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[Press Release: Eu Yan Sang's 1HFY2014 sales up 15% to S\\$171.4 million on strong performances by Hong Kong, Malaysia and Australia markets](#) * Financial Statement And Related Announcement

* Asterisks denote mandatory information

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Announcement is submitted by *	Eu Yee Fong Clifford
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>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	31-12-2013
Description	Please see attached.

Attachments

 [EYS_2Q14_PressRelease_final.pdf](#)
 Total size = **332K**
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For Immediate Release

Eu Yan Sang's 1HFY2014 sales up 15% to S\$171.4 million on strong performances by Hong Kong, Malaysia and Australia markets

- 1HFY2014 Retail and Wholesale segmental revenue up 16% and 24% respectively
- 1HFY2014 net profit of S\$4.7 million versus S\$5.0 million previously due to product mix as well as higher operating, interest and tax expenses
- Expects strong sales performance to sustain for 2HFY2014, while taking necessary steps to manage rising costs; Core markets to be robust and cash flow positive

Singapore, 28 January 2014 – SGX mainboard-listed Eu Yan Sang International Ltd (“EYS”, “the Group” or “余仁生国际企业”) reported a 15% year-on-year (“y-o-y”) increase in its revenue to S\$171.4 million for its half year ended 31 December 2013 (“1HFY2014”). This is due to strong performances by the Hong Kong, Malaysia and Australia markets.

Financial Highlights (S\$ '000)	2QFY2014 ended 31 Dec 13	2QFY2013 ended 31 Dec 12	Change +/(-)%	1HFY2014 ended 31 Dec 13	1HFY2013 ended 31 Dec 12	Change +/(-)%
Revenue	91,858	77,873	18	171,396	148,449	15
Gross Profit	44,990	40,362	11	85,677	76,530	12
<i>Gross Profit Margin</i>	<i>49.0%</i>	<i>51.8%</i>	<i>(2.8% pts)</i>	<i>50.0%</i>	<i>51.6%</i>	<i>(1.6% pts)</i>
Operating Profit	6,663	6,625	1	11,302	9,761	16
Profit before taxation	5,254	6,058	(13)	8,172	8,050	2
Profit for the period	3,277	4,688	(30)	4,713	5,032	(6)

The Group's bottom-line was affected by a combination of factors including product sales mix, higher purchasing costs as well as higher operating, interest and tax expenses. This resulted in a 1HFY2014 net profit of S\$4.7 million versus S\$5.0 million previously.



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Mr Richard Eu (余义明), Group CEO, commented, “I am pleased to report continued strong demand for our products based on consumers’ emphasis on quality which is supported by our brand values. The robust sales performance was largely volume-driven as we are mindful of maintaining our prices as much as we can to benefit our consumers. At the same time, we are taking the necessary steps to manage rising costs such as raw materials and rentals.

Overall, we continue to see many positive opportunities in our various markets due to factors such as the rising consumer affluence, launch of new products, expansion of our wholesale segments and the scaling up of our current manufacturing facilities.”

2QFY2014 Revenue by Activities

At the quarterly results level, 2QFY2014 revenue for the retail segment increased 18% y-o-y to S\$72.5 million from growth in most markets across the Group. Wholesale revenue increased 34% to S\$14.2 million largely driven by strong wholesale performance in Hong Kong and Macau. Clinic revenue dipped 9% to S\$4.2 million.

2QFY2014 Revenue by Geographical Locations

In geographical and local currency terms, Hong Kong spearheaded growth by jumping 31% on better retail and wholesale performance in Hong Kong and Macau.

Malaysia surged by 17% driven by strong retail performance from promotions held during the quarter. Singapore sales dipped 5% due to the challenging retail environment. In Australia, revenue increased by 30% largely due to the increased number of company-operated outlets, which translated to better retail performance.



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Group's Retail Outlets and Clinics

In 2QFY2014, the Group increased the net number of company-operated outlets by three to 253, while closing four franchise outlets, bringing the total retail outlets to 298 (comprising 253 company-operated outlets and 45 franchisee outlets).

The Group opened a net of one clinic, bringing the total number of clinics to 30. Integrative medical centres remained unchanged at two.

Going Forward

The Group is cautiously optimistic in line with moderate economic growth forecasted in its core markets for 2014. The Group also expects to sustain its strong growth momentum for the rest of FY2014. However rising business costs, especially escalating rental costs, continue to be a key concern. Nonetheless, the Group sees many positive opportunities and expects the performance of its core markets to continue to be robust and cash flow positive.

- The End -

About Eu Yan Sang International Ltd (SGX: EYSI)

Listed on the Singapore Exchange, Eu Yan Sang International Ltd (Eu Yan Sang) aims to be the world's leading and most trusted integrative health 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 135 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 80 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 31 December 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 30 TCM Clinics in Singapore and Malaysia, and 2 Integrative Medical Centres in Hong Kong.

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