EU YAN SANG INTERNATIONAL LTD

21 Tai Seng Drive, Singapore 535223
Tel: (65) 6225 3211 Fax: (65) 6225 8276

For Immediate Release

Eu Yan Sang reports 3QFY2015 net profit of $5.45 million;

- Revenue remained stable at S$110.4 million despite softer retail scene in Hong Kong
- Better results in Australia, Singapore and Malaysia during the Chinese New Year period and Malaysians stocking up ahead of a new tax regime

Singapore, 5 May 2015 – SGX mainboard-listed Eu Yan Sang International Ltd ("EYSI", "the Group" or "余仁生国际企业") posted a 38% year-on-year ("y-o-y") decline in net profit to $5.45 million for the third quarter ended 31 March 2015 ("3QFY15"), impacted by lower gross margin and higher operating expenses. Revenue remained stable at $110.4 million cushioned by better retail sales in Singapore, Malaysia and Australia. The retail environment in Hong Kong remains challenging.

Gross margin for the quarter under review dipped 2.6% due mainly to the impact of sales mix and longer lead time to Chinese New Year. Correspondingly, the Group's operating profit declined due to lower gross margin contribution and increased operating expenses.

Commenting on the latest set of financial results, Mr Richard Eu (余义明), Group CEO, said: "Despite the challenging retail environment in Hong Kong contributed by a slowdown of spending and visitation restrictions imposed on mainland Chinese to Hong Kong, most of our key markets have shown resilience. Singapore, Malaysia and Australia markets have reported revenue growth. We see long-term opportunities especially in rising health awareness as consumers are becoming more discerning and better educated about wellness issues and are actively seeking for healthy food and natural health remedies. This is a space where we differentiate ourselves from others, where consumers understand product quality over pricing. Rising disposable income in the region also played an important role to our business. In addition, our wellness offerings are easily accessible through ongoing introduction of new, exciting products and the extension of our wholesale channels."

EU YAN SANG INTERNATIONAL LTD

21 Tai Seng Drive, Singapore 535223
Tel: (65) 6225 3211 Fax: (65) 6225 8276

Financial Highlights

Financial Highlights (S$ '000)	3QFY2015 ended 31 Mar 15	3QFY2014 ended 31 Mar 14	Change +/(-)%	9M2015 ended 31 Mar 15	9M2014 ended 31 Mar 14	Change +/(-)%
Revenue	110,432	110,284	-	278,157	281, 680	(1)
Gross Profit	51,709	54,531	(5)	137,733	140,208	(2)
Gross Profit Margin	46.8%	49.4%	(2.6)	49.5	49.8	(0.3)
Operating expenses	44,680	43,282	3	124,500	118,742	5
Operating profit	7,661	12,327	(38)	14,637	23,629	(38)
Profit before tax	7,276	11,186	(35)	12,839	19,358	(34)
Profit to shareholders	5,449	8,826	(38)	8,164	13,539	(40)

3QFY2015 Revenue by Activities

Retail revenue was up 5% driven by increased consumer spending during the longer lead up period to Chinese New Year in Malaysia and Singapore, while the increased sales in company-operated outlets and improvement in same-store sales boosted retail revenue in Australia. Consumers in Malaysia were also stocking up prior to the introduction of the Goods and Services Tax ("GST"), which came into effect on 1 April 2015.

The wholesale segment dipped by 32% due to the slower offtake in trade as a result of the decline in mainland tourists' spending in Hong Kong, which was caused by China's recent move to restrict visitations of its nationals to Hong Kong.

3QFY2015 Revenue by Geographical Locations

In local currency terms, Australia showed the strongest improvement with a boost of 28% in revenue. This was in line with the increase in number of company-operated outlets and the increase in same-store sales.

Both Singapore and Malaysia saw a 9% rise in revenue, mainly due to higher consumer spending during the Chinese New Year festivities, while consumers in Malaysia were also stocking up before the GST was introduced in April.

The higher revenue in Singapore, Malaysia and Australia helped to cushion 21% decline in revenue recorded in Hong Kong and Macau. This was primarily due to the headwinds faced in Hong Kong's retail sector and a slowdown in spending by mainland tourists in Hong Kong.

Going Forward

The Group foresees that its business will remain profitable and cash flow positive, with moderate growth in line with regional economic growth in key markets. Investment in Australia continues to yield improvements operationally and provide revenue growth potential. Internally, the Group will continue to prudently manage its operating costs and business risks, with the aim of building long term shareholder value.

However, we expect a softer retail market in Hong Kong and we continue to see challenges there. The Malaysian market remains challenging while after two years of decline, Singapore is showing growth. Given the recent regulations to limit Chinese tourists in Hong Kong and the enforcement of GST in Malaysia, the Group expects a protracted recovery in these markets. We believe that the negative impact of GST on retail sales in Malaysia will be a short-term challenge.

- End –

About Eu Yan Sang International Ltd (SGX: EYSI)

Listed on the Singapore Exchange, Eu Yan Sang International Ltd (EYSI or the Group) is a leading integrative health and wellness company with a unique heritage in Traditional Chinese Medicine (TCM). As one of the largest TCM groups in Southeast Asia, EYSI drives the industry forward with its scientific and innovative approaches in the production and retail of its TCM and wellness products.

From the sourcing of raw materials to manufacturing and distribution of the finished products, as well as the provision of treatments—the Group is able to control the total supply chain, giving it a competitive advantage in the industry.

All manufacturing activities are carried out in its GMP-certified (Good Manufacturing Practices) facilities, where every production process demonstrates full GMP accreditation for high quality assurance to provide safe and efficacious products for its customers, thus earning their trust through generations. The Group's Hong Kong factory is certified by the Therapeutic Goods Administration (TGA) of Australia, in accordance to the Pharmaceutical Inspection Convention and Pharmaceutical Inspection Cooperation Scheme (PIC/S) Guide to GMP for Medicinal Products.

EU YAN SANG INTERNATIONAL LTD

21 Tai Seng Drive, Singapore 535223
Tel: (65) 6225 3211 Fax: (65) 6225 8276

As at 31 March 2015, Eu Yan Sang has an extensive distribution network comprising 258 company-operated retail outlets and 30 franchises in China, Hong Kong, Macau, Malaysia, Singapore and Australia. Its products are available online at www.euyansang.com, as well as in drugstores, pharmacies, medical halls, supermarkets, convenience stores, hospitals, health clubs and spas worldwide. The Group also operates a chain of 34 TCM Clinics in Singapore and Malaysia, and two Integrative Medical Centres in Hong Kong.

For more information, please contact:

Weber Shandwick
Karen Yap
T: +65 6825 8068
M: +65 9738 6291
E: kyap@webershandwick.com

Eu Yan Sang International Ltd
Joanna Wong
General Manager
Brand Management & Corporate Communications
T: +65 6704 9625
E: joanna.wong@euyansang.com