

Eu Yan Sang International Ltd
(Company Registration No. 199302179H)
(Incorporated in the Republic of Singapore)

**VOLUNTARY CONDITIONAL CASH OFFER BY CREDIT SUISSE (SINGAPORE) LIMITED
FOR AND ON BEHALF OF RIGHTEOUS CRANE HOLDING PTE. LTD. FOR
EU YAN SANG INTERNATIONAL LTD**

LOSS OF FREE FLOAT

1. INTRODUCTION

The board of directors (the “**Board**”) of Eu Yan Sang International Ltd (the “**Company**”) refers to:

- (i) the document dated 6 June 2016 issued by Credit Suisse (Singapore) Limited (“**Credit Suisse**”), for and on behalf of Righteous Crane Holding Pte. Ltd. (the “**Offeror**”), in respect of the voluntary conditional cash offer (the “**Offer**”) for all the issued and paid-up ordinary shares (the “**Shares**”) in the capital of the Company, other than those Shares owned, controlled or agreed to be acquired by the Offeror as at the date of the Offer (the “**Offer Document**”);
- (ii) the circular to the shareholders of the Company (the “**Shareholders**”) dated 20 June 2016 in relation to the Offer (the “**Offeree Circular**”);
- (iii) the announcement dated 29 June 2016 made by Credit Suisse for and on behalf of the Offeror pursuant to which the Offer was declared to be unconditional in all respects (the “**Offer Unconditional Announcement**”);
- (iv) the dealings disclosure announcement dated 2 June 2016 made by the Company in relation to the dealings made by Hillhouse Capital Management, Ltd (“**Hillhouse**”) on 1 June 2016 (the “**2 June Announcement**”);
- (v) the dealings disclosure and level of acceptances of offer announcement dated 1 August 2016 made by Credit Suisse for and on behalf of the Offeror (the “**1 August Announcement**”); and
- (vi) the substantial shareholder notification dated 4 August 2016 stating *inter alia* that as at 3 August 2016, TFW Fund (“**TFW**”) holds a direct interest in 22,630,100 Shares, representing 5.04 per cent. of the total number of issued Shares (the “**4 August SSN**”).

Copies of the Offer Document, the Offeree Circular, the Offer Unconditional Announcement, the 2 June Announcement, the 1 August Announcement and the 4 August SSN are available on the website of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) at www.sgx.com.

2. FREE FLOAT REQUIREMENT

As stated in the 2 June Announcement, Hillhouse acquired 20,000 Shares on 1 June 2016 and has an interest in 24,972,500 Shares after such dealings, representing approximately 5.56 per cent. of the total issued Shares¹.

As stated in the 1 August Announcement, as at 5.00 p.m. (Singapore time) on 1 August 2016, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror and parties acting or presumed to be acting in concert (where relevant) with it and (b) valid acceptances to the Offer, amount to an aggregate of 362,782,820 Shares, representing 80.764 per cent. of the total number of issued Shares.

As stated in the 4 August SSN and mentioned above, as at 3 August 2016, TFW holds a direct interest in 22,630,100 Shares, representing 5.04 per cent. of the total number of issued Shares.

The Offeror, Hillhouse and TFW, each being a substantial shareholder of the Company, collectively hold more than 90 per cent. of the total number of issued Shares.

Accordingly, based on the information set out in the 2 June Announcement, the 1 August Announcement and the 4 August SSN, the Board wishes to inform the Shareholders that the percentage of the total number of issued Shares which are held in public² hands has fallen below 10 per cent. and accordingly, the Company no longer meets the free float requirement prescribed by Rule 723 of the listing manual of the SGX-ST (the "Listing Manual").

Pursuant to Rule 723 of the Listing Manual, the Company must ensure that at least 10 per cent. of the total number of issued Shares is at all times held in public hands. Further, pursuant to Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares held in public hands falls below 10 per cent., the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the Shares.

Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of the Shares in public hands to at least 10 per cent., failing which the Company may be delisted. Shareholders should note that the Offer Document states that in the event that the Company does not meet the free float requirements of the Listing Manual, the Offeror does not intend to maintain the present listing status of the Company and does not intend to take any steps for any trading suspension in the securities of the Company to be lifted. In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual. Shareholders should refer to the Offer Document for further information.

In view of the foregoing, the Board wishes to highlight that the SGX-ST may suspend the trading of the Shares and will update Shareholders in due course.

¹ In this announcement, the percentage shareholding is computed based on a total of 449,190,217 issued Shares.

² In the Listing Manual, the "public" excludes, *inter alia*, substantial shareholders of the Company.

3. RESPONSIBILITY STATEMENT

The directors of the Company (including any director of the Company who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Document, the Offer Unconditional Announcement, the 1 August Announcement and the 4 August SSN), the sole responsibility of the directors of the Company has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

BY ORDER OF THE BOARD

Lam Chee Weng
Chief Financial Officer & Company Secretary
4 August 2016