



**EU YAN SANG INTERNATIONAL LTD**  
269A South Bridge Road, Singapore 058818  
Tel: (65) 6225 3211 Fax: (65) 6225 8276

## **Eu Yan Sang's FY2008 revenue up 15% to S\$208.5m, marking 8 consecutive years of revenue growth since IPO**

- ***Final dividend of 2 cents per share to reward shareholders***
- ***Cautiously optimistic outlook for FY2009 on expansion of core Traditional Chinese Medicine retail business***

**Singapore, 28<sup>th</sup> Aug 2008** – 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, recorded a 15% climb in revenue to S\$208.5 million for its FY2008 results. This is attributable to broad based growth across all of the Group’s business and geographical segments.

| <b>Financial Highlights<br/>(S\$'000)</b> | <b>12 Months<br/>Ended 30 Jun 08</b> | <b>12 Months<br/>Ended 30 Jun 07</b> | <b>%<br/>Change</b> |
|---|--------------------------------------|--------------------------------------|---------------------|
| Revenue                                   | 208,504                              | 181,204                              | 15                  |
| Gross Profit                              | 104,563                              | 91,000                               | 15                  |
| Gross Profit Margin                       | 50.1%                                | 50.2%                                | NA                  |
| Other operating income                    | 640                                  | 3,565                                | (82)                |
| Operating Profit                          | 18,966                               | 23,738                               | (20)                |
| Loss from discontinued operations         | (5,295)                              | (4,855)                              | 9                   |
| Net Profit                                | 4,924                                | 14,711                               | (67)                |

In spite of rising raw material cost, the Group has managed to maintain its gross profit margin at 50.1%. Gross profit grew 15% to S\$104.6 million which is in line with the revenue growth.

The Group recorded a lower net profit of S\$4.9 million versus S\$14.7 million previously, due to restructuring charges associated with the sale of Red White & Pure Pte Ltd and YourHealth Group Pty Ltd, impairment of investment in unquoted shares as well as higher operating expenses for the current period. In addition, last year’s net profit included a gain of S\$2.7 million arising from divestment of properties and a non-core business.

Notwithstanding these transient challenges, the Group’s operations continued to be cash generative, recording net operating cashflow of S\$7.3 million versus S\$10.7 million previously. To reward shareholders, the Directors have recommended a first and final dividend of 1 cent and a special dividend of 1 cent, making a total dividend of 2 cents per share.

Mr. Richard Eu (余义明), Group CEO stated, “The impact on our bottomline was due to challenging business conditions as well as the costs associated with the restructuring of underperforming non-core businesses. In this respect, we have taken the necessary steps to ensure our long-term growth by completing our exit from non-core businesses. We have set a stronger foundation for us to continue expanding our TCM businesses.”



**EU YAN SANG INTERNATIONAL LTD**  
**269A South Bridge Road, Singapore 058818**  
**Tel: (65) 6225 3211 Fax: (65) 6225 8276**

### **FY2008 Operations Review**

In local currency terms, Hong Kong revenue jumped 19% to HK\$515.0 million while Singapore increased by 12% to S\$60.1 million. Malaysia recorded an impressive growth rate of 27% to RM\$121.9 million with the success of various marketing campaigns.

Among the Group's business segments, Wholesale spearheaded revenue growth by an increase of 17% to S\$33.0 million. The growth rate was understated as the reporting currency strengthened against the respective local currencies. In local currency terms, the growth ranged from 6% to 41%.

The Group's largest segment, Retail grew a healthy 15% in revenue to S\$161.1 million. The improvement was contributed by the opening of 19 outlets, together with higher same store sales which improved by 10%. As of 30 June 2008, the Group had 144 stores - 44 in Hong Kong, 38 in Singapore, 54 in Malaysia, 3 in Taiwan, 2 in Macau and 3 in China.

Revenue from Clinics was also up by 8% to S\$13.7 million which represents 6.6% of the Group's total revenue. The Group added 2 clinics to a total of 18 clinics in Singapore and 3 clinics in Malaysia to meet the increasing consumer demand.

### **Cautiously Optimistic FY2009 Outlook**

Mr. Eu commented, "Business conditions will continue to be challenging due to weaker consumer sentiment, currency fluctuations as well as rising retail rentals and manpower costs. The Group is fully aware of these issues and will take proactive steps to address them.

With a track record of 8 consecutive years of revenue growth since IPO, through challenging times such as SARS and 9/11, we are confident of our ability to overcome these challenges. In addition, the removal of under performing non-core businesses is likely to enhance our FY2009 performance.

We are constantly looking out for opportunities to expand our TCM business within existing as well as new markets, in particular China. There are currently 1 retail store and 2 counters in Guangzhou. We have started building up a team and will seek to expand our presence going forward."

- The End -



**EU YAN SANG INTERNATIONAL LTD**  
**269A South Bridge Road, Singapore 058818**  
**Tel: (65) 6225 3211 Fax: (65) 6225 8276**

**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 129 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-certified (Good Manufacturing Practice) factories located in Hong Kong and Malaysia.

Eu Yan Sang has an extensive distribution network comprising more than 140 Eu Yan Sang branded retail outlets in Hong Kong, Macau, China, Malaysia, Singapore and Taiwan. 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](http://www.euyansang.com) offers global customers the ease and convenience of shopping online. The Group also operates a chain of 21 TCM Clinics in Singapore and Malaysia.

**Contact Information**

|   |  |
|---|--|
| <b>Financial PR Pte Ltd</b><br>Mr Gabriel Tan/Mr Mark Lee<br>Investor Relations Consultants<br>Tel: 65-6438 2990 / Fax: 65-6438 0064<br>Email: <a href="mailto:staff@financialpr.com.sg">staff@financialpr.com.sg</a> | <b>Eu Yan Sang International Ltd</b><br>Ms Joanna Wong<br>VP of Branding & Corporate Communications<br>Eu Yan Sang International Ltd<br>DID: 65-64213213 Fax: 65-62231617<br>Email: <a href="mailto:joanna.wong@euyansang.com">joanna.wong@euyansang.com</a> |
|---|--|