



EU YAN SANG INTERNATIONAL LTD
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For Immediate Release

Eu Yan Sang's 3QFY2013 net profit improves 55% y-o-y to S\$8.5 million

- 3QFY2013 revenue grows 13% y-o-y to S\$101.2 million
- Group's 3QFY2013 operating profit up 41% due to improved contribution from core markets
- Australia records fourth consecutive q-o-q sales growth

Singapore, 7 May 2013 – 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 55% year-on-year (y-o-y) increase in its net profit to S\$8.5 million for its third quarter ended 31 March 2013 (3QFY2013).

Table 1: Financial Highlights

Financial Highlights (S\$ 'million)	3QFY2013 ended 31 Mar 13	3QFY2012 ended 31 Mar 12	% Change	9MFY2013 ended 31 Mar 13	9MFY2012 ended 31 Mar 12	% Change
Revenue	101.2	89.8	13%	249.6	220.3	13%
Gross Profit	48.9	43.6	12%	125.4	111.6	12%
<i>Gross Profit Margin</i>	<i>48.3%</i>	<i>48.6%</i>	-	<i>50.2%</i>	<i>50.7%</i>	-
Operating Expenses	39.1	36.2	8%	107.0	91.0	17%
Operating Profit	11.0	7.8	41%	20.8	21.8	(4%)
Profit for the period	8.5	5.5	55%	13.5	7.3	85%

The Group's 3QFY2013 revenue grows 13% y-o-y to S\$101.2 million, largely attributed to the sterling performance from Hong Kong and Malaysia as a result of the Chinese New Year festive sales.



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In line with revenue growth, 3QFY2013 gross profit grew 12% to S\$48.9 million, as gross margin remained stable at 48%. The Group's operating expenses increased at a lower rate than revenue growth.

Commenting on the Group's operating performance, Mr Richard Eu (余义明), Group CEO, said, "As in the preceding quarter, we managed to improve the gross profit in our core markets in the third quarter. In addition, our operating expenses grew less proportionately than revenue growth, enabling us to improve our Group's operating profit by 41% to S\$11.0 million."

In line with the improved operating performance, the Group's 3QFY2013 net profit jumped 55% to S\$8.5 million, bringing the Group's 9MFY2013 net profit to S\$13.5 million, which is 82.0% of its FY2012 net profit.

Table 2: Australia Sales – Four Consecutive q-o-q Growth

A\$ 'million	3QFY2012	4QFY2012	1QFY2013	2QFY2013	3QFY2013
HLG's sales	2.6	6.0	6.6	6.7	7.2

Healthy Life Group ("HLG") recorded its fourth consecutive quarter-on-quarter (q-o-q) sales growth since it was acquired by the Group, with 3QFY2013 sales at A\$7.2 million. The q-o-q sales growth came because the Group increased the company-operated stores and reduced the franchised stores in Australia, indicating that this rationalization of its Australian business is producing the desired results.



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On the balance sheet, Property, plant and equipment increased from \$79.6 million as at 30 June 2012 to S\$90.9 million as at 31 March 2013 largely due to the expansion of production facilities in Hong Kong. The Group was successful in the tender for a piece of land directly opposite its existing factory in Yuen Long, Hong Kong. It intends to expand its production capacity and R&D capability on this newly-leased land for the production of Chinese medicines and nutraceutical health foods, dietary supplements and complementary medicines to meet the expected higher demand in China in the coming years. The expanded production capacity can also enable the Group to achieve a higher productivity through greater economies of scale.

Revenue by Activities

Revenue for the retail segment increased by 13% y-o-y to S\$83.5 million largely attributed to the improved sales in Malaysia and Hong Kong brought about by the Chinese New Year festive sales. Wholesale revenue increased 11% to S\$12.4 million with the inclusion of HLG's wholesale business. Clinic revenue maintained at a similar level to last year's third quarter.

Revenue by Geographical Locations

In geographical and local currency terms, Hong Kong grew 8% for the third quarter on better retail and wholesale performance. Singapore improved marginally by 1% while Malaysia surged 13% on strong festive hamper sales.



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Group's Retail Outlets and Clinics

As at 31 March 2013, the Group's total retail outlets stood at 298. In its core markets, the Group added another two in Hong Kong and one in Malaysia, while one outlet was closed in Singapore, awaiting relocation. In Australia, the Group continued to increase the number of company-operated stores to 27 while streamlining the number of franchisees, resulting in an overall decrease of 2 outlets to 79. The Group opened a new TCM Clinic in Singapore bringing the Group's total number of clinics to 29.

Going Forward

The Company expects the performance of its core business to be robust and cash flow generating, while new investments in China and Australia continue to demonstrate significant improvements in its operations, providing the Company positive longer term prospects.

- The End -

CORPORATE PROFILE

About Eu Yan Sang International Limited (SGX: EYSI)

Listed on the Singapore Exchange, Eu Yan Sang International Ltd (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 133 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.



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Manufacturing activities are carried out in two of its GMP-certified (Good Manufacturing Practices) factories located in Hong Kong and Malaysia. Every production process demonstrates full GMP accreditation for unmatched quality assurance.

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.

Eu Yan Sang's wholly-owned Australian subsidiary, Healthy Life Group Pty Ltd, operates a chain of 79 HealthyLife 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 5 million products from 170 suppliers to more than 5,000 retailers in the health food, pharmacy and grocery retail segments.

As of 31 March 2013, Eu Yan Sang has an extensive distribution network comprising 298 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 27 TCM Clinics in Singapore and Malaysia, and 2 Integrative Medical Centres in Hong Kong.

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