EU YAN SANG INTERNATIONAL LTD (Company Registration No. : 199302179H)

Unaudited Results For The Third Quarter and Nine Months Ended 31 March 2015

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 2015

	GROUP					
	Third Quarter Ended 31 March			Nine Months Ended 31 March		
	2015	2014	Change	2015	2014	Change
	S$'000	S$'000	+/(-)%	S$'000	S$'000	+/(-)%
Revenue	110,432	110,284	**-**	278,157	281,680	**(1)**
Cost of sales	(58,723)	(55,753)	5	(140,424)	(141,472)	(1)
Gross profit	51,709	54,531	**(5)**	137,733	140,208	**(2)**
Other operating income	632	1,078	(41)	1,404	2,163	(35)
Distribution and selling expenses	(35,130)	(34,927)	1	(96,725)	(92,202)	5
Administrative expenses	(9,550)	(8,355)	14	(27,775)	(26,540)	5
Operating profit	7,661	12,327	**(38)**	14,637	23,629	**(38)**
Foreign exchange gain/(loss)	1,126	68	n.m.	2,573	(381)	n.m.
Interest income	26	37	(30)	63	203	(69)
Interest expenses	(1,566)	(1,271)	23	(4,479)	(4,105)	9
Share of results of joint ventures	29	25	16	45	12	n.m.
Profit before taxation	7,276	11,186	**(35)**	12,839	19,358	**(34)**
Income tax expense	(1,827)	(2,360)	(23)	(4,675)	(5,819)	(20)
Profit for the period, net of tax	5,449	8,826	**(38)**	8,164	13,539	**(40)**
Profit attributable to:						
Owners of the Company	5,448	8,791	(38)	8,162	13,426	(39)
Non-controlling interests	1	35	(97)	2	113	(98)
	5,449	8,826	**(38)**	8,164	13,539	**(40)**

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 2015

	GROUP					
	Third Quarter Ended 31 March			Nine Months Ended 31 March		
	2015	2014	Change	2015	2014	Change
	S$'000	S$'000	+/(-)%	S$'000	S$'000	+/(-)%
Profit for the period, net of tax	**5,449**	**8,826**	**(38)**	**8,164**	**13,539**	**(40)**
Other comprehensive income:						
Item that will not be reclassified to profit or loss:						
Revaluation gain of land and buildings, net of tax	-	-	n.m.	-	-	n.m.
Item that may be reclassified subsequently to profit or loss:						
Foreign currency translation	3,623	(585)	n.m.	7,848	(1,956)	n.m.
Other comprehensive income for the period, net of tax	**3,623**	**(585)**	**n.m.**	**7,848**	**(1,956)**	**n.m.**
Total comprehensive income for the period	**9,072**	**8,241**	**10**	**16,012**	**11,583**	**38**
Total comprehensive income attributable to:						
Owners of the Company	**9,064**	**8,209**	**10**	**15,993**	**11,479**	**39**
Non-controlling interests	**8**	**32**	(75)	**19**	**104**	(82)
	9,072	**8,241**	**10**	**16,012**	**11,583**	**38**

Notes:

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

	Third Quarter Ended 31 March			Nine Months Ended 31 March		
	2015	2014	Change	2015	2014	Change
	S$'000	S$'000	+/(-)%	S$'000	S$'000	+/(-)%
Depreciation of property, plant and equipment	2,857	2,357	21	8,184	6,899	19
Amortisation of intangible assets	330	246	34	966	671	44
(Gain)/loss on disposal of property, plant and equipment	(30)	2	n.m.	102	58	76
Property, plant and equipment written off	40	95	(58)	108	322	(66)
Intangible assets written off	-	-	n.m.	1	-	n.m.
Net write-down/(reversal of write-down) of inventories	11	(45)	n.m.	34	(310)	n.m.
Inventories written off	234	809	(71)	672	1,334	(50)
Allowance for doubtful receivables (trade)	2	19	(89)	101	162	(38)
Bad debts (trade) written off	-	-	n.m.	-	3	(100)

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-15	30-Jun-14	31-Mar-15	30-Jun-14
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Property, plant and equipment	188,199	115,471	439	591
Investments in subsidiaries	-	-	78,628	80,758
Amounts due from subsidiaries	-	-	54,193	45,307
Other receivables	12,187	10,017	-	-
Investments in joint ventures	882	761	-	-
Long term investments	333	-	333	-
Investment properties	46,599	62,385	-	-
Intangible assets	4,731	5,084	1,050	1,082
Prepayments	3,357	7,683	-	-
Deferred tax assets	695	724	-	-
	256,983	**202,125**	**134,643**	**127,738**
Current assets				
Inventories	94,180	83,171	-	-
Trade and other receivables	17,153	17,221	103	72
Prepayments	3,313	1,852	126	86
Amounts due from subsidiaries	-	-	53,340	47,859
Tax recoverable	257	187	-	-
Cash and cash equivalents	27,929	45,118	1,580	12,116
	142,832	**147,549**	**55,149**	**60,133**
Current liabilities				
Trade and other payables	42,779	38,327	1,468	2,218
Provision for long service payments	1,044	46	-	-
Interest bearing loans and borrowings	71,343	30,507	44,850	27,200
Notes payable	-	24,565	-	24,565
Hire purchase creditors	145	140	78	78
Provision for restoration costs	939	1,102	-	-
Deferred revenue	3,586	3,437	-	-
Tax payable	5,568	7,306	224	225
Amounts due to a joint venture	450	108	-	-
Derivatives	9	9	9	9
	125,863	**105,547**	**46,629**	**54,295**
Net current assets	**16,969**	**42,002**	**8,520**	**5,838**
Non-current liabilities				
Interest bearing loans and borrowings	1,020	1,931	-	700
Notes payable	99,269	74,679	99,269	74,679
Long term loans from non-controlling shareholders of subsidiaries	154	143	-	-
Hire purchase creditors	218	246	135	198
Provision for restoration costs	1,971	2,844	-	-
Provision for long service payments	159	264	-	-
Deferred tax liabilities	5,632	5,572	62	62
Other payables	805	641	-	-
	109,228	**86,320**	**99,466**	**75,639**
Net assets	**164,724**	**157,807**	**43,697**	**57,937**
Equity attributable to owners of the Company				
Share capital	41,485	40,639	41,485	40,639
Reserves	123,051	116,999	2,212	17,298
	164,536	**157,638**	**43,697**	**57,937**
Non-controlling interests	188	169	-	-
Total equity	**164,724**	**157,807**	**43,697**	**57,937**

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-15		As at 30-Jun-14	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$331,000	S$71,157,000	S$335,000	S$54,877,000

Amount repayable after one year

As at 31-Mar-15		As at 30-Jun-14	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$1,238,000	S$99,423,000	S$1,477,000	S$75,522,000

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	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities:				
Profit before taxation	**7,276**	**11,186**	**12,839**	**19,358**
Depreciation of property, plant and equipment	2,857	2,357	8,184	6,899
Amortisation of intangible assets	330	246	966	671
(Gain)/loss on disposal of property, plant and equipment	(30)	2	102	58
Property, plant and equipment written off	40	95	108	322
Intangible assets written off	-	-	1	-
Foreign currency translation realignment	84	(345)	323	(902)
Net write-down/(reversal of write-down) of inventories	11	(45)	34	(310)
Inventories written off	234	809	672	1,334
Allowance for doubtful receivables (trade)	2	19	101	162
Bad debts (trade) written off	-	-	-	3
Interest income	(26)	(37)	(63)	(203)
Interest expense	1,566	1,271	4,479	4,105
Share of results of joint ventures	(29)	(25)	(45)	(12)
Deferred revenue	237	443	271	441
Increase in long service payments	511	25	870	48
Operating cash flows before changes in working capital	**13,063**	**16,001**	**28,842**	**31,974**
(Increase)/decrease in trade and other receivables	(649)	264	(2,203)	(2,375)
(Increase)/decrease in prepayments	(1,804)	2,477	2,865	1,318
Increase in amount due to a joint venture	77	260	342	141
Decrease/(Increase) in inventories	15,282	14,243	(11,715)	(13,839)
(Decrease)/Increase in trade and other payables	(10,412)	(13,848)	3,432	(2,616)
Cash flows from operations	**15,557**	**19,397**	**21,563**	**14,603**
Interest received	26	37	62	203
Interest paid	(415)	(205)	(2,998)	(2,734)
Income tax refund	295	423	306	442
Income taxes paid	(1,184)	(516)	(7,489)	(5,407)
Net cash flows from operating activities	**14,279**	**19,136**	**11,444**	**7,107**
Cash flows from investing activities				
Purchase of property, plant and equipment	(14,277)	(3,978)	(43,221)	(11,624)
Purchase of investment property	-	-	(15,097)	-
Purchase of intangible assets	(200)	(594)	(473)	(895)
Proceeds from sale of property, plant and equipment	54	5	57	186
Payment for long term investment	(333)	-	(333)	-
Investment in joint ventures	-	-	-	(406)
Repayment of quasi loan by a joint venture, net	-	113	-	39
Net cash outflow on acquisition of business by a subsidiary	-	-	-	(224)
Purchase of additional interest in a subsidiary	-	(309)	-	(309)
Net cash used in investing activities	**(14,756)**	**(4,763)**	**(59,067)**	**(13,233)**
Cash flows from financing activities				
Proceeds from interest bearing loans and borrowings	11,853	2,017	75,258	8,530
Repayment of interest bearing loans and borrowings	(8,564)	(13,965)	(35,124)	(29,163)
Repayment of hire purchase creditors	(40)	(41)	(110)	(295)
Redemption of Notes payable	-	-	(1,400)	-
Proceeds from exercise of employee share options	316	206	730	365
Dividends paid	-	-	(9,825)	(9,768)
Dividends paid to non-controlling shareholders	-	(53)	-	(53)
Net cash flows generated from/(used in) financing activities	**3,565**	**(11,836)**	**29,529**	**(30,384)**
Net increase/(decrease) in cash and cash equivalents	3,088	2,537	(18,094)	(36,510)
Cash and cash equivalents as at beginning of the period	24,402	58,712	45,118	98,076
Effects of exchange rates changes on cash and cash equivalents	439	(21)	905	(338)
Cash and cash equivalents at end of the financial period	**27,929**	**61,228**	**27,929**	**61,228**

1(c)

	Group			
	Third Quarter Ended 31 March		Nine Months Ended 31 March	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
A. Purchase of property, plant and equipment				
Aggregate cost of property, plant and equipment acquired	14,367	4,007	43,430	11,835
Less :				
Acquisition through business combination	-	-	-	(5)
	14,367	4,007	43,430	11,830
Less :				
Financed by hire purchase creditors	(93)	-	(93)	(117)
Restoration costs capitalised	3	(29)	(116)	(89)
Cash payments to acquire property, plant and equipment	**14,277**	**3,978**	**43,221**	**11,624**

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	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Fixed bank deposits	-	11,158	-	11,158
Cash and bank balances	27,929	50,070	27,929	50,070
	27,929	**61,228**	**27,929**	**61,228**

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
Group											
At 1 Jan 2015	41,123	27,872	453	(35)	847	437	(15,901)	100,360	155,156	180	155,336
Profit for the period, net of tax	-	-	-	-	-	-	-	5,448	5,448	1	5,449
Other comprehensive income, net of tax	-	-	-	-	-	-	3,616	-	3,616	7	3,623
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**3,616**	**5,448**	**9,064**	**8**	**9,072**
Contributions by and distributions to owners											
Shares issued pursuant to the exercise of share options	362	-	-	-	(46)	-	-	-	316	-	316
Share options lapsed	**-**	**-**	**-**	**-**	(22)	**-**	**-**	22	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	**362**	**-**	**-**	**-**	**(68)**	**-**	**-**	**22**	**316**	**-**	**316**
At 31 Mar 2015	**41,485**	**27,872**	**453**	**(35)**	**779**	**437**	**(12,285)**	**105,830**	**164,536**	**188**	**164,724**

	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
Group											
At 1 Jan 2014	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)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(582)**	**8,791**	**8,209**	**32**	**8,241**
Contributions by and distributions to owners											
Shares issued pursuant to the exercise of share options	237	-	-	-	(31)	-	-	-	206	-	206
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(53)	(53)
Total contributions by and distributions to owners	**237**	**-**	**-**	**-**	**(31)**	**-**	**-**	**-**	**206**	**(53)**	**153**
Changes in ownership interests in a subsidiary											
Acquisition of non-controlling interests without a change in control	-	-	-	(35)	-	-	-	-	(35)	(274)	(309)
Total changes in ownership interests in a subsidiary	**-**	**-**	**-**	**(35)**	**-**	**-**	**-**	**-**	**(35)**	**(274)**	**(309)**
At 31 Mar 2014	**40,025**	**23,336**	**453**	**(35)**	**1,341**	**437**	**(19,812)**	**105,481**	**151,226**	**269**	**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	Total		
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group											
At 1 Jul 2014	40,639	27,872	453	(35)	1,258	437	(20,116)	107,130	157,638	169	157,807
Profit for the period, net of tax	-	-	-	-	-	-	-	8,162	8,162	2	8,164
Other comprehensive income, net of tax	-	-	-	-	-		7,831	-	7,831	17	7,848
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**7,831**	**8,162**	**15,993**	**19**	**16,012**
Contributions by and distributions to owners											
Shares issued pursuant to the exercise of share options	846	-	-	-	(116)	-	-	-	730	-	730
Share options lapsed	-	-	-	-	(363)	-	-	363	-	-	-
Dividends	-	-	-	-	-	-	-	(9,825)	(9,825)	-	(9,825)
Contribution from Minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	**846**	**-**	**-**	**-**	**(479)**	**-**	**-**	**(9,462)**	**(9,095)**	**-**	**(9,095)**
At 31 Mar 2015	**41,485**	**27,872**	**453**	**(35)**	**779**	**437**	**(12,285)**	**105,830**	**164,536**	**188**	**164,724**

	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
Group											
At 1 Jul 2013	39,598	23,336	453	-	1,403	437	(17,865)	101,823	149,185	492	149,677
Profit for the period, net of tax	-	-	-	-	-	-	-	13,426	13,426	113	13,539
Other comprehensive income, net of tax	-	-	-	-	-	-	(1,947)	-	(1,947)	(9)	(1,956)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(1,947)**	**13,426**	**11,479**	**104**	**11,583**
Contributions by and distributions to owners											
Shares issued pursuant to the exercise of share options	427	-	-	-	(62)	-	-	-	365	-	365
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(53)	(53)
Dividends	-	-	-	-	-	-	-	(9,768)	(9,768)	-	(9,768)
Total contributions by and distributions to owners	**427**	**-**	**-**	**-**	**(62)**	**-**	**-**	**(9,768)**	**(9,403)**	**(53)**	**(9,456)**
Changes in ownership interests in in a subsidiary											
Acquisition of non-controlling interests without a change in control	-	-	-	(35)	-	-	-	-	(35)	(274)	(309)
Total changes in ownership interests in a subsidiary	**-**	**-**	**-**	**(35)**	**-**	**-**	**-**	**-**	**(35)**	**(274)**	**(309)**
At 31 Mar 2014	**40,025**	**23,336**	**453**	**(35)**	**1,341**	**437**	**(19,812)**	**105,481**	**151,226**	**269**	**151,495**

	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
Company					
At 1 Jan 2015	41,123	847	437	1,851	44,258
Loss for the period, net of tax	-	-	-	(855)	(855)
Total comprehensive income for the period	**-**	**-**	**-**	**(855)**	**(855)**
Contributions by and distributions to owners					
Shares issued pursuant to the exercise of share options	362	(46)	-	-	316
Share options lapsed	-	(22)	-	-	(22)
Total transactions with owners in their capacity as owners	**362**	**(68)**	**-**	**-**	**294**
At 31 Mar 2015	**41,485**	**779**	**437**	**996**	**43,697**
At 1 Jan 2014	39,788	1,372	437	2,702	44,299
Loss for the period, net of tax	-	-	-	671	671
Total comprehensive income for the period	**-**	**-**	**-**	**671**	**671**
Contributions by and distributions to owners					
Shares issued pursuant to the exercise of share options	237	(31)	-	-	206
Total transactions with owners in their capacity as owners	**237**	**(31)**	**-**	**-**	**206**
At 31 Mar 2014	**40,025**	**1,341**	**437**	**3,373**	**45,176**

	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
Company					
At 1 Jul 2014	40,639	1,258	437	15,603	57,937
Loss for the period, net of tax	-	-	-	(4,955)	(4,955)
Total comprehensive income for the period	**-**	**-**	**-**	**(4,955)**	**(4,955)**
Contributions by and distributions to owners					
Shares issued pursuant to the exercise of share options	846	(116)	-	-	730
Share options lapsed	-	(363)	-	173	(190)
Dividends	-	-	-	(9,825)	(9,825)
Total transactions with owners in their capacity as owners	**846**	**(479)**	**-**	**(9,652)**	**(9,285)**
At 31 Mar 2015	**41,485**	**779**	**437**	**996**	**43,697**
At 1 Jul 2013	39,598	1,403	437	17,760	59,198
Loss for the period, net of tax	-	-	-	(4,619)	(4,619)
Total comprehensive income for the period	**-**	**-**	**-**	**(4,619)**	**(4,619)**
Contributions by and distributions to owners					
Shares issued pursuant to the exercise of share options	427	(62)	-	-	365
Dividends	-	-	-	(9,768)	(9,768)
Total transactions with owners in their capacity as owners	**427**	**(62)**	**-**	**(9,768)**	**(9,403)**
At 31 Mar 2014	**40,025**	**1,341**	**437**	**3,373**	**45,176**

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 2015, the Company's issued and paid up capital, excluding treasury shares comprises 447,270,217 (30 June 2014: 445,812,217) 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-15		31-Mar-15
'000	'000	'000
446,638	632	447,270

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

Between 1 January 2015 and 31 March 2015, the Company has issued 144,000 ordinary shares under the Eu Yan Sang Employees Share Option Scheme 2000 ("the 2000 scheme").

Under the 2000 scheme, options to subscribe for 1,944,000 shares remained outstanding as at 31 March 2015, compared to 2,712,000 as at 31 March 2014. Movements in the number of the unissued shares of the Company under the 2000 scheme during Q3FY15 were as follows:

Outstanding options as at	Number of options exercised	Outstanding options as at
1-Jan-15		31-Mar-15
'000	'000	'000
2,088	(144)	1,944

Between 1 January 2015 and 31 March 2015, the Company has issued 488,000 ordinary shares under the Eu Yan Sang Employees Share Option Scheme 2006 ("the 2006 scheme").

Under the 2006 scheme, options to subscribe for 5,970,000 shares remained outstanding as at 31 March 2015, compared to 10,022,000 as at 31 March 2014. Movements in the number of the unissued shares of the Company under the 2006 scheme during Q3FY15 were as follows:

Outstanding options as at	Number of options exercised	Number of options lapsed	Outstanding options as at
1-Jan-15			31-Mar-15
'000	'000	'000	'000
6,591	(488)	(133)	5,970

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 2015, no shares were granted and outstanding under the EYS PSP (31 March 2014: nil).

D) Treasury shares

No treasury shares were held by the Company as at 31 March 2015 and 31 March 2014.

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 2015 and 31 March 2015, no convertible warrants have been exercised.

As at 31 March 2015, there were 22,000,000 (31 March 2014: 22,000,000) outstanding convertible warrants with exercise price at $0.83 (31 March 2014: $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 2015 is 447,270,217 (30 June 2014: 445,812,217) 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 2014.

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 July 2014. 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	
	2015	2014	2015	2014
Earnings per ordinary share of the Group based on net profit attributable to shareholders:	**cents**	**cents**	**cents**	**cents**
(i) Based on the weighted average number of ordinary shares	**1.22**	**1.98**	**1.83**	**3.02**
Weighted average number of shares ('000)	447,008	444,532	446,549	444,195
(ii) On a fully diluted basis	**1.21**	**1.96**	**1.82**	**3.00**
Weighted average number of shares ('000)	448,904	448,375	448,682	447,707

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-2015	30-Jun-2014
Net asset value per ordinary share based on issued share capital	**cents**	**cents**
For the Group	36.8	35.4
For the Company	9.8	13.0

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's revenue for the 3rd quarter was marginally above last year while revenue for the 9 month period was 1% below last year, largely due to the challenges faced in Hong Kong's retail environment.

The Group's gross margin of 47% for the 3rd quarter was 2% lower than last year's gross margin, mainly due to the impact of sales mix and promotions during Chinese New Year period. Gross margin for the 9 month period was 50%, relatively on par with that of last year.

The Group's Operating Profit ("OP") for the 3rd quarter declined against last year, primarily due to the lower gross margin contribution and increase in operating expenses in the form of rental expenses for new and renewed leases, depreciation and personnel-related expenses. The Group also posted a lower OP for the 9 month period, largely due to the sales decline, higher selling & distribution expenses ("D&S") and administrative expenses. The declines in OP for both periods, were partially offset by lower spending on advertising and promotion ("A&P") activities.

As a result of the lower OPs and higher interest expenses from the increase in short-term loans and borrowings, the Group's Profit before tax ("PBTs") and Profit after tax ("PATs") for the 3rd quarter and 9 month period also fell against the previous corresponding periods. The declines were partially offset by higher foreign exchange gains from the translation of HKD denominated receivables.

(A) Revenue

The Group's revenue for the 3rd quarter was marginally higher than last year but revenue for the 9 month period was 1% below last year. In terms of geographical performance, lower revenue was recorded in Hong Kong/Macau during the 3rd quarter and 9 month period while higher revenue from Malaysia, Australia and Singapore helped to cushion the decline in revenue for the Group. In terms of segment performance, revenue for the wholesale segment declined in the 3rd quarter and 9 month period but was partially offset by the revenue growth in the retail and "others" segments.

Revenue by Activities

	GROUP					
	Third Quarter Ended 31 March			Nine Months Ended 31 March		
	2015	2014	Change	2015	2014	Change
Activities	**S$'000**	**S$'000**	+/(-)%	**S$'000**	**S$'000**	+/(-)%
Retail (TCM & non TCM)	94,764	90,410	**5**	225,058	223,017	**1**
Wholesale (TCM & non TCM)	10,129	14,789	**(32)**	36,869	42,999	**(14)**
Clinic - TCM	4,052	4,141	**(2)**	12,654	12,769	**(1)**
Others	1,487	944	**58**	3,576	2,895	**24**
	110,432	**110,284**	**-**	**278,157**	**281,680**	**(1)**

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 improved by 5% and 1% respectively against the previous corresponding periods. Retail revenue in Australia was above last year due to the increase in company-operated outlets and improvement in same-store sales. Retail revenue in Singapore and Malaysia also went up during the Chinese Year period while consumers in Malaysia also stocked up on products prior to Goods and Services Tax ("GST") coming into effect in April 2015. In Hong Kong, retail revenue for the 3rd quarter and 9 month period was below last year due to the challenges faced in the retail environment.

Wholesale – Wholesale revenue for the 3rd quarter and 9 month period dipped by 32% and 14%, primarily due to the lower revenue from Hong Kong and Australia. In Hong Kong, revenue for the wholesale segment was affected by the slower offtake in trade as a result of the decline in mainland tourists' spending. The decrease in wholesale revenue for Australia was largely in line with the lower number of franchise outlets.

Clinic – Clinic revenue for the 3rd quarter and 9 month period were 2% and 1% respectively below the previous corresponding periods. This was largely due to cheaper medical alternatives under the Community Health Assist Scheme ("CHAS") in Singapore.

Revenue under "Others" mainly related to food and beverages ("F&B") income, rental income and franchise fee income. The higher revenue under "Others" for the 3rd quarter and 9 month period were primarily due to sales improvement from the F&B operations in Malaysia and revenue contribution from 2 new F&B outlets in Shanghai.

Turnover by Geographical Locations:

		GROUP					
		Third Quarter Ended 31 March			Nine Months Ended 31 March		
Core Countries		2015 '000	2014 '000	Change +/(-)%	2015 '000	2014 '000	Change +/(-)%
Hong Kong*	SGD	35,594	42,088	(15)	109,858	122,539	(10)
	HKD	202,120	255,078	(21)	652,753	753,158	(13)
Singapore	SGD	23,766	21,774	9	59,628	57,821	3
Malaysia	SGD	38,854	36,168	7	72,204	71,181	1
	MYR	102,535	93,759	9	188,423	183,882	2
Australia	SGD	12,218	10,254	19	36,467	30,139	21
	AUD	11,576	9,009	28	33,089	26,293	26
Total	**SGD**	**110,432**	**110,284**	-	**278,157**	**281,680**	(1)

** Include Macau and China.*

In terms of local currency, Hong Kong's revenue for the 3rd quarter and 9 month period fell by 21% and 13% respectively, primarily due to the challenges faced by Hong Kong's retail environment and slowdown in spending of mainland tourists in Hong Kong.

Revenue in Singapore went up by 9% and 3% respectively during the 3rd quarter and 9 month period, mainly to higher consumer spending during the Chinese New Year period.

Malaysia's revenue for the 3rd quarter and 9 month period, in local currency terms, increased by 9% and 2% respectively against the previous corresponding periods. This was largely due to higher consumer spending during Chinese New Year and consumers stocking up before GST came into effect in April 2015.

In local currency terms, Australia's revenue for the 3rd quarter and 9 month period, grew by 28% and 26% respectively against the previous corresponding periods. This was in line with the increase in number of company-operated outlets and the increase in same-store sales.

(B) FY15 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	-	43	(1)	30	(1)	73	-	-	-	-	-	-
Malaysia	2	92	-	-	2	92	1	6	-	-	-	-
Hong Kong	2	60	-	-	2	60	-	-	-	-	-	2
Singapore	(2)	47	-	-	(2)	47	-	26	-	2	-	-
China	-	14	-	-	-	14	-	-	-	-	-	-
Macau	-	2	-	-	-	2	-	-	-	-	-	-
Total	**2**	**258**	**(1)**	**30**	**1**	**288**	**1**	**32**	**-**	**2**	**-**	**2**

The Group's retail network consisted of 258 company-operated outlets and 30 franchise outlets as at 31 March 2015. During the 3rd quarter, there was an addition of 2 retail outlets in Malaysia, a reduction of 1 franchise outlet in Australia and net closure of 2 retail outlets in Singapore. In Hong Kong, 3 retail outlets were opened while 1 retail outlet was closed.

During the 3rd quarter, 1 clinic was opened in Malaysia, resulting in 34 TCM clinics as at 31 March 2015. The number of Integrative Medical Centres remained at 2 as at 31 March 2015.

(C) Profitability

The Group's OP for the 3rd quarter was below last year, primarily due to the lower gross margin contribution, increase in D&S and administrative expenses. The Group's decline in OP for the 9 month period was largely attributed to the sales decline and increase in operating expenses.

The Group's PBTs for the 3rd quarter and 9 month period were lower than last year, mainly due to the decline in OPs and higher interest expenses as a result of higher short-term loans and borrowings taken up. They were, however, partially offset by foreign exchange gains as a result of the translation of HKD denominated receivables. The Group's PATs for the 3rd quarter and 9 months were, consequently, below last year as well.

(D) Distribution and selling expenses

D&S expenses for the 3rd quarter and 9 month period went up by 1% and 5% respectively against the previous corresponding periods. Higher depreciation expenses and rental expenses for new and renewed leases contributed to the overall increase in D&S expenses. The higher D&S expenses for the 9 month period was also attributed to higher personnel-related expenses. The increases in D&S expenses were, however, offset by lower A&P expenses.

(E) Administrative expenses

Administrative expenses for the 3rd quarter was 14% above last year largely due to higher personnel-related expenses as a result of the timing of personnel-related accruals. Administrative expenses for the 9 month period were 5% higher than last year, primarily due to higher depreciation expenses and personnel-related expenses but partially offset by lower spending on corporate media/public relation activities.

(F) Interest expenses

The increase in interest expenses for the 3rd quarter and 9 month period was primarily due to the higher short-term loans and borrowings taken up during the financial period.

(G) Income tax expense

The reduction in tax expenses for the 3rd quarter and 9 month period was largely in line with the lower taxable profits for the Group.

(H) Property, plant and equipment

Property, plant and equipment ("PPE") increased against last year, primarily due to the acquisition of a property in Macau, construction-in-progress arising from factory construction in Hong Kong and capital expenditure on new and existing retail outlets. The increase in PPE was also due to the transfer of a property from investment properties during the financial period.

(I) Investment properties

The decline in investment properties was largely due to the transfer of a property to PPE during the financial period. The decline was partially offset by the purchase of a property by a subsidiary in Hong Kong.

(J) Prepayments (non-current)

The decrease in prepayments was mainly due to reclassification to properties and fixed assets upon full payment of the properties and fixed assets.

(K) Inventories

The increase in inventories was partly due to the increase in outlets and also due to the building up of inventories for promotions in the 4th quarter.

(L) Cash and cash equivalents

The decline in net cash and cash equivalents was largely due to capital expenditure on new and existing outlets, factory construction in Hong Kong and the acquisition of properties in Hong Kong and Macau.

(M) Trade and other payables

The fluctuation in trade and other payables was largely due to timing of purchases and payments to suppliers.

(N) Interest bearing loans and borrowings

The higher loans and borrowings was mainly due to short-term borrowings taken up for the purchase of properties and working capital purposes.

(O) Notes payable

The $25M notes payable was reclassified from current to non-current after the option to put the notes at par on the 3rd anniversary of the Notes had lapsed.

(P) Cash flows

Net cash generated from operating activities for the 9 month period was above last year by S$4.3 million. This was mainly due to lower working capital tied up in inventories and timing of payments for purchases to suppliers.

Net cash used in investing activities for the 9 month period increased by S$45.8 million compared to last year largely due to capital expenditure on new and existing outlets, factory construction in Hong Kong and the acquisition of properties in Hong Kong and Macau.

Net cash generated from financing activities for the 9 month period was higher than last year by S$59.9 million primarily due to short-term borrowings taken up for the purchase of properties in Hong Kong and Macau and working capital purposes.

The Group's cash and cash equivalents stood at S$27.9 million as at 31 March 2015 compared to S$61.2 million as at 31 March 2014.

The Group’s gearing ratio was 87.7% as at 31 March 2015.

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 FY2014 full year announcement made on 28 August 2014.

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.

The Company is concerned about the economic outlook of its key markets, namely Hong Kong and Malaysia. The Company's operations in Hong Kong has been impacted by decline in mainland tourists' spending and new regulations to limit number of visitors from China to Hong Kong. In this regard, the Company is cautious and anticipates a protracted recovery. In Malaysia, following the strong third quarter performance, the Company expects short term consumer retail softness arising from Goods and Services Tax which came into effect on 1 April 2015. For other markets, the Company expects moderate growth in line with regional economic growth, while its investment in Australia will continue to demonstrate incremental improvements operationally and provide revenue growth potential. Overall retail operating costs remain a significant challenge and necessary steps are in progress to manage these operating costs through rationalization of its retail network, while expanding its wholesale and online business. Despite the current operating challenges, the Company sees many long term opportunities, notably from the rising affluence of its target market leading to increased demand, new product development and extensions of wholesale channels. The Group will continue to manage its business risks prudently with a view to building long term shareholder value.

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 2015

Interested Person Transaction Transactions with:-	**Aggregate value of all interested person transactions (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)** **S$'000**	**Aggregate value of all interested person transactions conducted under shareholders' mandate (excluding transactions less than S$100,000 pursuant to Rule 920)** **S$'000**
(a) XAct Solutions Pty. Ltd	15	-
(b) XAct Solutions Pte Ltd	50	-

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 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lam Chee Weng
Chief Financial Officer
5 May 2015