


PRESS RELEASE - EU YAN SANG'S 1QFY2012 NET PROFIT UP 9% TO S\$4.5MIL * 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 *	Danny Heng Hang Siong
Designation *	Chief Financial Officer
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

For the Financial Period Ended *	30-09-2011
Description	Please see attached.
Attachments	 EYS_1Q12_PressRelease_Final.pdf Total size = 144K (2048K size limit recommended)



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For Immediate Release

Eu Yan Sang's 1QFY2012 net profit up 9% to S\$4.5mil

- Revenue increased 5% to S\$60.7mil for 1QFY2012 from S\$57.6mil in 1QFY2011 on continued growth in all key markets and business segments
- 1QFY2012 operating profit up 16% y-o-y to S\$6.2 million on lower than proportionate increase in total expenses, reflecting robustness of business model
- Retail network continues to expand; four new outlets in just three months

Singapore, 14 November 2011 – 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), posted an increase of 9% year-on-year (“y-o-y”) in its net profit to S\$4.5 million for its three months ended 30 September 2011 (1QFY2012).

Table 1: Financial Highlights

Financial Highlights (S\$'000)	1QFY2012 ended 30 Sep 11	1QFY2011 ended 30 Sep 10	% Change
Revenue	60,730	57,621	5%
Gross Profit	32,122	30,279	5%
<i>Gross Profit Margin</i>	<i>52.9%</i>	<i>52.5%</i>	-
Operating Profit	6,176	5,346	16%
Taxation	(1,411)	(1,309)	8%
Profit for the period	4,549	4,136	10%
Profit for the period attributable to owners of the parent	4,503	4,125	9%
EPS# (cents)	1.04	0.95	9%

#: Based on 434,418,507 number of shares as at 30 September 2010, inclusive of bonus shares

The Group recorded higher revenue in 1QFY2012 on broad-based revenue growth from all its main business segments of Retail-TCM, Wholesale-TCM and Clinic-TCM. The stronger Singapore Dollar has negatively impacted the Group's reporting results as the Group's financial reporting is expressed in



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the Singapore currency. Comparing the 1QFY2012 results against 1QFY2011's using the same exchange rate, the Group would have recorded a revenue growth of 12% and net profit growth of 21%.

Table 2: Impact of Strong Singapore Dollar

(S\$'000)	Actual 1QFY2012	1QFY2012 (applying FY11 forex rate)	Variance	Actual 1QFY2011	% Change
Revenue	60,730	64,655	3,925	57,621	12%
Gross Profit	32,122	34,156	2,034	30,279	13%
Gross Profit Margin	52.9%	52.8%	-	52.5%	-
Operating Profit	6,176	6,925	749	5,346	30%
Operating Profit Margin	10.2%	10.7%	-	9.3%	-
Profit to shareholders	4,503	4,972	469	4,125	21%
Net Profit Margin	7.4%	7.7%	-	7.2%	-

Mr Richard Eu (余义明), Group CEO remarked, "We are pleased that our operating profit growth continues to outpace our revenue growth. We believe this is due to our robust business model which has helped us to increase sales while managing expenses."

Operations Review

With the opening of new stores, 1QFY2012 Retail-TCM revenue increased 5% to S\$48.3 million demonstrating the continued consumer acceptance and trust of the Group's brand in the region. Bottled Bird's Nest, Bo Ying Compound, Bak Foong Pills, Lingzhi Cracked Spores Capsules and Essence of Chicken remained as the Group's top selling products.

Wholesale-TCM revenue increased 6% to S\$7.6 million due to the stock replenishment by wholesalers. Clinic-TCM revenue improved 10% to S\$4.2 million, reflecting the increasing acceptance of TCM treatment.



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In geographical and local currency terms, all the Group's three core markets continued to post growth in revenue. Revenue from Hong Kong, the Group's largest market, surged 22%. Singapore posted a growth of 3% while Malaysia returned with a 6% increase. However, the stronger Singapore dollar versus the Hong Kong dollar and Malaysian Ringgit trimmed their growth when viewed in Singapore dollars to 10% and 0.2%.

Mr Eu added, "We continue to expand our retail network, adding four new stores in just three months. We are pleased that we have opened our first store outside the Guangdong province in China." As at 30 September 2011, the Group had 189 retail stores and sub-brand stores and a chain of 23 TCM Clinics in Singapore and Malaysia, and two Integrative Medical Centres in Hong Kong.

Outlook

The Group is on track for its expansion of new outlets and is preparing to roll out a pipeline of new products in the region.

The unsolved sovereign debt problems of a few European countries continued to bring uncertainty to the global financial situation and economic outlook. Nonetheless, the Group is cautiously optimistic that the rising affluence of Asia coupled with the growing acceptance of Traditional Chinese Medicine will drive consumption in the key markets, sustaining the Group's growth.

- The End -



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CORPORATE PROFILE

(As at November 2011)

About Eu Yan Sang International Limited (SGX: EYSI)

Listed on the Singapore Exchange, Eu Yan Sang International Limited (Eu Yan Sang) is a trusted global 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 over 130 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.

To give an added assurance to consumers, the Group developed the world's first certification standard for TCM herbs, called the "Eu Yan Sang Good Agronomic Practices for Herbs (EYSGAP-Herbs) Certification". This certification ensures world-leading standards are maintained at all stages of growing, processing and retailing of TCM herbs.

Eu Yan Sang is also developing a world first integrated online portal to keep track of TCM herbs throughout the whole value chain, known as "integrated Good Agronomic Practices for Traditional Chinese Medicine Electronic System" (iGATES).

Apart from retailing fine quality Chinese herbs and Chinese Proprietary Medicines, Eu Yan Sang also retails health foods and supplements. This is complemented by continual education and public awareness initiatives, as part of Eu Yan Sang's aim to promote an easy understanding of TCM, thus making it more accessible to the modern consumer. 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. Manufacturing activities are carried out in two of its GMP-certified (Good Manufacturing Practices) factories located in Hong Kong and Malaysia.

As of August 2011, Eu Yan Sang has an extensive distribution network comprising 189 retail outlets in China, Hong Kong, Macau, Malaysia and Singapore. 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 23 TCM Clinics in Singapore and Malaysia, and 2 Integrative Medical Centres in Hong Kong.

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