PRESS RELEASE

Consortium Makes Voluntary Conditional Cash Offer for Eu Yan Sang International Ltd

- **Offer Price of S$0.60 per share, valuing the Company at c.S$269 million**
- **Offer Price is final**
- **Offeror has secured irrevocable undertakings amounting to c.63.2% from several Eu family shareholders and two of the largest institutional shareholders of the Company**

Singapore, 16 May 2016 - A consortium consisting of Tower Capital TCM Holdings L.P. ("Tower Capital"), Temasek and certain members of the Eu family (the "Offeror") today announced that it has made a voluntary conditional cash offer (the "Offer") of S$0.60 per share (the "Offer Price") for all the issued and paid-up ordinary shares ("Shares") of Eu Yan Sang International Ltd (the "Company" or "EYSI"), other than those Shares owned, controlled or agreed to be acquired by the Offeror as at the date of the Offer.

As at the date of this announcement, the Offeror has received irrevocable undertakings to accept the Offer in respect of approximately 63.2% of the existing total Shares of the Company from several Eu family shareholders, Aberdeen Asset Management Asia Limited and First State Investment Management (UK) Limited.

The Offer Price is final and excludes the interim dividend of 2.5 cents per Share (the “Interim Dividend”) that was announced by the Company on 15 May 2016. Acceptance of the Offer will not affect Shareholders’ entitlement to the Interim Dividend in accordance with the conditions set out in the Company’s announcement of 15 May 2016.

The Offer Price represents a premium(1) of approximately 17% and 25% to the volume weighted average price per Share for the corresponding three-month and six-month periods up to and including 9 May 2016, being the last full trading day prior to the announcement of the Offer. The Offer Price is also significantly higher than analysts’ target price range of S$0.30 - S$0.36 per Share, and 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.

In explaining the rationale for the Offer, Mr. Danny Koh of Tower Capital, said, "We believe the Offer Price presents an attractive offer to EYSI shareholders in view of the Company's recent financial performance and the current challenging environment it is operating in. Considering the low trading liquidity of the Shares, the Offer provides shareholders with more certainty, through an exit opportunity to realise their investment at a premium. The consortium’s acquisition of the Company will allow the new investors to partner with the participating Eu family shareholders in their efforts to invigorate the Company’s businesses.”

The Offer is conditional upon the Offeror having acquired or received at least 50% of the voting rights attributable to the maximum potential issued share capital of the Company as well as obtaining a statement of no objections to the Offer from the Foreign Investment Review Board of Australia.

Credit Suisse (Singapore) Limited is acting as the exclusive financial advisor to the Offeror. UOB Venture Management Private Limited is one of the investors in Tower Capital.

(1) Premia have been rounded to the nearest whole percent and computed based on the volume weighted average prices which were rounded to the nearest three (3) decimal places.

About Eu Yan Sang International Ltd

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.

For further information, please contact:

Zi-Kuan Lim
Director
Credit Suisse (Singapore) Limited
Tel: (65) 6212 2000

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.