



**EU YAN SANG INTERNATIONAL LTD**  
269A South Bridge Road, Singapore 058818  
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## Eu Yan Sang registers growth across all key geographical and business segments

- **FY2007 revenue grew 12% to S\$191.5 million on strong demand**
- **Net profit up 2% to S\$14.7 million due to higher operating expenses**

**Singapore, 23 August 2007** – Mainboard listed Eu Yan Sang International Ltd (“EYS”, “The Group” or “余仁生国际企业”), a leading household name for Traditional Chinese Medicine (“TCM”) and integrative healthcare, posted a 12% increase in revenue to S\$191.5 million for the twelve months ended 30 June 2007 (FY2007) on continued growth in all key geographical markets and business segments.

Financial Highlights (S\$'000)	4th Quarter ended 30/06/2007	4th Quarter ended 30/06/2006 *RESTATED	% Change	Year ended 30/06/2007	Year ended 30/06/2006 *RESTATED	% Change
Revenue	49,213	40,825	21	191,464	170,356	12
Gross Profit	23,373	19,664	19	94,834	85,908	10
Net Profit	2,298	3,525	(35)	14,720	14,431	2
EPS (cents)	0.64	0.98	(35)	4.08	4.01	2
Cash & Cash Equivalents	15,459	16,720	(7)	15,459	16,720	(7)

*\*Restated – the quarter and year to date results have been restated due to disposal of Elixir's business in October 2006.*

Mr. Richard Eu (余义明), Group CEO commented, “For the fourth quarter, despite being seasonally our slowest, all three business segments – Retail, Wholesale and Clinics – grew strongly by 15%, 45% and 18% to S\$34.7 million, S\$8.1 million and S\$6.0 million respectively. This is due to effective marketing initiatives following the end of the robust Chinese New Year season in our third quarter, supported by the higher production capacity from our new Hong Kong factory.”

Operating expenses<sup>1</sup> for FY2007 increased by 15% to S\$79.0 million due to the higher number of retail outlets, increasing rental costs and the expensing of new project costs. Net profit, moderated by the higher operating expenses, went up slightly by 2% to S\$14.7 million.

<sup>1</sup> Operating expenses include Distribution & Selling, Rental and Administrative expenses.



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Notwithstanding these challenges, EYS continued to generate strong cash flow, with a net operating cash flow of S\$10.7 million for FY2007 (FY2006: S\$17.4m).

The Directors have recommended to maintain a first and final dividend of 1.0 cents (FY2006: 1.0 cents) and a special dividend of 1.0 cents (FY2006: 1.0 cents) making a total of 2.0 cents per ordinary share. Both are tax exempt one-tier dividends.

### **All Set for FY2008**

A series of growth initiatives are in place to prepare for the Group's growth in FY2008 and beyond.

For EYS' core businesses, new retail outlets will be strategically added in its key markets of Hong Kong, Singapore and Malaysia, with a target of 10 to 12 new retail stores for FY2008. Also, emphasis will be placed on increasing revenue from existing clinics, while seeking opportunities to open 2 to 4 new clinics. As at the end of FY2007, EYS had 125 retail stores, 17 TCM clinics, 3 specialist TCM clinics and 3 Integrative Medicine Centres.

In terms of geographical expansion beyond its traditional markets, EYS had obtained retail, wholesale and product licenses for its expansion into China. Starting in Guangzhou, where EYS has a strong brand presence, EYS opened its first retail store in China in May 2007. In addition, EYS will be opening its second store in Macau in the second quarter of FY2008 as it is ready to further penetrate this promising market.

In terms of new products, EYS targets to rollout 9 to 12 products every year. In addition, EYS secured an exclusive deal with the Wisconsin Ginseng & Herb Co-op in December 2006. This will grant EYS the sole worldwide right to procure and distribute authentic Wisconsin grown American Ginseng with the Wisconsin Seal as certified by the Ginseng Board of Wisconsin, Inc. EYS expects revenue in the first year arising from the distributorship to be in excess of \$10 million, with the potential to grow to more than \$40 million within the next 3 to 5 years.

To fulfill the strong demand for its products, EYS commenced the shifting of its Hong Kong factory to larger premises in June 2006. This caused a temporary disruption in EYS' operations for the 1<sup>st</sup> half of FY2007. The Eu Yan Sang Centre in Hong Kong was opened in November 2006, which would triple EYS' manufacturing capacity in Hong Kong. The Group's in-house manufacturing capabilities are also expanded to include herb extracts and birds' nest bottling lines.



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Mr. Richard Eu (余义明), Group CEO concluded, "We have shown revenue growth every year since our listing in July 2000, with FY2007 being our fourth consecutive year of record profit. As such, I believe we have established a tried-and-tested framework to generate further growth. While we are mindful that retail rentals and other factors may affect our performance, we are optimistic that our various growth initiatives will stand us in good stead for FY2008 and beyond."

- The End -

### **About Eu Yan Sang International Limited (SGX:EYSI)**

Listed on the Singapore Exchange, Eu Yan Sang International Limited (Eu Yan Sang) is a progressive, global healthcare company with its core focus in Traditional Chinese Medicine (TCM).

The Group has come a long way from its humble beginnings offering TCM remedies to tin mine coolies in Gopeng, Perak, Malaysia over 128 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.

Eu Yan Sang strives to broaden its appeal by monitoring changing consumer trends and needs, investing in new business ideas, engaging in research and development with strategic partnerships and expanding its distribution network.

The Group markets fine quality Chinese herbs, Chinese Proprietary Medicines as well as health foods and supplements. It currently offers more than 280 products under the Eu Yan Sang brand name and over 1,000 different types of Chinese herbs and other medicinal products. In December 2006, the company signed an exclusive worldwide distributorship agreement with the Wisconsin Ginseng & Herb Co-op.

Manufacturing activities are carried out in two of its GMP (Good Manufacturing Practice) - certified factories located in Hong Kong and Malaysia. The Hong Kong facility in Yuen Long, is also TGA (Therapeutic Goods Administration)-certified.

Eu Yan Sang has an extensive distribution network comprising 125 Eu Yan Sang branded retail outlets in Hong Kong, Macau, China, Malaysia and Singapore. Eu Yan Sang products are available in drugstores, pharmacies, medical halls, supermarkets, convenience stores, hospitals, health clubs and spas worldwide. Its cybershop at [www.euyansang.com.sg](http://www.euyansang.com.sg) offers global customers the ease and convenience of shopping online.



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The Group also operates a chain of 23 TCM clinics and integrative medicine centres (IMCs) in Singapore, Malaysia and Australia; 17 TCM clinics in Singapore and Malaysia; three specialist TCM clinics in Singapore; and three "YourHealth" IMCs in Australia. The specialist TCM clinics and the IMCs combine the best practices of conventional medicine, TCM and natural therapies to provide consumers with holistic healthcare.

**Contact Information**

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