VOLUNTARY CONDITIONAL CASH OFFER

by



CREDIT SUISSE (SINGAPORE) LIMITED
(Company Registration No.: 197702363D)
(Incorporated in the Republic of Singapore)

for and on behalf of

RIGHTEOUS CRANE HOLDING PTE. LTD.
(Company Registration No.: 201509393Z)
(Incorporated in the Republic of Singapore)

to acquire all the issued and paid-up ordinary shares in the capital of

EU YAN SANG INTERNATIONAL LTD
(Company Registration No.: 199302179H)
(Incorporated in the Republic of Singapore)

OFFER ANNOUNCEMENT

1. INTRODUCTION

Credit Suisse (Singapore) Limited ("**Credit Suisse**") wishes to announce, for and on behalf of Righteous Crane Holding Pte. Ltd. (the "**Offeror**"), that the Offeror intends to make a voluntary conditional cash offer (the "**Offer**") for all the issued and paid-up ordinary shares (the "**Shares**") in the capital of Eu Yan Sang International Ltd (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 Shares**").

2. THE OFFER

2.1 In accordance with Rule 15 of The Singapore Code on Take-overs and Mergers (the "**Code**"), and subject to the terms and conditions set out in the formal offer document to be issued by Credit Suisse, for and on behalf of the Offeror (the "**Offer Document**"), the Offeror will make the Offer for the Offer Shares on the following basis:

For each Offer Share: S$0.60 in cash (the "Offer Price").

2.2 **The Offeror does not intend to revise the Offer Price.**

2.3 The Offer Shares are to be acquired (a) fully paid, (b) free from all liens, equities, mortgages, pledges, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever ("**Encumbrances**"), and (c) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement (the "**Offer Announcement Date**") and hereafter attaching thereto (including the right to receive and retain all dividends, rights, other distributions and return of capital ("**Distributions**") (if any)

which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date, but excluding the Interim Dividend (as defined below)).

If any Distribution (other than the Interim Dividend (as defined below)) is announced, declared, paid or made by the Company on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by an amount equivalent to such Distribution paid or made by the Company to such shareholders of the Company ("**Shareholders**") who accept or have accepted the Offer.

As stated in the announcement released by the Company on SGXNET on 15 May 2016, the directors of the Company have proposed that an interim dividend of S$0.025 per Share (the "**Interim Dividend**") be paid to Shareholders whose names appear on the Register of Members of the Company as at 5.00 p.m. on 25 May 2016 (the "**Interim Dividend Record Date**"), transferees whose duly completed and stamped transfers in respect of Shares not registered in the name of The Central Depository (Pte) Limited, together with all relevant documents of title thereto, have been received by the Company's Share Registrar up to 5.00 p.m. on the Interim Dividend Record Date and Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with Shares as at 5.00 p.m. on the Interim Dividend Record Date (the "**Entitled Shareholders**"). The Interim Dividend will be paid on 16 June 2016.

As the Offer Shares to be acquired by the Offeror under the Offer exclude the right to receive the Interim Dividend, accepting Shareholders will retain the benefit of the Interim Dividend to be paid by the Company to the Entitled Shareholders and there will be no reduction in the Offer Price in respect of the Interim Dividend. Accordingly:

(i) in the event that the Offeror becomes entitled to receive, and receives, the Interim Dividend in respect of any Offer Shares validly tendered by an accepting Shareholder in acceptance of the Offer, the Offeror will pay an amount equal to the Interim Dividend in respect of such Offer Shares to such accepting Shareholder within 14 days of the receipt by the Offeror of the Interim Dividend from the Company; and

(ii) Entitled Shareholders who receive the Interim Dividend from the Company will not be entitled to receive any additional amount from the Offeror under the Offer or otherwise in respect of any Offer Shares tendered by them in acceptance of the Offer.

2.4 The Offer will be extended, on the same terms and conditions, to:

(a) all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any options (the "**Options**") to subscribe for new Shares granted under the Eu Yan Sang Employee Share Option Scheme 2006 which was approved by the Shareholders on 27 October 2006 (the "**Share Option Scheme**"), prior to the close of the Offer;

(b) all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any warrants (the "**Warrants**") issued on 22 November 2011, prior to the close of the Offer; and

(c) all new Shares unconditionally issued or to be issued pursuant to the valid vesting or release of any awards (the "**Awards**") for new Shares granted under the Eu Yan Sang Performance Share Plan which was approved by the Shareholders on 25 October 2007 (the "**Performance Share Plan**"), prior to the close of the Offer.

For the purpose of the Offer, the expression "**Offer Shares**" shall include the aforesaid Shares.

2.5 The Offer will be subject to the following conditions:

(a) Acceptance Condition

The Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to the issued share capital of the Company as at the close of the Offer (the "**Acceptance Condition**").

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with Shares owned, controlled or agreed to be acquired by or on behalf of the Offeror and parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to the maximum potential issued share capital of the Company. For the purposes of this Announcement, the "**maximum potential issued share capital of the Company**" means the total number of Shares which would be in issue had all the outstanding Options and Warrants been validly exercised and all Awards been validly vested or released as at the date of such declaration[1].

(b) Approval Condition

The Offeror having obtained a statement of no objections to the Offer from the Foreign Investment Review Board of Australia (the "**Approval Condition**").

Save for the Acceptance Condition and the Approval Condition, the Offer will be unconditional in all other respects.

2.6 Further information on the Offer and the terms and conditions upon which the Offer will be made, shall be set out in the Offer Document to be issued.

3. THE OPTIONS PROPOSAL

3.1 As at the Offer Announcement Date, based on the latest information available to the Offeror, Options to subscribe for 5,401,000 Shares remain outstanding under the Share Option Scheme, representing approximately 1.140% of the maximum potential issued share capital of the Company. Under the rules of the Share Option Scheme, the Options are not transferable by the holders thereof (the "**Optionholders**"). In view of this restriction, Credit Suisse, for and on behalf of the Offeror, will not make an offer to acquire the Options. For the avoidance of doubt, as mentioned in paragraph 2.4(a) of this Announcement, the Offer will be extended to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of Options prior to the close of the Offer. Instead, Credit Suisse will, for and on behalf of the Offeror, make a proposal (the "**Options Proposal**") to Optionholders, on the following terms:

(a) subject to the Offer becoming or being declared unconditional in all respects; and

[1] The "**maximum potential issued share capital of the Company**" excludes the 2,050,000 Warrants which Mr. Richard Eu Yee Ming has, in his irrevocable undertaking, undertaken to the Offeror not to exercise or convert into new Shares.

(b) the relevant Options continuing to be exercisable into new Shares,

the Offeror will pay to such Optionholders a cash amount (determined as provided below) (the "**Option Price**") in consideration of such Optionholders agreeing:

(i) not to exercise any of such Options into new Shares; and

(ii) not to exercise any of their rights as Optionholders,

in each case from the date of their acceptance of the Options Proposal to the respective dates of expiry of such Options. Further, if the Offer becomes or is declared unconditional, Optionholders who have accepted the Options Proposal will also be required to surrender their relevant Options for cancellation. If the Offer lapses or is withdrawn or if the relevant Options cease to be exercisable into new Shares, the Options Proposal will lapse accordingly.

3.2 The Option Price is computed on a "see-through" basis. In other words, the Option Price in relation to any Option is the amount of the excess of the Offer Price over the exercise price of that Option.

3.3 For the avoidance of doubt, whilst the Options Proposal is conditional upon the Offer becoming or being declared unconditional in all respects, the Offer will not be conditional upon acceptances received in relation to the Options Proposal. The Offer and the Options Proposal are separate and mutually exclusive. The Options Proposal does not form part of the Offer, and *vice versa*. Without prejudice to the foregoing, if Optionholders exercise their Options in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise, they may not accept the Options Proposal in respect of such Options. Conversely, if Optionholders wish to accept the Options Proposal in respect of their Options, they may not exercise those Options in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise.

3.4 Details of the Options Proposal will be despatched to the Optionholders no later than the date of despatch of the Offer Document.

4. NO WARRANTS OFFER

4.1 As at the Offer Announcement Date, based on the latest information available to the Offeror, there are 22,000,000 outstanding Warrants listed on the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), representing approximately 4.644% of the maximum potential issued share capital of the Company. Each Warrant carries the right to subscribe for one (1) new Share at an exercise price (the "**Warrants Exercise Price**") of S$0.83 per new Share. The Warrants remain exercisable until 21 November 2016.

4.2 Credit Suisse, for and on behalf of the Offeror, will not make an offer to acquire, or an appropriate proposal in respect of, the Warrants as the Warrants Exercise Price is significantly higher than the Offer Price. For the avoidance of doubt, as mentioned in paragraph 2.4(b) of this Announcement, the Offer will be extended to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of Warrants prior to the close of the Offer.

5. NO AWARDS OFFER

As at the Offer Announcement Date, based on the latest information available to the Offeror, there are no outstanding Awards granted under the Performance Share Plan. Under the rules of the Performance Share Plan, the Awards are not transferable by the holders thereof. In view of this restriction and there being no outstanding Awards, Credit Suisse, for and on

behalf of the Offeror, will not make an offer to acquire the Awards. For the avoidance of doubt, as mentioned in paragraph 2.4(c) of this Announcement, the Offer will be extended to all new Shares unconditionally issued or to be issued pursuant to the valid vesting or release of Awards prior to the close of the Offer (if any).

6. INFORMATION ON THE OFFEROR AND THE CONSORTIUM

6.1 The Offeror

The Offeror is a private limited company incorporated in the Republic of Singapore for the purposes of making the Offer. As at the Offer Announcement Date, the Offeror has an issued and paid-up capital of S$100.00, consisting of 100 ordinary shares (the "**Offeror Shares**"), which are held by the shareholders (collectively, the "**Offeror Shareholders**") as follows:

Offeror Shareholder	Shareholding Percentage
Tower Capital TCM Holdings L.P. ("**TC-TCM LP**")	42%
Blanca Investments Pte. Ltd. ("**Blanca**")	30%
Mr. Richard Eu Yee Ming	28%
Total	100%

6.2 Information on the Consortium Members

TC-TCM LP, Blanca and eight (8) existing Shareholders (collectively, the "**Promoters**") have agreed to form a consortium through the Offeror to undertake the Offer.

(a) TC-TCM LP

TC-TCM LP is an investment holding vehicle established as an exempt limited partnership in the Cayman Islands. The general partner of TC-TCM LP is Tower Capital TCM General Partner Limited, a Cayman Islands company whose sole director and sole founder-cum-shareholder is Mr. Danny Koh Thong Meng, a private equity investment professional who has worked previously at 3i Asia Limited and Actis Capital Partners Pte. Limited. UOB Venture Management Private Limited is one of the investors in TC-TCM LP.

(b) Blanca

Blanca is an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited.

(c) Promoters

The Promoters are Mr. Eu Keng Mun Richard, Mr. Richard Eu Yee Ming, Mrs. Eu Sung Hwa Mary, Mr. Eu Zai Qi Richard, Mr. Eu Zai Xiang Anthony, Mr. Eu Zai Xin

Christopher, Mr. Robert James Eu Yee Sang[2] and Bestand Development Corp. ("**Bestand**")[3].

As at the Offer Announcement Date, the Promoters own or control an aggregate of 105,919,867 Shares, representing approximately 23.620% of the total number of issued Shares[4] and approximately 22.356% of the maximum potential issued share capital of the Company and hold an aggregate of 2,050,000 Warrants, details of which are set out in **Schedule 1** to this Announcement.

Mr. Richard Eu Yee Ming is the current Managing Director and Group Chief Executive Officer of the Company.

Mr. Robert James Eu Yee Sang is the current Chairman and Executive Director of the Company.

6.3 **Directors of the Offeror**

As at the Offer Announcement Date, the board of directors of the Offeror comprises Mr. Chua Siang Hwee, Jeffrey, Mr. Robert James Eu Yee Sang and Mr. Danny Koh Thong Meng.

6.4 **Consortium Arrangements**

In conjunction with the Offer, each of the Promoters has provided an irrevocable undertaking (collectively, the "**Promoters' Irrevocable Undertakings**") in favour of the Offeror to, *inter alia*:

(a) accept, or procure the acceptance of, the Offer in respect of all the Shares held by it, him or her;

(b) waive its, his or her right under Rule 30 of the Code to receive any cash settlement or payment for acceptance of the Offer, save for Mr. Richard Eu Yee Ming who only waives his right to receive any cash settlement or payment for acceptance of the Offer in respect of 28,170,171 Shares; and

(c) subscribe for Offeror Shares (save that in the case of Mrs. Eu Sung Hwa Mary, Mr. Eu Zai Xiang Anthony and Mr. Eu Zai Xin Christopher, they shall direct that such Offeror Shares be allotted and issued to Mr. Richard Eu Yee Ming) and for this purpose, pay for the subscription amount in respect of such Offeror Shares (the "**Set-Off Amount**") by setting off the Set-Off Amount against the proceeds that would otherwise be payable by the Offeror as consideration pursuant to acceptance of the Offer by each Promoter,

(collectively, the "**Consortium Arrangements**").

The Securities Industry Council of Singapore has confirmed that the Consortium Arrangements do not constitute special deals for the purpose of Rule 10 of the Code.

In addition, Mr. Richard Eu Yee Ming has, in his irrevocable undertaking, undertaken to the Offeror not to exercise or convert any of his 2,050,000 Warrants into new Shares.

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[2] Mr. Eu Keng Mun Richard is the father of Mr. Richard Eu Yee Ming. Mrs. Eu Sung Hwa Mary is the wife of Mr. Richard Eu Yee Ming. Mr. Eu Zai Qi Richard, Mr. Eu Zai Xiang Anthony and Mr. Eu Zai Xin Christopher are the sons of Mr. Richard Eu Yee Ming and Mrs. Eu Sung Hwa Mary. Mr. Robert James Eu Yee Sang is the cousin of Mr. Richard Eu Yee Ming.

[3] Bestand is a company wholly-owned by the late Mr. Andrew K.W. Eu's will trust. Mr. Andrew K.W. Eu was the father of Mr. Robert James Eu Yee Sang, and Mr. Robert James Eu Yee Sang and his mother, children, siblings, and nephews and nieces are beneficiaries under the late Mr. Andrew K.W. Eu's will trust.

[4] In this Announcement, unless otherwise stated, all references to the total number of issued Shares shall be to 448,427,217 Shares.

6.5 **Consortium Agreement**

TC-TCM LP, Blanca and the Promoters have, on the Offer Announcement Date, entered into a consortium and shareholders' agreement to, *inter alia*, regulate their relationship as members of the consortium and in the conduct of the business and affairs of the Offeror (including the Offer).

6.6 **Resultant Position**

It is envisaged that following the close of the Offer, assuming that the Company becomes a wholly-owned subsidiary of the Offeror, the shareholding in the Offeror will be as follows:

Offeror Shareholder	**Shareholding Percentage**
TC-TCM LP	42.000%
Blanca	30.000%
Mr. Eu Keng Mun Richard	1.314%
Mr. Richard Eu Yee Ming	19.265%
Mr. Eu Zai Qi Richard	0.033%
Mr. Robert James Eu Yee Sang	0.450%
Bestand	6.938%
Total	100.000%

7. INFORMATION ON THE COMPANY

7.1 Based on publicly available information, the Company was incorporated under the laws of Singapore on 10 April 1993 and was listed on the Main Board of the SGX-ST on 28 July 2000. The Company, together with its subsidiaries, specialises in the production, distribution and retail of traditional Chinese medicine ("**TCM**") and wellness products. The Company also operates a chain of TCM clinics. The principal activities of the Company are investment holding and providing management services.

7.2 As at the Offer Announcement Date, based on publicly available information:

(a) the issued and paid-up share capital of the Company comprises 448,427,217 Shares;

(b) the Company does not hold any treasury shares; and

(c) the board of directors of the Company comprises:

(i) Mr. Richard Eu Yee Ming (Managing Director and Group Chief Executive Officer);

(ii) Mr. Robert James Eu Yee Sang (Chairman and Executive Director);

(iii) Mr. Clifford Eu Yee Fong (Executive Director);

(iv) Mr. Matthew J. Estes (Lead Independent Director);

(v) Ms. Ng Shin Ein (Independent Director); and

(vi) Mr. Daniel Soh Chung Hian (Independent Director).

8. IRREVOCABLE UNDERTAKINGS FROM OTHER SHAREHOLDERS

8.1 As at the Offer Announcement Date, besides the Promoters, certain other Shareholders (the "**Undertaking Shareholders**") have provided irrevocable undertakings (the "**Additional Irrevocable Undertakings**") to the Offeror to, *inter alia*, accept the Offer in respect of an aggregate of 177,405,029 Shares, representing approximately 39.562% of the total number of issued Shares and approximately 37.445% of the maximum potential issued share capital of the Company, details of which are set out in **Schedule 2** to this Announcement. Each of Mr. Eu Yee Tat David, Ms. Eu Mei Ying Helena and Mr. Eu Yee Kwong Geoffrey (the "**Waiving Shareholders**") has further agreed to waive his or her rights under Rule 30 of the Code to receive any cash settlement or payment for acceptance of the Offer (the "**Waived Amount**") and in respect of the Waived Amount, Offeror Shares shall be allotted and issued to Mr. Richard Eu Yee Ming. For the avoidance of doubt, the Waiving Shareholders are not Promoters and will not be subscribing for Offeror Shares.

8.2 Pursuant to the Promoters' Irrevocable Undertakings and the Additional Irrevocable Undertakings (collectively, the "**Irrevocable Undertakings**"), the Offeror has received irrevocable undertakings to accept the Offer in respect of an aggregate of 283,324,896 Shares, representing approximately 63.182% of the total number of issued Shares and approximately 59.801% of the maximum potential issued share capital of the Company.

8.3 Each Irrevocable Undertaking will terminate, lapse or cease to have any effect on the earlier of the following: (a) the Offer is withdrawn or lapses or fails to become or be declared to be unconditional in all respects for whatever reason, other than as a result of a breach by any of the Promoters or the Undertaking Shareholders of any of its, his or her obligations under the relevant Irrevocable Undertaking, or (b) such other date as may be agreed between the Offeror and the Promoters or the Undertaking Shareholders.

8.4 Save for the Irrevocable Undertakings, as at the Offer Announcement Date, neither the Offeror nor any party acting in concert with it has received any irrevocable undertaking from any other party to accept or reject the Offer.

9. RATIONALE FOR THE OFFER

9.1 Opportunity for Shareholders to realise their investment in the Shares at a premium

The Offer Price represents a premium of approximately 16.50% and 24.74% over the volume weighted average price ("**VWAP**") per Share for the three (3)-month and six (6)-month periods up to and including 9 May 2016, being the last full Market Day[5] immediately prior to the Offer Announcement Date (the "**Last Trading Day**"). The Offer Price also represents a premium of 2.56% over the last transacted price per Share on the Last Trading Day.

The Offer presents Shareholders with a clean cash exit opportunity to realise their entire investment in Shares at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs.

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[5] For the purposes of this Announcement, "**Market Day**" means a day on which the SGX-ST is open for the trading of securities. As the Company had requested for a trading halt on 10 May 2016, 9 May 2016 would be the last full Market Day immediately prior to the Offer Announcement Date.

9.2 **Low Trading Liquidity of Shares**

The trading volume of the Shares has been low, with the total trading volume [6] of approximately 565,500 Shares, 3,260,000 Shares, and 5,111,700 Shares during the respective one (1)-month period, three (3)-month period and six (6)-month period up to and including the last Trading Day. These represent respectively only 0.13%, 0.73% and 1.14% of the total number of issued Shares for any of the aforementioned relevant periods.

The Offer therefore provides Shareholders who find it difficult to exit the Company as a result of the low trading volume in Shares with an opportunity to liquidate and realise their investment in the Shares at a premium to the prevailing market prices which would otherwise not be available given the low trading liquidity.

9.3 **Compliance Costs of Maintaining Listing**

In maintaining its listed status, the Company incurs compliance and associated costs. In the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses relating to the maintenance of a listed status and focus its resources on its business operations.

9.4 **Greater Management Flexibility**

If the Company is delisted from the SGX-ST as a result of the Offer and the Offeror's rights of compulsory acquisition that may arise under Section 215(1) of the Companies Act (Chapter 50 of Singapore) (the "**Companies Act**") are exercised, the Offeror believes that privatising the Company will give the Offeror and the management of the Company more flexibility to manage the business of the Company, optimise the use of its management and resources and facilitate the implementation of any operational change.

10. FINANCIAL EVALUATION OF THE OFFER

The Offer Price represents the following premia over the historical traded prices of the Shares over various periods:

	Description	Benchmark Price (S$)[(1)]	Premium over Benchmark Price[(2)] (%)[(3)]
(a)	Last transacted price per Share on 9 May 2016 (being the Last Trading Day)	0.585	2.56
(b)	VWAP of the Shares traded on the SGX-ST for the one (1)-month period prior to and including the Last Trading Day	0.553	8.50
(c)	VWAP for the three (3)-month period prior to and including the Last Trading Day	0.515	16.50
(d)	VWAP for the six (6)-month period prior to and including the Last Trading Day	0.481	24.74

[6] Calculated by using the total volume of Shares traded over the one (1)-month period, three (3)-month period and six (6)-month period up to and including 9 May 2016.

The Offer Price is significantly higher than the target price range of S$0.300 – S$0.360 per Share[(4)] based on two (2) equity research analysts as at the day before the Offer Announcement Date. The Offer Price implies a Price / Earnings ratio for the Company of 58.8x, based on the earnings per share of 1.02 cents for the financial year ending 30 June 2015.

Notes:

(1) The figures set out in the table above are based on data extracted from Bloomberg L.P..
(2) Computed based on the Benchmark Prices which were rounded to the nearest three (3) decimal places.
(3) Percentages rounded to the nearest two (2) decimal places.
(4) Based on data extracted from Bloomberg L.P. as at 9 May 2016.

11. OFFEROR'S INTENTIONS FOR THE COMPANY

11.1 Listing Status

Pursuant to Rule 1105 of the listing manual of the SGX-ST (the "**Listing Manual**"), upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total number of issued Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued Shares (excluding any Shares held in treasury) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding any Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

Under Rule 724(1) of the Listing Manual, if the percentage of the Shares held in public hands falls below 10%, the Company must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the Shares held in public hands to at least 10%, failing which the Company may be delisted.

In the event 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.

11.2 Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the total number of issued Shares as at the date of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares from Shareholders who have not accepted the Offer at a price equal to the Offer Price.

In such an event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from the SGX-ST.

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares, the Shareholders who have not accepted the Offer have a right to require the Offeror to acquire their Shares at the Offer Price. Such Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

12. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

12.1 As at the Offer Announcement Date,

(a) the Offeror and its directors;

(b) Blanca and its directors;

(c) TC-TCM LP and its general partner, Tower Capital TCM General Partner Limited and the sole director of Tower Capital TCM General Partner Limited;

(d) each of the Promoters and their respective immediate family members; and

(e) Credit Suisse,

(collectively, the "**Relevant Persons**"),

(i) collectively own, control or have agreed to acquire an aggregate of 137,469,785 Shares, representing approximately 30.656% of the total number of issued Shares and approximately 29.016% of the maximum potential issued share capital of the Company; and

(ii) collectively hold 2,050,000 Warrants,

details of which are set out in **Schedule 3** to this Announcement.

12.2 Save as disclosed in this Announcement, as at the Offer Announcement Date, none of the Relevant Persons:

(a) owns, controls or has agreed to acquire any:

(i) Shares;

(ii) securities which carry voting rights in the Company; or

(iii) convertible securities, warrants, options or derivatives in respect of such Shares or securities,

(collectively, the "**Company Securities**");

(b) has received any irrevocable undertaking (other than the Irrevocable Undertakings) from any party to accept or reject the Offer; or

(c) has:

(i) granted a security interest over any Company Securities to another person, whether through a charge, pledge or otherwise;

(ii) borrowed from another person any Company Securities (excluding borrowed Company Securities which have been on-lent or sold); or

(iii) lent any Company Securities to another person.

12.3 In the interest of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be deemed to be acting in concert with it in connection with the Offer. Further enquiries will be made of such persons by the Offeror and the relevant disclosures, if any, will be made in the Offer Document.

13. OVERSEAS SHAREHOLDERS

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of any applicable law. The Offer will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (a "**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

The ability of Shareholders who are not resident in Singapore to accept the Offer may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in Singapore should inform themselves of, and observe, any applicable requirements. For the avoidance of doubt, the Offer will be open to all Shareholders holding Offer Shares, including those to whom the Offer Document and the relevant form(s) of acceptance may not be sent. Further details relating to such Shareholders will be contained in the Offer Document.

The Offeror and Credit Suisse each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders who are not resident in Singapore by announcement to the SGX-ST or notice and if necessary, by paid advertisement in a newspaper published and circulated in Singapore, in which case such notice shall be deemed

to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement, notice or advertisement.

14. CONFIRMATION OF FINANCIAL RESOURCES

Credit Suisse, as exclusive financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer by the holders of the Offer Shares on the basis of the Offer Price, excluding the Set-Off Amount and the Waived Amount.

15. OFFER DOCUMENT

The Offer Document setting out the terms and conditions of the Offer and enclosing the relevant form(s) of acceptance will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the Offer Announcement Date.

Shareholders should exercise caution and seek appropriate independent professional advice when dealing in the Shares.

16. RESPONSIBILITY STATEMENT

The directors of the Offeror (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the directors of the Offeror 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.

The directors of the Offeror jointly and severally accept full responsibility accordingly.

Issued by
CREDIT SUISSE (SINGAPORE) LIMITED

For and on behalf of
RIGHTEOUS CRANE HOLDING PTE. LTD.
16 May 2016

Any inquiries relating to this Announcement or the Offer should be directed during office hours to:

Credit Suisse (Singapore) Limited

Tel: (65) 6212 2000

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor Credit Suisse undertakes any obligation to update publicly or revise any forward-looking statements.

SCHEDULE 1

PROMOTERS' SHAREHOLDING IN THE COMPANY AND HOLDINGS IN WARRANTS

Details of the Promoters' shareholding in the Company which will be tendered in acceptance of the Offer by each Promoter pursuant to their respective Promoters' Irrevocable Undertakings are as follows:

Promoter	**Number of Shares to be tendered in acceptance of the Offer**	**Percentage of the total number of issued Shares**(1)
Mr. Eu Keng Mun Richard	5,968,454(2)	1.331%
Mr. Richard Eu Yee Ming	50,170,171(3)	11.188%
Mrs. Eu Sung Hwa Mary	15,770,000(4)	3.517%
Mr. Eu Zai Qi Richard	150,000	0.033%
Mr. Eu Zai Xiang Anthony	150,000	0.033%
Mr. Eu Zai Xin Christopher	150,000	0.033%
Mr. Robert James Eu Yee Sang	2,045,000(5)	0.456%
Bestand	31,516,242(6)	7.028%
Total	105,919,867	23.620%

Notes:

(1) Based on the Company's issued share capital of 448,427,217 Shares as at the Offer Announcement Date.

(2) The 5,968,454 Shares owned or controlled by Mr. Eu Keng Mun Richard comprise 2,500,000 Shares that are held by Mr. Eu Keng Mun Richard's nominee, Citibank N.A., Singapore branch, or sub-nominees of Citibank N.A., Singapore branch.

(3) The 50,170,171 Shares owned or controlled by Mr. Richard Eu Yee Ming comprise Shares held on his behalf by his nominees as follows: 12,000,000 Shares held on trust by a trustee for him, 21,790,171 Shares held by HL Bank Nominees (Singapore) Pte Ltd ("**HL Bank Nominees**"), 5,500,000 Shares held by Hong Leong Finance Nominees Pte Ltd and 10,880,000 Shares held by Maybank Nominees (Singapore) Private Limited. The 50,170,171 Shares owned or controlled by Mr. Richard Eu Yee Ming excludes his deemed interest in the Shares held by his wife, Mrs. Eu Sung Hwa Mary.

As at the Offer Announcement Date, Mr. Richard Eu Yee Ming has granted a security interest over 50,170,171 of his Shares, representing approximately 11.188% of the total number of issued Shares. All Encumbrances over his Shares are to be fully released simultaneously with or prior to his acceptance of the Offer pursuant to the Promoters' Irrevocable Undertaking which he has provided to the Offeror.

(4) The 15,770,000 Shares owned or controlled by Mrs. Eu Sung Hwa Mary comprise 15,770,000 Shares held by her nominee, HL Bank Nominees.

As at the Offer Announcement Date, Mrs. Eu Sung Hwa Mary has granted a security interest over 15,770,000 of her Shares, representing approximately 3.517% of the total number of issued Shares. All Encumbrances over her Shares are to be fully released simultaneously with or prior to her acceptance of the Offer pursuant to the Promoters' Irrevocable Undertaking which she has provided to the Offeror.

(5) The 2,045,000 Shares owned or controlled by Mr. Robert James Eu Yee Sang comprise 2,045,000 Shares held by his nominee, HL Bank Nominees.

(6) The 31,516,242 Shares owned or controlled by Bestand comprise 31,516,242 Shares held by its nominee, HL Bank Nominees. Bestand is a company wholly-owned by the late Mr. Andrew K.W. Eu's will trust. Mr. Andrew K.W. Eu was the father of Mr. Robert James Eu Yee Sang, and Mr. Robert James Eu Yee Sang and his mother, children, siblings, and nephews and nieces are beneficiaries under the late Mr. Andrew K.W. Eu's will trust.

Details of the Promoters' holdings in Warrants are as follows:

Promoter	**Number of Warrants**
Mr. Richard Eu Yee Ming	2,050,000

SCHEDULE 2

UNDERTAKING SHAREHOLDERS' SHAREHOLDING IN THE COMPANY

Details of the Undertaking Shareholders and the number of Shares to be tendered in acceptance of the Offer by each Undertaking Shareholder pursuant to their respective Additional Irrevocable Undertakings are as follows:

Undertaking Shareholder	**Number of Shares to be tendered in acceptance of the Offer**	**Percentage of the total number of issued Shares**(1)
Mr. Clifford Eu Yee Fong (the son of the late Mr. Eu Keng Dean John, nephew of Mr. Eu Keng Mun Richard and cousin of Mr. Richard Eu Yee Ming and Mr. Robert James Eu Yee Sang)	12,198,891(2)	2.720%
Mr. Eu Yee Tat David (the son of Mr. Eu Keng Mun Richard, brother of Mr. Richard Eu Yee Ming and cousin of Mr. Robert James Eu Yee Sang)	12,390,367	2.763%
Ms. Eu Mei Ying Helena (the daughter of Mr. Eu Keng Mun Richard, sister of Mr. Richard Eu Yee Ming and cousin of Mr. Robert James Eu Yee Sang)	7,326,067(3)	1.634%
Mr. Eu Yee Kwong Geoffrey (the son of Mr. Eu Keng Mun Richard, brother of Mr. Richard Eu Yee Ming and cousin of Mr. Robert James Eu Yee Sang)	11,833,484(4)	2.639%
Perpetual Investments Limited ("**Perpetual**")	6,750,000(5)	1.505%
Megawyn Investments Pte. Ltd. ("**Megawyn**")	9,000,000(6)	2.007%
Euco Investments Pte Ltd ("**Euco**")	62,987,120(7)	14.046%
Aberdeen Asset Management Asia Limited	47,763,800	10.651%
First State Investment Management (UK) Limited	7,155,300	1.596%
Total	177,405,029	39.562%

Notes:

(1) Based on the Company's issued share capital of 448,427,217 Shares as at the Offer Announcement Date.

(2) The 12,198,891 Shares in which Mr. Clifford Eu Yee Fong has legal and beneficial interest includes 798,891 Shares held in his own name and Shares held on his behalf by his nominees as follows: 2,700,000 Shares held by Raffles Nominees (Pte.) Limited, 3,000,000 Shares held by HL Bank Nominees, and 5,700,000 Shares held by Hong Leong Finance Nominees Pte Ltd. The 12,198,891 Shares owned or controlled by Mr. Clifford Eu Yee Fong excludes his deemed interest in the Shares held by his wife, Mdm. Chang Seow Ying Alison, and his investment vehicle Euco.

As at the Offer Announcement Date, Mr. Clifford Eu Yee Fong has granted a security interest over 11,400,000 of his Shares, representing approximately 2.542% of the total number of issued Shares. All Encumbrances over his Shares are to be fully released simultaneously with or prior to his acceptance of the Offer pursuant to the Additional Irrevocable Undertaking which he has provided to the Offeror.

(3) The 7,326,067 Shares in which Ms. Eu Mei Ying Helena has legal and beneficial interest comprise Shares held on her behalf by her nominees as follows: 5,000,000 Shares held by Maybank Nominees (Singapore) Private Limited (held in trust by its nominees) and 2,326,067 Shares held by Bank of Singapore Nominees Pte. Ltd. (by itself or in trust by its nominees).

(4) The 11,833,484 Shares in which Mr. Eu Yee Kwong Geoffrey has legal and beneficial interest comprise 11,833,484 Shares held by Raffles Nominees (Pte.) Limited.

(5) Perpetual is an investment holding company of Mr. Clifford Eu Yee Fong.

(6) Megawyn is an investment holding company of Ms. Eu Victoria (the sister of Mr. Clifford Eu Yee Fong).

As at the Offer Announcement Date, Megawyn has granted a security interest over 9,000,000 of its Shares, representing approximately 2.007% of the total number of issued Shares. All Encumbrances over its Shares are to be fully released simultaneously with or prior to its acceptance of the Offer pursuant to the Additional Irrevocable Undertaking which it has provided to the Offeror.

(7) Euco is an investment holding vehicle of Mr. Clifford Eu Yee Fong and Mr. Eu Yee Lye Laurence (the brother of Mr. Clifford Eu Yee Fong). The 62,987,120 Shares in which Euco has legal and beneficial interest comprise:

a. 11,325,000 Shares held by UOB Nominees (2006) Private Limited;
b. 17,100,000 Shares held by CIMB Nominees (S) Pte. Ltd.;
c. 8,570,400 Shares held by Oversea-Chinese Bank Nominees Private Limited;
d. 8,400,000 Shares held by Singapura Finance Ltd;
e. 15,000,000 Shares held by Raffles Nominees (Pte.) Limited; and
f. 2,591,720 Shares held in its own name.

As at the Offer Announcement Date, Euco has granted a security interest over 51,995,400 of its Shares, representing approximately 11.595% of the total number of issued Shares. All Encumbrances over its Shares are to be fully released simultaneously with or prior to its acceptance of the Offer pursuant to the Additional Irrevocable Undertaking which it has provided to the Offeror.

SCHEDULE 3

RELEVANT PERSONS' SHAREHOLDING IN THE COMPANY AND HOLDINGS IN WARRANTS

Details of the Relevant Persons' shareholding in the Company are as follows:

Relevant Person	**Number of Shares**	**Percentage of the total number of issued Shares**(1)
Mr. Eu Keng Mun Richard (Promoter)	5,968,454(2)	1.331%
Mr. Richard Eu Yee Ming (Promoter)	50,170,171(3)	11.188%
Mrs. Eu Sung Hwa Mary (Promoter)	15,770,000(4)	3.517%
Mr. Eu Zai Qi Richard (Promoter)	150,000	0.033%
Mr. Eu Zai Xiang Anthony (Promoter)	150,000	0.033%
Mr. Eu Zai Xin Christopher (Promoter)	150,000	0.033%
Mr. Robert James Eu Yee Sang (director of the Offeror and Promoter)	2,045,000(5)	0.456%
Bestand (Promoter)	31,516,242(6)	7.028%
Mr. Eu Yee Tat David (the son of Mr. Eu Keng Mun Richard and brother of Mr. Richard Eu Yee Ming)	12,390,367	2.763%
Ms. Eu Mei Ying Helena (the daughter of Mr. Eu Keng Mun Richard and sister of Mr. Richard Eu Yee Ming)	7,326,067(7)	1.634%
Mr. Eu Yee Kwong Geoffrey (the son of Mr. Eu Keng Mun Richard and brother of Mr. Richard Eu Yee Ming)	11,833,484(8)	2.639%
Total	137,469,785	30.656%

Notes:

(1) Based on the Company's issued share capital of 448,427,217 Shares as at the Offer Announcement Date.

(2) The 5,967,854 Shares owned or controlled by Mr. Eu Keng Mun Richard includes 2,500,000 Shares that are held by Mr. Eu Keng Mun Richard's nominee, Citibank N.A., Singapore branch, or sub-nominees of Citibank N.A., Singapore branch.

(3) The 50,170,171 Shares owned or controlled by Mr. Richard Eu Yee Ming comprise Shares held on his behalf by his nominees as follows: 12,000,000 Shares held by HSBC (Singapore) Nominees Pte Ltd, 21,790,171 Shares held by HL Bank Nominees, 5,500,000 Shares held by Hong Leong Finance Nominees Pte Ltd and 10,880,000 Shares held by Maybank Nominees (Singapore) Private Limited. The 50,170,171 Shares owned or controlled by Mr. Richard Eu Yee Ming excludes his deemed interest in the Shares held by his wife, Mrs. Eu Sung Hwa Mary.

As at the Offer Announcement Date, Mr. Richard Eu Yee Ming has granted a security interest over 50,170,171 of his Shares, representing approximately 11.188% of the total number of issued Shares. All Encumbrances over his Shares are to be fully released simultaneously with or prior to his acceptance of the Offer pursuant to the Promoters' Irrevocable Undertaking which he has provided to the Offeror.

(4) The 15,770,000 Shares owned or controlled by Mrs. Eu Sung Hwa Mary comprise 15,770,000 Shares held by her nominee, HL Bank Nominees.

As at the Offer Announcement Date, Mrs. Eu Sung Hwa Mary has granted a security interest over 15,770,000 of her Shares, representing approximately 3.517% of the total number of issued Shares. All Encumbrances over her Shares are to be fully released simultaneously with or prior to her acceptance of the Offer pursuant to the Promoters' Irrevocable Undertaking which she has provided to the Offeror.

(5) The 2,045,000 Shares owned or controlled by Mr. Robert James Eu Yee Sang comprise 2,045,000 Shares held by his nominee, HL Bank Nominees.

(6) The 31,516,242 Shares owned or controlled by Bestand comprise 31,516,242 Shares held by its nominee, HL Bank Nominees. Bestand is a company wholly-owned by the late Mr. Andrew K.W. Eu's will trust. Mr. Andrew K.W. Eu was the father of Mr. Robert James Eu Yee Sang, and Mr. Robert James Eu Yee Sang and his mother, children, siblings, and nephews and nieces are beneficiaries under the late Mr. Andrew K.W. Eu's will trust.

(7) The 7,326,067 Shares in which Ms. Eu Mei Ying Helena has legal and beneficial interest comprise Shares held on her behalf by her nominees as follows: 5,000,000 Shares held by Maybank Nominees (Singapore) Private Limited (held in trust by its nominees) and 2,326,067 Shares held by Bank of Singapore Nominees Pte. Ltd. (by itself or in trust by its nominees).

(8) The 11,833,484 Shares in which Mr. Eu Yee Kwong Geoffrey has legal and beneficial interest comprise 11,833,484 Shares held by Raffles Nominees (Pte.) Limited.

Details of the Relevant Persons' holdings in Warrants are as follows:

Relevant Person	**Number of Warrants**
Mr. Richard Eu Yee Ming (Promoter)	2,050,000