

Press Release October 2, 2012

3in1 herbal cereal drinks, another new product from a unique collaboration between Eu Yan Sang and Nestlé Malaysia

Derived from the promise of excellence in nutrition, wellness and health, an innovative product that balances wholesome breakfast while on the go

Singapore, 2 Oct 2012 – Eu Yan Sang International Ltd (EYS), SGX-listed manufacturer and retailer of Traditional Chinese Medicine (TCM), in partnership with Nestlé Malaysia, has enriched the Nestum 3in1 cereal drinks with American Ginseng and Dang Gui. This is aimed at meeting the evolving nutritional needs of busy adults in the Malaysian market.

The proprietary TCM formulations in the new line of herbal cereal drinks is the result of considerable development efforts between EYS and Nestlé Malaysia, from conceptualisation and prototyping to product positioning and messaging, resulting in a consumer-centric winning concept.

Commenting on the new 3in1 herbal cereal drinks, EYS Group CEO Richard Eu said: "We are pleased that Nestlé, the world's biggest food company, has recognised that Chinese herbs do contribute to the nutritional value of our daily foods and Nestlé has chosen to collaborate with us."

"We view this collaboration as leveraging on Eu Yan Sang's domain knowledge in TCM to promote more health foods and beverages with herbs for consumers' health benefits. It's also a testament of our versatility and competency in rolling out more healthy, nutritional, and functional foods and beverages to consumers."

The new line of Nestum 3in1 herbal cereal drinks is the second collaboration between EYS and the Nestlé Group, following an ongoing partnership between Nestlé Singapore and EYS, resulting in the launch of the Yang Sheng Le brand of concentrated herbal soups.

Through this collaboration with Nestlé Malaysia, EYS hopes to increase its brand presence in non-mainstream channels such as the food and beverage, food and services sectors, including the halal market which targets the Muslim population.

EYS' collaboration with hotel groups such as Shangri-La Hotel Malaysia, InterContinental Hotels Group, Conrad Centennial Hotel Singapore and Marriot Singapore, just to name a few, facilitate the usage of herbal ingredients in foods and spa treatments that the hotel groups offer to their clientele.

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About Nestum 3in1 Cereal Drinks

The Nestum 3in1 Cereal Drinks come in two variants- American Ginseng and Dang Gui. It aimed at working adults between 25 and 35 years old, who lead hectic lifestyles and often have to skip their breakfasts, but are on the lookout for convenient ways to consume a healthy breakfast with a blend of traditional goodness.

Both American Ginseng and Dang Gui are commonly known for maintaining general health, nourishing the body, improving blood circulation and providing energy. Specifically, American Ginseng promotes 'yin' energy, relieves body heat and calms the body. Well-known for women, Dang Gui promotes blood circulation and production.

The new Nestum 3in1 herbal cereal drinks are currently available at all leading supermarkets and hypermarkets in Malaysia at the recommended retail price of RM9.50 per pack of seven sachets.

In Malaysia, the market for cereal mixes, including Nestum 3in1 products, is projected to grow 13.8% year-on-year, according to research firm AC Nielsen in a March 2012 Retail Audit Report. Total market value for cereals in Malaysia is worth RM118 million (\$\$47.41 million) with a year-on-year growth of 6.9%, the report added.

About Eu Yan Sang International Limited (SGX: EYSI)

Listed on the Singapore Exchange, Eu Yan Sang International Limited (Eu Yan Sang) is a global integrative healthcare and wellness company with a strong foundation in Traditional Chinese Medicine (TCM). Eu Yan Sang is an industry leader, and one of the largest TCM groups in South East Asia. It is at the forefront of adopting a modern and scientific approach in the production and retailing of both TCM and wellness products.

The Group has come a long way from its humble beginnings offering TCM remedies to tin mine coolies in Gopeng, Perak, Malaysia 132 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. To give an added assurance to consumers, the Group developed the world's first certification standard for TCM herbs, called the "Eu Yan Sang Good Agronomic Practices for Herbs (EYSGAPHerbs) Certification". This certification ensures world-leading standards are maintained at all stages of growing, processing and retailing of TCM herbs.

Apart from retailing fine quality Chinese herbs and Chinese Proprietary Medicines, Eu Yan Sang also retails health foods and supplements. Currently, the Group offers more than 300 products under the Eu Yan Sang brand name and over 1,000 different types of Chinese herbs and other medicinal products. Manufacturing activities are carried out in two of its GMP-certified (Good Manufacturing Practices) factories located in Hong Kong and Malaysia.

Eu Yan Sang's wholly-owned Australian subsidiary, Healthy Life Group Pty Ltd, operates a chain of 88 Healthy Life stores and a distribution business which is one of the largest health food distributors in Australia. This business has over 25 years' experience in Australia, supplying in excess of 3000 product lines from 170 suppliers to more than 500 retailers in the health food, pharmacy and grocery retail segments.

As of 30 June 2012, Eu Yan Sang has an extensive distribution network comprising 299 retail outlets in China, Hong Kong, Macau, Malaysia, Singapore and Australia. Its products are available in drugstores, pharmacies, medical halls, supermarkets, convenience stores, hospitals, health clubs and spas worldwide. The Group also operates a chain of 24 TCM Clinics in Singapore and Malaysia, and 2 Integrative Medical Centres in Hong Kong.