176</b>	<b>42,241</b>
<b>Equity attributable to equity holders of the company</b>				
Share capital	34,931	34,919	34,931	34,919
Reserves	52,808	56,156	5,245	7,322
	<b>87,739</b>	<b>91,075</b>	<b>40,176</b>	<b>42,241</b>
Minority interest	118	146	-	-
Total equity	<b>87,857</b>	<b>91,221</b>	<b>40,176</b>	<b>42,241</b>

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

**Amount repayable in one year or less, or on demand**

As at 30/06/2008		As at 30/6/2007	
Secured	Unsecured	Secured	Unsecured
-	S\$33,814,000	-	S\$21,097,000

**Amount repayable after one year**

As at 30/06/2008		As at 30/6/2007	
Secured	Unsecured	Secured	Unsecured
-	-	-	S\$4,000,000

**Details of any collateral**

The bank borrowings are secured against Corporate guarantees from the Company and within the Group.

**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 2008	Year Ended 30 Jun 2007
	S\$'000	S\$'000 Restated
<b>Cash flows from operating activities</b>		
Operating income before taxation & minority interest		
- from continued operations	15,212	24,741
- from discontinued operations	(5,888)	(5,770)
Depreciation of property, plant and equipment	6,782	5,409
Depreciation of investment properties	-	18
Gain on disposal of property, plant and equipment	7	(1,426)
Gain on disposal of Elixir Business	-	(1,406)
Gain on disposal of investment properties	(226)	(318)
Gain on disposal of Property available for sale	(15)	-
Impairment of long term investments	3,898	-
Impairment of of Property, Plant & Equipment	2,428	-
Property, plant and equipment written off	895	101
Gain on disposal of interest in a subsidiary	-	(15)
Foreign currency translation realignment	(4,392)	(1,078)
Impairment of Goodwill	-	624
Loss on liquidation of YourHealth Group and subsidiaries	549	-
Fair Value gain on revaluation of investment properties	(1,833)	(1,760)
Inventory written off	341	102
Allowance for inventory obsolescence	1,078	321
Write back on allowance for inventory obsolescence	(140)	-
Bad debts written off	2	-
Interest expense	1,031	1,034
Interest income	(138)	(191)
Share-based payment	210	186
<b>Operating income before reinvestment in working capital</b>	<b>19,801</b>	<b>20,572</b>
Decrease/(Increase) in trade and other receivables	184	(5,287)
Increase in inventories	(9,634)	(6,437)
Increase in trade and other payables	1,962	7,470
<b>Cash generated from operations</b>	<b>12,313</b>	<b>16,318</b>
Interest received	138	191
Interest paid	(1,031)	(1,034)
Income tax paid	(4,104)	(4,812)
<b>Net Cash provided by operating activities</b>	<b>7,316</b>	<b>10,663</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(11,114)	(15,598)
Proceeds from sale of property, plant and equipment	77	3,995
Proceeds from sale of investment properties	998	3,467
Proceeds from sale of property available for sale	547	-
Acquisition of Intangible assets	-	(27)
<b>Net Cash used in investing activities</b>	<b>(9,492)</b>	<b>(8,163)</b>
<b>Cash flows from financing activities</b>		
Proceed from bank loans	8,717	3,734
Repayment of hire purchase creditors	(111)	(360)
Repayment of loan from minority shareholders of subsidiaries	(55)	(170)
Proceed from share options exercised	12	43
Proceed from loan from minority shareholders of subsidiaries	120	198
Dividends Paid	(7,208)	(7,206)
<b>Net cash used in financing activities</b>	<b>1,475</b>	<b>(3,761)</b>
Net decrease in Cash & Cash Equivalent	(701)	(1,261)
Cash and cash equivalent as at beginning of the year	15,459	16,720
<b>Cash and cash equivalent as at end of the year</b>	<b>14,758</b>	<b>15,459</b>

Note to Consolidated Cash Flow Statement

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

	Year	Year
	Ended	Ended
	30-Jun-08	30-Jun-07
	S\$'000	S\$'000
Fixed bank deposits	1,604	2,711
Cash and bank balances	13,605	12,789
Bank overdrafts	(451)	(41)
	<b>14,758</b>	<b>15,459</b>

**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 equity holders of the company							Minority Interests	Total Equity
	Share capital	Asset revaluation reserve	Capital reserve	Share Option reserve	Foreign currency translation reserve	Revenue Reserve	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>									
<b>Balance as at 1 July 2007</b>	34,919	8,221	453	281	(6,354)	53,555	91,075	146	91,221
Revaluation Surplus	-	3,858	-	-	-	-	3,858	-	3,858
Release upon disposal of building	-	(210)	-	-	-	255	45	-	45
Realisation upon liquidation of subsidiaries	-	-	-	-	1,053	-	1,053	-	1,053
Effect of Exchange Differences	-	-	-	-	(6,246)	-	(6,246)	(12)	(6,258)
Profit for the Year	-	-	-	-	-	4,940	4,940	(16)	4,924
Shares issued pursuant to the exercise of share options	12	-	-	-	-	-	12	-	12
Grant of Share Options to Employees	-	-	-	210	-	-	210	-	210
Dividends, Net	-	-	-	-	-	(7,208)	(7,208)	-	(7,208)
<b>Balance as at 30 June 2008</b>	<b>34,931</b>	<b>11,869</b>	<b>453</b>	<b>491</b>	<b>(11,547)</b>	<b>51,542</b>	<b>87,739</b>	<b>118</b>	<b>87,857</b>

	Attributable to equity holders of the company							Minority Interests	Total Equity
	Share capital	Asset revaluation reserve	Capital reserve	Share Option reserve	Foreign currency translation reserve	Revenue Reserve	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>									
<b>Balance as at 1 July 2006</b>	34,872	7,258	453	99	(4,447)	40,953	79,188	-	79,188
Effect of Adopting FRS 40	-	(3,375)	-	-	-	3,375	-	-	-
Revaluation Surplus	-	5,745	-	-	-	-	5,745	-	5,745
Release upon disposal of building	-	(1,407)	-	-	-	1,713	306	-	306
Effect of Exchange Differences	-	-	-	-	(1,907)	-	(1,907)	-	(1,907)
Profit for the Year	-	-	-	-	-	14,720	14,720	(9)	14,711
Shares issued pursuant to the exercise of share	47	-	-	(4)	-	-	43	-	43
Grant of Share Options to Employees	-	-	-	186	-	-	186	-	186
Dividends, Net	-	-	-	-	-	(7,206)	(7,206)	-	(7,206)
Contribution from Minority shareholders of subsidiaries	-	-	-	-	-	-	-	155	155
<b>Balance as at 30 June 2007</b>	<b>34,919</b>	<b>8,221</b>	<b>453</b>	<b>281</b>	<b>(6,354)</b>	<b>53,555</b>	<b>91,075</b>	<b>146</b>	<b>91,221</b>

	Attributable to equity holders of the company			Total Equity
	Share capital	Share option reserve	Revenue Reserve	
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Company</b>				
<b>Balance as at 1 July 2007</b>	34,919	281	7,041	42,241
Profit for the Year	-	-	4,921	4,921
Shares issued pursuant to the exercise of share options to employees	12	-	-	12
Grant of Share options to employees	-	210	-	210
Dividends Paid	-	-	(7,208)	(7,208)
<b>Balance as at 30 June 2008</b>	<b>34,931</b>	<b>491</b>	<b>4,754</b>	<b>40,176</b>
<b>Balance as at 1 July 2006</b>	34,872	99	13,163	48,134
Profit for the Year	-	-	1,084	1,084
Shares issued pursuant to the exercise of share options to employees	47	(4)	-	43
Grant of Share options to employees	-	186	-	186
Dividends, Net	-	-	(7,206)	(7,206)
<b>Balance as at 30 June 2007</b>	<b>34,919</b>	<b>281</b>	<b>7,041</b>	<b>42,241</b>



**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**

Since 1<sup>st</sup> April 2008, there is no movement in Company's share capital.

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

As at 30<sup>th</sup> June 2008, there were 10,116,250 unexercised share options (30<sup>th</sup> June 2007: 7,172,500).

**C) Treasury shares**

No treasury shares were held by the Company as at 30<sup>th</sup> June 2008 and 30<sup>th</sup> June 2007.

**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 30<sup>th</sup> June 2008 is 360,435,188 (30<sup>th</sup> June 2007: 360,378,938) 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**

On 1<sup>st</sup> July 2007, the Group adopted FRS 107, Financial instruments: Disclosures and Amendments to FRS 1 (revised), Presentation of Financial Statements (Capital Disclosures) which were effective for annual periods beginning on or after 1<sup>st</sup> January 2007.

FRS 107 introduces new disclosures to improve information about financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces the disclosure requirement in FRS 32, Financial Instruments: Disclosure and Presentation. The amendment to FRS 1 (revised) introduces new disclosures about the level of an entity's capital and how it manages capital.

The adoption of FRS 107 and the Amendments to FRS 1 (revised) are assessed to have no material financial impact on the financial results and the financial position of the Group and the financial position of the Company for the year ended 30<sup>th</sup> June 2008.

**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**

	<b>Group</b>	
	<b>Year Ended 30<sup>th</sup> June 08 Cents</b>	<b>Year Ended 30<sup>th</sup> June 07 Cents</b>
Earnings per ordinary share of the Group based on net profit attributable to shareholders:		
(i) Based on the weighted average number of ordinary shares		
- Continuing operations	<b>2.84</b>	<b>5.43</b>
- Discontinued operations	<b>(1.47)</b>	<b>(1.35)</b>
(ii) On a fully diluted basis		
- Continuing operations	<b>2.83</b>	<b>5.42</b>
- Discontinued operations	<b>(1.47)</b>	<b>(1.35)</b>

**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**

	<b>30<sup>th</sup> Jun 08</b>	<b>30<sup>th</sup> Jun 07</b>
Net asset value per ordinary share based on issued share capital		
For the Group (Cents)	<b>24.3</b>	<b>25.3</b>
For the Company (Cents)	<b>11.1</b>	<b>11.7</b>

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**Overview**

Amid a backdrop of high inflation, looming credit crunch and slower economic growth across the region, Group revenue rose 15% to S\$208.5 million for the year ended 30<sup>th</sup> June 2008. Gross margin remained stable at 50.1% despite general increase in raw material costs. This was achieved via greater synergy and efficiency within our retail, wholesale and manufacturing network. Profit for the year is lower by 67% to S\$4.9 million as compared to FY2007. This was mainly due to the impairment of Red White & Pure Pte Ltd's fixed assets amounting to S\$2.4million and S\$2.4million discontinued operations losses plus S\$3.9 million in respect of impairment of long term investments in unquoted shares. In addition, Yourhealth Group Pty Ltd and its subsidiaries, which is under liquidation, realised a loss of S\$0.5m which is mainly due to realisation of exchange translation

losses. Included in the last year profit were gains on disposal of properties and Elixir's business amounting to S\$1.3m and \$1.4m respectively.

With the end of the administration and the liquidation of YourHealth Group Pty Ltd (and its subsidiaries), impairment of the long term investments in unquoted shares and the restructured business at Red White & Pure Pte Ltd (and its subsidiary, RWP Food Services Pte Ltd), which resulted in an impairment of its fixed assets, we do not expect any further adverse effect on our future operating profits by these companies.

## **(A) Revenue**

Compared to FY2007, group revenue increased by 15% to S\$208.5 million. All core business activities and key markets registered strong revenue growth at the end of FY2008.

### ***Revenue by Activities:***

Activities	Group		
	Year Ended 30th June		
	2008	2007	Change
	S\$'000	S\$'000	
<b>Retail - TCM*</b>	<b>161,076</b>	<b>139,905</b>	<b>15%</b>
<b>Wholesale - TCM</b>	<b>32,973</b>	<b>28,300</b>	<b>17%</b>
<b>Clinic - TCM</b>	<b>13,683</b>	<b>12,633</b>	<b>8%</b>
<b>Others</b>	<b>772</b>	<b>366</b>	<b>111%</b>
	<b>208,504</b>	<b>181,204</b>	<b>15%</b>

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

Retail-TCM revenue strengthened by 15% to S\$161million with 19 new outlets opened during the 12 months under review. Retail activities were buoyant at the outlets, due to improving consumer recognition of TCM as an alternative to Western medicine and Health Supplements. The Group's flagship products such as Bo Ying Compound, Bottled Bird's Nest, and Bak Foong Pills continued to deliver strong contributions.

Wholesale-TCM revenue spearheaded growth, rising 17% to S\$33million for the year ended 30<sup>th</sup> June 2008. The increase was due to high demand from our wholesale customers. Based on the respective countries' currencies, the Wholesale-TCM segment actually showed growth ranging from 6% to 41%. However, due to the strengthening of the reporting currency, the growth rate was lower.

Revenue from Clinics increased by 8% to S\$13.7million for the 12 months ended 30<sup>th</sup> June 2008, representing 6.6% of the Group turnover.

Revenue under Others was mainly contributed by rental income.

### Turnover by Geographical Locations

		Group		
Core Countries	Year Ended			
	30th June			
		2008	2007	Change
		'000	'000	%
Hong Kong*	SGD	95,014	85,927	11%
	HKD	514,981	432,154	19%
Singapore	SGD	60,082	53,602	12%
Malaysia**	SGD	52,948	41,675	27%
	MYR	121,859	95,604	27%
Others	SGD	460	-	N.M.
<b>Total</b>	<b>SGD</b>	<b>208,504</b>	<b>181,204</b>	<b>15%</b>

Note: \* Include Macau and China.

\*\* Include Taiwan

Group turnover rose by 15% to S\$208.5million for the year ended 30<sup>th</sup> June 08. Growth was broad-based, registering across the three markets. Malaysia operations spearheaded growth with turnover rising 27% to S\$52.9million.

Both Singapore and Hong Kong turnover grew by 12% and 11% respectively. In absolute terms, Malaysia outperformed all the other markets with turnover increasing by S\$11.3million.

### (B) FY2008 Retail Outlets & Clinics

Countries	Retail Outlets		TCM Clinics		Specialist TCM Clinics		IMC	
	Added / (Closed)	Total	Added / (Closed)	Total	Added / (Closed)	Total	Added / (Closed)	Total
Hong Kong	4	44	-	-	-	-	-	-
Singapore	5	38	2	15	-	3	-	-
Malaysia	5	54	-	3	-	-	-	-
Australia	-	-	-	-	-	-	(3)	-
Taiwan	3	3	-	-	-	-	-	-
Macau	1	2	-	-	-	-	-	-
China	1	3	-	-	-	-	-	-
<b>Total</b>	<b>19</b>	<b>144</b>	<b>2</b>	<b>18</b>	<b>-</b>	<b>3</b>	<b>(3)</b>	<b>-</b>

During the year ended 30<sup>th</sup> June 2008, the Group opened 19 retail outlets and 2 TCM clinics. The establishment of these new outlets and clinics will further contribute to the improvement in Group turnover. The Group will continue to seek opportunities to expand its retail and clinic network.

### **C) Profitability**

In line with higher revenue, gross profit rose 15% to S\$104.6million. Gross profit margin is stable at 50.1% for the year ended 30<sup>th</sup> June 2008 compared to previous year. Operating margin decreased from 13.1% to 9.1% due to higher distribution, selling and administration expenses as a result of the expansion of our retail outlets and clinics amid escalating rental costs.

In line with the Group's continuing efforts to focus on its core business, we have taken steps to divest non-core businesses. This includes the impairment of Red White & Pure Pte Ltd's fixed assets amounting to S\$2.4million and S\$2.4million discontinued operations losses plus S\$3.9 million in respect of impairment of long term investments in unquoted shares. In addition, deconsolidation of YourHealth Group Pty Ltd contributed S\$0.5million on exchange translation losses. Included in last year's profit were gains on disposal of properties and Elixir's business amounting to S\$1.3m and \$1.4m respectively. As a result, profit for FY2008 was S\$4.9million, 67% lower than FY2007.

### **(D) Balance sheet and Cash flow**

Inventories and payables had increased due to higher volume of business.

The Group was able to keep its gearing reasonably low at 21.7% even though S\$11.1million was spent on routine capital expenditure. The Group will continue to expand its core business by utilising its strong cash flow generated from its operations.

The negative working capital in the Company balance sheet was due to reclassification of short term amount due from subsidiaries to long term.

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

The operating profit for the year is in line with the prospect statement contained in the Q3 announcement made on 12<sup>th</sup> May 2008.

### **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**

While the economies in the region remained uncertain due to high inflation and the possible impact of the subprime crisis that may result in a credit crunch, we are cautiously optimistic that business conditions in our core markets remain stable.

To sustain growth, the Group will continue to expand its core business activities and its regional distribution network. The Group will also continue to introduce new TCM and health food products through its network. Effort will be focused to further improve revenue from existing clinics. However, with the inflationary pressure exerted in the economies of our core countries, we anticipate there would be continued upward pressure on retail rentals and manpower costs. It is also recognised that there is geopolitical risk, inflation risk, the threat of high oil prices and the rippling effect of the sub-prime funds crisis in US may affect consumer sentiments. Barring any unforeseen circumstances, the Group is expected to be profitable next year.

## 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 1.0 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 1.0 cent per ordinary share
Par Value of shares	N/A
Tax Rate	Tax Exempt one-tier dividend

### **(c) Date payable**

24 November 2008

### **d) Books closure date**

The Register of Members and Register of Transfers of the Company will be closed at 5.00pm on 11 November 2008 and up to 5.00pm on 12 November 2008 (both days inclusive) for the purpose of determining Shareholders' entitlements to dividends. Registrable Transfers received by the Company Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 3 Church Street, #08-01 Samsung Hub, Singapore 049483, up to 5.00pm on 11 November 2008 will be registered before entitlements to the dividend are determined.

The Annual General Meeting will be held on 30 October 2008.

## 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**

<b>Business Segments</b>							
<b>2008</b>	<b>Continuing Operations</b>					<b>Discontinued Operations</b>	<b>Total Operations</b>
	<b>TCM</b>	<b>Clinics</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>		
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Sales to external customers	194,049	13,683	772	-	208,504	2,540	211,044
Inter-Segment Sales	61,043	-	26,549	(87,592)	-	-	-
<b>Segment Revenue</b>	<b>255,092</b>	<b>13,683</b>	<b>27,321</b>	<b>(87,592)</b>	<b>208,504</b>	<b>2,540</b>	<b>211,044</b>
<b>Operating Profits</b>	<b>28,532</b>	<b>1,723</b>	<b>(2,035)</b>	<b>(9,254)</b>	<b>18,966</b>	<b>(5,888)</b>	<b>13,078</b>
Foreign exchange loss (Net)					(796)	-	(796)
Interest Income					138	-	138
Interest Expense					(1,031)	-	(1,031)
Impairment loss on long term investments					(3,898)	-	(3,898)
Fair Value Gain on revaluation of Investment properties					1,833	-	1,833
<b>Profit before tax</b>					<b>15,212</b>	<b>(5,888)</b>	<b>9,324</b>
Tax expense					(4,993)	593	(4,400)
<b>Profit after tax</b>					<b>10,219</b>	<b>(5,295)</b>	<b>4,924</b>
<b>Assets &amp; Liabilities</b>							
<b>Segment Assets</b>	122,516	3,612	29,957	-	156,085	1,173	157,258
<b>Deferred Tax Assets</b>	20	-	-	-	20	-	20
	122,536	3,612	29,957	-	156,105	1,173	157,278
<b>Segments Liabilities</b>	30,458	2,858	35,692	-	69,008	413	69,421
<b>Other Segment Information:</b>							
Capital Expenditure	9,466	615	978	-	11,059	55	11,114
Depreciation of Property, Plant & Equipment	5,287	700	323	-	6,310	472	6,782
<b>2007</b>							
Sales to external customers	168,205	12,633	366	-	181,204	12,111	193,315
Inter-Segment Sales	43,584	-	23,442	(67,026)	-	-	-
<b>Segment Revenue</b>	<b>211,789</b>	<b>12,633</b>	<b>23,808</b>	<b>(67,026)</b>	<b>181,204</b>	<b>12,111</b>	<b>193,315</b>
<b>Operating Profits</b>	<b>27,101</b>	<b>3,247</b>	<b>1,950</b>	<b>(8,560)</b>	<b>23,738</b>	<b>(4,972)</b>	<b>18,766</b>
Foreign exchange loss (Net)					(154)	51	(103)
Interest Income					188	3	191
Interest Expense					(806)	(228)	(1,034)
Impairment of Goodwill					-	(624)	(624)
Gain of disposal of interest in a subsidiary					15	-	15
Fair Value Gain on revaluation of Investment properties					1,760	-	1,760
<b>Profit before tax</b>					<b>24,741</b>	<b>(5,770)</b>	<b>18,971</b>
Tax expense					(5,175)	915	(4,260)
<b>Profit after tax</b>					<b>19,566</b>	<b>(4,855)</b>	<b>14,711</b>
<b>Assets &amp; Liabilities</b>							
<b>Segment Assets</b>	110,860	3,157	28,792	-	142,809	7,435	150,244
<b>Segments Liabilities</b>	22,265	2,721	28,123	-	53,109	5,098	58,207
<b>Other Segment Information:</b>							
Capital Expenditure	10,439	1,298	108	-	11,845	3,753	15,598
Depreciation of Property, Plant & Equipment	4,220	295	191	-	4,706	703	5,409
Depreciation of Investment Properties	-	-	18	-	18	-	18
Impairment of Goodwill	-	-	-	-	-	624	624

Geographical Segments 2008	Singapore		Malaysia		Hong Kong		Others		Elimination		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sales to external customers	60,280	54,304	52,948	41,675	95,015	85,927	2,802	12,775			211,045	194,681
Inter-Segment Sales	28,332	23,981	10,065	9,566	49,195	2,943	-		(87,592)	(36,490)	-	-
<b>Segment Revenue</b>	<b>88,612</b>	<b>78,285</b>	<b>63,013</b>	<b>51,241</b>	<b>144,210</b>	<b>88,870</b>	<b>2,802</b>	<b>12,775</b>	<b>(87,592)</b>	<b>(36,490)</b>	<b>211,045</b>	<b>194,681</b>
Less Sales attributed to discontinued operations	(198)	(702)	-	-	-	-	(2,343)	(12,775)	-	-	(2,541)	(13,477)
	<b>88,414</b>	<b>77,583</b>	<b>63,013</b>	<b>51,241</b>	<b>144,210</b>	<b>88,870</b>	<b>459</b>	<b>-</b>	<b>(87,592)</b>	<b>(36,490)</b>	<b>208,504</b>	<b>181,204</b>
<b>Segment Assets</b>	<b>52,893</b>	<b>52,001</b>	<b>31,826</b>	<b>26,852</b>	<b>72,294</b>	<b>68,603</b>	<b>265</b>	<b>1,972</b>	<b>-</b>	<b>-</b>	<b>157,278</b>	<b>149,428</b>
<b>Segments Liabilities</b>	<b>48,349</b>	<b>38,467</b>	<b>8,415</b>	<b>4,209</b>	<b>12,656</b>	<b>11,121</b>	<b>1</b>	<b>4,410</b>	<b>-</b>	<b>-</b>	<b>69,421</b>	<b>58,207</b>
<b>Capital Expenditure</b>	<b>2,670</b>	<b>6,162</b>	<b>5,049</b>	<b>2,275</b>	<b>3,395</b>	<b>7,098</b>	<b>-</b>	<b>63</b>	<b>-</b>	<b>-</b>	<b>11,114</b>	<b>15,598</b>

**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	
		Restated	Restated	
a)	Sales reported for the first half	<b>102,053</b>	<b>80,330</b>	27%
b)	Operating Profit/(loss) after tax before deducting minority interests for first half year	<b>6,312</b>	<b>5,869</b>	8%
c)	Sales reported for the second half	<b>106,451</b>	<b>100,874</b>	6%
d)	Operating Profit/(loss) after tax before deducting minority interests for second half year	<b>(1,388)</b>	<b>8,842</b>	N.M.



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

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year ()	Previous Full Year ()
Ordinary	S\$7,208,704	S\$ 7,207,578
Preference	-	-
Total:	S\$7,208,704	S\$7,207,578

**BY ORDER OF THE BOARD**

Danny Heng Hang Siong  
Chief Financial Officer & Company Secretary  
28<sup>th</sup> August 2008