

PRESS RELEASE: EU YAN SANG'S 2QFY2013 REVENUE GROWS 12% Y-O-Y TO S\$77.9 MILLION \* FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT

Like  0

\* Asterisks denote mandatory information

<b>Name of Announcer *</b>	EU YAN SANG INTERNATIONAL LTD
<b>Company Registration No.</b>	199302179H
<b>Announcement submitted on behalf of</b>	EU YAN SANG INTERNATIONAL LTD
<b>Announcement is submitted with respect to *</b>	EU YAN SANG INTERNATIONAL LTD
<b>Announcement is submitted by *</b>	Eu Yee Fong Clifford
<b>Designation *</b>	Executive Director & Company Secretary
<b>Date &amp; Time of Broadcast</b>	06-Feb-2013 17:16:19
<b>Announcement No.</b>	00042

>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

<b>For the Financial Period Ended *</b>	31-12-2012
<b>Description</b>	Please see attached.
<b>Attachments</b>	<a href="#">EYS-2Q13-PressRelease_FINAL.pdf</a> Total size = <b>174K</b> (2048K size limit recommended)



**EU YAN SANG INTERNATIONAL LTD**  
269A South Bridge Road, Singapore 058818

Tel: (65) 6225 3211 Fax: (65) 6225 8276

For Immediate Release

## **Eu Yan Sang's 2QFY2013 revenue grows 12% y-o-y to S\$77.9 million**

- 2QFY2013 turns around y-o-y with net profit of S\$4.7 million from corresponding loss of S\$2.7 million
- 2QFY2013 operating profit doubles q-o-q to S\$6.6 million from S\$3.1 million for 1QFY2013
- Three consecutive q-o-q improvement in operating profit

**Singapore, 6 February 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), reported a 12% year-on-year (y-o-y) increase in its revenue to S\$77.9 million for the second quarter ended 31 December 2012 (2QFY2013).

Table 1: Financial Highlights

<b>Financial Highlights (S\$ 'million)</b>	<b>2QFY2013 ended 31 Dec 12</b>	<b>2QFY2012 ended 31 Dec 11</b>	<b>% Change</b>	<b>1HFY2013 ended 31 Dec 12</b>	<b>1HFY2012 ended 31 Dec 11</b>	<b>% Change</b>
Revenue	77.9	69.8	12%	148.4	130.5	14%
Gross Profit	40.4	35.9	13%	76.5	68.0	15%
<i>Gross Profit Margin</i>	<i>51.8%</i>	<i>51.4%</i>	-	<i>51.6%</i>	<i>52.1%</i>	-
Operating Profit	6.6	7.8	(15%)	9.8	14.0	(30%)
Impairments	-	8.8	NM	-	8.8	NM
Profit/(Loss) for the period	4.7	(2.7)	NM	5.0	1.8	173%

NM: Not Meaningful



**EU YAN SANG INTERNATIONAL LTD**  
**269A South Bridge Road, Singapore 058818**

**Tel: (65) 6225 3211 Fax: (65) 6225 8276**

Commenting on the Group's performance in its core markets of Hong Kong, Singapore and Malaysia, Mr Richard Eu (余义明), Group CEO, said, "We managed to improve the gross margins in our core markets. This improvement has helped us to counteract the effect of rising rental pressures."

2QFY2013 operating profit decreased 15% y-o-y to S\$6.6 million mainly due to higher operating expenses in Australia and higher rentals in the core markets.

2QFY2013 net profit returns to the black at S\$4.7 million from a loss of S\$2.7 million for 2QFY2012, which was a result of the S\$8.8 million impairment made in writing off the equity investment in Healthzone Limited (HZL).

Table 2: Three consecutive q-o-q improvement

<b>(in million)</b>	<b>4Q2012 ended 30 Jun 12</b>	<b>1Q2013 ended 30 Sep 12</b>	<b>2Q2013 ended 31 Dec 12</b>	<b>1Q2013 vs 2Q2013 Comparison</b>
Gross Profit	S\$36.2	S\$36.2	S\$40.4	12%
Operating Expenses	S\$34.0	S\$33.5	S\$34.4	3%
Operating Profit	S\$2.6	S\$3.1	S\$6.6	113%

On a quarter-on-quarter (q-o-q) basis, 2QFY2013 operating profit doubled q-o-q to S\$6.6 million from S\$3.1 million for 1QFY2013, achieving a three consecutive q-o-q improvement.

#### Revenue by Activities

Revenue for the retail segment increased by 10% y-o-y to S\$61.5 million. In the Group's core markets, retail sales for 2QFY2013 maintained at the same level as that of 2QFY2012 while new markets contributed to the overall increase.



**EU YAN SANG INTERNATIONAL LTD**  
**269A South Bridge Road, Singapore 058818**

**Tel: (65) 6225 3211 Fax: (65) 6225 8276**

Wholesale revenue increased 26% to S\$10.7 million driven by strong performances in Hong Kong and Australia.

Clinic revenue was maintained at a similar level to last year's second quarter.

#### Revenue by Geographical Locations

In geographical and local currency terms, Hong Kong grew 7% for the second quarter primarily due to improved wholesale performance. Singapore improved marginally by 1% while Malaysia declined 5%, largely due to the timing difference for the festive hamper sales.

#### Group's Retail Outlets and Clinics

As at 31 December 2012, the Group's total retail outlets stood at 298. In its core markets, there was no significant net change. During the quarter, the Group added another new retail outlet in China, while closing one in Malaysia, awaiting relocation. In Australia, the Group increased the number of company-owned stores whilst the number of franchisees declined as part of the Group's rationalization. Despite the net decrease of seven outlets, 2QFY2013 HLG sales were up 2% q-o-q to A\$6.7 million. Mr Eu added, "We can see the continual improvement in HLG's operational efficiency and are confident that it is on an upward trend towards profitability."

The Group opened a new Premier TCM Clinic in Singapore which focuses in pain management, offering patients an alternative in relieving their pain.

The Group will still continue to open new stores in all markets.



**EU YAN SANG INTERNATIONAL LTD**  
**269A South Bridge Road, Singapore 058818**

**Tel: (65) 6225 3211**

**Fax: (65) 6225 8276**

## Going Forward

Mr Eu said in conclusion, “We see continued stability and resilience in our core markets. Looking forward, we will be launching new products, entering new markets and starting new business units.”

- 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.

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.

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 INTERNATIONAL LTD**  
**269A South Bridge Road, Singapore 058818**

**Tel: (65) 6225 3211      Fax: (65) 6225 8276**

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 5 million products from 170 suppliers to more than 5,000 retailers in the health food, pharmacy and grocery retail segments.

As of 31 December 2012, 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 26 TCM Clinics in Singapore and Malaysia, and 2 Integrative Medical Centres in Hong Kong.

<p><b>Contact Information:</b></p> <p><b>Financial PR Pte Ltd</b> Mr El Lee/Ms Kathy Zhang Investor Relations Consultants Tel: 65-6438 2990 / Fax: 65-6438 0064 Email: <a href="mailto:staff@financialpr.com.sg">staff@financialpr.com.sg</a></p>	<p><b>Eu Yan Sang International Ltd</b> Ms Joanna Wong General Manager Brand Management &amp; Corporate Communications Eu Yan Sang International Ltd DID: 65-64213213 Fax: 65-6221 1861 Email: <a href="mailto:joanna.wong@euyansang.com">joanna.wong@euyansang.com</a></p>
---	---