



Interview with Richard Eu

(CEO, Eu Yan Sang)

Ask anyone about “Chinese Medicine” in Singapore or Malaysia and they will probably chorus “Eu Yan Sang”. At the helm of this flourishing company is none other than Mr Richard Eu, grandson of Mr Eu Tong Sen, himself a locally well-known and successful businessman during his time.

Under the superb management of Mr Richard Eu, Eu Yan Sang has grown in leaps and bounds. For the nine months which ended March 31, 2007, the company reported a 14% increase in net profit to S\$12.4 million (US\$8.05 million).

[Special Feature]

It was APBN's pleasure to speak to the man himself at his company corporate headquarters on South Bridge Road....

APBN: The company was first listed on the Singapore Stock Exchange in 2000. Eu Yan Sang is now a household name in Singapore, Malaysia and Hong Kong, how did the company manage to achieve this level of TCM branding in such a short time?

Mr Eu: Actually, the company has been around for a long time. But it was the IPO in 2000 that provided the impetus for the merger of the Singapore, Malaysia and Hong Kong businesses to become one consolidated entity, which in turn led to today's success.

APBN: Are there any plans to establish company retail stores in other Asian countries (e.g. Korea or Japan) or even the US?

Mr Eu: Yes, there are definitely plans to venture further afield. In fact, we only just recently opened our first retail store in Guangzhou, China. In 2006, we opened one in Macau.

APBN: Is the company involved in other businesses other than TCM?

Mr Eu: Not really. The main business we're interested in is in consumer healthcare based on TCM. Although we do have interests in non-TCM-related health products and have also set up integrative medicine clinics in Australia. Two of our investments are the Balance Co., out of San Francisco, and Kosmo, out of Hong Kong.

APBN: In your opinion, why do you think TCM use is increasing in popularity so rapidly?

Mr Eu: It's mostly to do with an increasing dissatisfaction with the mainstream form of healthcare. The best statistics are from the US, where it is clear that there is a huge growth in consumer spending on TCM partly due to reduced confidence in Western medicine.

Many patients are unhappy about the rising healthcare costs and the poor traditional healthcare model. Many health issues have not been properly addressed. Those with chronic illnesses turn to TCM because their prescribed pharmaceutical drugs failed repeatedly. As a result, patients are eager to try TCM, as well as other alternative treatments such as massage therapies (e.g. spa/wellness therapies), acupressure, spiritual healing, etc.

Also, with today's climate problems and environmental pollution, more people will begin to suffer from allergies and other related health problems. TCM provides a form of preventative medicine to combat such ills.





APBN: What would you say to those who only believe in Western medicine and strongly oppose the consumption of TCM?

Mr Eu: I don't blame them. The Western approach stems from evidence medicine and many rounds of clinical trials, whereas traditional/folk medicine is merely based on documented text and folklore.

But these naysayers of TCM are not comparing like with like. Unlike Western medicine, Chinese medicine uses specific terminology such as "chi" and deals with the treatment of "inner organs." Such aspects cannot be easily translated. However, they should understand that the classical practice of TCM is absolutely safe so long as three aspects are strictly adhered to: authenticity of the ingredients, proper use of herbs (i.e. no adulteration), and correct dosage. If any of the three are abused, then it will cause problems.

The main issue in the use of TCM is in the standardization of the products. It is extremely difficult to ensure that each batch is exactly the same as the previous one, as prescriptions can be made up of up to 20 herbs. So, proper fingerprinting of herbs must be carried out and referenced.

One should take note that a major advantage of TCM treatment is in its individual approach, where doctors can prescribe differently for two patients suffering from the same disease. This is because they identify that their illness is due to different causes. Western medicine, on the other hand, will just issue the same pharmaceutical drug for both patients.



APBN: In your opinion, is there anyone who should not take Chinese medicine?

Mr Eu: No, everyone should be able to take Chinese medicine. But of course, they must first see a trained professional to get a proper diagnosis and also reveal any other medication that they are currently taking.

APBN: What are the more common TCM treatments and what ailments do these cure?

Mr Eu: Chronic problems --- such as chronic cough --- by consuming Cordyceps. In this case, Western medicine will just prescribe antibiotics or steroids which can be detrimental in the long run.

Also, acupuncture is used to manage pain where traditional painkillers have failed.

People also generally consume some common herbs for their preventative benefits, for example Lingzhi (for boosting of the immune system) and Ginseng (as a health supplement and in boosting mental energy).

Our other popular products include Bak Foong pills (for regulation of the menstrual cycle and anemia) and Bo Ying compound (for curing colic or appetite loss in infants).

A recent finding from the Mayo Clinic in the US has revealed that Wisconsin ginseng can help treat cancer patients. This is indeed an important breakthrough in American ginseng research.

APBN: Due to over-usage, some important herbal plants are on the brink of extinction, how do you think is the best way to deal with this problem?

Mr Eu: This is not a problem, as almost all plants can be farmed. Only Cordyceps and American ginseng cannot be farmed, but even then research is ongoing for these two areas. In the case of Cordyceps, scientists have now managed to culture the fungus.

These days, even deer antlers and seahorses can be farmed. So there's no danger of exploitation or extinction. I personally think that the sharks' fin trade is far worse!

Also, there are always other alternatives. For example, the use of antelope horn to reduce high fevers or cure nosebleeds instead of using the now banned rhinoceros horn.



[Special Feature]

APBN: Of Mr Eu Tong Sen's grandchildren, how is it that you came about being at the helm of this particular business?

Mr Eu: I guess I was the one who showed the most interest in the business. There are many grandchildren (72, as far as I know) who don't live in Singapore and have their own careers anyway. At the time I joined in 1989, Eu Yan Sang Holdings Ltd was a listed company in Singapore but didn't have the Hong Kong business. Hong Kong was a separate company and managed by some uncles. To cut a long story short, I was able to consolidate the business together with some cousins such that the enlarged entity was listed in 2000 as Eu Yan Sang International.

APBN: Not being trained in the practice of Chinese medicine yourself, did you have to familiarize yourself with the medical/scientific concepts?

Mr Eu: No, it wasn't necessary. We have very good people on the team to keep abreast of developments. The head of technology research will arrange to conduct the necessary scientific work and make the necessary strategic decisions.

Currently, the total staff strength of the company stands at over 1000. In Singapore alone, the company has on board over 40 highly qualified TCM doctors/practitioners, mostly trained in China, of which majority of them are now either Singapore citizens or permanent residents.



[Special Feature]

APBN: Outside of work, how do you spend your leisure time?

Mr Eu: I enjoy spending time with my four children, going to the cinema, traveling, and occasionally jamming with my jazz band.

APBN: What is the next major milestone for the company?

Mr Eu: We're just going to concentrate on expanding our core business and other TCM-related product investments, and hopefully open more retail stores worldwide.

About the Group CEO

Mr Richard Eu is responsible for the overall corporate development and management of the Eu Yan Sang (EYS) Group. Prior to this, he worked in merchant banking, investment management, stock broking, computer distribution and venture capital before becoming the Group General Manager of Eu Yan Sang Holdings Ltd (EYSH) in 1989. EYSH was the owner of the Eu Yan Sang business in Singapore and Malaysia at that time. In 1993, Richard organized a management buyout of the business and in 1996 it was merged with the Eu Yan Sang business in Hong Kong, forming Eu Yan Sang International Group as it is today. He sits on the Board of International Enterprise Singapore and the Singapore Institute of Management. He is also a Director of Broadway Industrial Group Ltd. Richard graduated with a Bachelor's degree in Law from London University, UK.



About the Company

Eu Yan Sang was established in 1879, growing from humble beginnings in a tiny Chinese medicine shop named Yan Sang. Listed on the Singapore Stock Exchange in 2000, Eu Yan Sang International Limited (“EYS”) is now the largest traditional Chinese medicine (TCM) manufacturer and retailer in Hong Kong, Singapore and Malaysia. Its business operations have grown to span Southeast Asia, China, Australia and the US.

Today, EYS manufactures and markets fine quality Chinese herbs, Chinese proprietary medicines as well as health foods. EYS currently offers more than 280 products under its brand name and over 1000 different types of Chinese herbs and other medicinal products. Its flagship products include Bak Foong Pills, Bo Ying Compound, Extra Strength Lingzhi Cracked Spores and Bottled Bird’s Nest Series. As a consumer healthcare group, EYS strives to strengthen its branded products and introduce new product formulas through key investments, research partnerships and strategic expansion of its sales and distribution network.

EYS has an extensive distribution network comprising over 120 retail outlets in Hong Kong, Macau, Guangzhou, Malaysia and Singapore. EYS products are available in over 5000 drugstores, pharmacies, medical halls, hospitals, supermarkets, chain stores, health clubs, spas and convenience stores worldwide. Its cybershop at www.euyansang.com offers its global customers the ease and convenience of purchasing online.

EYS has taken the lead in developing and employing new technologies to modernize TCM. Having established our in-house fingerprinting facilities and research and development lab, we are also collaborating with academics on ways of providing scientific proof to validate and enhance the efficacy of TCM. To address consumer concerns about quality assurance and standardization of TCM, the Group continues to concentrate its efforts on upgrading its TCM manufacturing facilities and on adhering to stringent quality-assurance and production-standardization procedures. We have two manufacturing facilities in Hong Kong and Malaysia which are Good Manufacturing Practice (GMP) certified. The Hong Kong facility has also received the “Certificate of Manufacturing Facility” from the Therapeutic Goods Administration (TGA) of Australia.

In addition, EYS operates a chain of 17 TCM clinics in Singapore and Malaysia and four “YourHealth” Integrative Medicine Centers (IMC) in Australia. The Specialist TCM clinics and IMCs combine the best practices of conventional medicine, TCM and other natural therapies, providing modern consumers with a holistic approach to healthcare. EYS will actively explore other opportunities to expand its TCM clinics and IMC facilities to other countries in the world.

Contact Details:

Eu Yan Sang International Ltd.

Address: Corporate Office
269A South Bridge Road
Singapore 058818

Tel: +65 6225 3211

Fax: +65 6225 8276

Email: customersvc@euyansang.com

URL: www.euyansang.com