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**Press Release: Eu Yan Sang's 1QFY2014 profit before tax up 46% to S\$2.9 million on strong revenue growth \*  
Financial Statement And Related Announcement**

\* Asterisks denote mandatory information

Name of Announcer *	EU YAN SANG INTERNATIONAL LTD
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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 ...

For the Financial Period Ended *	30-09-2013
Description	Please see attached.

**Attachments**

 [EYS\\_1Q14\\_PressRelease\\_Final.pdf](#)  
Total size = **326K**  
(2048K size limit recommended)

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**For Immediate Release**

## **Eu Yan Sang's 1QFY2014 profit before tax up 46% to S\$2.9 million on strong revenue growth**

- 1QFY2014 revenue improved 13% to S\$79.5 million mainly due to strong sales improvement in Hong Kong and Australia
- 1QFY2014 operating profit up 48% to S\$4.6 million as operating expenses increased less proportionately than revenue growth
- 1QFY2014 HLG sales up 30% year-on-year to A\$8.6 million
- Group expects core business to be profitable and cash flow generating

**Singapore, 30 October 2013** – SGX mainboard-listed Eu Yan Sang International Ltd (“EYS”, “the Group” or “余仁生国际企业”) reported a 46% year-on-year (y-o-y) increase in its profit before tax to S\$2.9 million for its first quarter ended 30 September 2013 (1QFY2014).

**Table 1: Financial Highlights**

<b>Financial Highlights (S\$ '000)</b>	<b>1QFY2014 ended 30 Sep 13</b>	<b>1QFY2013 ended 30 Sep 12</b>	<b>% Change</b>
Revenue	79,538	70,576	13%
Gross Profit	40,687	36,168	12%
<i>Gross Profit Margin</i>	<i>51.2%</i>	<i>51.2%</i>	-
Operating Profit	4,639	3,136	48%
Profit before taxation	2,918	1,992	46%
Profit for the period	1,436	344	N.M.

N.M. – Not meaningful



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The Group's 1QFY2014 revenue grew 13% y-o-y to S\$79.5 million, largely attributed to the good performance in Hong Kong and Australia. With the Group's gross margin maintaining at 51%, gross profit rose in line with revenue growth.

1QFY2014 operating expenses increased less proportionately than revenue growth. As such, operating profit improved 48%. This improvement was also translated to the Group's profit before tax and net profit.

Mr Richard Eu (余义明), Group CEO, commented, "We were wary of the impact of operating expenses on our profit as experienced in some recent quarters. I am glad that some of the measures to rein in our costs are showing the desired results in the 48% improvement in 1QFY2014 operating profit."

#### Revenue by Activities

Revenue for the retail segment increased 13% y-o-y to S\$60.1 million from growth in most markets across the Group. Wholesale revenue increased 15% to S\$14.0 million largely driven by strong wholesale performance in Hong Kong and Macau. Clinic revenue improved 6% to S\$4.5 million.

#### Revenue by Geographical Locations

In geographical and local currency terms, Hong Kong grew significantly by 23% on better retail and wholesale performance in Hong Kong and Macau. Malaysia improved 5% largely due to favourable consumer response to promotions held during the quarter. Singapore sales dipped 2% on challenging retail environment. In Australia, Healthy Life Group ("HLG") sales reported a strong 30% y-o-y improvement to A\$8.6 million.



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### Group's Retail Outlets and Clinics

As at 30 September 2013, the Group's total retail outlets stood at 299, comprising 250 company-operated outlets and 49 franchisee outlets. The number of clinics and integrative medical centres remained unchanged at 29 and 2 respectively.

### Going Forward

The Group expects rising operating costs, especially retail rents, to pose a challenge. Nonetheless, the Group has taken steps to manage its costs. The Group expects its core business to continue to be profitable and cash flow positive. It will continue to pursue other strategic opportunities for growth in new lines of business that complement its existing core.

- The End -

## **CORPORATE PROFILE**

### **About Eu Yan Sang International Ltd (SGX: EYSI)**

Listed on the Singapore Exchange, Eu Yan Sang International Ltd (Eu Yan Sang) is a leading and trusted integrative healthcare and wellness company with a unique heritage in Traditional Chinese Medicine (TCM). Being an industry leader and one of the largest TCM groups in South East Asia, Eu Yan Sang 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 134 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.



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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 81 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 3,500 products to around 600 independent retailers in the health food, pharmacy and grocery retail segments.

As of 30 September 2013, 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 29 TCM Clinics in Singapore and Malaysia, and 2 Integrative Medical Centres in Hong Kong.

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