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 06 S$'000	Fourth Quarter Ended 30 Jun 05 Restated S$'000	Change %	Year Ended 30 Jun 06 S$'000	Year Ended 30 Jun 05 Restated S$'000	Change %
Revenue	36,140	36,141	-	173,447	159,612	8.7
Cost of sales	(17,775)	(18,755)	(5.2)	(85,489)	(80,177)	6.6
Gross Profit	**18,365**	**17,386**	**5.6**	**87,958**	**79,435**	10.7
Other operating income	3,247	366	NM	3,726	787	NM
Distribution and selling expenses	(12,988)	(11,353)	14.4	(53,234)	(46,404)	14.7
Administrative expenses	(4,712)	(3,583)	31.5	(18,368)	(15,844)	15.9
Other operating expenses	9	21	(57.1)	(85)	(480)	(82.3)
Operating profit	**3,921**	**2,837**	**38.2**	**19,997**	**17,494**	14.3
Foreign exchange (loss)/ gain	(467)	660	(170)	(1,339)	(164)	NM
Interest income	36	28	28.6	202	44	NM
Interest expenses	(251)	(205)	22.4	(940)	(699)	34.5
Impairment of goodwill	-	-	-	(376)	(1,501)	(75)
Provision for diminution in value of investment	-	(51)	(100)	-	(51)	(100)
(Loss)/surplus on revaluation of land & building	(8)	391	(102)	(8)	391	(102)
Share of associated company's Profit/(losses)	1	(1)	NM	2	(9)	(122)
Profit from continuing operations before taxation	**3,232**	**3,659**	**(11.7)**	**17,538**	**15,505**	**13.1**
Taxation	(609)	(855)	(28.8)	(4,008)	(3,958)	1.3
Profit from continuing operations after taxation	**2,623**	**2,804**	**(6.5)**	**13,530**	**11,547**	**17.2**
Profit from discontinued operation	480	427	12.4	891	862	3.4
Profit for the year	**3,103**	**3,231**	**(4.0)**	**14,421**	**12,409**	16.2
Attributable to:						
Equity holders of the company	**3,113**	**3,260**		**14,431**	**12,438**	
Minority interests	**(10)**	**(29)**		**(10)**	**(29)**	
	3,103	**3,231**		**14,421**	**12,409**	

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

	Goup		Group	
	Fourth Quarter Ended 30 Jun 06 S$'000	Fourth Quarter Ended 30 Jun 05 S$'000	Year Ended 30 Jun 2006 S$'000	Year Ended 30 Jun 2005 S$'000
Depreciation of property, plant and equipment	2,289	1,980	6,372	5,908
(Profit)/loss on sale of property,plant and equipment	(14)	(402)	58	(364)
Property, plant and equipment written off	11	246	11	246
Provision for doubtful debts/(write back) – trade	(52)	52	(52)	52
Provision for doubtful debts – non-trade	-	170	-	170
Bad debts written off	5	17	5	17
Provision for stock obsolescene	(33)	414	133	739

(ii) Higher "Other operating income" was mainly due to gain of S$3.2million on disposal of Synco (HK) Ltd, a subsidiary in Hong Kong, on 30th June 2006. 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. "Profit from discontinued operation" was in relation to disposal of Synco (HK) Ltd.

(iii) The increase in 'Distribution and selling expenses' was due to the higher advertising and promotional expenses incurred during the festive periods, and additional operating costs of 14(net) new retail outlets opened during the year.

(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) The adoption of FRS103 : Business Combination and revised FRS36 on 1 July 2005 has resulted in the Group ceasing annual goodwill amortisation and in turn commencing testing for impairment annually.

(vi) 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.

(vii) The Group's effective income tax rate at 23% was slightly lower than last year of 26%. However, this tax rate was higher than the amount determined by applying the statutory rate of income tax at 20% to the operating profit mainly due to:-

a. Higher tax rate in certain foreign subsidiary companies;

b. Tax losses of certain overseas subsidiary companies which could not be offset against profit within the Group; and

c. Certain non-deductible expenses such as impairment of goodwill.

(viii) '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 June 2006 S$'000	30 June 2005 S$'000	30 June 2006 S$'000	30 June 2005 S$'000
Non-current assets				
Property, plant and equipment	57,732	48,172	887	897
Subsidiary companies	-	-	21,965	23,965
Long term investments	1,678	3	-	-
Goodwill	624	656	-	-
Amount due from subsidiary companies	-	-	13,801	10,359
Intangible assets	263	233	-	-
Deferred tax assets	259	-	-	-
	60,556	49,064	36,653	35,221
Current assets				
Inventories	33,301	31,155	-	-
Trade and other receivables	15,334	15,425	153	138
Amounts due from subsidiary companies	-	-	31,640	29,001
Fixed bank deposits	8,650	3,634	-	-
Cash and bank balances	8,070	9,418	377	586
	65,355	59,632	32,170	29,725
Current Liabilities				
Amounts due to bankers	20,363	10,381	18,670	7,890
Trade and other payables	18,913	17,276	1,416	694
Hire purchase creditors	213	213	120	95
Provision for tax	3,880	3,925	19	83
	43,369	31,795	20,225	8,762
Net current assets	21,986	27,837	11,945	20,963
Long-term liabilities				
Bank loan, secured	1,000	8,093	-	7,000
Long term loans from minority shareholders of subsidiary company	183	376	-	-
Provision for long service	85	89	-	-
Hire purchase creditors	622	664	446	391
Deferred taxation	1,464	908	18	18
	3,354	10,130	464	7,409
Net assets	79,188	66,771	48,134	48,775
Equity attributable to equity holders of the company				
Share capital	34,872	14,330	34,872	14,330
Reserves	44,316	52,429	13,262	34,445
	79,188	66,759	48,134	48,775
Minority interest	-	12	-	-
Total equity	79,188	66,771	48,134	48,775

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

Amount repayable in one year or less, or on demand

As at 30/6/2006		As at 30/6/2005	
Secured	Unsecured	Secured	Unsecured
S$12,126,000	S$8,290,000	S$3,673,000	S$6,690,000

Amount repayable after one year

As at 30/6/2006		As at 30/6/2005	
Secured	Unsecured	Secured	Unsecured
S$1,046,000	-	S$8,093,000	-

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 2006 S$'000	Year Ended 30 Jun 2005 S$'000
Cash flows from operating activities		
Operating income before taxation & minority interest		
- from continued operations	17,538	15,598
- from discontinued operations	891	862
Impairment of goodwill	376	1,501
Amortisation of intangible assets	19	35
Depreciation of property, plant and equipment	6,372	5,908
Gain on sale of property, plant and equipment	(58)	(364)
Gain on disposal of subsidiary	(3,141)	-
Foreign currency translation realignment	(1,337)	(370)
Property, plant and equipment written off	11	246
Intangibles assets written off	-	52
Interest expense	940	699
Interest income	(202)	(50)
Share-based payment	99	-
Impairment loss on investment in an associated company	-	51
Share of associated companies' results	(2)	9
Loss/(Surplus) on revaluation of land and buildings	8	(391)
Operating income before reinvestment in working capital	21,516	23,786
Decrease in trade and other receivables	(786)	(3,173)
Increase in inventories	(3,215)	(9,793)
Increase in trade and other payables	4,873	4,829
Increase in Intangible assets	(31)	(40)

Cash generated from operations	22,357	15,609
Interest received	202	50
Interest paid	(940)	(699)
Income tax paid	(4,189)	(2,812)
Net Cash provided by operating activities	17,430	12,148
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,423)	(12,636)
Proceeds from sale of property, plant and equipment	1,260	2,411
Acquisition of additional interests in subsidiary companies	(363)	-
Acquisition of investment in unquoted shares of a company	(1,670)	-
Proceeds from disposal of investment in unquoted shares	-	44
Proceeds from disposal of a subsidiary	5,100	-
Net Cash used in investing activities	(11,096)	(10,181)
Cash flows from financing activities		
Proceeds from short term loans	8,914	3,540
Repayment of bank loan	(5,842)	(1,000)
Dividends paid	(5,746)	(3,571)
Proceeds from hire purchase creditors	11	115
Repayment of hire purchase creditors	(53)	-
Proceeds from share option exercised	444	247
Proceeds from long term loan from minority shareholders of subsidiaries	(376)	143
Net cash used in financing activities	(2,648)	(526)
Net increase in Cash & Cash Equivalent	3,686	1,441
Cash and cash equivalent as at beginning of the year	13,034	11,593
Cash and cash equivalent as at end of the year	16,720	13,034
Cash and cash equivalents attributable to a discontinued operations	249	848

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 Ended 30 Jun 06 S$'000	Year Ended 30 Jun 05 S$'000
Fixed bank deposits	8,650	3,634
Bank overdrafts	-	(18)
Cash and bank balances	8,070	9,418
	16,720	13,034

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 S$'000	Share Premium S$'000	Asset Revaluation Reserve S$'000	Capital Reserve S$'000	Foreign Currency Translation Reserve S$'000	Revenue Reserve S$'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 & builidings	-	-	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	552	(4,447)	40,953	-	79,188
Balance as at 1 July 2004	14,284	19,897	3,596	453	(2,554)	22,112	-	57,788
Profit for the year	-	-	-	-	-	12,438	(29)	12,409
Share options exercised	46	201	-	-	-	-		247
Surplus on revaluation of land & buildings	-	-	725	-	-	-		725
Net effect of exchange differences	-	-	(1,169)	-	(868)	1,169		(868)
Net income recognised directly in equity	-	-	-	-	-	-	41	41
Dividends, net	-	-	-	-	-	(3,571)		(3,571)
Balance as at 30 June 2005	14,330	20,098	3,152	453	(3,422)	32,148	12	66,771

	Attributable to equity holders of the company						Total equity
	Share Capital S$'000	Share Premium S$'000	Asset Revaluation Reserve S$'000	Capital Reserve S$'000	Foreign Currency Translation Reserve S$'000	Revenue Reserve S$'000	S$'000
Company							
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
Balance as at 1 July 2004	14,284	19,897	-	-	-	7,980	42,161
Profit for the year	-	-	-	-	-	9,938	9,938
Share options exercised	46	201	-	-	-	-	247
Dividends, net	-	-	-	-	-	(3,571)	(3,571)
Balance as at 30 June 2005	14,330	20,098	-	-	-	14,347	48,775

* With effect from 30 January 2006, the concept of "par value" and "authorised capital" were abolished under the Companies (Amendment) 2005 and the amount standing to the credit of the Company's share premium accounts as at 30 June 2006 became part of the Company's share capital as at that date.

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 31 March 2006, the Company's share capital has increased as follows:-

		No. of Shares	S$
1/04/2006	Balance brought forward	360,248,938	34,861,829.73
4^{th} Qtr 2006	Options exercised	50,000	10,600.00
		360,298,938	34,872,429.73

As at 30 June 2006, there were 4,632,500 unexercised share options. (30 June 2005: 2,356,000)

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 2005, except for the adoption of the following new and revised Financial Reporting Standards ("FRS") that are applicable to the Group and the company from 1st July 2005.

The adoption of these new and revised FRSs did not have any significant financial impact to the Group except as disclosed below:

<u>FRS 39 : Financial Instruments: Recognition and Measurement</u>

FRS 39 sets out the new requirement for the recognition, de-recognition and measurement of the Group's financial instruments and hedge accounting.

In accordance with the transitional provisions of FRS 39, the comparative financial statements for FY2005 are not restated. Instead, the changes have been accounted for by restating (increased) the opening revenue reserve by $120,000.

<u>FRS 102: Share-based payment</u>

Under FRS 102, share options to employees are measured at fair value at the date of grant and recognised as expense over the vesting period.

For the year ended 30 June 2006, the change in accounting policy has resulted in a decrease of $99,000 in the profit for the year due to increase in the employee benefits expense.

<u>FRS 103: Business Combination</u>

In accordance with FRS 103, the Group ceased to amortise goodwill from 1 July 2005. Goodwill arising from the acquisition will be tested for impairment annually or as and when there are indications of impairment.

<u>FRS 105 : Non-current Assets Held for Sale and Discontinued Operations</u>

The Group adopoted FRS105 during the year. The adoption of this standard resulted in separate disclosure required for discontinued operations for current and prior periods presented in the financial statements.

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 06	Fourth Quarter Ended 30 Jun 05	Year Ended 30 Jun 06	Year Ended 30 Jun 05
	Earnings per ordinary share of the Group based on net profit attributable to shareholders:				
(i)	Based on the weighted average number of ordinary shares	0.86 cents	0.90 cents	4.01 cents	3.47 cents
(ii)	On a fully diluted basis	0.86 cents	0.90 cents	4.01 cents	3.47 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 06	30 Jun 05
Net asset value per ordinary share based on issued share capital		
For the Group	22.0 cents	18.6 cents
For the Company	13.4 cents	13.6 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 2006, the Group benefited from the buoyant economies across the region. Group revenue rose 9% to $173.4 million as compared to FY2005. Gross margin also improved from 49.8% to 50.7%. Profit for the year grew by 16% to S$14.4 million as compared to the corresponding period in FY2005. If the one-time gain of S$3.2 million on disposal of Synco (HK) Ltd were to be excluded, profit for the year would have declined by 9%. The decline was mainly attributable to costs incurred for new projects (up S$1.1 million), and higher manpower cost at corporate office (up S$0.5 million). Exchange loss of S$1.6 million due to translation of loans denominated in foreign currencies also contributed to the decline.

(A) Revenue

Compared to 4Q FY2005, group revenue remain constant at $36.1 million in 4Q FY2006. Against last financial year, Group revenue increased by 9% to $173.4 million for year to 30 June 2006. All core business activities and key markets registered revenue growth in 4Q, except for Hong Kong. Decline in Hong Kong was due to its factory relocation in May/June 2006 period and delay in shipment to China arising from late approval of products license by the Chinese authorities.

Revenue by Activities:

Countries	Group Fourth Quarter Ended 30 June		Change %		Group Year Ended 30 June		Change %
	2006	2005			2006	2005	
	S$m	S$m			S$m	S$m	
Activities							
Retail – TCM*	28.8	26.4	+9		121.3	108.9	+11
Wholesale - TCM	1.5	4.0	-63		28.2	28.0	+1
Clinic – TCM/IMC	5.0	4.7	+6		20.2	18.4	+10
Others	0.8	1.0	-20		3.7	4.3	-14
Total	36.1	36.1	-		173.4	159.6	+9

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

Retail-TCM spearheaded revenue growth, rising 11% to $121.3 million for the year ended 2006. The improvement due to higher sales at existing retail outlets and contributions from 14 (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 2005 to February 2006. The Group's flagship products such as Bottled Bird's Nest, Bo Ying Compound and Lingzhi Cracked Spores continued to deliver strong contributions.

Wholesale-TCM revenue grew 1% for the year ended 30 June 2006. The slow growth was due to the remodeling of the wholesale business in Singapore through the appointment of special outlets in the heartland and longer than expected time taken to renew products license in China.

Revenue from Clinics showed a growth of 10% to $20.2 million for the year ended 30 June 2006 due to greater awareness of integrative medicine and recent TV programmes in Singapore on Traditional Chinese Medicine. Revenue under Others was mainly contributed by the Elixir Teas and Tonics business in USA and some rental income. The slight decline in revenue was due to cessation of the skincare products business in Australia.

Turnover by Geographical Operations

Countries	**Group Fourth Quarter Ended 30 June**		**Change %**		**Group Year Ended 30 June**		**Change %**
	2006	**2005**			**2006**	**2005**	
	S$m	**S$m**			**S$m**	**S$m**	
Hong Kong	13.3	15.0	-11		80.8	75.4	+7
Singapore	11.2	9.7	+16		42.8	36.3	+18
Malaysia	8.5	7.8	+9		36.0	33.7	+7
Australia/USA	3.1	3.6	-14		13.8	14.2	-3
Total	36.1	36.1	-		173.4	159.6	+9

Group turnover rose by 9% to $173.4 million in FY 2006. Growth was broad-based, which registered across all key geographical markets. Singapore operations spearheaded growth with turnover rising 18% to $42.8 million. Australia/USA's revenue decreased by 3% to $13.8 million as a result of a decrease in revenue contribution from the Group's USA operations and cessation of the skincare products business in Australia.

Both Hong Kong and Malaysia turnover grew by 7%. In absolute terms, Singapore outperformed all the other markets with turnover increasing by $6.5 million.

(B) *FY2006 Retail Outlets & Clinics*

Countries	**Retail Outlets**		**TCM Clinics**		**Specialist TCM**		**IMC**	
	Added	**Total**	**Added**	**Total**	**Added**	**Total**	**Closed**	**Total**
Hong Kong	4	36	-	-	-	-	-	-
Singapore	5	28	1	9	1	3	(1)	-
Malaysia	5	48	1	4	-	-	-	-
Australia	-	-	-	-	-	-	-	4
Total	14	112	2	13	1	3	(1)	4

During the year, the Group opened 14 (net of 6 closed) retail outlets, 1 new TCM clinic and 1 new Specialist TCM clinic in Singapore, and 1 new TCM clinic in Malaysia. 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 11% to $88 million. Gross profit margin improved slightly to 50.7% in FY2006, from 49.8% in FY2005.

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 was higher due to S$3.2 million profit on disposal of Synco (HK) Ltd as at 30 June 2006.

The Directors have recommended for approval of the shareholders of the Company at the forthcoming AGM, a first and final dividend of 1.0 cents (FY2005 : 1.0 cents) and a special dividend of 1.0 cents (FY2005 : 1.0 cents) making a total of 2.0 cents per ordinary share on the enlarged capital. The total dividend payout for FY 2006 would amount to S$7,205,979 (FY2005 S$5,745,763) giving an increase of 25% over last year due to bonus issue made during the financial year. 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 26.8% even though $15.4 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 10 May 2006.

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 2007. 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 upward pressure on retail rentals. Though market conditions are expected to be bullish, it is also recognised that there is geopolitical risk. The potential of Avian flu outbreak in the region may also impact our results.

Over the long term, the Group targets to continue its revenue growth. Barring unforeseen circumstances, the Group expects better revenue and operating profit for FY 2007 compared to FY2006.

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	5 cents
Tax Rate	Tax exempt one-tier dividend

(c) Date payable

20 November 2006

d) Books closure date

The Register of Members and Register of Transfers of the Company will be closed at 5.00pm on 8 and up to 5.00pm on 9 November 2006 (both dates inclusive) for the purpose of determining Shareholders' entitlements to dividends. Registrable Transfers received by the Company Registrar, Lim Associates (Pte) Ltd, 10 Collyer Quay #19-08, Ocean Building, Singapore 049315 up to 5.00 pm on 8 November 2006 will be registered before entitlements to the dividend are determined.

The Annual General Meeting will be held on 27 October 2006.

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

	TCM S$'000	Clinic S$'000	Prescription/ OTC S$'000	Others S$'000	Elimination S$'000	Consolidated S$'000
2006						
Revenue						
Sales to external customers	149,593	20,230	6,894	3,624	-	180,341
Inter-segment sales	5,248	-	-	17,726	(22,974)	-
Segment revenue	**154,841**	**20,230**	**6,894**	**21,350**	**(22,974)**	**180,341**
Less: Sales attributable to discontinued operations	-	-	(6,894)	-	-	(6,894)
Revenue from continuing operations	154,841	20,230	-	21,350	(22,974)	173,447
Operating Profits	23,981	1,830		12,264	(18,078)	19,997
Foreign exchange (loss), net						(1,339)
Interest income						202
Interest expense						(940)
Impairment of goodwill						(376)
Provision for diminution in value of investment						-
Loss on revaluation of land and buildings						(8)
Profit from discontinued operation						891
Share of associated companies' results						2
Net Profit before taxation						18,429
Taxation						(4,008)
Profit after taxation						14,421
Minority interests						10
Profit for the year						**14,431**
Segment assets	**101,885**	**4,020**		**20,007**	**-**	**125,912**
Segment liabilities	**14,981**	**3,219**		**23,178**	**-**	**41,378**
Capital expenditure	**14,077**	**857**		**489**	**-**	**15,423**
2005						
Revenue						
Sales to external customers	136,933	18,353	6,292	4,326	-	165,904
Inter-segment sales	8,772	-	-	17,827	(26,599)	-
Segment revenue	**145,705**	**18,353**	**6,292**	**22,153**	**(26,599)**	**165,904**
Less: Sales attributable to discontinued operations	-		(6,292)	**-**	**-**	**(6,292)**
Revenue from continuing operations	145,705	18,353	**-**	22,153	(26,599)	**159,612**

Operating Profits	21,927	1,454		11,471	(17,358)	17,494
Foreign exchange loss, net						(164)
Interest income						44
Interest expense						(699)
Impairment of goodwill						(1,501)
Surplus on revaluation of land and building						391
Provision for diminution in value of investment						(51)
Profit from discontinued operation						862
Share of associated companies' results						(9)
Net Profit before taxation						16,367
Taxation						(3,958)
Profit after taxation						12,409
Minority interests						29
Profit for the year						**12,438**
Segment assets	**75,739**	**10,885**		**4,470**	**17,602**	**108,696**
Segment liabilities	**11,215**	**3,204**		**3,473**	**19,200**	**37,092**
Capital expenditure	**11,183**	**168**		**461**	**824**	**12,636**

Geographical Segments

	Singapore S$'000	**Malaysia S$'000**	**Hong Kong S$'000**	**Australia/USA S$'000**	**Elimination S$'000**	**Consolidated S$'000**
2006						
External Sales	42,751	36,090	87,708	13,792	-	180,341
Inter-segment	18,582	1,976	2,416	-	(22,974)	-
Segment Revenue	61,333	38,066	90,124	13,792	(22,974)	180,341
Less: Sales attributable to discontinuing operations	-	-	(6,894)	-	-	(6,894)
Revenue from continuing operations	61,333	38,066	83,230	13,792	(22,974)	173,447
Segment assets	33,706	23,546	65,172	3,488	-	125,912
Capital expenditure	2,307	1,208	11,669	149	-	15,333

	Singapore S$'000	**Malaysia S$'000**	**Hong Kong S$'000**	**Australia/USA S$'000**	**Elimination S$'000**	**Consolidated S$'000**
2005						
External Sales	36,242	33,736	81,733	14,193	-	165,904
Inter-segment	20,087	4,499	2,013	-	(26,599)	-
Segment Revenue	56,329	38,235	83,746	14,193	(26,599)	165,904
Less: Sales attributable to Discontinued operations	-	-	(6,292)	-	-	(6,292)
Revenue from continuing operations	56,329	38,235	77,454	14,193	(26,599)	159,612
Segment assets	30,192	22,058	52,470	3,976	-	108,696
Capital expenditure	1,689	1,251	9,506	190	-	12,636

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	85,702	76,735	12
(b) Operating profit/ loss after tax before deducting minority interests reported for first half year	6,563	5,273	24
(a) Sales reported for second half year	87,745	82,877	6
(b) Operating profit/ loss after tax before deducting minority interests reported for second half year	7,858	7,136	10

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	7,205,979	5,745,763
Preference	0	0
Total:	7,205,979	5,745,763

BY ORDER OF THE BOARD

Tan Kang Fun
Chief Financial Officer & Company Secretary

29 August 2006