

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

Unaudited Full Year Financial Statement And Dividend Announcement

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

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

	Group			Group		
	Fourth Quarter Ended 30 Jun 07	Fourth Quarter Ended 30 Jun 06 (Restated)	Change %	Year Ended 30 Jun 07	Year Ended 30 Jun 06 (Restated)	Change %
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	49,213	40,825	21%	191,464	170,356	12%
Cost of Sales	(25,840)	(21,161)	22%	(96,630)	(84,448)	14%
Gross Profit	23,373	19,664	19%	94,834	85,908	10%
Other operating income	(1,020)	3,003	NM	3,593	3,610	-
Distribution and Selling expenses	(16,584)	(12,901)	29%	(58,975)	(51,146)	15%
Administrative expenses	(3,719)	(4,968)	-25%	(20,063)	(17,266)	16%
Other operating expenses	-	(31)	NM	(5)	(67)	NM
Operating Profit	2,050	4,767	-57%	19,384	21,039	-8%
Foreign exchange gain/(loss)	371	(485)	NM	(103)	(1,337)	-92%
Interest income	48	55	NM	191	202	-5%
Interest expenses	(271)	(377)	-28%	(939)	(794)	18%
Impairment of goodw ill	-	-	-	(624)	(376)	66%
Fair value gain/(loss) on revaluation of Investment Properties	1,760	(8)	NM	1,760	(8)	NM
Gain on disposal of interest in a subsidiary	15	-	NM	15	-	NM
Share of results of an associate	2	1	100%	-	2	-100%
Profit from continuing operations before tax	3,975	3,953	1%	19,684	18,728	5%
Taxation	(1,555)	(735)	112%	(4,260)	(4,008)	6%
Profit from continuing operations after tax	2,420	3,218	-25%	15,424	14,720	5%
(Loss)/gain from discontinued operations	(126)	297	-142%	(713)	(299)	138%
Profit for the year	2,294	3,515	-35%	14,711	14,421	2%
Attributable to:						
Equity holders of the company	2,298	3,525		14,720	14,431	
Minority Interests	(4)	(10)		(9)	(10)	
	2,294	3,515		14,711	14,421	

Notes:

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

	Group		Group	
	Fourth Quarter Ended 30 Jun 07 S\$'000	Fourth Quarter Ended 30 Jun 06 S\$'000	Year Ended 30 Jun 2007 S\$'000	Year Ended 30 Jun 2006 S\$'000
Amortisation of intangible assets	-	-	-	(19)
Depreciation of property, plant and equipment	(2,018)	(2,289)	(5,427)	(6,372)
Gain/(loss) on disposal of property, plant and equipment	(1,464)	14	1,426	58
Gain on disposal of Elixir business	-	-	1,406	-
Gain on disposal of investment property	-	-	318	-
Gain on disposal of a subsidiary	-	-	-	3,141
Property, plant and equipment written off (Allowance for) / Write back of doubtful debts – trade	(94)	-	(101)	(11)
Bad debts written off	(18)	52	(18)	52
Inventories written off	-	(5)	-	(5)
Written back of allowance for stock obsolescence	102	-	102	-
Allowance for stock obsolescence	(50)	-	(50)	-
	(266)	33	(321)	(133)

- (ii) “Other operating income” was mainly due to gain on disposal of land & buildings and investment properties by our subsidiaries in Hong Kong of S\$1.7 million, the gain on disposal of the Elixir business of S\$1.4 million and grant received from International Enterprise of S\$0.2 million for the year ended 30th June 2007.

The Group has adopted FRS105: Non-current Assets Held for Sale and Discontinued Operations to reflect the disclosure required for discontinued operations in respect of current and prior periods presented in the financial statements. As a result, the comparative figures have been restated. “(Loss)/gain from discontinued operations” was in relation to disposal of Elixir business in the United States.

- (iii) The increase in ‘Distribution and selling expenses’ are due to higher rental incurred for the 13 new retail outlets and 4 new TCM clinics opened during the year, escalating rental cost on existing outlets upon renewal, operating losses amounting to \$3.9 million from our new concept store at VivoCity and higher manpower cost for our 125 outlets.
- (iv) The increase in ‘Administrative expenses’ was due to higher depreciation and manpower cost to support the growing business, and several initiatives undertaken by corporate office to enhance its corporate image and further strengthen the management team.
- (v) Impairment of goodwill for the current year was in relation to goodwill on consolidation written off as reported in Q3 FY2006 announcement. This treatment is in accordance with Financial Reporting Standard 36 on Impairment of Assets.
- (vi) The Group’s effective income tax rate at 21.6% comparable with last year of 21.4%.
- (vii) ‘NM’ – Not Meaningful

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

	Group		Company	
	30 Jun 2007	30 Jun 2006	30 Jun 2007	30 Jun 2006
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant & equipment	60,496	51,697	549	887
Investment Properties	8,437	6,035	-	-
Subsidiary companies	-	-	21,180	21,965
Associated Company	-	-	15	-
Long term investments	3,900	1,678	-	-
Goodwill	27	624	-	-
Amount due from subsidiaries	-	-	15,427	12,777
Intangible assets	-	263	-	-
Deferred tax assets	-	259	-	-
	72,860	60,556	37,171	35,629
Current assets				
Inventories	38,931	33,301	-	-
Trade & other receivables	21,542	15,334	714	153
Property held for sale	554	-	-	-
Amount due from subsidiaries	-	-	32,889	32,611
Amount due from associated company	41	-	41	53
Fixed bank deposits	2,711	8,650	-	-
Cash and bank balances	12,789	8,070	550	377
	76,568	65,355	34,194	33,194
Current Liabilities				
Bank overdraft	41	-	-	-
Trade and other payables	26,383	18,913	2,160	1,416
Amount due to subsidiary	-	-	1,565	-
Hire purchase creditors	110	213	75	120
Amounts due to bankers	21,097	21,363	20,997	18,670
Provision for tax	2,709	3,880	18	19
	50,340	44,369	24,815	20,225
Net current assets	26,228	20,986	9,379	12,969
Long-term liabilities				
Bank loan, secured	4,000	-	4,000	-
Loans from minority shareholders of subsidiary company	59	183	-	-
Provision for long service	82	85	-	-
Hire purchase creditors	365	622	291	446
Deferred taxation	3,361	1,464	18	18
	7,867	2,354	4,309	464
Net assets	91,221	79,188	42,241	48,134
Equity attributable to equity holders of the company				
Share capital	34,919	34,872	34,919	34,872
Reserves	56,156	44,316	7,322	13,262
	91,075	79,188	42,241	48,134
Minority interest	146	-	-	-
Total equity	91,221	79,188	42,241	48,134

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

Amount repayable in one year or less, or on demand

As at 30/6/2007		As at 30/6/2006	
Secured	Unsecured	Secured	Unsecured
S\$9,827,000	S\$11,270,000	S\$13,172,,000	S\$8,290,000

Amount repayable after one year

As at 30/6/2007		As at 30/6/2006	
Secured	Unsecured	Secured	Unsecured
S\$4,000,000	-	-	-

Details of any collateral

The bank borrowings are secured against Corporate guarantees from the Company and within the Group.

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

	Group	
	Year ended 30 Jun 2007 S\$'000	Year ended 30 Jun 2006 S\$'000
Cash flows from operating activities		
Operating income before taxation & minority interest		
- from continued operations	19,684	18,728
- from discontinued operations	(713)	(299)
Impairment of goodwill	624	376
Amortisation of intangible assets	-	19
Depreciation of property, plant and equipment	5,427	6,372
Gain on disposal of property, plant and equipment	(1,426)	(58)
Gain on disposal of Elixir business	(1,406)	-
Gain on disposal of investment property	(318)	-
Gain on disposal of interest in subsidiary	(15)	-
Gain on disposal of subsidiary	-	(3,141)
Property, plant and equipment written off	101	11
Fair value (gain)/loss on investment properties	(1,760)	8
Foreign currency translation realignment	(1,219)	(1,335)
Interest expense	939	940
Interest income	(191)	(202)
Share-based payment	186	99
Share of associated companies' results	-	(2)
Operating income before reinvestment in working capital	19,913	21,516
Increase in trade and other receivables	(5,287)	(786)
Increase in inventories	(6,014)	(3,215)
Increase in trade and other payables	7,470	4,873
Increase in Intangible assets	-	(31)
Cash generated from operations	16,082	22,357
Interest received	191	202
Interest paid	(939)	(940)
Income tax paid	(4,671)	(4,189)
Net Cash provided by operating activities	10,663	17,430
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,598)	(15,423)
Proceeds from sale of property, plant and equipment	3,995	1,260
Proceeds from sale of investment properties	3,467	-
Acquisition of additional interests in subsidiary companies	-	(363)
Acquisition of investment in unquoted shares of a company	-	(1,670)
Proceeds from disposal of a subsidiary	-	5,100
Acquisition of Intangible Asset	(27)	-
Net Cash used in investing activities	(8,163)	(11,096)
Cash flows from financing activities		
Proceeds from short term loans	6,267	8,914
Repayment of bank loan	(2,533)	(5,842)
Dividends paid	(7,206)	(5,746)
Proceeds from hire purchase creditors	-	11
Repayment of hire purchase creditors	(360)	(53)
Repayment of loan from minority interest	(170)	(376)
Proceeds from share option exercised	43	444
Proceeds from contribution from minority shareholders of subsidiaries	198	-
Net cash used in financing activities	(3,761)	(2,648)
Net (decrease)/increase in Cash & Cash Equivalent	(1,261)	3,686
Cash and cash equivalent as at beginning of the year	16,720	13,034
Cash and cash equivalent as at end of the year	15,459	16,720

Note to Consolidated Cash Flow Statement

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

	Year	Year
	Ended	Ended
	30-Jun-07	30-Jun-06
	S\$'000	S\$'000
Fixed bank deposits	2,711	8,650
Cash and bank balances	12,789	8,070
Bank overdrafts	(41)	-
	15,459	16,720

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 equity holders of the company							Minority Interests	Total Equity
	Share capital	Share premium	Asset revaluation reserve	Share option reserve	Capital 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
Group									
Balance as at 1 Jul 2006	34,872	-	7,258	99	453	(4,447)	40,953	-	79,188
Effect of adopting FRS 40	-	-	(3,375)	-	-	-	3,375	-	-
Contribution from minority shareholders of subsidiaries	-	-	-	-	-	-	-	155	155
Profit for the year	-	-	-	-	-	-	14,720	(9)	14,711
Share options exercised	47	-	-	(4)	-	-	-	-	43
Grant of Share options	-	-	-	186	-	-	-	-	186
Revaluation surplus	-	-	5,745	-	-	-	-	-	5,745
Release upon disposal of building	-	-	(1,407)	-	-	-	1,713	-	306
Net effect of exchange differences	-	-	-	-	-	(1,907)	-	-	(1,907)
Dividends, net	-	-	-	-	-	-	(7,206)	-	(7,206)
Balance as at 30 June 2007	34,919	-	8,221	281	453	(6,354)	53,555	146	91,221

	Attributable to equity holders of the company							Minority	Total
	Share capital	Share premium	Asset revaluation reserve	Share option reserve	Capital reserve	Foreign currency translation reserve	Revenue Reserve	Interests	Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group									
Balance as at 1 July 2005	14,330	20,098	3,152	-	453	(3,422)	32,148	12	66,771
Effect of adopting FRS 39	-	-	-	-	-	-	120	-	120
Profit for the year	-	-	-	-	-	-	14,431	(10)	14,421
Share options exercised	132	312	-	-	-	-	-	-	444
Grant of Share options	-	-	-	99	-	-	-	-	99
Bonus Issue	3,591	(3,591)	-	-	-	-	-	-	-
Surplus on revaluation of land & buildings	-	-	4,106	-	-	-	-	-	4,106
Transfer from share premium to share capital*	16,819	(16,819)	-	-	-	-	-	-	-
Net effect of exchange differences	-	-	-	-	-	(1,025)	-	-	(1,025)
Net income recognised directly in equity	-	-	-	-	-	-	-	(2)	(2)
Dividends, net	-	-	-	-	-	-	(5,746)	-	(5,746)
Balance as at 30 June 2006	34,872	-	7,258	99	453	(4,447)	40,953	-	79,188

	Attributable to equity holders of the company				Total Equity
	Share capital	Share premium	Share option reserve	Revenue Reserve	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Company					
Balance as at 1 July 2006	34,872	-	99	13,163	48,134
Profit for the year	-	-	-	1,084	1,084
Share options exercised	47	-	(4)	-	43
Grant of Share options	-	-	186	-	186
Dividends, net	-	-	-	(7,206)	(7,206)
Balance as at 30 June 2007	34,919	-	281	7,041	42,241
Balance as at 1 July 2005	14,330	20,098	-	14,347	48,775
Profit for the year	-	-	-	4,562	4,562
Share options exercised	132	312	-	-	444
Grant of Share options	-	-	99	-	99
Bonus Issue	3,591	(3,591)	-	-	-
Capitalization of Share premium	16,819	(16,819)	-	-	-
Dividends, net	-	-	-	(5,746)	(5,746)
Balance as at 30 June 2006	34,872	-	99	13,163	48,134

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 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

Since 1 April 2007, there is no movement in Company's share capital.

As at 30 June 2007, there were 7,172,500 unexercised share options (30 June 2006: 4,632,500).

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)

NA

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

This financial statement has been prepared based on the accounting policies and methods of computation consistent with those adopted in the most recent audited financial statement for the year ended 30 June 2006, except for the adoption of the following new/revised Financial Reporting Standards ("FRS") that is applicable to the Group and the company from 1st July 2006.

FRS 40 : Investment Property

The Group adopted FRS 40 during the year. The adoption of this standard resulted in fair value gain and/or loss on revaluation of investment properties being recognised in the Profit and Loss account.

This new standard states that investment properties that are measured at fair value and any gains or losses arising from changes in the fair value of investment properties are measured in the profit and loss account in the year which they arise. The standard also permits entities to choose to measure transfer properties either :

- At fair value with fair value changes taken to profit and loss account (the Fair value model) or
- At cost less depreciation and any impairment losses (cost model).

Currently, investment properties are stated at valuation made each year. Revaluation surplus arising on annual valuation of the investment properties are credited directly to asset revaluation reserve. Under FRS 40, changes in fair values of investment properties are required in the profit and loss account. On transition to FRS 40 on 1 July 2007, the amount accumulated in the asset revaluation reserve as 30 June 2006 will be adjusted against the revenue reserve at 1 July 2007.

As a result of adopting FRS 40, investment properties are measured at fair value and gains or losses arising from changes in the fair value of investment properties are included in the profit and loss account in the year in which they arise. Under this transitional provides of FRS 40, asset revaluation surplus of \$3,375,000 has been reclassified to accumulated profits at 1 July 2006. The comparative have not been restated.

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

As explained in Note 4.

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

	Group		Group	
	Fourth Quarter Ended 30 Jun 07	Fourth Quarter Ended 30 Jun 06	Year Ended 30 Jun 07	Year Ended 30 Jun 06
Earnings per ordinary share of the Group based on net profit attributable to shareholders:				
(i) Based on the weighted average number of ordinary shares	0.64 cents	0.98 cents	4.08 cents	4.01 cents
(ii) On a fully diluted basis	0.63 cents	0.97 cents	4.07 cents	4.00 cents

Note : The corresponding period EPS, including on a fully diluted basis, has also been adjusted for bonus issue made on 21st November 2005.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	30 Jun 07	30 Jun 06
Net asset value per ordinary share based on issued share capital		
For the Group	25.3 cents	22.0 cents
For the Company	11.7 cents	13.4 cents

Note: Net assets refers to shareholders' funds. The corresponding period net asset value per ordinary share for the Company and the Group has also been adjusted for the bonus issue made on 21st November 2005.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Overview

For the full year ended 30 June 2007, the Group benefited from the buoyant economies across the region. Group revenue rose 12% to \$191.5 million as compared to FY2006. Gross margin was marginally lower from 50.4% to 49.5%. Profit for the year grew by 2% to S\$14.7 million as compared to the corresponding period in FY2006. If the revaluation gain of S\$1.7 million were to be excluded, profit for the year would have declined by 8%. The decline was mainly attributable to operating losses incurred for our new concept store at VivoCity in Singapore amounting to about S\$3.9 million and the continuing losses in Australia amounting to approximately S\$0.95 million since the operations were placed under the charge of an Administrator.

(A) Revenue

Compared to 4Q FY2006, group revenue increased by 21% to \$49.2 million in 4Q FY2007. Against last financial year, Group revenue increased by 12% to \$191.5 million for year ended 30 June 2007. All core business activities and key markets registered revenue growth in 4Q.

Revenue by Activities:

	Group		Change	Group		Change
	Fourth Quarter Ended		%	Year Ended		%
	30-Jun			30-Jun		
	2007	2006		2007	2006	
	\$m	\$m		\$m	\$m	
Activities						
Retail – TCM*	34.7	30.1	15%	140.0	122.7	14%
Wholesale - TCM	8.1	5.6	45%	28.3	26.9	5%
Clinic – TCM/IMC	6.0	5.1	18%	22.2	20.5	8%
Others	0.4	-	n.m.	1.0	0.3	n.m.
Total	49.2	40.8	21%	191.5	170.4	12%

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

Retail-TCM revenue spearheaded growth, rising 14% to \$140.0 million for the year ended 2007. The improvement was due to higher sales at existing retail outlets and contributions from 13 (net) new outlets opened during the year under review. Retail activities were buoyant at the outlets, due to improving consumer sentiments and Lunar New Year shopping from December 2006 to February 2007. The Group's flagship products such as Bottled Bird's Nest, Bo Ying Compound and Bak Foong Pills continued to deliver strong contributions.

Wholesale-TCM revenue at \$28.3 million was 5% higher than last year. Based on the respective regions' local currencies, the Wholesale-TCM segment actually showed growth ranging from 2% to 16%. However, due to exchange translations into the reporting currency, the growth rate was affected. On the brighter side, the Group's export to China has since picked up and accounted for more than 20% of the Wholesale-TCM revenue.

Revenue from Clinics' growth of 8% to \$22.2 million for the year ended 30 June 2007 was due to greater awareness of integrative medicine and recent TV programmes in Singapore on Traditional Chinese Medicine. Revenue under Others was mainly contributed by rental income and sales revenue from our new concept outlet.

Turnover by Geographical Operations

Countries	Group		Change	Group		Change
	Fourth Quarter Ended		%	Year Ended		%
	30-Jun			30-Jun		
	2007	2006		2007	2006	
	S\$m	S\$m		S\$m	S\$m	
Hong Kong	22.3	18.7	19%	85.9	80.8	6%
Singapore	15.3	11.1	38%	54.3	42.8	27%
Malaysia	9.1	8.5	7%	41.7	36.0	16%
Australia	2.5	2.5	-	9.6	10.8	-11%
Total	49.2	40.8	21%	191.5	170.4	12%

Group turnover rose by 12% to \$191.5 million in FY 2007. Growth was broad-based, which registered across all key geographical markets. Singapore operations spearheaded growth with turnover rising 27% to \$54.3 million.

Both Malaysia and Hong Kong turnover grew by 16% and 6% respectively. In absolute terms, Singapore outperformed all the other markets with turnover increasing by \$11.5 million.

(B) FY2007 Retail Outlets & Clinics

Countries	Retail Outlets		TCM Clinics		Specialist TCM		IMC	
	Added/ (Closed)	Total	Added/ (Closed)	Total	Added/ (Closed)	Total	Added/ (Closed)	Total
Hong Kong	7	43	-	-	-	-	-	-
Singapore	5	33	4	13	-	3	-	-
Malaysia	1	49	-	4	-	-	-	-
Australia	-	-	-	-	-	-	(1)	3
Total	13	125	4	17		3	(1)	3

During the year, the Group opened 13 (net of 6 closed) retail outlets and 4 new TCM clinics in Singapore. The establishment of these new outlets and clinics further contributed to the improvement in Group turnover. The Group will continue to seek opportunities to expand its retail outlets and clinics network.

C) Profitability

In tandem with higher revenue, gross profit rose 10% to \$94.8 million. Gross profit margin declined slightly to 49.5% in FY2007, from 50.4% in FY2006.

Distribution, selling and administration expenses were higher during the year due to the expanded network of retail outlets, escalating rental costs and the expensing of new project costs. Profit after tax at S\$15.4 million from continuing operations was 5% up against last year of S\$14.7 million.

The Directors have recommended for approval of the shareholders of the Company at the forthcoming AGM, 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. The total dividend payout for FY 2007 would amount to S\$7,207,579 (FY2006 : S\$7,205,979). Both are tax exempt one-tier dividends.

(D) Balance sheet and Cash flow

Inventories, trade receivables and payables had increased due to higher volume of business for the year.

The Group was able to keep its gearing reasonably low at 27% even though \$15.6 million was spent on routine capital expenditure and the purchase and construction of the new factory in Hong Kong. The Group will continue to expand its core business by utilising its strong cash flow generated from its operations.

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 year are in line with the prospect statement contained in the Q3 announcement made on 8 May 2007.

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

With the economies in the region remaining stable, business conditions for the Group should continue to be positive in FY 2008. Our traditional key markets, namely: Singapore, Malaysia and Hong Kong, should continue to perform well.

To sustain growth, the Group will continue to expand its core business activities and its regional distribution network. The Group will also continue to introduce new TCM and health food products through its network. Efforts will be focused to further improve revenue from existing clinics. However, with the improvement of economies in the 3 core countries, we anticipate that there would be continued upward pressure on retail rentals and manpower costs. Though market conditions are expected to be bullish, it is also recognised that there is geopolitical risk.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of Dividend	First & Final and Special
Dividend Type	Cash
Dividend Rate	First & Final of 1.0 cents and Special of 1.0 cents per ordinary share
Par value of shares	N/A
Tax Rate	Tax exempt one-tier dividend

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	First & Final and Special
Dividend Type	Cash
Dividend Rate	First & Final 1.0 cents and Special 1.0 cents per ordinary share
Par value of shares	N/A
Tax Rate	Tax exempt one-tier dividend

(c) Date payable

19 November 2007

d) Books closure date

The Register of Members and Register of Transfers of the Company will be closed at 5.00pm on 6 and up to 5.00pm on 7 November 2007 (both dates inclusive) for the purpose of determining Shareholders' entitlements to dividends. Registrable Transfers received by the Company Registrar, Lim Associates (Pte) Ltd, 3 Church Street, #08-01 Samsung Hub, Singapore 049483 up to 5.00 pm on 6 November 2007 will be registered before entitlements to the dividend are determined.

The Annual General Meeting will be held on 25 October 2007.

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

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Business Segments	Continuing operations					Discontinued operations	Total operations
	TCM	Clinic	Others	Elimination	Total	Elixir	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2007							
Sales to external customers	168,266	22,202	996	-	191,464	3,217	194,681
Inter-segment sales	12,979	-	23,511	(36,490)	-	-	-
Segment revenue	181,245	22,202	24,507	(36,490)	191,464	3,217	194,681
Operating Profits	27,100	2,057	12,828	(22,601)	19,384	(618)	18,766
Foreign exchange loss (net)					(103)		(103)
Interest Income					191		191
Interest Expenses					(939)	(95)	(1,034)
Impairment of goodwill					(624)		(624)
Fair value gain/(loss) on revaluation of land & building					1,760		1,760
Reclassification of subsidiary to Associates					15		15
Profit before tax					19,684	(713)	18,971
Tax expense					(4,260)		(4,260)
Profit after tax					15,424	(713)	14,711
Segment assets	110,860	5,130	33,438	-	149,428	-	149,428
Segment liabilities	22,265	7,045	28,897		58,207		58,207
Capital expenditure	10,439	1,298	3,861		15,598		15,598
Business Segments	Continuing operations					Discontinued operations	Total operations
	TCM	Clinic	Others	Elimination	Total	Elixir /Prescription and OTC	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2006							
Sales to external customers	149,593	20,230	533	-	170,356	10,065	180,421
Inter-segment sales	5,248	-	17,726	(22,974)	-	-	-
Segment revenue	154,841	20,230	18,259	(22,974)	170,356	10,065	180,421
Operating Profits	23,846	1,830	12,768	(17,405)	21,039	(42)	20,997
Foreign exchange loss (net)					(1,337)	37	(1,300)
Interest Income					202	-	202
Interest Expenses					(794)	(145)	(939)
Impairment of goodwill					(376)		(376)
Fair value gain/(loss) on revaluation of land & building					(8)		(8)
Share of profit/(loss) of associates					2		2
Profit before tax					18,728	(150)	18,578
Tax expense					(4,008)	(149)	(4,157)
Profit after tax					14,720	(299)	14,421
Segment assets	101,626	4,020	20,265		125,911		125,911
Segment liabilities	14,981	3,219	28,523		46,723		46,723
Capital expenditure	14,077	857	489		15,423	-	15,423

Geographical Segments						
	Singapore	Malaysia	Hong Kong	Australia/ USA	Elimination	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2007						
Sales to external customers	54,304	41,675	85,927	12,775		194,681
Inter-segment	23,981	9,566	2,943	-	(36,490)	-
Segment Revenue	78,285	51,241	88,870	12,775	(36,490)	194,681
Less: Sales attributable to discontinued operations	-	-	-	(3,217)		(3,217)
Revenue from continuing operations	78,285	51,241	88,870	9,558	(36,490)	191,464
Segment assets	52,001	26,852	68,603	1,972	-	149,428
Segment Liabilities	38,555	4,209	11,119	4,324	-	58,207
Capital expenditure	6,162	2,275	7,098	63		15,598
2006						
Sales to external customers	42,751	36,090	87,788	13,792		180,421
Inter-segment	18,582	1,976	2,416	-	(22,974)	-
Segment Revenue	61,333	38,066	90,204	13,792	(22,974)	180,421
Less: Sales attributable to discontinued operations	-	-	(6,974)	(3,091)	-	(10,065)
Revenue from continuing operations	61,333	38,066	83,230	10,701	(22,974)	170,356
Segment assets	33,705	23,546	65,172	3,488	-	125,911
Segment Liabilities	30,071	4,013	8,407	4,232	-	46,723
Capital expenditure	2,579	1,208	11,488	148	-	15,423

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to discussion in Note 8 of this announcement.

15. A breakdown of sales

	Latest Financial Year S\$'000 Group	Previous Financial Year S\$'000 Group	% increase/ (decrease) Group
(a) Sales reported for first half year	85,371	80,747	6
(b) Operating profit/ (loss) after tax before deducting minority interests reported for first half year	7,288	6,562	11
(a) Sales reported for second half year	106,093	89,609	18
(b) Operating profit/ (loss) after tax before deducting minority interests reported for second half year	7,432	7,869	-6

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year ()	Previous Full Year ()
Ordinary	7,207,579	7,205,979
Preference	0	0
Total:	7,207,579	7,205,979

BY ORDER OF THE BOARD

Tan Kang Fun @ KF Tan
Chief Financial Officer & Company Secretary

23 August 2007