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Press Release: Eu Yan Sang's FY2013 net profit improves 11% y-o-y to S\$18.2 million * Financial Statement And Related Announcement

* Asterisks denote mandatory information


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>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	30-06-2013
Description	Please see attached.

Attachments

 [EYS_FY13_PressRelease_Final.pdf](#)
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EU YAN SANG INTERNATIONAL LTD
269A South Bridge Road Singapore 058818

Tel: (65) 6225 3211 Fax: (65) 6225 8276

For Immediate Release

Eu Yan Sang's FY2013 net profit improves 11% y-o-y to S\$18.2 million

- Group's revenue continues consecutive growth since listing to S\$326.9 million, up 13% y-o-y
- Group's net cash from operating activities improved 86% to S\$18.9 million on lower holding on inventories
- Proposes dividend of 2.2 Singapore cents per share, up 10% compared to FY2012 dividends

Singapore, 27 August 2013 – SGX mainboard-listed Eu Yan Sang International Ltd (“EYS”, “the Group” or “余仁生国际企业”), a trusted global integrative healthcare and wellness company with a strong foundation in Traditional Chinese Medicine (TCM), reported a 11% year-on-year (y-o-y) increase in its net profit to S\$18.2 million for its financial year ended 30 June 2013 (FY2013).

Table 1: Financial Highlights

Financial Highlights (S\$ 'million)	4QFY2013 ended 30 Jun 13	4QFY2012 ended 30 Jun 12	% Change	FY2013 ended 30 Jun 13	FY2012 ended 30 Jun 12	% Change
Revenue	77.3	69.6	11%	326.9	289.9	13%
Gross Profit	40.2	36.2	11%	165.6	147.9	12%
Gross Profit Margin	52.0%	52.1%	-	50.7%	51.0%	-
Operating Profit	3.3	2.6	28%	24.1	24.3	(1%)
Profit for the period/year	4.7	9.1	(49%)	18.2	16.5	11%

The Group's FY2013 revenue grows 13% y-o-y to S\$326.9 million, largely attributed to the good performance in Hong Kong and Malaysia as well as the full year sales contribution from Australia, as compared to approximately five months for FY2012.



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The Group's gross margin maintained at 51%. Margins in core markets were above 52% while that in Healthy Life Group ("HLG") was at 38%. As such, gross profit increased in line with revenue growth to S\$165.6 million, up 12%.

FY2013 operating expenses increased largely due to higher rentals, administrative cost and running costs for HLG. The loss from HLG caused a 1% dip in the Group's operating profit to S\$24.1 million. On the Group's performance in its core markets, Mr Richard Eu (余义明), Group CEO, commented, "Operating profit of our core markets, namely Hong Kong, Malaysia and Singapore, grew 18% y-o-y."

In FY2012, there was impairment amounting to S\$9.2 million which included the writing off of the equity investment in Healthzone Limited (HZL). The impairment in FY2013 was substantially lower and hence the Group's net profit returned at S\$18.2 million, up 11%.

The Group's net cash flow from operating activities improved 86% to S\$18.9 million largely a result of lower holding on inventories year-on-year.

On the back of its good financial performance and strong cash flow, the Group proposes a higher dividend for FY2013 of 2.2 Singapore cents per share, up 10% compared to FY2012 dividends.

Mr Eu added, "Our operating expenses grew less proportionately than revenue growth in the fourth quarter and thus we improved the quarter's operating profit by 28% to S\$3.3 million."

On the balance sheet, Cash and cash equivalents rose to S\$98.1 million primarily due to the S\$75 million fixed rate notes issued during the fourth quarter.



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Revenue by Activities

Revenue for the retail segment increased by 11% y-o-y to S\$257.5 million largely attributed to sales growth in core markets as well as the 12-months' sales from HLG. Wholesale revenue increased 25% to S\$47.8 million with the inclusion of HLG's wholesale business, as well as a better wholesale performance in Hong Kong. Clinic revenue improved 1% to S\$17.3 million.

Revenue by Geographical Locations

In geographical and local currency terms, Hong Kong grew 11% for FY2013 on better retail and wholesale performance. Malaysia improved 6% mainly on its strong festive hamper sales in the third quarter. Singapore sales dipped 2% on cautious consumer spending. The 12-months' HLG sales reached A\$27.9 million, compared to A\$8.7 million in FY2012.

Group's Retail Outlets and Clinics

As at 30 June 2013, the Group's total retail outlets stood at 300, comprising 248 company-owned stores and 52 franchisee outlets. The Group added six retail outlets in China, Hong Kong and Malaysia, while in Australia, there was an addition of seven company-owned outlets but the total number of outlets there was offset by a reduction of 12 franchisee outlets. The Group added a nett of 5 TCM Clinics to bring the total to 31.

Going Forward

The Group sees challenges ahead with uncertainties in the Asian economies, particularly China. Notwithstanding, the Group sees many new strategic opportunities for growth in lines of business that complement its existing core. The Group maintains its key strategic focus in continuous product development, extending wholesale and distribution channels, investment in manufacturing facilities and geographical expansion.



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CORPORATE PROFILE

About Eu Yan Sang International Limited (SGX: EYSI)

Listed on the Singapore Exchange, Eu Yan Sang International Ltd (Eu Yan Sang) is a trusted, global leading 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 133 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.

Manufacturing activities are carried out in two of its GMP-certified (Good Manufacturing Practices) factories located in Hong Kong and Malaysia. Every production process demonstrates full GMP accreditation for unmatched quality assurance.

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.

Eu Yan Sang's wholly-owned Australian subsidiary, Healthy Life Group Pty Ltd, operates a chain of 82 HealthyLife 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 5 million products from 170 suppliers to more than 5,000 retailers in the health food, pharmacy and grocery retail segments.

As of 30 June 2013, Eu Yan Sang has an extensive distribution network comprising 300 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 29 TCM Clinics in Singapore and Malaysia, and 2 Integrative Medical Centres in Hong Kong.



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Contact Information:

Financial PR Pte Ltd

Mr El Lee/Ms Kathy Zhang
Investor Relations Consultants
Tel: 65-6438 2990 / Fax: 65-6438 0064
Email: staff@financialpr.com.sg

Eu Yan Sang International Ltd

Ms Joanna Wong
General Manager
Brand Management & Corporate Communications
Eu Yan Sang International Ltd
DID: 65-6704 9625 Fax: 65-6221 1861
Email: joanna.wong@euyansang.com