





Eu Yan Sang International Ltd ("EYSI")

Questions relating to Bo Ying Compound

Annual General Meeting: 29th October 2014

Different versions of Bo Ying Compound ("BYC")

Our Group produces 4 versions of BYC:

	Manufactured By	Manufactured In	Intended Countries of Sale
HK BYC	Eu Yan Sang (Hong Kong) Limited ("EYS HK")	Hong Kong	Hong Kong and Macau
US BYC	Third party FDA-registered GMP certified manufacturer	United States	United States
CN BYC	EYS HK	Hong Kong	China
SG/MY BYC	Eu Yan Sang (1959) Limited	Malaysia	Malaysia and Singapore

Different Versions of Bo Ying Compound ("BYC")

- As we cater to different regulatory and safety requirements of the intended countries of sale, there are differences in the ingredients used and the composition of each version. There are also differences in packaging and labelling.
- All 4 versions meet the regulatory and safety requirements of the intended countries of sale.
- Our Group does not export a version outside of its respective intended countries of sale. Any version found outside of its intended countries of sale is not authorised by our Group.

BYC Incident in New York

- Information on the actual incident is scant, as the complaint was made to the New York City Department of Health and Mental Hygiene ("NYC DOHMH").

BYC Incident in New York

- In or about July 2014, NYC DOHMH received a report of suspected lead poisoning in a 18 month old child.
- NYC DOHMH tested two samples of BYC product for lead – (a) the sample provided by the family of the child (lot number OSD410- (with final digit missing)) tested at 16 ppm; and (b) a retail sample (lot number OLD4180) tested at 2.5 ppm. They were higher than NYC DOHMH's limits of 2 ppm (for food ingredients).

BYC Incident in New York

- NYC DOHMH then circulated a health warning to retailers in New York City, and issued an "Order of the Commissioner to Vendors of Bo Ying Compound" dated 16th July 2014 ("Order") and letters to EYSI and EYS HK dated 1st August 2014.

BYC Incident in New York

- On 1st August 2014 (Fri) afternoon/evening, our Group learnt of the health warning through the press media in Hong Kong, and social media in Hong Kong and Taiwan.
- Within the same day, EYS HK responded to Hong Kong reporters and posted an official announcement on its website. A revised announcement was posted on 4th August 2014.
- Subsequently, FB users made queries on the health warning on Eu Yan Sang Singapore's FB page. Our Group responded accordingly.

BYC Incident in New York

- Within the same day (1st August 2014), EYSI appointed a US lawyer to start a line of communication with NYC DOHMH.
- On 8th August 2014 (Fri), our US lawyer obtained and forwarded to us copies of the Order and NYC DOHMH's letters (addressed to EYSI and EYS HK). The NYC DOHMH's letters reached us by post about 3 days later.

BYC issues in New York

- As at 27th August 2014 (Wed), we considered the issues presented in the NYC DOHMH letters and have done the following:
  - We checked our records and retested possible batches of HK BYC. They were within Hong Kong's maximum permitted lead level.
  - We retested the lead level of US version of BYC. The results were within NYC DOHMH's limits of 2 ppm.

BYC issues in New York

(cont.)

- There are various sources of lead in the environment. We do not know how the US health authorities arrived at the conclusion that the product caused lead poisoning in the child. It is possible that the child may not have been properly diagnosed and the cause identified.

BYC issues in New York

(cont.)

- Consumption of our BYC (based on the dosage indicated) is not known to cause lead poisoning.
- We are unable to ascertain whether the product in question is a genuine Eu Yan Sang product.
- We assessed that we are unable to completely prevent the unauthorised export of HK BYC to the US.
- As we do not intend to market HK BYC in the US, we have been advised that it is not necessary to respond to the NYC DOHMH's letters. Nonetheless, we decided to explain our position to NYC DOHMH.

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Response to NYC DOHMH

- On 26th August 2014 (Wed), our US lawyer sent our reply to NYC DOHMH. The main points were:
  - Our genuine products satisfy the regulatory safety requirements of the intended countries of sale.
  - Lead safety levels vary from country to country and with different categories of products.
  - HK BYC complies with the lead limits established in Hong Kong and Macau.

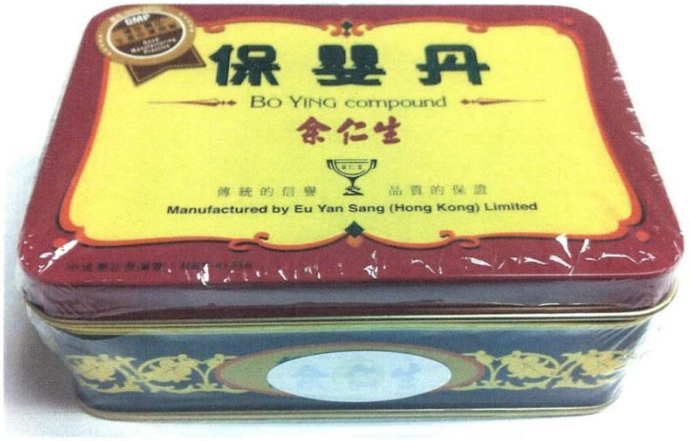
Response to NYC DOHMH

(cont.)

- The sale of HK BYC in the US is not authorised or approved by our Group.
- We do not need to sell HK BYC in the US, since we have US version of BYC. The two versions have different packaging and labelling.
- US version of BYC is not the subject of the Order, and we intend to continue selling it as a dietary supplement in the US.

Comparison of Bo Ying Compound: HK & US version

Outer box (Front):



HK

膳食補充劑
Dietary Supplement



US

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Outer box (Back):



HK



US

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Inner Pack:





HK





US

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FDA MedWatch Alert

- On 4th September 2014 (Thu), our US lawyer contacted the relevant personnel from NYC DOHMH to ask for an update. The person confirmed receipt of our response and informed us that they will discuss internally, before informing us of the results of their discussions.
- On 26th September 2014 (Fri), the FDA MedWatch Alert was posted by the FDA.

FDA MedWatch Alert – subsequent events

- On 27th September 2014 (Sat), our US lawyer notified us of the FDA MedWatch Alert.
- Subsequently, we received queries from the public and media in various countries.
- On 29th September 2014 (Mon), our US lawyer contacted the person at NYC DOHMH again. He was told to contact the FDA if we want to understand why the FDA issued its MedWatch Alert. We were asked to submit a written request for information, if we wish to obtain further information from NYC DOHMH.

FDA MedWatch Alert – subsequent events

- On 30th September 2014 (Tue), EYSI:
  - held an analysts' briefing and a media interview (given by Mr Richard Eu) in Singapore;
  - released a statement in response to the FDA MedWatch Alert to the media and on our website and social media; and
  - released a short announcement on SGX Net.
- Over the next few days, media in Singapore, Malaysia and Hong Kong reported on the FDA MedWatch Alert and our responses and responses from the relevant health authorities.

Official Announcement
September 29, 2014

In response to the statement issued by U.S. health authorities that excessive lead was found in “Bo Ying Compound of Eu Yan Sang Hong Kong", the Eu Yan Sang Group has appointed U.S. lawyers to liaise with the U.S. authorities in order to effectively protect consumers’ health as well as our Group’s reputation. The Group has never exported any "Hong Kong Bo Ying Compound" to the U.S. Bo Ying Compound of Eu Yan Sang in the U.S. is produced locally in Good Manufacturing Practices (GMP) facilities to ensure that our product fully complies with the quality assurance standards.

Our daily food sources, including drinking water and natural food made from plants such as green tea, contain heavy metals (including lead) naturally found in soil. They are considered safe for consumption as long as the amounts do not exceed the World Health Organization's safety standard, and the relevant safety standards for the product which in turn depend on the intended country of sale.

Bo Ying Compound of Eu Yan Sang Hong Kong is a registered Proprietary Chinese Medicine under Department of Health. Eu Yan Sang Hong Kong’s Bo Ying Compound complies with safety requirements set out by the Hong Kong Department of Health, and has passed all required tests for safety (including lead content), long term toxicity test, clinical trials, quality and stability. According to the Chinese Medicine Ordinance, the Hong Kong Department of Health has set the total daily intake of lead level at 179 ug/day, while the lead content contained in Bo Ying Compound of Eu Yan Sang Hong Kong is negligible. The product is safe for its intended use.

Eu Yan Sang Group is committed to producing high-quality products through a strictly controlled manufacturing process. All of Eu Yan Sang Group’s products adhere to the Chinese medicine regulations imposed by the regulatory authorities in the country of origin. Eu Yan Sang’s Bo Ying Compound is manufactured both in Hong Kong and Malaysia in its own manufacturing plants. Every batch of product meets the safety and quality standards for proprietary Chinese medicine set by the local health regulating bodies.

Eu Yan Sang's manufacturing facility in Hong Kong has obtained Hong Kong Good Manufacturing Practices (GMP) Certificate, TGA's PIC/S GMP and ISO9001:2008 Certification and the manufacturing facility in Malaysia also obtained GMP certification since 1997 and ISO9001 international accreditation 2001 to ensure that all products produced in the facility comply with the stringent safety and quality assurance standards and are deemed safe for consumption.

Consumers can be rest assured of the safe use of Eu Yan Sang Hong Kong's products.

For further enquiries, please contact our Customer Service hotline during working hours between Monday and Friday:
In Hong Kong (852) 2544 3308
In Singapore 1800 8881879
In Malaysia 1300 888213

FDA MedWatch Alert – subsequent events

- On 1st October 2014, Singapore's "Today" newspapers reported a Health Sciences Authority spokesman as saying that the Singapore BYC's "lead levels were within the acceptable limits of international and regional guidelines for herbal medicines".
- On 2nd October 2014 (Thu), Hong Kong Oriental Daily and The Sun reported that Hong Kong Department of Health has tested random samples of BYC and they were found to be within the lead limits in Hong Kong and also NYC's lead limits of 2 ppm. EYS HK released a Chinese statement on its website as an update.

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FDA MedWatch Alert – subsequent events

- On 8th October 2014 (Wed), our US lawyer reported that:
  - NYC DOHMH said they will not release details on the infant nor the lead poisoning, due to privacy laws;
  - FDA will only release the Medwatch form, if we submit a written request under Freedom of Information Act.
- Our US lawyer is trying to get more information from US authorities.
- Our intention: clear our name with US authorities.

Conclusion

- Our products comply with the regulatory and safety requirements of the intended countries of sale. In particular, the HK BYC has been cleared by HK's health authorities.
- Allegations of excessive lead levels arose primarily because of differing lead limits amongst countries and across product categories. BYC products intended for a specific country and product category are being measured against the requirements of another country.

Q&A

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Thank You!

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