

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

**RESULTS OF APPLICATION FOR DELISTING AND WAIVERS FROM RULES 1307 AND 1309
OF THE LISTING MANUAL**

1. INTRODUCTION

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

- 1.1** the offer announcement dated 16 May 2016 in relation to the voluntary conditional cash offer (the “**Offer**”) made by Credit Suisse (Singapore) Limited (“**Credit Suisse**”), for and on behalf of Righteous Crane Holding Pte. Ltd. (the “**Offeror**”), for all the issued and paid-up ordinary shares in the capital of the Company (the “**Shares**”), other than those Shares owned, controlled or agreed to be acquired by the Offeror as at the date of the Offer (the “**Offer Shares**”) (such announcement, the “**Offer Announcement**”);
- 1.2** the document dated 6 June 2016 issued by Credit Suisse for and on behalf of the Offeror, in relation to the Offer (the “**Offer Document**”);
- 1.3** 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**”);
- 1.4** the dealings disclosure announcement dated 2 June 2016 made by the Company in relation to the dealings disclosure made by Hillhouse Capital Management, Ltd (“**Hillhouse**”) on 1 June 2016 (the “**2 June Announcement**”);
- 1.5** 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.¹ of the total number of issued Shares (the “**4 August SSN**”);
- 1.6** the announcement dated 4 August 2016 made by the Company stating *inter alia* that the Company no longer meets the free float requirement prescribed by Rule 723 of the listing manual (the “**Listing Manual**”) of the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”);
- 1.7** the announcement dated 29 August 2016 made by Credit Suisse for and on behalf of the Offeror, pursuant to which the closing date of the Offer was extended to 5.30 p.m. (Singapore time) on 13 September 2016 (the “**29 August Announcement**”); and

¹ In this Announcement, unless otherwise stated, all references to percentage shareholding of the issued share capital of the Company are based on 449,190,217 Shares.

- 1.8 the dealings disclosure and level of acceptances of offer announcement dated 5 September 2016 made by Credit Suisse for and on behalf of the Offeror (the “**5 September Announcement**” together with the 2 June Announcement and the 4 August SSN, the “**Relevant Announcements**”).

2. **APPLICATION FOR DELISTING AND WAIVERS FROM RULES 1307 AND 1309 OF THE LISTING MANUAL**

- 2.1 An application was made on 25 August 2016 to the SGX-ST for the delisting of the Company from the Official List of the SGX-ST (the “**Proposed Delisting**”) and for waivers from compliance with Rules 1307 and 1309 of the Listing Manual.

- 2.2 On 7 September 2016, the SGX-ST advised that:

2.2.1 the SGX-ST has no objection to the Proposed Delisting;

2.2.2 the SGX-ST has no objection to granting the Company a waiver of Rule 1307 of the Listing Manual, subject to:

- (i) an announcement via SGXNET of the waiver granted, the reasons for seeking the waiver and the conditions as required under Rule 107 of the Listing Manual; and
- (ii) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the constitution of the Company; and

2.2.3 as the Offeror has made the Offer and the IFA (as defined below) has deemed the financial terms of the Offer to be on balance, fair and reasonable, Rule 1309 of the Listing Manual is complied with.

- 2.3 The SGX-ST’s decision is not an indication of the merits of the Proposed Delisting.

3. **REASONS FOR WAIVERS**

3.1 **Waiver from Rule 1307 of the Listing Manual**

Rule 1307 of the Listing Manual requires the Proposed Delisting to be approved by the shareholders of the Company (the “**Shareholders**”) in a general meeting, with a specific voting approval threshold requirement that the delisting resolution must not have been voted against by 10 per cent. or more of the Shareholders present and voting, on a poll, at the meeting.

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 number of issued Shares.

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

As stated in the 5 September Announcement, at 5.00 p.m. on such date, 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 378,961,803 Shares, representing approximately 84.366 per cent. of the total number of issued Shares.

Based on the aforesaid information set out in the Relevant Announcements, each of Hillhouse, TFW and the Offeror is a substantial Shareholder and collectively, they hold more than 90 per cent. of the total number of issued Shares.

If the Proposed Delisting were put to a vote by the Shareholders, the Offeror intends to vote all its Shares in favour of the delisting resolution. This intention is in line with the public disclosures previously made by the Offeror in relation to the maintenance of the Company listing status and the consent letter dated 23 August 2016 issued by the Offeror to the Company (the “**Offeror Consent Letter**”). Further, pursuant to the consent letter issued by each of Hillhouse and TFW to the Company on 23 August 2016, if the Proposed Delisting were put to a vote by the Shareholders, each of them undertakes to vote all its Shares in favour of the delisting resolution.

Accordingly, it is a given conclusion that any delisting resolution will be approved. For that reason, it would be an unnecessary expenditure of time and expense if the Company were required to call a general meeting of its Shareholders to approve the Proposed Delisting.

3.2 Waiver from Rule 1309 of the Listing Manual

The grounds for the Company's application for a waiver from Rule 1309 of the Listing Manual are as follows:

- 3.2.1 No intention to maintain listing:** The Offeror has consistently, regularly and unambiguously stated that it does not intend to maintain the listing status of the Company. The Shareholders are therefore aware of the delisting risk, and would have had a reasonable opportunity to exit their investment in the Company either by selling their Shares on the SGX-ST (since the Offer was announced on 16 May 2016) or by accepting the Offer (since the Offer Document was posted on 6 June 2016).

- 3.2.2 Offer Price is on balance, fair and reasonable:** The offer price for each Offer Share of S\$0.60 in cash (the “**Offer Price**”) represents a premium of 24.74 per cent. over the volume weighted average prices of the Shares traded on the SGX-ST for the six-month period prior to and including 9 May 2016, being the last trading day immediately prior to the announcement of the Offer on 16 May 2016 (as the Company had requested for a trading halt on 10 May 2016).² PrimePartners Corporate Finance Pte. Ltd., the independent financial adviser to the directors of the Company considered independent for the purposes of the Offer (the “**IFA**”), had opined that the financial terms of the Offer are on balance, fair and reasonable. It should also be noted that under the Singapore Code on Takeovers and Mergers (the “**Code**”), except with the consent of the Securities Industry Council, the Offeror is prohibited from acquiring Shares at above the Offer Price or on terms better than the terms of the Offer within six months of the close of the Offer.³ Accordingly, even if an exit offer is made, it will have to be made based on the Offer Price and the same terms as that of the Offer.
- 3.2.3 Costs and expenses of exit offer:** An exit offer is not materially different from a takeover offer regulated under the Code. If an exit offer is required to be made, the Company would incur additional costs and expenses in appointing the IFA (who will be giving its opinion on the Offer Price, when there is an existing IFA’s opinion that the commercial terms of the Offer are on balance, fair and reasonable), preparing the circular to Shareholders and holding the extraordinary general meeting (in which the delisting resolution will definitely be approved as the Offeror and each of Hillhouse and TFW who collectively hold more than 90 per cent. of the total number of issued Shares have each indicated in their respective consent letters that they intend to vote in favour of the Proposed Delisting).
- 3.2.4 Closing Date:** The Offeror has also indicated in the Offeror Consent Letter that in the event that the SGX-ST approves the Proposed Delisting, it intends to extend the closing date of the Offer for a minimum of two weeks following such date on which the approval from the SGX-ST is announced by the Company (the “**Relevant Period**”). This would achieve the same objective as the exit offer – that of giving the remaining Shareholders who have not accepted the Offer a reasonable opportunity to exit their investment in the Company – but through a much simpler procedure and at significantly lower costs to the Company.

² As stated in the Offer Announcement, the premia of the Offer Price over the one-month, three-month and six-month volume weighted average prices are 8.50 per cent., 16.50 per cent. and 24.74 per cent. respectively. 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.

³ Rule 33.2 of the Code.

4. DIRECTORS' 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 Announcement, the Offer Document, the Offer Unconditional Announcement, the 4 August SSN, the 29 August Announcement and the 5 September Announcement), 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
7 September 2016