



EU YAN SANG INTERNATIONAL LTD
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For Immediate Release

**Eu Yan Sang's 3QFY2014 revenue up 9% y-o-y to S\$110.3 million,
profit to shareholders up 4% to S\$8.8 million**

- 9MFY2014 revenue up 13% to S\$281.7 million, profit to shareholders maintained at S\$13.4 million
- 9MFY2014 operating profit improved 14% to S\$23.6 million
- Group optimistic on sales momentum for rest of FY2014

Singapore, 6 May 2014 – SGX mainboard-listed Eu Yan Sang International Ltd (“EYS”, “the Group” or “余仁生国际企业”) reported a 4% year-on-year (“y-o-y”) increase in its profit to shareholders to S\$8.8 million for its third quarter ended 31 March 2014 (“3QFY2014”) on the back of better revenue in its Hong Kong, Malaysia and Australia markets. Core business segments Retail and Wholesale also posted better sales y-o-y.

Financial Highlights (S\$ '000)	3QFY2014 ended 31 Mar 14	3QFY2013 ended 31 Mar 13	Change +/(-)%	9MFY2014 ended 31 Mar 14	9MFY2013 ended 31 Mar 13	Change +/(-)%
Revenue	110,284	101,181	9	281,680	249,630	13
Gross Profit	54,531	48,855	12	140,208	125,385	12
Gross Profit Margin	49.4%	48.3%	1.1 % pts	49.8%	50.2%	(0.4 % pts)
Operating Profit	12,327	11,047	12	23,629	20,808	14
Profit to shareholders	8,791	8,441	4	13,426	13,441	-

3QFY2014 gross margins improved by about 1.1 percentage points y-o-y to 49.4% mainly due to favourable product sales mix, as such, gross profit improved by 12%. Correspondingly, operating profit improved by 12% as well.



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The Group incurred high interest expenses as a result of the S\$75 million notes issued in FY2013. As a result, 3QFY2014 profit before tax grew 4% to S\$11.2 million. The strong performance in 3QFY2014 enabled the Group to improve its 9MFY2014 profit before tax by 3% y-o-y to S\$19.4 million.

On the Group's strong revenue growth, Mr Richard Eu (余义明), Group CEO, commented, "Our 9MFY2014 revenue has reached S\$281.7 million, which is 86% of our full year revenue for FY2013. We are optimistic that sales momentum can sustain into the last quarter to achieve yet another consecutive year of record revenue since our listing."

3QFY2014 Revenue by Activities

Retail revenue grew 8%, mainly contributed by most markets and also a result of higher same store sales in Hong Kong, Malaysia and Australia. Wholesale revenue surged 20% on better offtake in trade, largely a result of higher distribution sales in Hong Kong and Macau. Clinic revenue dipped 2% due to relocation of clinics and movements of the physicians.

3QFY2014 Revenue by Geographical Locations

In geographical and local currency terms, Hong Kong continued its growth at 23% on better retail and wholesale performance in Hong Kong and Macau which was boosted by increased sales to tourists from the mainland. Malaysia grew 4% while Singapore dipped 3%. Australia improved 25% largely due to the increased number of company-operated outlets, which translated to better retail performance.

Mr Eu added, "We will continue to increase company-operated outlets in Australia. The quarterly sales for the three quarters in FY2014 have all crossed A\$8.5 million with 3QFY2014 revenue even surpassing A\$9.0 million, reflecting strong improvement in same store sales."



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Group's Retail Outlets and Clinics

As part of its retail rationalizing strategy, the Group added one company-operated outlet and closed seven franchise outlets in Australia, as well as closing one company-operated outlet each in Malaysia, Singapore and China, bringing the total retail outlets to 289 (comprising 251 company-operated outlets and 38 franchise outlets).

The Group opened a new clinic in Singapore, bringing the total number of clinics to 31. Integrative medical centres remained unchanged at two.

Going Forward

The Group is wary of escalating retail operating costs from rising retail rentals and payroll costs which will affect its operating profit margins. The Group has taken active steps to address these challenges by rationalizing its retail network, expanding wholesale and creating new platforms to reach a wider segment of customers. The Group remains optimistic on its outlook and expects performance in its core markets to be robust and profitable, and its China and Australia markets to continue to show growth, providing positive longer term prospects for the Group.

- The End -

About Eu Yan Sang International Ltd (SGX: EYSI)

Listed on the Singapore Exchange, Eu Yan Sang International Ltd (Eu Yan Sang) aims to be the world's leading and most trusted integrative health and wellness company with a unique heritage in Traditional Chinese Medicine ("TCM"). Being an industry leader and one of the largest TCM groups in South East Asia, Eu Yan Sang is at the forefront of adopting a modern and scientific approach in the production and retailing of both TCM and wellness products.



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The Group has come a long way from its humble beginnings offering TCM remedies to tin mine coolies in Gopeng, Perak, Malaysia 135 years ago. Today, Eu Yan Sang is a household name in Asia with an unrivalled reputation as the leader in the TCM industry.

Eu Yan Sang's ability to control the total supply chain – from the sourcing of its raw materials to the production and distribution of its products and the provision of treatments gives the Group an excellent competitive edge in the industry.

Manufacturing activities are carried out in two of its GMP-certified (Good Manufacturing Practices) factories located in Hong Kong and Malaysia. Every production process demonstrates full GMP accreditation for unmatched quality assurance.

Apart from retailing fine quality Chinese herbs and Chinese Proprietary Medicines, Eu Yan Sang also retails health foods and supplements. Currently, the Group offers more than 300 products under the Eu Yan Sang brand name and over 1,000 different types of Chinese herbs and other medicinal products.

Eu Yan Sang's wholly-owned Australian subsidiary, Healthy Life Group Pty Ltd, operates a chain of 74 Healthy Life stores and a distribution business which is one of the largest health food distributors in Australia. This business has over 25 years' experience in Australia, supplying in excess of 3,500 products to around 600 independent retailers in the health food, pharmacy and grocery retail segments.

As of 31 March 2014, Eu Yan Sang has an extensive distribution network comprising 289 retail outlets in China, Hong Kong, Macau, Malaysia, Singapore and Australia. Its products are available in drugstores, pharmacies, medical halls, supermarkets, convenience stores, hospitals, health clubs and spas worldwide. The Group also operates a chain of 31 TCM Clinics in Singapore and Malaysia, and 2 Integrative Medical Centres in Hong Kong.

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