



**EU YAN SANG INTERNATIONAL LTD**

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**For Immediate Release**

**Eu Yan Sang to receive significant injection of capital and management expertise from strategic investor to accelerate growth in China**

**Singapore, 15 January 2016** – Eu Yan Sang International Ltd (“EYSI”, “the Group” or “余仁生国际企业” ), has entered into an agreement with HCare Investments Holding Limited (“HCare”), an investment vehicle managed by CareCapital Advisors, a leading investment and business consulting firm with deep expertise in the healthcare industry in China. EYSI will receive a significant injection of capital and management expertise in China to expand Eu Yan Sang’s brand reputation and heritage and build up a scalable traditional Chinese medicine (TCM) business in China.

Under the agreement, HCare shall subscribe for new shares issued by Eu Yan Sang China Holdings Limited (“EYSCH”), a newly incorporated company which shall hold the entire issued share capital of Eu Yan Sang (China Venture) Limited and Eu Yan Sang Trading (Guangdong) Co. Ltd. This transaction will be consummated after satisfying certain conditions, including the entry into licensing and supply agreements.

EYSCH will be the exclusive platform of the Eu Yan Sang brand in China, and shall conduct product research and development, manufacturing, distribution and retailing of TCM related products. Mr Robert Eu, Chairman of EYSI and Mr Dai Feng, Managing Director of HCare, shall serve as co-Chairmen of EYSCH.

The cooperation is expected to fast-track the growth of EYSI business in China, which contributed 1% revenue to the Group’s FY2015 financials. To support this growth, HCare has committed an initial capital injection of US\$10 million. To support future business growth, HCare has made available a further line of capital of up to US\$25 million, which shall be injected as and when approved by the Board of Directors of EYSCH. EYSI shall also provide matching funding of US\$1 million in the initial stage and a further line of capital of up to US\$2.5 million.

In addition, HCare will provide a team of C-suite executives with a stellar track record in building healthcare companies in China, to complement the existing EYS team in China. EYSCH shall tap into the deep expertise provided by HCare in product development, marketing, e-commerce and regulatory affairs in the Chinese healthcare industry.

Aside from this significant cooperation, EYSI continues with other projects in China. In late October 2015, EYSI through its wholly owned subsidiary, Eu Yan Sang (Hong Kong) Limited entered into a collaboration with Shanghai Rong Yue Medical Consultancy and Management Company Limited to start a TCM clinic in Shanghai. In 2013, EYSI formed a joint venture with Chengdu-based Sichuan Neautus Traditional Chinese Medicine Co. Ltd with the aim to upgrade Eu Yan Sang’s supply chain and improve the group’s margins.



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Commenting on the cooperation, Mr Richard Eu (余义明), Group Chief Executive Officer of EYSI, said: “We see this cooperation as a means of accelerating our business growth in China. We are privileged to be partnering HCare as we aim to further raise our profile and presence in China. This partnership would not have been achieved without the years of hard work and commitment of our existing team in China.

“China, as the world’s largest TCM market, poses a golden opportunity for us as rising disposable incomes, greater health awareness and supportive government policies have helped stoke the TCM market further.”

Speaking about the partnership, Mr Dai Feng (冯岱) said: “We are very excited to partner with Eu Yan Sang, the leading international TCM group, and thankful to Richard, his team and the Eu family in trusting us. Eu Yan Sang is an organisation with genuine heritage and has been innovating and providing trusted TCM solutions for over 136 years. We look forward to using our management expertise and broad network to expand Eu Yan Sang's premium products and brand heritage in China.”

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### **About Eu Yan Sang International (SGX: EYSI)**

Listed on the Singapore Exchange, Eu Yan Sang International Ltd (“EYSI”, “the Group” is a leading integrative health and wellness company with a unique heritage in TCM. As one of the largest TCM groups in Southeast Asia, EYSI drives the industry forward with scientific and innovative approaches in the production and retail of its TCM and wellness products.

From the sourcing of raw materials to manufacturing and distribution of the finished products, as well as the provision of treatments—the Group is able to control the total supply chain, giving it a competitive advantage in the industry.

Manufacturing activities are carried out in two of its GMP-certified (Good Manufacturing Practices) factories located in Hong Kong and Malaysia. Every production process demonstrates full GMP accreditation for unmatched quality assurance. The factory in Hong Kong has also earned a certification by the Therapeutic Goods Administration (TGA) of Australia, in accordance to the Pharmaceutical Inspection Convention and Pharmaceutical Inspection Cooperation Scheme (PIC/S) Guide to GMP for Medicinal Products.

As at 31 December 2015, Eu Yan Sang has an extensive distribution network comprising 252 company-operated retail outlets and 20 franchises in China, Hong Kong, Macau, Malaysia, Singapore and Australia. Its products are available online at [www.EuYanSang.com](http://www.EuYanSang.com), as well as in drugstores, pharmacies, medical halls, supermarkets, convenience stores, hospitals, health clubs and spas worldwide. The Group also operates a chain of 31 TCM Clinics in Singapore and Malaysia and two Integrative Medical Centres in Hong Kong. In addition to that, the Group also runs four food and beverage (F&B) outlets in Malaysia and Shanghai.



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**About HCare**

HCare is an investment vehicle managed by CareCapital Advisors, a leading investment and business consulting firm with deep expertise in the healthcare industry in China. CareCapital's team is composed of accomplished executives in the Chinese healthcare industry with extensive capabilities in consumer brand building, drug product marketing, distribution, manufacturing and regulatory affairs. Mr. Dai Feng, the co-founder of CareCapital, has a strong track record built over a decade of investing in and upgrading small and sub-scale healthcare companies into industry behemoths in consumer health, medical devices and biologics.

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