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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 *	Eu Yee Fong Clifford
Designation *	Executive Director & Company Secretary
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

Announcement Title *	Eu Yan Sang seals a joint venture deal to be one of the largest exporters of high quality TCM herbs from China
Description	Please see attached.
Attachments	 EYS_Xinhehua_JV_PressRelease.pdf Total size = 106K (2048K size limit recommended)



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FOR IMMEDIATE RELEASE

PRESS RELEASE

Eu Yan Sang seals a joint venture deal to be one of the largest exporters of high quality TCM herbs from China

- **Joint venture with Chengdu-based Sichuan Neautus Traditional Chinese Medicine Co Ltd aims to upgrade Eu Yan Sang's supply chain and improve the Group's margins.**
- **The JV plans to set up a TCM decoction pieces (processed herbs) plant in China with an online traceability feature and responsibility in sourcing of herbs.**
- **The collaboration is expected to provide better sourcing capability for high-grade raw materials to further improve on public trust and confidence in TCM herbs.**

Singapore, 16 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), will form a joint venture to set up a high quality TCM decoction pieces (processed herbs) plant in China. The partnership enables EYS to be one of the largest exporters of TCM herbs from China and reinforces the Group's commitment to reliability, trust and integrity of its products.

On 11 May 2013, the Group's wholly-owned subsidiary, Eu Yan Sang (Hong Kong) Limited (余仁生(香港)有限公司) has inked an agreement with Chengdu-based Sichuan Neautus Traditional Chinese Medicine Co., Ltd. (Sichuan Neautus, 四川新荷花中药饮片股份有限公司) to co-establish EYS NEAUTUS (Sichuan) Company Limited (仁生荷花中药(四川)有限公司). The joint-venture (JV) company will be based in Chengdu Hi-Tech Zone for the setting up of the TCM decoction pieces (processed herbs) plant.

The JV agreement also entails the subsequent setting up of a sales office in Hong Kong, EYS NEAUTUS (Hong Kong) Limited (仁生荷花(香港)有限公司), a trading company managing the overseas sales.

The 50/50 joint venture is expected to improve the Group's margins through lower costs of raw materials and strengthening the upward integration of the Group's supply chain. The Group will also stand to benefit in ensuring a timely, trusted source of herbs and ingredients for its renowned products.



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Sichuan Neautus, which has an existing, reliable computerised system to trace herbs from source, will bring intangible value to the JV such as improving the sustainability and responsibility of sourcing for high-grade raw materials.

The JV will incur RMB40 million (approximately S\$8.0 million) for Phase One, which is the setting up of the Good Manufacturing Practice TCM decoction pieces (processed herbs) plant in Chengdu Hi-Tech Zone, Sichuan province.

Commenting on the JV, Mr. Clifford Eu (余义方), Group Managing Director, International, EYS, said: "We are delighted to be working with Sichuan Neautus, an established company in the decoction pieces industry in China. This agreement is fully aligned with EYS's current practise of providing high quality and safe TCM herbs to the global market by leveraging on Sichuan Neautus's strengths. This JV will open new sales channels, be an authority and trailblazer as a trusted brand in TCM international market."

- The End -

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.

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.



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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.

About Sichuan Neautus Traditional Chinese Medicine Co., Ltd.

(Source: <http://en.xinhehua.com/about.asp>)

Founded in 2001, Sichuan Neautus Traditional Chinese Medicine Co., Ltd. is the first GMP certified pharmaceutical producer of herbal slices in China, and a national high-tech enterprise and a state-level key enterprise of agricultural industrialization. In November 2009, it became the first National Engineering and Research Center for TCM Material Processing approved by the National Development and Reform Commission ("NDRC"). The company's Chairman, Mr. Jiang Yun, serves as the Chairman of Herbal Slice Chapter of China Association of Traditional Chinese Medicine (CATCM).

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