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Press Release: Eu Yan Sang's 1QFY2013 revenue grew 16% yoy to S\$70.6 million on full-quarter contribution from Australia * Financial Statement And Related Announcement

* Asterisks denote mandatory information


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
Date & Time of Broadcast	29-Oct-2012 17:16:33
Announcement No.	00047

>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	30-09-2012
Description	Please see attached.

Attachments

 [EYS_1Q13_PressRelease_Final.pdf](#)
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For Immediate Release

Eu Yan Sang's 1QFY2013 revenue grew 16% yoy to S\$70.6 million on full-quarter contribution from Australia

- Higher operating expenses in core markets and loss in Australia Healthy Life Group (HLG) caused net profit to decline 92% yoy to S\$0.3 million
- 1QFY2013 operating profit grew 19.4% qoq to S\$3.1 million with HLG's sales up 8.5% qoq to A\$6.6 million, indicating an improving operating performance
- Group added 6 more retail outlets for a total of 305; Sales in China improved 88% yoy on retail network expansion

Singapore, 29 Oct 2012 – 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 16% year-on-year (y-o-y) increase in its revenue to S\$70.6 million for the first quarter ended 30 September 2012 (1Q2013). The increase in revenue was driven mainly by the full-quarter contribution from HLG in Australia, improved sales in China and partly by increased sales in most business segments in the Group's core markets.

Table 1: Financial Highlights

Financial Highlights (S\$ 'million)	1Q2013 ended 30 Sep 12	1Q2012 ended 30 Sep 11	% Change
Revenue	70.6	60.7	16%
Gross Profit	36.2	32.1	13%
<i>Gross Profit Margin</i>	<i>51.2%</i>	<i>52.9%</i>	-
Operating Profit	3.1	6.2	(49%)
Profit before taxation	1.9	5.9	(67%)
Taxation	1.6	1.4	17%
Profit for the period	0.3	4.5	(92%)



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The Group's 1QFY2013 gross margin of 51.2% was 1.7 percentage points lower than that in 1QFY2012 as HLG's business, with its distribution business as a key component, yielded lower margins.

On a year-on-year basis, the Group's operating profit declined 49% to S\$3.1 million largely due to higher operating expenses in Australia and higher rentals in the core markets. The Group suffered unrealized foreign exchange loss of about S\$0.6 million due to the weaker Hong Kong dollar against the Singapore dollar and also higher interest expenses from increased borrowings. Despite a lower profit before tax, the Group's effective tax rate was higher because profits in some subsidiaries cannot be offset against losses in others. As a result, the Group's 1Q13 net profit decreased 92% y-o-y to S\$0.3 million.

Table 2: Quarter-to-quarter Improvement

(in million)	1Q2013 ended 30 Sep 12	4Q2012 ended 30 Jun 12	% Change
Operating Profit	S\$3.1	S\$2.6	19.4
Operating Expenses	S\$33.5	S\$34.0	(1.6)
Australia (HLG) Sales	A\$6.6	A\$6.0	8.5

On a positive note, the Group's 1QFY2013 operating profit grew 19.4% quarter-on-quarter (qoq) to S\$3.1 million, largely due to the 8.5% qoq improvement in sales to A\$6.6 million for Australia's HLG and the qoq lower operating expenses.

Mr Richard Eu (余义明), Group CEO commented, "We understand there may be concerns on our decline in profit year-on-year. Notwithstanding, the lower operating expenses and higher operating profit in quarter-on-quarter terms should bring some comfort. We will strive to maintain this positive trend into the second half of this financial year."



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Segmental Results

Revenue for the retail segment increased by 10% yoy to S\$53.1 million on the back of a full quarter's contribution from HLG, excluding which retail revenue growth would be down by 1% due to sluggish retail environment in the core markets. Wholesale revenue surged 60% to S\$12.2 million with HLG accounting for 59% of the overall increase and a strong wholesale performance in Hong Kong. Clinics revenue maintained at a similar level as last year's first quarter.

In geographical and local currency terms, Hong Kong grew 6% yoy on strong wholesale performance while Malaysia grew 3%. Singapore declined 5% amidst sluggish local retail environment. Australia contributed 12% to Group's revenue.

Outlook

During the quarter, the Group added six retail outlets for a total of 305. Of the six stores, four are in Malaysia, widening its retail coverage in the various states, while two are in China bringing the total of stores there to 18. The Group added an elderly-friendly clinic in Singapore to cater to the aging population.

Mr Eu added, "Notwithstanding the slower growth in our core markets going forward, we are optimistic that the Group will achieve a satisfactory performance for this financial year."

- The End -

CORPORATE PROFILE

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 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.



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The Group has come a long way from its humble beginnings offering TCM remedies to tin mine coolies in Gopeng, Perak, Malaysia 132 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. 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.

Eu Yan Sang's wholly-owned Australian subsidiary, Healthy Life Group Pty Ltd, operates a chain of 88 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 5 million products from 170 suppliers to more than 5,000 retailers in the health food, pharmacy and grocery retail segments.

As of 30 September 2012, Eu Yan Sang has an extensive distribution network comprising 305 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 25 TCM Clinics in Singapore and Malaysia, and 2 Integrative Medical Centres in Hong Kong.

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