



Unaudited Results For The Third Quarter and Nine Months Ended 31 March 2014

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated income statement for the period ended 31 March 2014

|                                          | ← Third Quarter Ended 31 March |          |           | GROUP →   |           |           |
|------------------------------------------|--------------------------------|----------|-----------|-----------|-----------|-----------|
|                                          | 2014                           | 2013     | Change    | 2014      | 2013      | Change    |
|                                          | S\$'000                        | S\$'000  | +/(-)%    | S\$'000   | S\$'000   | +/(-)%    |
| <b>Revenue</b>                           | 110,284                        | 101,181  | <b>9</b>  | 281,680   | 249,630   | <b>13</b> |
| Cost of sales                            | (55,753)                       | (52,326) | 7         | (141,472) | (124,245) | 14        |
| <b>Gross profit</b>                      | 54,531                         | 48,855   | <b>12</b> | 140,208   | 125,385   | <b>12</b> |
| Other operating income                   | 1,078                          | 1,315    | (18)      | 2,163     | 2,385     | (9)       |
| Distribution and selling expenses        | (34,927)                       | (31,104) | 12        | (92,202)  | (83,012)  | 11        |
| Administrative expenses                  | (8,355)                        | (8,019)  | 4         | (26,540)  | (23,950)  | 11        |
| <b>Operating profit</b>                  | 12,327                         | 11,047   | <b>12</b> | 23,629    | 20,808    | <b>14</b> |
| Foreign exchange gain/(loss)             | 68                             | 362      | (81)      | (381)     | (164)     | n.m.      |
| Interest income                          | 37                             | 31       | 19        | 203       | 67        | n.m.      |
| Interest expenses                        | (1,271)                        | (677)    | 88        | (4,105)   | (1,894)   | n.m.      |
| Gain on bargain purchase of a business   | -                              | 28       | (100)     | -         | 28        | (100)     |
| Share of results of joint ventures       | 25                             | -        | n.m.      | 12        | (4)       | n.m.      |
| <b>Profit before taxation</b>            | 11,186                         | 10,791   | <b>4</b>  | 19,358    | 18,841    | <b>3</b>  |
| Taxation                                 | (2,360)                        | (2,300)  | 3         | (5,819)   | (5,318)   | 9         |
| <b>Profit for the period, net of tax</b> | 8,826                          | 8,491    | <b>4</b>  | 13,539    | 13,523    | -         |
| <b>Attributable to:</b>                  |                                |          |           |           |           |           |
| <b>Owners of the Company</b>             | 8,791                          | 8,441    | 4         | 13,426    | 13,441    | -         |
| <b>Non-controlling interests</b>         | 35                             | 50       | (30)      | 113       | 82        | 38        |
|                                          | 8,826                          | 8,491    | <b>4</b>  | 13,539    | 13,523    | -         |

**1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Consolidated Statement of Comprehensive Income for the period ended 31 March 2014**

|                                                                      | ← Third Quarter Ended 31 March |              |             | GROUP →        |                |            |
|----------------------------------------------------------------------|--------------------------------|--------------|-------------|----------------|----------------|------------|
|                                                                      | 2014                           | 2013         | Change      | 2014           | 2013           | Change     |
|                                                                      | S\$'000                        | S\$'000      | +/(-)%      | S\$'000        | S\$'000        | +/(-)%     |
| <b>Profit for the period, net of tax</b>                             | <b>8,826</b>                   | <b>8,491</b> | <b>4</b>    | <b>13,539</b>  | <b>13,523</b>  | <b>-</b>   |
| <b>Other comprehensive income:</b>                                   |                                |              |             |                |                |            |
| <b>Item that will not be reclassified to profit or loss:</b>         |                                |              |             |                |                |            |
| Revaluation gain on property, plant and equipment                    | -                              | -            | n.m.        | -              | -              | n.m.       |
| <b>Item that may be reclassified subsequently to profit or loss:</b> |                                |              |             |                |                |            |
| Currency translation adjustments on foreign operations               | (585)                          | 1,193        | n.m.        | (1,956)        | (1,530)        | 28         |
| <b>Other comprehensive income for the period, net of tax</b>         | <b>(585)</b>                   | <b>1,193</b> | <b>n.m.</b> | <b>(1,956)</b> | <b>(1,530)</b> | <b>28</b>  |
| <b>Total comprehensive income for the period</b>                     | <b>8,241</b>                   | <b>9,684</b> | <b>(15)</b> | <b>11,583</b>  | <b>11,993</b>  | <b>(3)</b> |
| <b>Attributable to:</b>                                              |                                |              |             |                |                |            |
| <b>Owners of the Company</b>                                         | <b>8,209</b>                   | <b>9,633</b> | <b>(15)</b> | <b>11,479</b>  | <b>11,921</b>  | <b>(4)</b> |
| <b>Non-controlling interests</b>                                     | <b>32</b>                      | <b>51</b>    | <b>(37)</b> | <b>104</b>     | <b>72</b>      | <b>44</b>  |
|                                                                      | <b>8,241</b>                   | <b>9,684</b> | <b>(15)</b> | <b>11,583</b>  | <b>11,993</b>  | <b>(3)</b> |

Notes:

(i) Operating profit is arrived at after charging/(crediting) the following:

|                                                          | Third Quarter Ended 31 March |         |        | Nine Months Ended 31 March |         |        |
|----------------------------------------------------------|------------------------------|---------|--------|----------------------------|---------|--------|
|                                                          | 2014                         | 2013    | Change | 2014                       | 2013    | Change |
|                                                          | S\$'000                      | S\$'000 | +/(-)% | S\$'000                    | S\$'000 | +/(-)% |
| Depreciation of property, plant and equipment            | 2,357                        | 1,828   | 29     | 6,899                      | 5,417   | 27     |
| Amortisation of intangible assets                        | 246                          | 133     | 85     | 671                        | 427     | 57     |
| Loss/(gain) on disposal of property, plant and equipment | 2                            | (1,015) | n.m.   | 58                         | (1,021) | n.m.   |
| Property, plant and equipment written off                | 95                           | 252     | (62)   | 322                        | 258     | 25     |
| Intangible assets written off                            | -                            | -       | n.m.   | -                          | 3       | (100)  |
| (Reversal of write-down)/write-down of inventories       | (45)                         | 89      | n.m.   | (310)                      | (377)   | (18)   |
| Inventories written off/(write-back)                     | 809                          | (1)     | n.m.   | 1,334                      | 72      | n.m.   |
| Allowance for doubtful receivables (trade)               | 19                           | 57      | (67)   | 162                        | 72      | n.m.   |
| Bad debts written off                                    | -                            | -       | n.m.   | 3                          | 4       | (25)   |

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

|                                                                   | Group          |                | Company        |                |
|-------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                   | 31-Mar-14      | 30-Jun-13      | 31-Mar-14      | 30-Jun-13      |
|                                                                   | S\$'000        | S\$'000        | S\$'000        | S\$'000        |
| <b>Non-current assets</b>                                         |                |                |                |                |
| Property, plant and equipment                                     | 99,762         | 97,670         | 1,397          | 969            |
| Investments in subsidiaries                                       | -              | -              | 70,887         | 71,400         |
| Amounts due from subsidiaries                                     | -              | -              | 52,712         | 35,406         |
| Other receivables                                                 | -              | -              | -              | -              |
| Investments in joint ventures                                     | 431            | 52             | -              | -              |
| Long term investments                                             | -              | -              | -              | -              |
| Investment properties                                             | 69,079         | 67,790         | -              | -              |
| Intangible assets                                                 | 4,396          | 3,974          | 404            | 103            |
| Prepayments                                                       | 5,555          | 6,330          | -              | -              |
| Deferred tax assets                                               | 204            | 210            | -              | -              |
|                                                                   | <b>179,427</b> | <b>176,026</b> | <b>125,400</b> | <b>107,878</b> |
| <b>Current assets</b>                                             |                |                |                |                |
| Inventories                                                       | 81,906         | 69,091         | -              | -              |
| Trade and other receivables                                       | 24,194         | 22,118         | 44             | 16             |
| Prepayments                                                       | 2,132          | 2,675          | 34             | 20             |
| Amounts due from subsidiaries                                     | -              | -              | 37,397         | 38,681         |
| Tax recoverable                                                   | 228            | -              | -              | -              |
| Fixed bank deposits                                               | 11,158         | 60,004         | 10,000         | 60,004         |
| Cash and bank balances                                            | 50,070         | 38,072         | 9,744          | 11,862         |
|                                                                   | <b>169,688</b> | <b>191,960</b> | <b>57,219</b>  | <b>110,583</b> |
| <b>Current liabilities</b>                                        |                |                |                |                |
| Trade and other payables                                          | 35,993         | 38,682         | 1,542          | 2,666          |
| Provision for long service payments                               | 75             | 69             | -              | -              |
| Interest bearing loans and borrowings                             | 38,340         | 57,899         | 34,200         | 55,180         |
| Hire purchase creditors                                           | 147            | 195            | 78             | 78             |
| Provision for restoration costs                                   | 789            | 933            | -              | -              |
| Deferred revenue                                                  | 3,355          | 2,975          | -              | -              |
| Tax payable                                                       | 6,437          | 5,540          | 242            | 251            |
| Amount due to joint venture                                       | 141            | -              | -              | -              |
| Derivatives                                                       | 71             | 71             | 71             | 71             |
|                                                                   | <b>85,348</b>  | <b>106,364</b> | <b>36,133</b>  | <b>58,246</b>  |
| <b>Net current assets</b>                                         | <b>84,340</b>  | <b>85,596</b>  | <b>21,086</b>  | <b>52,337</b>  |
| <b>Non-current liabilities</b>                                    |                |                |                |                |
| Interest bearing loans and borrowings                             | 2,336          | 3,546          | 1,050          | 2,100          |
| Notes payable                                                     | 100,043        | 98,641         | 100,043        | 98,641         |
| Long term loans from non-controlling shareholders of subsidiaries | 143            | 144            | -              | -              |
| Hire purchase creditors                                           | 280            | 412            | 217            | 276            |
| Provision for restoration costs                                   | 2,262          | 2,308          | -              | -              |
| Provision for long service payments                               | 269            | 222            | -              | -              |
| Deferred tax liabilities                                          | 6,340          | 6,371          | -              | -              |
| Other payables                                                    | 599            | 301            | -              | -              |
|                                                                   | <b>112,272</b> | <b>111,945</b> | <b>101,310</b> | <b>101,017</b> |
| <b>Net assets</b>                                                 | <b>151,495</b> | <b>149,677</b> | <b>45,176</b>  | <b>59,198</b>  |
| <b>Equity attributable to owners of the Company</b>               |                |                |                |                |
| Share capital                                                     | 40,025         | 39,598         | 40,025         | 39,598         |
| Reserves                                                          | 111,201        | 109,587        | 5,151          | 19,600         |
|                                                                   | <b>151,226</b> | <b>149,185</b> | <b>45,176</b>  | <b>59,198</b>  |
| Non-controlling interests                                         | 269            | 492            | -              | -              |
| <b>Total equity</b>                                               | <b>151,495</b> | <b>149,677</b> | <b>45,176</b>  | <b>59,198</b>  |

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

| As at 31-Mar-14 |               | As at 30-Jun-13 |               |
|-----------------|---------------|-----------------|---------------|
| Secured         | Unsecured     | Secured         | Unsecured     |
| S\$340,000      | S\$38,147,000 | S\$395,000      | S\$57,699,000 |

**Amount repayable after one year**

| As at 31-Mar-14 |                | As at 30-Jun-13 |                |
|-----------------|----------------|-----------------|----------------|
| Secured         | Unsecured      | Secured         | Unsecured      |
| S\$1,566,000    | S\$101,236,000 | S\$1,858,000    | S\$100,885,000 |

**Details of any collateral**

Secured borrowings are:

- (1) bank loan secured by a charge over the property of a subsidiary; and
- (2) finance lease liabilities secured by the rights to the leased assets.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

|                                                                    | Group                        |                 |                            |                 |
|--------------------------------------------------------------------|------------------------------|-----------------|----------------------------|-----------------|
|                                                                    | Third Quarter Ended 31 March |                 | Nine Months Ended 31 March |                 |
|                                                                    | 2014<br>S\$'000              | 2013<br>S\$'000 | 2014<br>S\$'000            | 2013<br>S\$'000 |
| <b>Cash flows from operating activities</b>                        |                              |                 |                            |                 |
| Profit before taxation and non-controlling interests               | 11,186                       | 10,791          | 19,358                     | 18,841          |
| Depreciation of property, plant and equipment                      | 2,357                        | 1,828           | 6,899                      | 5,417           |
| Amortisation of intangible assets                                  | 246                          | 133             | 671                        | 427             |
| Loss/(gain) on disposal of property, plant and equipment           | 2                            | (1,015)         | 58                         | (1,021)         |
| Property, plant and equipment written off                          | 95                           | 252             | 322                        | 258             |
| Intangible assets written off                                      | -                            | -               | -                          | 3               |
| Foreign currency translation realignment                           | (345)                        | 390             | (902)                      | (195)           |
| Gain on bargain purchase of a business                             | -                            | (28)            | -                          | (28)            |
| (Reversal of write-down)/write-down of inventories                 | (45)                         | 89              | (310)                      | (377)           |
| Inventories written off/(write-back)                               | 809                          | (1)             | 1,334                      | 72              |
| Allowance for doubtful receivables (trade)                         | 19                           | 57              | 162                        | 72              |
| Bad debts (trade) written off                                      | -                            | -               | 3                          | 4               |
| Interest income                                                    | (37)                         | (31)            | (203)                      | (67)            |
| Interest expense                                                   | 1,271                        | 677             | 4,105                      | 1,894           |
| Share of results of joint ventures                                 | (25)                         | -               | (12)                       | 4               |
| Deferred revenue                                                   | 443                          | 911             | 441                        | 1,451           |
| Increase in long service payments                                  | 25                           | 32              | 48                         | 43              |
| <b>Operating cash flows before changes in working capital</b>      | <b>16,001</b>                | <b>14,085</b>   | <b>31,974</b>              | <b>26,798</b>   |
| Decrease/(Increase) in trade and other receivables                 | 264                          | (1,658)         | (2,375)                    | (1,780)         |
| Decrease/(Increase) in prepayments                                 | 2,477                        | (14)            | 1,318                      | 476             |
| Increase in amount due to joint venture                            | 260                          | -               | 141                        | -               |
| Decrease/(Increase) in inventories                                 | 14,243                       | 14,477          | (13,839)                   | (3,542)         |
| Decrease in trade and other payables                               | (13,848)                     | (12,308)        | (2,616)                    | (2,568)         |
| <b>Cash flows from operations</b>                                  | <b>19,397</b>                | <b>14,582</b>   | <b>14,603</b>              | <b>19,384</b>   |
| Interest received                                                  | 37                           | 31              | 203                        | 67              |
| Interest paid                                                      | (205)                        | (377)           | (2,734)                    | (1,370)         |
| Income tax refund                                                  | 423                          | 26              | 442                        | 65              |
| Income tax paid                                                    | (516)                        | (996)           | (5,407)                    | (6,732)         |
| <b>Net cash flows from operating activities</b>                    | <b>19,136</b>                | <b>13,266</b>   | <b>7,107</b>               | <b>11,414</b>   |
| <b>Cash flows from investing activities</b>                        |                              |                 |                            |                 |
| Purchase of property, plant and equipment                          | (3,978)                      | (9,335)         | (11,624)                   | (18,646)        |
| Purchase of intangible assets                                      | (594)                        | (198)           | (895)                      | (979)           |
| Proceeds from sale of property, plant and equipment                | 5                            | 2,177           | 186                        | 2,206           |
| Investment in joint ventures                                       | -                            | -               | (406)                      | (25)            |
| Repayment of quasi loan by joint venture, net                      | 113                          | -               | 39                         | -               |
| Purchase of long term investments                                  | -                            | -               | -                          | (854)           |
| Net cash outflow on acquisition of business by a subsidiary        | -                            | (71)            | (224)                      | (402)           |
| Purchase of additional interest in a subsidiary                    | (309)                        | -               | (309)                      | -               |
| <b>Net cash flows used in investing activities</b>                 | <b>(4,763)</b>               | <b>(7,427)</b>  | <b>(13,233)</b>            | <b>(18,700)</b> |
| <b>Cash flows from financing activities</b>                        |                              |                 |                            |                 |
| Proceeds from interest bearing loans and borrowings                | 2,017                        | 10,896          | 8,530                      | 29,555          |
| Repayment of interest bearing loans and borrowings                 | (13,965)                     | (5,235)         | (29,163)                   | (17,968)        |
| Repayment of hire purchase creditors                               | (41)                         | (37)            | (295)                      | (180)           |
| Proceeds from exercise of employee share options                   | 206                          | 181             | 365                        | 195             |
| Dividends paid                                                     | -                            | -               | (9,768)                    | (8,851)         |
| Dividends paid to non-controlling shareholders                     | (53)                         | -               | (53)                       | (45)            |
| <b>Net cash flows (used in)/from financing activities</b>          | <b>(11,836)</b>              | <b>5,805</b>    | <b>(30,384)</b>            | <b>2,706</b>    |
| Net increase/(decrease) in cash and cash equivalents               | 2,537                        | 11,644          | (36,510)                   | (4,580)         |
| Cash and cash equivalents as at beginning of the period            | 58,712                       | 22,025          | 98,076                     | 38,581          |
| Effects of exchange rates changes on cash and cash equivalents     | (21)                         | 168             | (338)                      | (164)           |
| <b>Cash and cash equivalents as at end of the financial period</b> | <b>61,228</b>                | <b>33,837</b>   | <b>61,228</b>              | <b>33,837</b>   |

1(c)

**A. Purchase of property, plant and equipment**

Aggregate cost of property, plant and equipment acquired

Less :

Acquisition through business combination

Less :

Financed by hire purchase creditors

Restoration costs capitalised

Cash payments to acquire property, plant and equipment

| Group                        |              |                            |               |
|------------------------------|--------------|----------------------------|---------------|
| Third Quarter Ended 31 March |              | Nine Months Ended 31 March |               |
| 2014                         | 2013         | 2014                       | 2013          |
| S\$'000                      | S\$'000      | S\$'000                    | S\$'000       |
| 4,007                        | 9,596        | 11,835                     | 18,934        |
| -                            | -            | (5)                        | -             |
| 4,007                        | 9,596        | 11,830                     | 18,934        |
| -                            | (225)        | (117)                      | (225)         |
| (29)                         | (36)         | (89)                       | (63)          |
| <b>3,978</b>                 | <b>9,335</b> | <b>11,624</b>              | <b>18,646</b> |

**Note to Consolidated Cash Flow Statement**

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balance sheet amounts:

| Group                        |               |                            |               |
|------------------------------|---------------|----------------------------|---------------|
| Third Quarter Ended 31 March |               | Nine Months Ended 31 March |               |
| 2014                         | 2013          | 2014                       | 2013          |
| S\$'000                      | S\$'000       | S\$'000                    | S\$'000       |
| Fixed bank deposits          | 11,158        | -                          | 11,158        |
| Cash and bank balances       | 50,070        | 33,837                     | 50,070        |
| <b>61,228</b>                | <b>33,837</b> | <b>61,228</b>              | <b>33,837</b> |

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

|                                                                      | Attributable to owners of the Company |                           |                 |                                                          |                       |                 |                                      |                 |                | Non-controlling interests | Total equity   |
|----------------------------------------------------------------------|---------------------------------------|---------------------------|-----------------|----------------------------------------------------------|-----------------------|-----------------|--------------------------------------|-----------------|----------------|---------------------------|----------------|
|                                                                      | Share capital                         | Asset revaluation reserve | Capital reserve | Premium paid on acquisition of non-controlling interests | Share options reserve | Warrant reserve | Foreign currency translation reserve | Revenue reserve | Total          |                           |                |
|                                                                      | S\$'000                               | S\$'000                   | S\$'000         | S\$'000                                                  | S\$'000               | S\$'000         | S\$'000                              | S\$'000         | S\$'000        | S\$'000                   | S\$'000        |
| <b>Group</b>                                                         |                                       |                           |                 |                                                          |                       |                 |                                      |                 |                |                           |                |
| <b>At 1 Jan 2014</b>                                                 | 39,788                                | 23,336                    | 453             | -                                                        | 1,372                 | 437             | (19,230)                             | 96,690          | 142,846        | 564                       | 143,410        |
| Profit for the period, net of tax                                    | -                                     | -                         | -               | -                                                        | -                     | -               | -                                    | 8,791           | 8,791          | 35                        | 8,826          |
| Other comprehensive income, net of tax                               | -                                     | -                         | -               | -                                                        | -                     | -               | (582)                                | -               | (582)          | (3)                       | (585)          |
| <b>Total comprehensive income for the period</b>                     | -                                     | -                         | -               | -                                                        | -                     | -               | (582)                                | 8,791           | 8,209          | 32                        | 8,241          |
| <u>Contributions by and distributions to owners</u>                  |                                       |                           |                 |                                                          |                       |                 |                                      |                 |                |                           |                |
| Shares issued pursuant to the exercise of share options              | 237                                   | -                         | -               | -                                                        | (31)                  | -               | -                                    | -               | 206            | -                         | 206            |
| Dividends paid to non-controlling shareholders                       | -                                     | -                         | -               | -                                                        | -                     | -               | -                                    | -               | -              | (53)                      | (53)           |
| <b>Total contributions by and distributions to owners</b>            | 237                                   | -                         | -               | -                                                        | (31)                  | -               | -                                    | -               | 206            | (53)                      | 153            |
| <u>Changes in ownership interests in a subsidiary</u>                |                                       |                           |                 |                                                          |                       |                 |                                      |                 |                |                           |                |
| Acquisition of non-controlling interests without a change in control | -                                     | -                         | -               | (35)                                                     | -                     | -               | -                                    | -               | (35)           | (274)                     | (309)          |
| <b>Total changes in ownership interests in a subsidiary</b>          | -                                     | -                         | -               | (35)                                                     | -                     | -               | -                                    | -               | (35)           | (274)                     | (309)          |
| <b>At 31 Mar 2014</b>                                                | <b>40,025</b>                         | <b>23,336</b>             | <b>453</b>      | <b>(35)</b>                                              | <b>1,341</b>          | <b>437</b>      | <b>(19,812)</b>                      | <b>105,481</b>  | <b>151,226</b> | <b>269</b>                | <b>151,495</b> |

|                                                           | Attributable to owners of the Company |                           |                 |                                                          |                       |                 |                                      |                 |                | Non-controlling interests | Total equity   |
|-----------------------------------------------------------|---------------------------------------|---------------------------|-----------------|----------------------------------------------------------|-----------------------|-----------------|--------------------------------------|-----------------|----------------|---------------------------|----------------|
|                                                           | Share capital                         | Asset revaluation reserve | Capital reserve | Premium paid on acquisition of non-controlling interests | Share options reserve | Warrant reserve | Foreign currency translation reserve | Revenue reserve | Total          |                           |                |
|                                                           | S\$'000                               | S\$'000                   | S\$'000         | S\$'000                                                  | S\$'000               | S\$'000         | S\$'000                              | S\$'000         | S\$'000        | S\$'000                   | S\$'000        |
| <b>Group</b>                                              |                                       |                           |                 |                                                          |                       |                 |                                      |                 |                |                           |                |
| <b>At 1 Jan 2013</b>                                      | 39,050                                | 17,705                    | 453             | -                                                        | 1,454                 | 437             | (19,575)                             | 88,678          | 128,202        | 436                       | 128,638        |
| Profit for the period, net of tax                         | -                                     | -                         | -               | -                                                        | -                     | -               | -                                    | 8,441           | 8,441          | 50                        | 8,491          |
| Other comprehensive income, net of tax                    | -                                     | -                         | -               | -                                                        | -                     | -               | 1,192                                | -               | 1,192          | 1                         | 1,193          |
| <b>Total comprehensive income for the period</b>          | -                                     | -                         | -               | -                                                        | -                     | -               | 1,192                                | 8,441           | 9,633          | 51                        | 9,684          |
| <u>Contributions by and distributions to owners</u>       |                                       |                           |                 |                                                          |                       |                 |                                      |                 |                |                           |                |
| Shares issued pursuant to the exercise of share options   | 185                                   | -                         | -               | -                                                        | (4)                   | -               | -                                    | -               | 181            | -                         | 181            |
| <b>Total contributions by and distributions to owners</b> | 185                                   | -                         | -               | -                                                        | (4)                   | -               | -                                    | -               | 181            | -                         | 181            |
| <u>Others</u>                                             |                                       |                           |                 |                                                          |                       |                 |                                      |                 |                |                           |                |
| Transfer to revenue reserve on realisation                | -                                     | (3)                       | -               | -                                                        | -                     | -               | -                                    | 3               | -              | -                         | -              |
| <b>Total others</b>                                       | -                                     | (3)                       | -               | -                                                        | -                     | -               | -                                    | 3               | -              | -                         | -              |
| <b>At 31 Mar 2013</b>                                     | <b>39,235</b>                         | <b>17,702</b>             | <b>453</b>      | <b>-</b>                                                 | <b>1,450</b>          | <b>437</b>      | <b>(18,383)</b>                      | <b>97,122</b>   | <b>138,016</b> | <b>487</b>                | <b>138,503</b> |

|                                                                      | Attributable to owners of the Company |                           |                 |                                                          |                       |                 |                                      |                 | Non-controlling interests | Total equity |
|----------------------------------------------------------------------|---------------------------------------|---------------------------|-----------------|----------------------------------------------------------|-----------------------|-----------------|--------------------------------------|-----------------|---------------------------|--------------|
|                                                                      | Share capital                         | Asset revaluation reserve | Capital reserve | Premium paid on acquisition of non-controlling interests | Share options reserve | Warrant reserve | Foreign currency translation reserve | Revenue reserve |                           |              |
|                                                                      | S\$'000                               | S\$'000                   | S\$'000         | S\$'000                                                  | S\$'000               | S\$'000         | S\$'000                              | S\$'000         | S\$'000                   | S\$'000      |
| <b>Group</b>                                                         |                                       |                           |                 |                                                          |                       |                 |                                      |                 |                           |              |
| <b>At 1 Jul 2013</b>                                                 |                                       |                           |                 |                                                          |                       |                 |                                      |                 |                           |              |
| As previously reported                                               | 39,598                                | 23,336                    | 453             | -                                                        | 1,403                 | 437             | (17,865)                             | 101,823         | 149,185                   | 149,677      |
| Profit for the period, net of tax                                    | -                                     | -                         | -               | -                                                        | -                     | -               | -                                    | 13,426          | 13,426                    | 13,539       |
| Other comprehensive income, net of tax                               | -                                     | -                         | -               | -                                                        | -                     | -               | (1,947)                              | -               | (1,947)                   | (1,956)      |
| <b>Total comprehensive income for the period</b>                     | -                                     | -                         | -               | -                                                        | -                     | -               | (1,947)                              | 13,426          | 11,479                    | 11,583       |
| <u>Contributions by and distributions to owners</u>                  |                                       |                           |                 |                                                          |                       |                 |                                      |                 |                           |              |
| Shares issued pursuant to the exercise of share options              | 427                                   | -                         | -               | -                                                        | (62)                  | -               | -                                    | -               | 365                       | 365          |
| Dividends paid to non-controlling shareholders                       | -                                     | -                         | -               | -                                                        | -                     | -               | -                                    | -               | (53)                      | (53)         |
| Dividends, net                                                       | -                                     | -                         | -               | -                                                        | -                     | -               | -                                    | (9,768)         | (9,768)                   | (9,768)      |
| <b>Total contributions by and distributions to owners</b>            | 427                                   | -                         | -               | -                                                        | (62)                  | -               | -                                    | (9,768)         | (9,403)                   | (9,456)      |
| <u>Changes in ownership interests in a subsidiary</u>                |                                       |                           |                 |                                                          |                       |                 |                                      |                 |                           |              |
| Acquisition of non-controlling interests without a change in control | -                                     | -                         | -               | (35)                                                     | -                     | -               | -                                    | -               | (35)                      | (309)        |
| <b>Total changes in ownership interests in a subsidiary</b>          | -                                     | -                         | -               | (35)                                                     | -                     | -               | -                                    | -               | (35)                      | (309)        |
| <b>At 31 Mar 2014</b>                                                | 40,025                                | 23,336                    | 453             | (35)                                                     | 1,341                 | 437             | (19,812)                             | 105,481         | 151,226                   | 151,495      |

|                                                           | Attributable to owners of the Company |                           |                 |                                                          |                       |                 |                                      |                 | Non-controlling interests | Total equity |
|-----------------------------------------------------------|---------------------------------------|---------------------------|-----------------|----------------------------------------------------------|-----------------------|-----------------|--------------------------------------|-----------------|---------------------------|--------------|
|                                                           | Share capital                         | Asset revaluation reserve | Capital reserve | Premium paid on acquisition of non-controlling interests | Share options reserve | Warrant reserve | Foreign currency translation reserve | Revenue reserve |                           |              |
|                                                           | S\$'000                               | S\$'000                   | S\$'000         | S\$'000                                                  | S\$'000               | S\$'000         | S\$'000                              | S\$'000         | S\$'000                   | S\$'000      |
| <b>Group</b>                                              |                                       |                           |                 |                                                          |                       |                 |                                      |                 |                           |              |
| <b>At 1 Jul 2012</b>                                      |                                       |                           |                 |                                                          |                       |                 |                                      |                 |                           |              |
| As previously reported                                    | 39,033                                | 17,705                    | 453             | -                                                        | 1,457                 | 437             | (16,863)                             | 92,529          | 134,751                   | 135,211      |
| Profit for the period, net of tax                         | -                                     | -                         | -               | -                                                        | -                     | -               | -                                    | 13,441          | 13,441                    | 13,523       |
| Other comprehensive income, net of tax                    | -                                     | -                         | -               | -                                                        | -                     | -               | (1,520)                              | -               | (1,520)                   | (1,530)      |
| <b>Total comprehensive income for the period</b>          | -                                     | -                         | -               | -                                                        | -                     | -               | (1,520)                              | 13,441          | 11,921                    | 11,993       |
| <u>Contributions by and distributions to owners</u>       |                                       |                           |                 |                                                          |                       |                 |                                      |                 |                           |              |
| Shares issued pursuant to the exercise of share options   | 202                                   | -                         | -               | -                                                        | (7)                   | -               | -                                    | -               | 195                       | 195          |
| Dividends to non-controlling shareholders                 | -                                     | -                         | -               | -                                                        | -                     | -               | -                                    | -               | (45)                      | (45)         |
| Dividends, net                                            | -                                     | -                         | -               | -                                                        | -                     | -               | -                                    | (8,851)         | (8,851)                   | (8,851)      |
| <b>Total contributions by and distributions to owners</b> | 202                                   | -                         | -               | -                                                        | (7)                   | -               | -                                    | (8,851)         | (8,656)                   | (8,701)      |
| <u>Others</u>                                             |                                       |                           |                 |                                                          |                       |                 |                                      |                 |                           |              |
| Transfer to revenue reserve on realisation                | -                                     | (3)                       | -               | -                                                        | -                     | -               | -                                    | 3               | -                         | -            |
| <b>Total others</b>                                       | -                                     | (3)                       | -               | -                                                        | -                     | -               | -                                    | 3               | -                         | -            |
| <b>At 31 Mar 2013</b>                                     | 39,235                                | 17,702                    | 453             | -                                                        | 1,450                 | 437             | (18,383)                             | 97,122          | 138,016                   | 138,503      |

|                                                                   | Attributable to owners of the Company |                       |                 |                 | Total equity  |
|-------------------------------------------------------------------|---------------------------------------|-----------------------|-----------------|-----------------|---------------|
|                                                                   | Share capital                         | Share options reserve | Warrant reserve | Revenue reserve |               |
|                                                                   | S\$'000                               | S\$'000               | S\$'000         | S\$'000         | S\$'000       |
| <b>Company</b>                                                    |                                       |                       |                 |                 |               |
| <b>At 1 Jan 2014</b>                                              | 39,788                                | 1,372                 | 437             | 2,702           | 44,299        |
| Profit for the period, net of tax                                 | -                                     | -                     | -               | 671             | 671           |
| <b>Total comprehensive income for the period</b>                  | -                                     | -                     | -               | <b>671</b>      | <b>671</b>    |
| <u>Contributions by and distributions to owners</u>               |                                       |                       |                 |                 |               |
| Shares issued pursuant to the exercise of share options           | 237                                   | (31)                  | -               | -               | 206           |
| <b>Total transactions with owners in their capacity as owners</b> | <b>237</b>                            | <b>(31)</b>           | <b>-</b>        | <b>-</b>        | <b>206</b>    |
| <b>At 31 Mar 2014</b>                                             | <b>40,025</b>                         | <b>1,341</b>          | <b>437</b>      | <b>3,373</b>    | <b>45,176</b> |
| <b>At 1 Jan 2013</b>                                              | 39,050                                | 1,454                 | 437             | 7,396           | 48,337        |
| Profit for the period, net of tax                                 | -                                     | -                     | -               | 1,239           | 1,239         |
| <b>Total comprehensive income for the period</b>                  | -                                     | -                     | -               | <b>1,239</b>    | <b>1,239</b>  |
| <u>Contributions by and distributions to owners</u>               |                                       |                       |                 |                 |               |
| Shares issued pursuant to the exercise of share options           | 185                                   | (4)                   | -               | -               | 181           |
| <b>Total transactions with owners in their capacity as owners</b> | <b>185</b>                            | <b>(4)</b>            | <b>-</b>        | <b>-</b>        | <b>181</b>    |
| <b>At 31 Mar 2013</b>                                             | <b>39,235</b>                         | <b>1,450</b>          | <b>437</b>      | <b>8,635</b>    | <b>49,757</b> |

  

|                                                                   | Attributable to owners of the Company |                       |                 |                 | Total equity   |
|-------------------------------------------------------------------|---------------------------------------|-----------------------|-----------------|-----------------|----------------|
|                                                                   | Share capital                         | Share options reserve | Warrant reserve | Revenue reserve |                |
|                                                                   | S\$'000                               | S\$'000               | S\$'000         | S\$'000         | S\$'000        |
| <b>Company</b>                                                    |                                       |                       |                 |                 |                |
| <b>At 1 Jul 2013</b>                                              | 39,598                                | 1,403                 | 437             | 17,760          | 59,198         |
| Loss for the period, net of tax                                   | -                                     | -                     | -               | (4,619)         | (4,619)        |
| <b>Total comprehensive income for the period</b>                  | -                                     | -                     | -               | <b>(4,619)</b>  | <b>(4,619)</b> |
| <u>Contributions by and distributions to owners</u>               |                                       |                       |                 |                 |                |
| Shares issued pursuant to the exercise of share options           | 427                                   | (62)                  | -               | -               | 365            |
| Dividends, net                                                    | -                                     | -                     | -               | (9,768)         | (9,768)        |
| <b>Total transactions with owners in their capacity as owners</b> | <b>427</b>                            | <b>(62)</b>           | <b>-</b>        | <b>(9,768)</b>  | <b>(9,403)</b> |
| <b>At 31 Mar 2014</b>                                             | <b>40,025</b>                         | <b>1,341</b>          | <b>437</b>      | <b>3,373</b>    | <b>45,176</b>  |
| <b>At 1 Jul 2012</b>                                              | 39,033                                | 1,457                 | 437             | 18,448          | 59,375         |
| Loss for the period, net of tax                                   | -                                     | -                     | -               | (962)           | (962)          |
| <b>Total comprehensive income for the period</b>                  | -                                     | -                     | -               | <b>(962)</b>    | <b>(962)</b>   |
| <u>Contributions by and distributions to owners</u>               |                                       |                       |                 |                 |                |
| Shares issued pursuant to the exercise of share options           | 202                                   | (7)                   | -               | -               | 195            |
| Dividends, net                                                    | -                                     | -                     | -               | (8,851)         | (8,851)        |
| <b>Total transactions with owners in their capacity as owners</b> | <b>202</b>                            | <b>(7)</b>            | <b>-</b>        | <b>(8,851)</b>  | <b>(8,656)</b> |
| <b>At 31 Mar 2013</b>                                             | <b>39,235</b>                         | <b>1,450</b>          | <b>437</b>      | <b>8,635</b>    | <b>49,757</b>  |

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

**A) Changes in share capital during the financial period**

As at 31 March 2014, the Company's issued and paid up capital, excluding treasury shares comprises 444,631,217 (30 June 2013: 443,945,217) ordinary shares. Movement in the number of the Company's issued and paid-up capital, excluding treasury shares were as follows:

| Number of shares issued and paid up | Shares issued pursuant to the exercise of share options | Number of shares issued and paid up |
|-------------------------------------|---------------------------------------------------------|-------------------------------------|
| 1-Jan-14                            |                                                         | 31-Mar-14                           |
| '000                                | '000                                                    | '000                                |
| 444,250                             | 381                                                     | 444,631                             |

**B) Share Options – Eu Yan Sang Employees Share Option Scheme**

Between 1 January 2014 and 31 March 2014, the Company has issued 66,000 ordinary shares under the Eu Yan Sang Employees Share Option Scheme 2000 ("the 2000 scheme").

Under the 2000 scheme, options to subscribe for 2,712,000 shares remained outstanding as at 31 March 2014, compared to 3,024,000 as at 31 March 2013. Movement in the number of unissued shares of the Company under the 2000 scheme during Q3FY14 were as follows:

| Outstanding options as at | Number of options exercised | Outstanding options as at |
|---------------------------|-----------------------------|---------------------------|
| 1-Jan-14                  |                             | 31-Mar-14                 |
| '000                      | '000                        | '000                      |
| 2,778                     | (66)                        | 2,712                     |

Between 1 January 2014 and 31 March 2014, the Company has issued 315,000 ordinary shares under the Eu Yan Sang Employees Share Option Scheme 2006 ("the 2006 scheme").

Under the 2006 scheme, options to subscribe for 10,022,000 shares remained outstanding as at 31 March 2014, compared to 11,461,000 as at 31 March 2013. Movements in the number of the unissued shares of the Company under the 2006 scheme during Q3FY14 were as follows:

| Outstanding options as at | Number of options exercised | Outstanding options as at |
|---------------------------|-----------------------------|---------------------------|
| 1-Jan-14                  |                             | 31-Mar-14                 |
| '000                      | '000                        | '000                      |
| 10,337                    | (315)                       | 10,022                    |

**C) Performance Share Plan**

At the extraordinary general meeting of the Company held on 25 October 2007, the Company's shareholders approved the adoption of the Eu Yan Sang Performance Share Plan ("EYS PSP"). As at 31 March 2014, no shares were granted and outstanding under the EYS PSP (31 March 2013: nil).

**D) Treasury shares**

No treasury shares were held by the Company as at 31 March 2014 and 31 March 2013.

**E) Warrants**

During FY12, the Company issued 22,000,000 Warrants in conjunction with the issuance of interest bearing notes at par of \$25,000,000. The Warrants were issued at an issue price of S\$0.04 per Warrant and each Warrant carried the right to subscribe for 1 ordinary share in the capital of the Company at an exercise price of \$0.83 for each new share.

The Warrants are exercisable any time during a period of 5 years from the issue date of the Warrants. Noteholders of the S\$25,000,000 Notes have the option to tender the notes at par in lieu of cash payment for the exercise of the Warrants at the exercise price at any time before the maturity date.

Between 1 January 2014 and 31 March 2014, no convertible warrants have been exercised.

As at 31 March 2014, there were 22,000,000 (31 March 2013: 22,000,000) outstanding convertible warrants with exercise price at \$0.83 (31 March 2013: \$0.83) for each ordinary share.

**1(d)(iii) To show the total number of issued shares excluding treasury shares at the end of the current financial period and as at the end of the immediately preceding year.**

The number of issued shares as at 31 March 2014 is 444,631,217 (30 June 2013: 443,945,217) ordinary shares.

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those of the audited financial statements for the year ended 30 June 2013.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

During the current financial year, the group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2013. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

|                                                                                                   | GROUP                        |              |                            |              |
|---------------------------------------------------------------------------------------------------|------------------------------|--------------|----------------------------|--------------|
|                                                                                                   | Third Quarter Ended 31 March |              | Nine Months Ended 31 March |              |
|                                                                                                   | 2014                         | 2013         | 2014                       | 2013         |
| <b>Earnings per ordinary share of the Group based on net profit attributable to shareholders:</b> | <b>cents</b>                 | <b>cents</b> | <b>cents</b>               | <b>cents</b> |
| <b>(i) Based on the weighted average number of ordinary shares</b>                                | <b>1.98</b>                  | <b>1.91</b>  | <b>3.02</b>                | <b>3.04</b>  |
| Weighted average number of shares ('000)                                                          | 444,532                      | 442,770      | 444,195                    | 442,624      |
| <b>(ii) On a fully diluted basis</b>                                                              | <b>1.96</b>                  | <b>1.90</b>  | <b>3.00</b>                | <b>3.02</b>  |
| Weighted average number of shares ('000)                                                          | 448,375                      | 445,129      | 447,707                    | 444,984      |

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:- (a) current financial period reported on; and (b) immediately preceding financial year.**

|                                                                         | 31-Mar-2014 | 30-Jun-2013 |
|-------------------------------------------------------------------------|-------------|-------------|
| <b>Net asset value per ordinary share based on issued share capital</b> | <b>\$</b>   | <b>\$</b>   |
| <b>For the Group (Cents)</b>                                            | 34.0        | 33.6        |
| <b>For the Company (Cents)</b>                                          | 10.2        | 13.3        |

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Overview**

The Group achieved revenue growth of 9% and 13% for the 3rd quarter and 9 month period respectively against last year, largely from major markets like Hong Kong, Malaysia and Australia. Core business segments like retail and wholesale also posted better sales performance against last year.

Gross margins ("GM") for the 3rd quarter and 9 month period were 49% and 50% respectively. GM for the 3rd quarter was above last year by 1%, mainly due to favorable product sales mix. GM for the 9 month period was on par with last year.

The Group's Operating Profits ("OP") for the 3rd quarter and 9 month period went up by 12% and 14% respectively, largely in line with revenue growth but partially offset by higher operating expenses in the form of rental, salaries and depreciation and higher spending on corporate initiatives.

In terms of Profit before tax ("PBT"), the Group registered growth of 4% and 3% for the 3rd quarter and 9 month period respectively. Higher interest expenses were incurred at the corporate level as a result of the \$75 million notes issued in FY2013.

The Group's Profit after tax ("PAT") increased by 4% in the 3rd quarter while PAT for the 9 month period was relatively on par with last year.

**(A) Revenue**

Revenue for the Group grew by 9% and 13% in the 3rd quarter and 9 month period respectively, mainly due to better sales performance in the core business segments. In terms of geographical revenue performance, markets in Hong Kong, Malaysia and Australia also recorded higher revenue growth against the previous corresponding periods.

**Revenue by Activities**

| Activities                 | GROUP                        |                |          |                            |                |           |
|----------------------------|------------------------------|----------------|----------|----------------------------|----------------|-----------|
|                            | Third Quarter Ended 31 March |                |          | Nine Months Ended 31 March |                |           |
|                            | 2014                         | 2013           | Change   | 2014                       | 2013           | Change    |
|                            | S\$'000                      | S\$'000        | +/(-)%   | S\$'000                    | S\$'000        | +/(-)%    |
| <b>Retail</b>              | 90,410                       | 83,505         | 8        | 223,017                    | 198,100        | 13        |
| <b>(TCM &amp; non TCM)</b> |                              |                |          |                            |                |           |
| <b>Wholesale</b>           | 14,789                       | 12,351         | 20       | 42,999                     | 35,183         | 22        |
| <b>(TCM &amp; non TCM)</b> |                              |                |          |                            |                |           |
| <b>Clinic - TCM</b>        | 4,141                        | 4,225          | (2)      | 12,769                     | 12,996         | (2)       |
| <b>Others</b>              | 944                          | 1,100          | (14)     | 2,895                      | 3,351          | (14)      |
|                            | <b>110,284</b>               | <b>101,181</b> | <b>9</b> | <b>281,680</b>             | <b>249,630</b> | <b>13</b> |

*Traditional Chinese Medicine ("TCM") - comprising Chinese Proprietary Medicine ("CPM"), Health Foods and Medicinal Herbs.*

**Retail** – Retail revenue for the 3rd quarter and 9 month period went up by 8% and 13% respectively, mainly contributed by most markets and also a result of the increase in company-operated outlets in countries like Hong Kong and Australia.

**Wholesale** – Wholesale revenue for the 3rd quarter and 9 month period increased by 20% and 22% respectively, largely attributed to better offtake in trade, which resulted in higher distribution sales to the wholesale distribution channels in Hong Kong and Macau.

**Clinic** – Clinic revenue for both the 3rd quarter and 9 month period dipped by 2%, mainly due to the impact from the relocation of a clinic in Hong Kong and movements of physicians in the clinics.

Revenue under "Others" mainly related to food and beverages ("F&B") income, rental income and franchise fee income. The lower revenue under "Others" for the 3rd quarter was mainly due to lower F&B and franchise fee income while the lower revenue for the 9 month period was largely due to lower rental income and franchise fee income.

### Turnover by Geographical Locations:

| GROUP                        |     |         |         |                            |         |         |
|------------------------------|-----|---------|---------|----------------------------|---------|---------|
| Third Quarter Ended 31 March |     |         |         | Nine Months Ended 31 March |         |         |
|                              |     | 2014    | 2013    | Change                     | 2014    | 2013    |
|                              |     | '000    | '000    | +/(-)%                     | '000    | '000    |
| Core                         |     |         |         |                            |         |         |
|                              |     |         |         |                            |         |         |
| Hong Kong*                   | SGD | 42,088  | 33,294  | 26                         | 122,539 | 94,939  |
|                              | HKD | 258,078 | 208,991 | 23                         | 753,158 | 597,514 |
| Singapore                    | SGD | 21,774  | 22,504  | (3)                        | 57,821  | 60,027  |
|                              |     |         |         |                            |         |         |
| Malaysia                     | SGD | 36,168  | 36,095  | -                          | 71,181  | 68,394  |
|                              | MYR | 93,759  | 90,239  | 4                          | 183,882 | 171,019 |
| Australia                    | SGD | 10,254  | 9,288   | 10                         | 30,139  | 26,270  |
|                              | AUD | 9,009   | 7,235   | 25                         | 26,293  | 20,492  |
| Total                        |     | SGD     | 110,284 | 101,181                    | 9       | 281,680 |
|                              |     |         |         |                            |         | 249,630 |
|                              |     |         |         |                            |         | 13      |

\* Include Macau and China.

In terms of local currency, Hong Kong's revenue for the 3rd quarter and 9 month period surged 23% and 26% to HK\$258.1 million and HK\$753.2 million respectively. Besides contribution from the new outlets, revenue was boosted by increased sales to Mainland tourists in Hong Kong and Macau and also by the running of effective A&P campaigns during the period.

Singapore's revenue declined by 3% and 4% for the 3rd quarter and 9 month period respectively as a result of challenges in the retail environment in Singapore.

In local currency terms, Malaysia's revenue for the 3rd quarter and 9 month period grew by 4% and 8% against the corresponding periods last year, largely attributed to the strong retail performance from promotions held during the period.

Australia's revenue for the 3rd quarter and 9 month period, in terms of local currency, went up by 25% and 28% against the previous corresponding periods. The higher revenue was primarily due to the increased number of company-operated outlets, which translated to better retail performance.

### (B) FY14 Q3 Outlets & Clinics

| Countries | Retail                   |       |                   |       |                  |       | General TCM Clinics |       | Premier TCM Clinics |       | Integrative Medical Centre |       |
|-----------|--------------------------|-------|-------------------|-------|------------------|-------|---------------------|-------|---------------------|-------|----------------------------|-------|
|           | Company-operated outlets |       | Franchise outlets |       | Total            |       |                     |       |                     |       |                            |       |
|           | Added / (Closed)         | Total | Added / (Closed)  | Total | Added / (Closed) | Total | Added / (Closed)    | Total | Added / (Closed)    | Total | Added / (Closed)           | Total |
| Australia | 1                        | 36    | (7)               | 38    | (6)              | 74    | -                   | -     | -                   | -     | -                          | -     |
| Malaysia  | (1)                      | 90    | -                 | -     | (1)              | 90    | -                   | 4     | -                   | -     | -                          | -     |
| Hong Kong | -                        | 58    | -                 | -     | -                | 58    | -                   | -     | -                   | -     | -                          | 2     |
| Singapore | (1)                      | 51    | -                 | -     | (1)              | 51    | 1                   | 25    | -                   | 2     | -                          | -     |
| China     | (1)                      | 14    | -                 | -     | (1)              | 14    | -                   | -     | -                   | -     | -                          | -     |
| Macau     | -                        | 2     | -                 | -     | -                | 2     | -                   | -     | -                   | -     | -                          | -     |
| Total     | (2)                      | 251   | (7)               | 38    | (9)              | 289   | 1                   | 29    | -                   | 2     | -                          | -     |

The Group's retail network consisted of 251 company-operated outlets and 38 franchise outlets as at 31 March 2014. During the 3rd quarter, there was an addition of 1 company-operated outlet and a reduction of 7 franchise outlets in Australia, resulting in a total of 74 retail outlets as at 31 March 2014. A total of 3 retail outlets were also closed in Malaysia, Singapore and China during the 3rd quarter.

During the 3rd quarter, 1 new TCM clinic was set up in Singapore, bringing the total number of TCM clinics to 31 as at 31 March 2014. Integrative Medical Centres remained unchanged at 2 as at 31 March 2014.

### (C) Profitability

The Group's OPs for the 3rd quarter and 9 month period grew by 12% and 14% respectively against the previous corresponding periods, primarily contributed by the revenue growth but partially offset by higher retail operating expenses and expenses incurred at the corporate level.

The Group's PBTs for the 3rd quarter and 9 month period increased by 4% and 3% respectively, impacted by higher interest expenses from the \$75 million notes issued in FY2013.

The Group's PAT for the 3rd quarter was 4% above last year while PAT for the 9 month period was relatively on par with last year.

### (D) Distribution and selling expenses

Distribution and selling ("D&S") expenses for the 3rd quarter and 9 month period went up by 12% and 11% against the previous corresponding periods, largely due to cost pressures in rental and salary costs. The operating costs from the increase in the number of company-operated outlets in Australia and Hong Kong also accounted for part of the increase in D&S expenses.

### (E) Administrative expenses

Administrative expenses increased by 4% and 11% in the 3rd quarter and 9 month period respectively. The increase in administrative expenses for the 3rd quarter was largely due to higher depreciation expenses from implemented software systems and usage of the newly renovated corporate office at Tai Seng Drive. Other than higher depreciation expenses, the increase in administrative expenses for the 9 month period was also due to higher salary expenses as a result of general increment and increased headcount and also higher spending on corporate projects.

### (F) Interest expenses

The Group's interest expenses for the 3rd quarter and 9 month period were higher than last year, primarily due to the S\$75 million fixed rates notes issued by the Company in June 2013.

**(G) Property, plant and equipment**

The increase in property, plant and equipment was primarily due to capital expenditure incurred for retail outlets and factory expansion in Hong Kong.

**(H) Investment properties**

The increase in investment properties was mainly due to the transfer of certain properties in Singapore from property, plant and equipment during the financial period.

**(I) Inventories**

The higher inventories were largely due to the building up of inventories in anticipation of higher demand from customers.

**(J) Fixed bank deposits, cash and bank balances**

The decrease in net cash and cash equivalents was mainly due to the building up of inventories, fixed asset expenditure, payment of dividend to shareholders and repayment of loans and borrowings during the financial period.

**(K) Trade and other payables**

The decline in trade and other payables was largely due to fluctuations in payments to the creditors and timing of purchases.

**(L) Interest bearing loans and borrowings**

The decline in loans and borrowings was primarily due to repayments made during the financial period.

**(M) Cash flows**

Net cash generated from operating activities for the 9 month period was below last year by S\$4.3 million. This was largely attributed to the building up of inventories in anticipation of higher demand from customers.

Net cash used in investing activities for the 9 month period decreased by S\$5.5 million compared to last year mainly due to lower capital expenditure during the period.

Net cash used in financing activities for the 9 month period went up by S\$33.1 million primarily due to the increase in repayment of interest bearing loans and borrowings.

As at 31 March 2014, the Group had cash and cash equivalents amounting to S\$61.2 million as compared to S\$33.8 million as at 31 March 2013.

The Group's gearing ratio was 52.9% as at 31 March 2014.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The results for the period are in line with the prospect statement contained in the FY2013 full year announcement made on 27 August 2013.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Following strong retail and wholesale performances in its core markets for the last three quarters of financial year 2014, the Company is optimistic that this sales momentum will sustain for the rest of the year. In tandem, the Company also expects that escalating retail operating costs, namely from retail rents and payroll cost increases to continue to pose a challenge to sustaining operating profit margins. The Company has taken necessary steps to manage these operating costs. These steps included rationalizing its retail network, expanding wholesale and also, creating new platforms to reach a wider segment of customers through new initiatives. Broadly, the Company sees many positive future opportunities, notably from the rising affluence of its target market leading to increased demand, new product development, extensions of wholesale channels and expansion of current manufacturing facilities. The overall outlook is consistent, where the Company expects the performance of its core markets to continue to be robust and profitable. Operations in China and Australia continue to demonstrate growth, providing the Company with positive longer term prospects in these new markets.

**11. Dividend****(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

**(c) Date payable**

Not Applicable.

**(d) Books closure date**

Not Applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

Not applicable.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Interested Persons Transactions for the financial period ended 31 March 2014

| Interested Person Transaction                         | Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under shareholders' mandate (excluding transactions less than S\$100,000 pursuant to Rule 920) |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transactions with:-                                   | S\$'000                                                                                                                                                                         | S\$'000                                                                                                                                                        |
| (a) XAct Solutions Pty. Ltd                           | 705                                                                                                                                                                             | -                                                                                                                                                              |
| (b) XAct Solutions Pte Ltd                            | 225                                                                                                                                                                             | -                                                                                                                                                              |
| (c) Eu Yan Sang Charitable Foundation Company Limited | 33                                                                                                                                                                              | -                                                                                                                                                              |

**14. Negative confirmation pursuant to Rule 705(5).**

The Board of Eu Yan Sang International Ltd does hereby confirm that to the best of its knowledge, nothing has come to the attention of the Board which may render the third quarter unaudited financial statements for the period ended 31 March 2014 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Lam Chee Weng  
Chief Financial Officer  
6 May 2014