

CIRCULAR DATED 24 JUNE 2024

THIS CIRCULAR (AS DEFINED HEREIN) IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF SAC CAPITAL PRIVATE LIMITED, THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by Eu Yan Sang International Ltd. If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your Shares (as defined herein), you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.



Caring since 1879

EU YAN SANG INTERNATIONAL LTD

(Company Registration No. 199302179H)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to the

MANDATORY UNCONDITIONAL GENERAL OFFER

by

DBS BANK LTD.

(Company Registration No. 196800306E)
(Incorporated in the Republic of Singapore)

as financial adviser for and on behalf of

SOAR R2M PTE. LTD.

(Company Registration No. 202412432M)
(Incorporated in the Republic of Singapore)

to acquire all the Offer Shares (as defined herein)

Independent Financial Adviser to the Independent Directors



SAC CAPITAL PRIVATE LIMITED

(Company Registration No. 200401542N)
(Incorporated in the Republic of Singapore)

SHAREHOLDERS (AS DEFINED HEREIN) SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER (AS DEFINED HEREIN) AT 5.30 P.M. (SINGAPORE TIME) ON 8 JULY 2024 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR (AS DEFINED HEREIN).

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

“Accepting Shareholder”	:	A Shareholder who tenders his Shares in acceptance of the Offer
“Acquisition”	:	Shall have the meaning ascribed to it in Section 1.1 of this Circular
“Annual Report”	:	Annual report of the Company
“Business Day”	:	A day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore
“Circular”	:	This circular to Shareholders dated 24 June 2024 enclosing, <i>inter alia</i> , the recommendation of the Independent Directors and the IFA Letter
“Closing Date”	:	5.30 p.m. (Singapore time) on 8 July 2024 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Offer
“Code”	:	The Singapore Code on Take-overs and Mergers, as amended from time to time
“Companies Act”	:	The Companies Act 1967 of Singapore
“Company”	:	Eu Yan Sang International Ltd
“Company Securities”	:	(a) Shares; (b) other securities which carry voting rights in the Company; and (c) convertible securities, warrants, options and derivatives in respect of securities which are being offered for or which carry voting rights in the Company
“Constitution”	:	The constitution of the Company
“CPF”	:	The Central Provident Fund
“CPF Agent Banks”	:	Agent banks included under the CPFIS
“CPFIS”	:	CPF Investment Scheme
“CPFIS Investors”	:	Shareholders who purchased Shares using their CPF savings under the CPFIS

“Date of Receipt”	:	The date of receipt of the FAT by the Receiving Agent for and on behalf of the Offeror or, in the case where such date of receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date (provided always that the date of receipt falls on or before the Closing Date)
“DBS”	:	DBS Bank Ltd., being the financial adviser to the Offeror
“Despatch Date”	:	10 June 2024, being the date of despatch of the Offer Document and the FAT
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“FAT”	:	The Form of Acceptance and Transfer for Offer Shares in respect of the Offer, which is applicable to Shareholders whose Offer Shares are registered in their own names in the Register and which forms part of the Offer Document
“FY”	:	Financial year ended or ending (as the case may be) 30 June of a particular year as stated
“Group”	:	The Company and its subsidiaries
“IFA”	:	SAC Capital Private Limited, being the independent financial adviser to the Independent Directors in respect of the Offer
“IFA Letter”	:	The letter dated 24 June 2024 from the IFA to the Independent Directors in relation to the Offer as set out in Appendix I to this Circular
“Independent Directors”	:	The Directors, all of whom are considered independent for the purposes of the Offer
“Interested Person”	:	As defined in Note 1 on Rule 23.12 of the Code, an interested person, in relation to a company, is: <ul style="list-style-type: none"> (a) a director, chief executive officer, or substantial shareholder of the company; (b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company; (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary;

- (d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or
- (f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more

“Investors”	:	Rohto and Mitsui
“Latest Practicable Date”	:	10 June 2024, being the latest practicable date prior to the printing of the Circular
“Mitsui”	:	Mitsui & Co., Ltd.
“NAV”	:	Net asset value
“NTA”	:	Net tangible assets
“Offer”	:	The mandatory unconditional general offer made by DBS, for and on behalf of the Offeror, for all of the Offer Shares on the terms and subject to the conditions set out in the Offer Document and the FAT, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
“Offer Announcement”	:	The announcement of the Offer released by DBS, for and on behalf of the Offeror, on the Offer Announcement Date
“Offer Announcement Date”	:	22 May 2024, being the date of the Offer Announcement
“Offer Document”	:	The offer document dated 10 June 2024, including the FAT and any other document(s) which may be issued by or on behalf of the Offeror, to amend, revise, supplement or update this document(s) from time to time
“Offer Price”	:	The offer price for each Offer Share validly tendered in acceptance of the Offer, as more particularly described in Section 2 of this Circular
“Offer Share(s)”	:	The Shares, other than the Shares already owned, controlled or agreed to be acquired by the Offeror and any person acting in concert with it

“Offeror”	:	Soar R2M Pte. Ltd., a special purpose vehicle owned by Rohto and Mitsui
“Offeror Securities”	:	(a) Offeror Shares; (b) other securities which carry voting rights in the Offeror; and (c) convertible securities, warrants, options and derivatives in respect of securities which are being offered for or which carry voting rights in the Offeror
“Offeror Shares”	:	Issued ordinary shares in the capital of the Offeror
“Overseas Shareholders”	:	Shareholders whose addresses as shown in the Register are outside of Singapore
“Pre-Condition”	:	The pre-condition to the making of the Offer is the satisfaction or waiver of the SPA Condition in accordance with the SPA
“Pre-Conditional Announcement Date”	:	4 April 2024, being the date of the Pre-Conditional Offer Announcement
“Pre-Conditional Offer Announcement”	:	The announcement released by DBS, for and on behalf of the Offeror, on the Pre-Conditional Announcement Date
“RCH”	:	Righteous Crane Holding Pte. Ltd.
“Reference Period”	:	The period commencing six (6) months prior to the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date
“Register”	:	The register of members of the Company, as maintained by the Registrar
“Registrar” or “Receiving Agent”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“Richard Eu”	:	Mr. Richard Eu Yee Ming
“Richie Eu”	:	Mr. Richard Eu Zai Qi
“Rohto”	:	Rohto Pharmaceutical Co., Ltd.
“Sale Shares”	:	The 381,922,612 issued ordinary shares in the capital of the Company held by RCH
“SFA”	:	The Securities and Futures Act 2001 of Singapore
“Shareholders”	:	Holders of the Shares as indicated on the Register

“Shares”	:	Issued ordinary shares in the capital of the Company
“SPA”	:	The conditional sale and purchase agreement dated 4 April 2024 entered into by RCH (as the vendor), the Offeror (as the purchaser) and the Investors (as the Offeror’s guarantors), for the sale and purchase of Sale Shares
“SPA Condition”	:	The condition to the SPA is to obtain all necessary or appropriate approvals under applicable competition laws from the relevant competition authorities in the People’s Republic of China and the Republic of Korea
“SRS”	:	The Supplementary Retirement Scheme
“SRS Agent Banks”	:	Agent banks included under the SRS
“SRS Investors”	:	Shareholders who have purchased Shares pursuant to the SRS
“TCM”	:	Shall have the meaning ascribed to it in Section 2 of Appendix II of this Circular
“S\$”	:	Singapore dollars, being the lawful currency of Singapore
“SIC”	:	The Securities Industry Council
“SIC’s Response”	:	Shall have the meaning ascribed to it in Section 15.1 of this Circular
“%” or “per cent.”	:	Percentage or per centum

Unless otherwise defined herein, the expression **“acting in concert”** and the term **“concert parties”** shall have the meanings as ascribed to them respectively in the Code.

The term **“depository agent”** shall have the meaning ascribed to it in Section 81SF of the SFA.

The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one (1) gender shall, where applicable, include the other or neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment or statutory provision is a reference to that enactment or statutory provision for the time being amended or re-enacted. Any word defined in the Companies Act, the SFA or the Code or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA or the Code or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date respectively, unless otherwise stated.

Any discrepancies in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Constitution are set out in this Circular within quotes and in italics and capitalised terms used within these reproduced statements bear the meanings ascribed to them in the Offer Document, the IFA Letter and the Constitution respectively.

In this Circular, the total number of Shares as at the Latest Practicable Date is 444,545,960 Shares (excluding treasury shares). Unless otherwise specified, all references to percentage shareholdings in the share capital of the Company in this Circular are based on 444,545,960 Shares (excluding treasury shares) in the issued share capital of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, the Company does not hold any Shares as treasury shares.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular 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 Company’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 other investors of the Company should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA guarantees any future performance or event or assumes any obligation to update publicly or revise any forward-looking statement.

INDICATIVE TIMETABLE

Despatch Date of the Offer Document	:	10 June 2024
Closing Date in respect of the Offer ⁽¹⁾⁽²⁾⁽³⁾	:	5.30 p.m. (Singapore time) on 8 July 2024 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Offer
Date of settlement in respect of the Offer on which the Offer Price is despatched to Accepting Shareholders ⁽¹⁾	:	In respect of valid and complete acceptances received, within seven (7) Business Days after the Date of Receipt of each such acceptance
Final date of settlement in respect of the Offer	:	Within seven (7) Business Days after the Closing Date

Notes:

- (1) Please also refer to Appendix 1 to the Offer Document, which sets out the details of the Offer, for further details.
- (2) The Offer Document states that the Offer must initially be open for at least 28 days from the Despatch Date.
- (3) CPFIS Investors, SRS Investors and other investors who hold Shares through finance companies or depository agents will receive notification letter(s) from their respective CPF Agent Banks, SRS Agent Banks, finance companies and/or depository agents. Such investors should refer to those notification letter(s) for details of the last date and time (which may be earlier than the Closing Date) to reply to their respective CPF Agent Banks, SRS Agent Banks and finance companies in order to accept the Offer.

EU YAN SANG INTERNATIONAL LTD

(Company Registration No. 199302179H)
(Incorporated in the Republic of Singapore)

LETTER FROM THE BOARD OF DIRECTORS

Board of Directors:

Mr. Richard Eu Yee Ming (Group Chairman)
Mr. Wong Dominic Ho Kang (Group Chief Executive Officer)
Mr. Chua Siang Hwee, Jeffrey (Non-Executive Director)
Mr. Koh Thong Meng, Danny (Non-Executive Director)
Ms. Chong Phit Lian (Non-Executive Director)

Registered Office:

21 Tai Seng Drive,
Singapore 535223

24 June 2024

To: The Shareholders of the Company

Dear Sir/Madam

MANDATORY UNCONDITIONAL GENERAL OFFER BY DBS FOR AND ON BEHALF OF THE OFFEROR

1. INTRODUCTION

1.1 Pre-Conditional Offer Announcement

On the Pre-Conditional Announcement Date, DBS announced, for and on behalf of the Offeror, *inter alia*, that:

- (a) the Offeror had entered into the SPA with RCH and the Investors, as the Offeror's guarantors, pursuant to which RCH agreed to sell, and the Offeror agreed to purchase the Sale Shares, which represent approximately 85.9 per cent. of all the Shares as at the Pre-Conditional Announcement Date, on the terms and conditions set out in the SPA (the "**Acquisition**"); and
- (b) subject to and contingent upon satisfaction of the Pre-Condition, and in accordance with Rule 14 of the Code, the Offeror will be required to make the Offer for all Shares, other than the Sale Shares.

A copy of the Pre-Conditional Offer Announcement is available on the corporate website of the Company at <https://www.euyansang.com.sg/en/newsroom/eyscorporate27.html>.

1.2 Offer Announcement

On the same day that the Pre-Condition was satisfied, being the Offer Announcement Date, DBS announced, for and on behalf of the Offeror, the Offeror's firm intention to make an Offer for all Shares, other than the Sale Shares, in accordance with Rule 14 of the Code.

A copy of the Offer Announcement is available on the corporate website of the Company at <https://www.euyansang.com.sg/en/newsroom/eyscorporate27.html>.

1.3 Offer Document

On the Despatch Date, the Offer Document was despatched to the Shareholders by DBS, for and on behalf of the Offeror, setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in Section 2 of the Letter to Shareholders of the Offer Document. **Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.**

A copy of the Offer Document is available on the corporate website of the Company at <https://www.euyansang.com.sg/en/newsroom/eyscorporate27.html>.

1.4 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer and to set out the advice and recommendation of the IFA to the Independent Directors and the recommendation of the Independent Directors with regard to the Offer.

Shareholders should consider carefully the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in relation to the Offer before deciding whether to accept the Offer. A copy of the IFA Letter is set out in Appendix I to this Circular.

If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

2. THE OFFER

The Offer is made by DBS for and on behalf of the Offeror, on the principal terms set out in Section 2 of the Letter to Shareholders in the Offer Document, which have been extracted from the Offer Document and reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“2. THE OFFER

2.1 Offer. *Subject to the terms and conditions set out in this Offer Document, for and on behalf of the Offeror, DBS hereby makes the Offer for all the Offer Shares, in accordance with Section 139 of the SFA and the Code.*

2.2 Offer Shares. *The Offeror is making the Offer for all of the Shares, other than those already owned, controlled or agreed to be acquired by the Offeror and any person acting in concert with it (the “Offer Shares”).*

2.3 Offer Price. *The offer price for each Offer Share acquired under the Offer (the “Offer Price”) is as follows:*

For each Offer Share S\$1.8184 in cash.

2.3.1 *The Offer Price is based on the aggregate consideration paid by the Offeror to RCH for the purchase of the Sale Shares under the SPA (the “SPA Consideration”), the computation of which is set out below, divided by the total number of Sale Shares and rounded to the nearest 4 decimal places. The aggregate Offer Price to be paid to each Shareholder who validly accepts the Offer shall be rounded down to the nearest S\$0.01. The SPA Consideration was arrived at after an arm’s length negotiation between the Offeror and RCH.*

2.3.2 In the Offer Announcement and the Pre-Conditional Offer Announcement, it was stated that the SPA Consideration shall be an amount determined as follows:

- (i) S\$687,345,640; plus
- (ii) an amount determined as follows:

$$(A + B) \times \frac{381,922,612}{444,545,960^1}$$

Where:

- (a) **“A”** means the difference in amount (the **“Overestimated Transaction Costs”**), if any, between:

- (I) the preliminary estimate of certain costs, expenses and fees incurred, paid or payable by, or attributable to, the Company and its subsidiaries (collectively, the **“Group”**) in connection with the Acquisition as set out in the SPA (the **“Transaction Costs”**), as agreed in writing between RCH and the Offeror as at the date of the SPA (the **“Preliminary Estimated Transaction Costs”**); and
- (II) the final estimated amount of the Transaction Costs that is paid or payable by the Group following SPA Completion, as notified in writing by RCH to the Offeror within 14 calendar days after the signing of the SPA (the **“Final Estimated Transaction Costs”**),

in the event that the Final Estimated Transaction Costs is a figure whose quantum is lower than the Preliminary Estimated Transaction Costs; and

- (b) **“B”** means the incremental amount calculated based on the following formula (the **“SPA Incremental Amount”**), in the event that SPA Completion takes place on a date after the date of the SPA:

$$B = S\$66,667 \times Y$$

Where:

“B” means the SPA Incremental Amount; and

“Y” means the number of calendar days between the date of the SPA (which date shall be included) and the date of SPA Completion (which date shall be excluded).

¹ As at the Latest Practicable Date, the Company had a total of 444,545,960 Shares.

2.3.3 As at the Offer Announcement Date, it has been determined that the Overestimated Transaction Costs is S\$4,331,200. On the basis that completion of the Acquisition (the “**SPA Completion**”) took place on 3 June 2024 (being eight Business Days following the satisfaction of the Pre-Condition), the SPA Incremental Amount is S\$4,000,020. Accordingly, after taking into account the adjustments as set out in Section 2.3.2(ii) above, the aggregate SPA Consideration is S\$694,503,238.07.

2.3.4 The Offer Price of S\$1.8184 for each Offer Share is accordingly derived from S\$694,503,238.07 (being the aggregate SPA Consideration) divided by 381,922,612 (being the total number of Sale Shares) and rounded to the nearest 4 decimal places.

2.4 Rights and Encumbrances. The Offer Shares are to be acquired:

2.4.1 fully paid;

2.4.2 free from all Encumbrances; and

2.4.3 together with all rights, benefits and entitlements and advantages attaching thereto as at the Pre-Conditional Announcement Date and hereafter attaching thereto, including the right to receive and retain (if any) all dividends, rights, other distributions and/or return of capital (collectively, the “**Distributions**”) announced, declared, paid or made by the Company in respect of such Offer Shares on or after the Pre-Conditional Announcement Date.

If any Distribution is or has been announced, declared, paid or made by the Company on or after the Pre-Conditional Announcement Date to a Shareholder who accepts or has accepted the Offer, and the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls after the book closure date for the determination of entitlements to such Distribution, the Offeror reserves the right to reduce the Offer Price payable to such Accepting Shareholder by the amount of such Distribution.

2.5 No Options. As at the Latest Practicable Date, based on the latest information available to the Offeror, there are no outstanding instruments convertible into, rights to subscribe for, and options or derivatives in respect of, the Shares or securities which carry voting rights in the Company.

2.6 Offer Unconditional. The Offer will be unconditional in all respects.

2.7 Warranty. A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof (i) fully paid, (ii) free from all Encumbrances, and (iii) together with all rights, benefits and entitlements and advantages attaching thereto as at the Pre-Conditional Announcement Date and hereafter attaching thereto, including the right to receive and retain (if any) all Distributions announced, declared, paid or made by the Company in respect of such Offer Shares on or after the Pre-Conditional Announcement Date as set out in **Section 2.4** above.

2.8 Choices. Shareholders can, in relation to all or part of their Offer Shares, either:

2.8.1 *accept the Offer in respect of such Offer Shares in accordance with the procedures set out in Appendix 2 to this Offer Document; or*

2.8.2 *take no action and let the Offer lapse in respect of their Offer Shares.”*

3. OTHER DETAILS OF THE OFFER

3.1 Duration of the Offer and Closing Date

First Closing Date. The Offer Document states that the Offer is open for acceptances by Shareholders for a period of at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person is released from any obligation incurred thereunder. **Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 8 July 2024 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.**

Subsequent Closing Date(s). The Offeror is not obliged to extend the Offer. However, if the Offer is extended, the announcement of the extension need not state the next Closing Date but may state that the Offer will remain open until further notice. In such a case, the Offeror must give Shareholders, as the case may be, who have not accepted the Offer at least 14 days’ prior notice in writing before it may close the Offer.

3.2 Further Details of the Offer

The Offer is made subject to the terms and conditions as set out in the Offer Document. Appendix 1 to the Offer Document sets out further details on, *inter alia*: (a) the settlement of the consideration for the Offer; (b) the requirements relating to the announcement of the level of acceptances of the Offer; and (c) the Shareholder’s right of withdrawal of its acceptances of the Offer.

4. PROCEDURES FOR ACCEPTANCE

The procedures for acceptance of the Offer are set out in Appendix 2 to the Offer Document.

5. RETENTION ARRANGEMENTS

The retention arrangements of Richard Eu and Richie Eu are set out in Section 3 of the Letter to Shareholders in the Offer Document, which have been extracted from the Offer Document and reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“3. RETENTION ARRANGEMENTS

3.1 *Reinvestment and Shareholding Structure of the Offeror.* *As set out in the Pre-Conditional Offer Announcement and the Offer Announcement, the Offeror and the Investors had entered into a reinvestment agreement (the “**Reinvestment Agreement**”) with each of Richard Eu, who is the chairman of the Company’s board of directors, and Richie Eu, who is the managing director for mergers and acquisitions of the Company.*

3.1.1 Pursuant to the Reinvestment Agreement, each of Richard Eu and Richie Eu has undertaken to reinvest a specified amount of the amount due to each of them (or to the vehicle through which each of them holds shares in RCH) as shareholders of RCH entitled to the distribution by RCH to its shareholders of the net proceeds from the sale of the Sale Shares following SPA Completion, to subscribe for new issued ordinary shares in the capital of the Offeror (the “**Reinvestment**”, and such shares, the “**Offeror Shares**”).

3.1.2 Following the completion of the Reinvestment, Richard Eu and Richie Eu will have an aggregate effective interest in the Company of approximately 10 per cent. (through their shareholdings in the Offeror). It is intended that Richard Eu will hold approximately 9.98 per cent. effective interest in the Company and Richie Eu will hold approximately 0.02 per cent. effective interest in the Company, in proportion to their existing effective interest in the Shares *inter se*.

The exact shareholding structure of the Offeror will be finalised following the completion of the Offer and Reinvestment, and will depend on the level of acceptances received by the Offeror pursuant to the Offer. For illustrative purposes, hypothetical examples of the Offeror’s shareholding structure and the approximate effective interest of each of the Investors, Richard Eu and Richie Eu in the Company and the Offeror immediately following completion of the Offer and Reinvestment are set out below:

Scenario 1: Assuming the Offeror acquires approximately 85.9 per cent. of the Shares from RCH and no acceptances are tendered under the Offer:

	Rohto (directly and/or indirectly)	Mitsui	Richard Eu and Richie Eu	Total
Company	50.6%	25.3%	10.0%	85.9%
Offeror	58.9%	29.5%	11.6%	100%

Scenario 2: Assuming the Offeror acquires 100 per cent. of the Shares from RCH and under the Offer:

	Rohto (directly and/or indirectly)	Mitsui	Richard Eu and Richie Eu	Total
Company	60%	30%	10%	100%
Offeror	60%	30%	10%	100%

3.2 Reinvestment Agreement. The Reinvestment Agreement contains provisions governing the relationship between the Investors, on the one hand, and Richard Eu and Richie Eu, on the other hand, including the following:

3.2.1 provisions relating to restrictions on share transfers, drag-along/tag-along rights in the event the Investors transfer more than 50 per cent. of the Offeror Shares to a third party, pre-emption rights over issuance of new Offeror Shares, reserved matters which will require the approval of Richard Eu, and the board appointment right, consultation rights and information rights of Richard Eu; and

3.2.2 *immediately following completion of the Acquisition and the Reinvestment, Richard Eu shall remain as chairman of the Company's board of directors and Richie Eu shall remain as managing director for mergers and acquisitions of the Company.*

Richard Eu and Richie Eu will have to bear the risks associated with the business and financial performance of the Offeror and its subsidiaries going forward and will have to accept the restricted rights of a minority shareholder in a privately held company.

3.3 **SIC Confirmation.** *The SIC has confirmed that the arrangements in the Reinvestment Agreement and the Reinvestment do not constitute a special deal for the purposes of Rule 10 of the Code."*

6. INFORMATION ON THE OFFEROR AND THE INVESTORS

Information on the Offeror and the Investors is set out in Section 4 of the Letter to Shareholders in the Offer Document, which have been extracted from the Offer Document and reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"4. INFORMATION ON THE OFFEROR AND THE INVESTORS

4.1 **The Offeror.** *The Offeror is a special purpose vehicle incorporated in Singapore, which has been established for the purpose of the Acquisition and the Offer. As at the Offer Announcement Date, the Offeror had an issued and fully paid-up share capital of S\$1 consisting of one ordinary share, which was held by Rohto. Following satisfaction of the Pre-Condition, both Rohto and Mitsui have subscribed for new Offeror Shares such that the Offeror is jointly owned by the Investors.*

As at the Latest Practicable Date, the Offeror has an issued and fully paid-up share capital of S\$505,397,316 comprising 505,397,316 ordinary shares, held as follows:

- (i) Rohto holds 336,931,544 Offeror Shares, representing approximately two-thirds of the total Offeror Shares; and*
- (ii) Mitsui holds 168,465,772 Offeror Shares, representing approximately one-third of the total Offeror Shares.*

Rohto may transfer up to 280,000,000 Offeror Shares to Mentholatum (Asia-Pacific) Limited, a wholly-owned subsidiary of Rohto, before or after the completion of the Offer and the Reinvestment.

As at the Latest Practicable Date, the board of directors of the Offeror comprises six members, consisting of four members appointed by Rohto and two members appointed by Mitsui, as follows:

- (a) Mr. Kunio Yamada;*
- (b) Mr. Masaya Saito;*
- (c) Mr. Hidetoshi Segi;*
- (d) Mr. Sin Kai Chung, Michael;*
- (e) Mr. Yoshifumi Hatanaka; and*
- (f) Mr. Gea Ban Peng.*

Appendix 3 to this Offer Document sets out additional information on the Offeror.

- 4.2 Information on Rohto.** Rohto was incorporated in Japan and is listed on the Tokyo Stock Exchange. Rohto is one of the leading wellness companies in Japan and operates its business with the aim of leading all individuals and society surrounding us to “well-being” by delivering “health” to people around the world through products and services. Rohto’s Business Domain Vision 2030 aims to further expand and strengthen its core businesses of over-the-counter drugs, skin care, and functional foods.

The board of directors of Rohto comprises 11 members, consisting of:

- (i) Mr. Kunio Yamada;
- (ii) Mr. Masashi Sugimoto;
- (iii) Mr. Masaya Saito;
- (iv) Mr. Shinichi Kunisaki;
- (v) Mr. Hidetoshi Segi;
- (vi) Mr. Yasunori Kawasaki;
- (vii) Ms. Yoshie Okouchi;
- (viii) Mr. Akie Iriyama;
- (ix) Ms. Haruka Mera;
- (x) Mr. Tatsuo Uemura; and
- (xi) Ms. Eriko Hayashi.

Appendix 4 to this Offer Document sets out additional information on Rohto.

- 4.3 Information on Mitsui.** Mitsui was incorporated in Japan and is listed on the stock exchanges of Tokyo, Nagoya, Sapporo and Fukuoka. Mitsui is one of the leading trading/investment conglomerate companies in Japan, with a strong capability to bring technology, product, service and knowledge by using its wide-ranged global network. Mitsui positions the healthcare and nutrition field as one of its priority areas, and is working to create a company-wide group called Wellness Ecosystem. Mitsui invested in IHH Healthcare, one of the largest hospital groups in Asia, in 2011, and through several additional investments to nutritional & medical fields, Mitsui has been expanding the healthcare business from prevention to treatment, and is focusing on innovative & comprehensive wellness care in Asia.”

7. RATIONALE FOR ACQUISITION AND THE OFFER

The rationale for the Acquisition and the Offer is set out in Section 6 of the Letter to Shareholders in the Offer Document, which have been extracted from the Offer Document and reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“6. RATIONALE FOR THE ACQUISITION AND THE OFFER

6.1 Rationale for the Acquisition

Rohto operates its business with the aim of leading all individuals and society surrounding it to “well-being” by delivering “health” to people around the world through its products and services. Its Business Domain Vision 2030 aims to further expand and strengthen its core businesses of over-the-counter drugs, skin care, and other food items. While the Skin Care segment currently accounts for approximately 65% of Rohto’s total sales, it is essential to further strengthen sales of over-the-counter drugs and other food items in order to provide solutions in all aspects of health. The Asia region, which accounts for 30% of total sales, is expected to grow further. Rohto has also been focusing on business expansion in other healthcare areas such as ophthalmology, regenerative medicine, and contract pharmaceutical development and manufacturing. By combining the Company’s strong product portfolio and brand reputation in Asia with Rohto’s research, technology development and sales capabilities, Rohto aims to be a leading innovative health business.

In its medium-term business plan leading up to 2026, Mitsui has set “Wellness Ecosystem Creation” as one of its core strategies, and aims to improve the quality of life for consumers with diverse lifestyles through the provision of healthcare, disease prevention, and healthy food. Since its 2018 investment in Thorne HealthTech Inc., a high-performance supplement manufacturer and distributor in the United States, Mitsui has been developing a “science-based disease prevention solutions business”. In November 2022, Mitsui invested in the Company through a fund, contributing to the expansion of the Company’s business by improving the Company’s brand value and supporting its overseas expansion. Upon SPA Completion, Mitsui’s existing interest in the Company through its fund holdings will cease as a result of sale of the Sale Shares by RCH, and it will invest in the Company through the Offeror. Mitsui aims to create an innovative new business by leveraging the competitiveness of the Eu Yan Sang brand and products in Asia and Rohto’s R&D and marketing capabilities.

Through this transaction, Mitsui and Rohto will jointly accelerate their efforts in the wellness sector, with a strategic focus on Asia.

6.2 Rationale for the Offer

6.2.1 The Offer Provides an Exit for Shareholders in an Unlisted Company

Following the Company’s delisting in October 2016, it has become difficult for the Shareholders to realise their investment in the Shares given the lack of a public market for the Shares.

With the Offer, the Shareholders will have an opportunity to realise the value of their Shares in cash at an attractive price.

6.2.2 Compliance with the Code

In accordance with Rule 14 of the Code, the Offeror is required, upon satisfaction of the Pre-Condition, to make the Offer for all Shares other than the Sale Shares.”

8. OFFEROR’S INTENTIONS FOR THE COMPANY

The Offeror’s intentions for the Company are set out in Section 7 of the Letter to Shareholders in the Offer Document, which have been extracted from the Offer Document and reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“7. OFFEROR’S INTENTIONS IN RELATION TO THE COMPANY

After the completion of the Offer, the Offeror intends to conduct a review of the business of the Group to identify potential synergies with the current businesses of the Investors.

Save as disclosed and other than in the ordinary course of business, there is presently no intention by the Offeror to (i) introduce any major changes to the business of the Company, (ii) re-deploy the fixed assets of the Company, or (iii) discontinue the employment of the employees of the Group. However, the Offeror retains and reserves the right and flexibility at any time to consider any options in relation to the Group which may present themselves and which it may regard to be in the interests of the Offeror, the Investors and the Group.”

9. COMPULSORY ACQUISITION

The Offeror’s intentions to exercise its rights under Section 215(1) of the Companies Act are set out in Section 8 of the Letter to Shareholders in the Offer Document, which have been extracted from the Offer Document and reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“8. COMPULSORY ACQUISITION

8.1 Compulsory Acquisition Rights. *Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer or acquires the Shares during the offer period otherwise than through valid acceptances of the Offer in respect of not less than 90 per cent. of the total number of Shares (other than those already held, or treated as held, by the Offeror as at the date of despatch of the Offer Document), the Offeror will be entitled to exercise its right to compulsorily acquire all the Shares of the Shareholders who have not accepted the Offer (the “Dissenting Shareholders”) on the same terms as those offered under the Offer.*

In the event that the Offeror becomes entitled to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of the Dissenting Shareholders, the Offeror intends to exercise such right. In such event, the Company will become a wholly-owned subsidiary of the Offeror.

- 8.2 Dissenting Shareholders' Rights.** *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 in treasury and the Shares held, or treated as held, by it, comprise 90 per cent. or more of the total number of Shares, the Dissenting Shareholders have a right to require the Offeror to acquire their Shares at the Offer Price. Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice."*

10. FINANCIAL EVALUATION OF THE OFFER

The financial evaluation of the Offer by the Offeror is set out in Section 9 of the Letter to Shareholders in the Offer Document, which have been extracted from the Offer Document and reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"9. FINANCIAL EVALUATION OF THE OFFER

9.1 The Offer Price represents:

- 9.1.1** *an attractive premium² of 203.1 per cent. to the offer price of S\$0.60 for the Company's delisting in October 2016; and*
- 9.1.2** *a significant premium² of 439.4 per cent. to the latest audited net asset value per Share of S\$0.3371³ as of 30 June 2023."*

11. DISCLOSURE OF SHAREHOLDINGS, DEALINGS AND OTHER ARRANGEMENTS

The information relating to the disclosure of shareholders, dealings and other arrangements by the Offeror is set out in Section 10 of the Letter to Shareholders in the Offer Document, which have been extracted from the Offer Document and reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"10. DISCLOSURE OF SHAREHOLDINGS, DEALINGS AND OTHER ARRANGEMENTS

10.1 Holdings of or Dealings in Company Securities. *As at the Latest Practicable Date, based on the latest information available to the Offeror and save as disclosed in **Appendix 8** to this Offer Document, none of the Offeror, its directors and any party acting or deemed to be acting in concert with the Offeror:*

- 10.1.1** *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 securities which are being offered for or which carry voting rights in the Company (collectively, the "Company Securities"); and*
- 10.1.2** *has dealt for value in any Company Securities during the Reference Period.*

² Rounded to the nearest 1 decimal place.

³ Figure derived based on the audited net asset value of the Company as of 30 June 2023 of S\$149.9 million divided by 444,545,960 Shares, rounded to the nearest 4 decimal places.

10.2 Irrevocable Commitments. *As at the Latest Practicable Date, neither the Offeror nor any party acting or deemed to be acting in concert with the Offeror has received any irrevocable commitment to accept the Offer in respect of any Company Securities.*

10.3 Other Arrangements. *As at the Latest Practicable Date, based on the latest information available to the Offeror and save as disclosed in this Offer Document, neither the Offeror nor any party acting or deemed to be acting in concert with the Offeror has:*

10.3.1 *entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to any Company Securities or the securities of the Offeror which might be material to the Offer;*

10.3.2 *granted any security interest in respect of any Company Securities to another person, whether through a charge, pledge or otherwise;*

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

10.3.4 *lent any Company Securities to another person.”*

12. CONFIRMATION OF FINANCIAL RESOURCES

The confirmation of financial resources by DBS is set out in Section 11 of the Letter to Shareholders in the Offer Document, which have been extracted from the Offer Document and reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“11. CONFIRMATION OF FINANCIAL RESOURCES

DBS, as financial adviser to the Offeror in respect of the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offer by Shareholders on the basis of the Offer Price.”

13. DIRECTORS' INTERESTS

Details of the Directors, including, *inter alia*, the Directors' direct and deemed interests in the Company Securities and the Offeror Securities as at the Latest Practicable Date, are set out in **Appendix II** to this Circular.

14. ADVICE IN RELATION TO THE OFFER

14.1 Appointment of Independent Financial Adviser

SAC Capital Private Limited has been appointed as the independent financial adviser to advise the Independent Directors for the purpose of making a recommendation to the Shareholders in connection with the Offer.

Shareholders should consider carefully the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors before deciding whether to accept the Offer.

The advice of the IFA to the Independent Directors in respect of the Offer is set out in the IFA Letter annexed as **Appendix I** to this Circular.

14.2 The IFA's Advice to the Independent Directors

After having regard to the considerations set out in the IFA Letter, and based on the information available to the IFA as at the Latest Practicable Date and subject to the qualifications and assumptions as set out in the IFA Letter, the IFA has given its advice (an extract of which is reproduced in italics below) in respect of the Offer. Unless otherwise defined or the context otherwise requires, all capitalised terms in the extract below shall have the same meanings as those defined in the IFA Letter.

Shareholders should read the following extract in conjunction with, and in the context of, the IFA Letter in its entirety as set out in **Appendix I** to this Circular.

"8. OUR OPINION AND ADVICE

8.1 Key Considerations of the Offer

In arriving at our opinion and advice in respect of the Offer, we have taken into account, and reviewed the following key considerations, which we consider to be pertinent in our assessment of the Offer. The following should be read in conjunction with, and in the context of, the full text of this letter:

- (a) absence of market quotation for the Shares, as set out in paragraph 7.1 of this letter;*
- (b) historical financial performance of the Group, as set out in paragraph 7.2 of this letter;*
- (c) the financial position of the Group, including the NAV and RNAV of the Group, as set out in paragraph 7.3 of this letter;*
- (d) a comparison with the valuation statistics of the Comparable Companies, as set out in paragraph 7.4 of this letter;*
- (e) a comparison with recent successful privatisation transactions and delisting offers of companies listed on the SGX-ST, as set out in paragraph 7.5 of this letter;*
- (f) estimated range of value of the Shares, as set out in paragraph 7.6 of this letter;*
- (g) a comparison with the previous take-over offers and historical prices paid for the shares, as set out in paragraph 7.7 of this letter; and*
- (h) other relevant considerations as follows:*
 - (i) there is no public trading platform to facilitate the trading of the Shares as set out in section 7.8.1 of this letter;*
 - (ii) the Offer being unconditional in all respects, as set out in paragraph 7.8.2 of this letter;*
 - (iii) the offeror's intention in relation to the Company and compulsory acquisition, as set out in paragraph 7.8.3 of this letter;*
 - (iv) the absence of alternative take-over offers from third parties as at the Latest Practicable Date, as set out in paragraph 7.8.4 of this letter;*
 - (v) the historical dividend yields of the Company, as set out in paragraph 7.8.5 of this letter; and*
 - (vi) the retention agreement, as set out in paragraph 7.8.6 of this letter.*

8.2 Assessment of the Offer

For the purpose of evaluating the Offer, we have adopted the approach that the term “fair” and “reasonable” are regarded as two different concepts. The term “fair” relates to an opinion on the value of the offer price against the value of the securities subject to the offer (the “**Securities**”), and an offer is “fair” if the price offered is equal to or greater than the value of the Securities. In considering whether an offer is “reasonable”, other matters as well as the value of the Securities are taken into consideration. Such other matters include, but are not limited to, existing voting rights in the company held by an offeror and its concert parties or the market liquidity of the relevant securities.

8.2.1 Assessment of Fairness of the Offer

In determining the fairness of the Offer, we have considered, inter alia, the following pertinent factors:

- (a) the Offer represents a premium of approximately 440.1% against the NAV per Share of S\$0.3367 as at 30 June 2023. Accordingly, the P/NAV of the Group implied by the Offer Price would be approximately 5.40 times as at 30 June 2023;
- (b) the Offer represents a premium of approximately 477.4% against the NTA per Share of S\$0.3149 as at 30 June 2023. Accordingly, the P/NTA of the Group implied by the Offer Price would be approximately 5.77 times as at 30 June 2023;
- (c) the Offer represents a premium of approximately 438.7% against the RNAV per Share of S\$0.3376 as at 30 June 2023. Accordingly, the P/RNAV of the Group implied by the Offer Price would be approximately 5.39 times as at 30 June 2023;
- (d) the historical PER, P/NAV ratio, P/RNAV ratio and P/NTA ratio as implied by the Offer Price are all above the range of the corresponding ratios of the Comparable Companies. In addition, the historical EV/EBITDA ratio as implied by the Offer Price is above the corresponding mean and median of the historical EV/EBITDA ratios of the Comparable Companies;
- (e) the P/NAV ratio, P/NTA ratio and P/RNAV ratio are above the range of corresponding price-to-NAV/NTA ratio the Take-Over Transactions;
- (f) the Offer Price is above the estimated value range of the Shares of S\$0.666 and S\$0.760 per Share; and
- (g) the Offer Price represents a premium of approximately 203.1% over the 2016 Price of S\$0.60, and a premium of 163.5% over the offer price of S\$0.69 per Share for the 2019 Purchased Shares and the 2021 Purchased Shares.

In view of the above, we are of the opinion that the Offer is **FAIR**.

8.2.2 Assessment of Reasonableness of the Offer

In determining the reasonableness of the Offer, we have considered, inter alia, the following pertinent factors:

- (a) the Shareholders will face difficulties in selling their Shares due to the absence of a public market if they wish to exit from their investments in the Company;*
- (b) the Offeror's intention in relation to the exercise of its rights of compulsory acquisition under Section 215(1) of the Companies Act, if it is so entitled, and*
- (c) as at the Latest Practicable Date, apart from the Offer, no alternative or competing offer has been received by the Company. In addition, the likelihood of an alternative or competing offer from any third party is remote in view that as at the Latest Practicable Date, the Offeror and any other person acting or presumed to be acting in concert with the Offeror in relation to the Acquisition and the Offer holds an aggregate of 381,922,612 Shares, representing approximately 85.9% of the total number of Shares.*

*In view of the above, we are of the opinion that the Offer is **REASONABLE**.*

8.3 **Our opinion on the Offer**

*In conclusion, we are of the opinion that, on balance, the financial terms of the Offer are **fair and reasonable**. Accordingly, we advise the Independent Directors to recommend Shareholders to vote **in favour** of the Offer."*

Please note that in rendering the above opinion, the IFA has not had regard to any specific investment objectives, financial situations, tax position or particular needs and constraints of any individual Shareholder.

15. **RECOMMENDATION OF THE INDEPENDENT DIRECTORS**

15.1 **Independence of Directors**

Each of Wong Dominic Ho Kang; Chua Siang Hwee, Jeffrey; Koh Thong Meng, Danny; and Chong Phit Lian considers himself/herself to be independent for the purposes of making a recommendation to the Shareholders in relation to the Offer.

Richard Eu, the chairman of the Board of the Company, intends to use part of the proceeds he would receive from the Acquisition to subscribe for ordinary shares in the capital of the Offeror, representing not more than 10% of the issued and paid-up capital of the Offeror, and be appointed as director of the Offeror. An application was made to the SIC, and the SIC had ruled on 5 June 2024, *inter alia*, that Richard Eu is not exempted from the requirement under Rule 24.1 of the Code to make a recommendation to the Shareholders on the Offer ("**SIC's Response**"). In light of the SIC's Response, Richard Eu will be regarded independent for the purposes of making a recommendation to the Shareholders in relation to the Offer.

15.2 Recommendation of the Independent Directors

The Independent Directors, having considered carefully the terms of the Offer and the advice given by the IFA to the Independent Directors in the IFA Letter, have set out their recommendation on the Offer below:

The Independent Directors concur with the IFA's assessment of the Offer and its advice thereon as set out in **Section 14.2** of this Circular and in the IFA Letter. **Accordingly, the Independent Directors recommend that Shareholders ACCEPT the Offer.**

In making the above recommendation, the Independent Directors have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder. **As each Shareholder would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

Shareholders should read and consider carefully this Circular, including the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer as set out in Appendix I to this Circular in its entirety, before deciding whether to accept the Offer. Shareholders should note that the IFA's advice to the Independent Directors and the recommendation of the Independent Directors in respect of the Offer should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer. Shareholders are also urged to read the Offer Document carefully.

16. INFORMATION RELATING TO OVERSEAS SHAREHOLDERS

Overseas Shareholders should refer to Section 12 of the Letter to Shareholders in the Offer Document, which have been extracted from the Offer Document and reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"12. OVERSEAS SHAREHOLDERS

12.1 Overseas Shareholders. *This Offer Document, the FAT and/or any related documents do not constitute an offer to sell 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 Offer Document, the FAT and/or any related documents in any jurisdiction in contravention of applicable law.*

*The availability of the Offer to Overseas Shareholders may be affected by the laws of the relevant jurisdictions. Accordingly, Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdiction. **Appendix 9** to this Offer Document also sets out additional information for Overseas Shareholders for certain jurisdictions.*

For the avoidance of doubt, the Offer is open to all Shareholders, including those to whom this Offer Document, the FAT and/or any related documents may not be sent.

- 12.2 Copies of Documents.** Where there are potential restrictions on sending this Offer Document, the FAT and/or any related documents to any overseas jurisdictions, the Offeror and DBS each reserves the right not to send this Offer Document, the FAT and/or any related documents to such overseas jurisdictions. Any affected Overseas Shareholder may nonetheless obtain copies of the FAT and/or any related documents during normal business hours from the office of the Receiving Agent at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632. Alternatively, an affected Overseas Shareholder may write to the Receiving Agent to request for the FAT and/or any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to five Business Days prior to the Closing Date. Electronic copies of this Offer Document and the FAT may also be obtained from the Company's corporate website at <https://www.euyansang.com.sg/en/newsroom/eyscorporate27.html>.
- 12.3 Overseas Jurisdiction.** It is the responsibility of any Overseas Shareholder who wishes to (i) request for the FAT and/or any related documents and/or (ii) accept the Offer to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable in such jurisdictions and the Offeror, DBS, the Receiving Agent and/or any other person acting on its behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror, DBS, the Receiving Agent and/or any other person acting on its behalf may be required to pay. In (a) requesting for the FAT and/or any related documents; and/or (b) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror, DBS, and/or the Receiving Agent that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.
- 12.4 Notice.** The Offeror and DBS each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all of the Shareholders (including Overseas Shareholders) by announcement on the corporate website of the Company at <https://www.euyansang.com.sg/en/newsroom/eyscorporate27.html> or paid advertisement in a daily 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 (including an Overseas Shareholder) to receive or see such announcement or advertisement."

17. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

Section 13.2 of the Letter to Shareholders in the Offer Document sets out information pertaining to CPFIS Investors and SRS Investors, details of which have been extracted from the Offer Document and are reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“13.2 Information Pertaining to CPFIS and SRS Investors. *CPFIS Investors and SRS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks directly. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice. CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks, which may be earlier than the Closing Date.*

CPFIS Investors and SRS Investors who validly accept the Offer through appropriate intermediaries will receive the Offer Price payable in respect of their Offer Shares in their respective CPF investment accounts and SRS investment accounts.”

18. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who do not wish to accept the Offer need not take further action in respect of the Offer Document which has been sent to them. Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. (Singapore time) on the Closing Date. Please refer to Appendix 2 to the Offer Document which sets out the procedures for acceptance of the Offer.

Shareholders who wish to accept the Offer should complete and return their acceptance form as soon as possible and, in any event, so as to be received, on behalf of the Offeror, by the Receiving Agent not later than 5.30 p.m. (Singapore time) on the Closing Date.

19. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular (other than the information in the Offer Document, the IFA Letter and any information relating to or opinions expressed by the Offeror and the IFA) are fair and accurate and that there are no material facts not contained in this Circular, the omission of which would make any statement in this Circular misleading. The Directors jointly and severally accept responsibility accordingly.

Where any information in this Circular has been extracted or reproduced from published or publicly available sources or obtained from a named source (including the Offeror and/or the IFA), the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this Circular.

In respect of the IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are, to the best of their knowledge and belief, fair and accurate in all material respects.

The recommendation of the Independent Directors to the Shareholders set out in Section 15.2 of this Circular is the sole responsibility of the Independent Directors.

20. ADDITIONAL INFORMATION

Your attention is drawn to the Appendices which form part of this Circular.

Yours faithfully,
For and on behalf of
the Board of Directors of
EU YAN SANG INTERNATIONAL LTD

Richard Eu Yee Ming
Group Chairman

LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

24 June 2024

To: The directors of Eu Yan Sang International Ltd who are considered independent for the purposes of making a recommendation to the Shareholders in respect of the Offer

Mr Richard Eu Yee Ming	(Group Chairman)
Mr Wong Dominic Ho Kang	(Group Chief Executive Director)
Mr Chua Siang Hwee, Jeffrey	(Non-Executive Director)
Mr Koh Thong Meng, Danny	(Non-Executive Director)
Ms Chong Phit Lian	(Non-Executive Director)

Dear Sirs/Madam,

MANDATORY UNCONDITIONAL GENERAL OFFER BY DBS BANK LTD. FOR AND ON BEHALF OF SOAR R2M PTE. LTD. (THE “OFFEROR”) TO ACQUIRE ALL OF THE ISSUED ORDINARY SHARES IN THE CAPITAL OF EU YAN SANG INTERNATIONAL LTD (THE “SHARES”), OTHER THAN THE SHARES ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR (THE “OFFER SHARES”)

Unless otherwise defined or the context otherwise requires, all terms defined in the circular of the Company dated 24 June 2024 (the “Circular”) shall have the same meanings herein.

1. INTRODUCTION

On 4 April 2024 (the “**Pre-Conditional Announcement Date**”), DBS Bank Ltd. (“**DBS**”) announced, for and on behalf of the Soar R2M Pte. Ltd. (the “**Offeror**”), *inter alia*, that: (i) the Offeror had entered into a conditional sale and purchase agreement dated 4 April 2024 (the “**SPA**”) with Righteous Crane Holding Pte. Ltd. (“**RCH**”) and Rohto Pharmaceutical Co., Ltd. (“**Rohto**”) and Mitsui & Co., Ltd. (“**Mitsui**”, and together with Roto, the “**Investors**”), as the Offeror’s guarantors, pursuant to which RCH agreed to sell, and the Offeror agreed to purchase, 381,922,612 issued ordinary shares (the “**Sale Shares**”) in the capital of Eu Yan Sang International Ltd (the “**Company**”) held by RCH, which represent approximately 85.9 per cent of all the issued ordinary shares in the capital of the Company (the “**Shares**”) as at the Pre-Conditional Announcement Date, on the terms and conditions set out in the SPA (the “**Acquisition**”); and (ii) subject to and contingent upon satisfaction of the Pre-Condition (as defined in the Circular), and in accordance with Rule 14 of The Singapore Code on Take-overs and Mergers (the “**Code**”), the Offeror will be required to make a mandatory general offer (the “**Offer**”) for all Shares, other than the Sale Shares.

On 22 May 2024 (the “**Offer Announcement Date**”), DBS announced, for and on behalf of the Offeror, that: (i) following the satisfaction of the pre-condition to the making of the Offer, the Offeror’s firm intention to make the Offer in accordance with Rule 14 of the Code; and (ii) the Offer will be unconditional in all respects.

On 10 June 2024, DBS announced, for and on behalf of the Offeror, that the formal offer document (the “**Offer Document**”) was despatched to shareholders of the Company (the “**Shareholders**”).

Under the Code, the Company is required to appoint an independent financial adviser (the “**IFA**”) to advise the directors of the Company who are considered independent for the purposes of the Offer (the “**Independent Directors**”) for the purpose of making a recommendation to the shareholders of the Company (the “**Shareholders**”) in respect of the Offer.

Accordingly, the Company has appointed SAC Capital Private Limited (“**SAC Capital**”) as the IFA to the Independent Directors. This letter, which sets out, *inter alia*, our evaluation and advice, have been prepared for the use of the Independent Directors in connection with their consideration of the Offer and their recommendation to Shareholders arising thereof.

2. OUR TERMS OF REFERENCE

We have been appointed as the IFA to the Company to advise the Independent Directors in respect of their recommendation to the Shareholders on the Offer.

We are not and were not involved in any aspect of the negotiations entered into by the Company and its subsidiaries (collectively, the “**Group**”) in relation to the Offer, or in the deliberations leading up to the decision by the Offeror to undertake the Offer. Accordingly, we do not, by this letter warrant the merits of the Offer, other than to advise the Independent Directors on the terms of the Offer from a financial point of view.

We have not conducted a comprehensive independent review of the business, operations or financial condition of the Company. We have not been provided with, nor do we have access to, any business plans or financial projections of the future performance of the Company, for the purpose of our evaluation of the Offer. Our evaluation is confined to the financial terms of the Offer and it is not within our terms of reference to evaluate the strategic, legal or commercial merits or risks of the Offer or the future growth prospects or earnings potential of the Company after the completion of the Offer. Accordingly, we do not express any view as to the future prices at which the Shares may trade or on the future financial performance of the Company or the Offeror after the completion of the Offer.

We have not been requested or authorised to solicit, and we have not solicited, any indication of interest from any third party with respect to the Shares. It is also not within our terms of reference to compare the relative merits of the Offer *vis-à-vis* any alternative transaction that the Company may consider in the future, or any alternative offer that might otherwise be available in the future, and as such, we do not express an opinion thereon.

In the course of our evaluation of the financial terms of the Offer, we have held discussions with the Independent Directors and the management of the Company (the “**Management**”) and have relied on the information and representations, whether written or verbal, provided to us by the Independent Directors and the Management, including the information contained in the Circular. The Independent Directors (including those who may have delegated detailed supervision of the preparation of the Circular) have confirmed that, having made all reasonable enquiries and to the best of their knowledge: (a) all material information available to them in connection with the Offer has been disclosed in the Circular; (b) such information (other than those relating to the Offeror, parties acting in concert or deemed to be acting in concert with the Offeror) is fair and accurate in all material respects; and (c) there is no other information or fact, the omission of which would cause any information disclosed to us or the facts stated in the Circular to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information or representations. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or representations. We have, however, made reasonable enquiries and exercised our judgement (as deemed necessary) in assessing the information and representations provided to us, and have found no reason to doubt the accuracy or reliability of such information or representations which we have relied on in our evaluation.

Save as disclosed, all information relating to the Company that we have relied upon in arriving at our opinion and advice has been obtained from the Circular, publicly available information, the Independent Directors and/or the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Company at any time or as at 10 June 2024 (the “**Latest Practicable Date**”). We have also not made any independent evaluation or appraisal of the assets and liabilities of the Company and have not been furnished with any such evaluation or appraisals, except for the valuation reports and certificates (the “**Valuation Reports**”) prepared by Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Jones Lang LaSalle Limited (the “**Independent Valuers**”) who were appointed to perform independent valuation of the Appraised Properties (as defined in paragraph 7.3.3 of this letter) held by the Company as at 30 June 2023. The Valuation Reports are set out in Appendix IV to the Circular. As we are not experts in the evaluation or

appraisal of the assets set out in the Valuation Reports, we have placed sole reliance on the independent valuation in relation to the aforementioned assets and have not made any independent verification of the contents thereof. In addition, we do not assume any responsibility to enquire about the basis of the valuation in the Valuation Reports or if the contents in the Valuation Reports have been prepared in accordance with all applicable regulatory requirements including Rule 26 of the Code.

Our opinion and advice, as set out in this letter, are based on the market, economic, industry and other applicable conditions prevailing on, and the information made available to us as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion and advice in the light of any subsequent development after the Latest Practicable Date that may affect our opinion and advice contained herein.

In rendering our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or specific group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

Our opinion and advice in relation to the Offer should be considered in the context of the entirety of this letter and the Circular.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this letter). We have had no role or involvement and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter).

3. THE OFFER

The detailed terms of the Offer are set out in section 2 of the Letter to Shareholders in the Offer Document and reproduced in section 2 of the Circular. Shareholders are advised to refer to the Offer Document and the Circular for further details on the Offer and read the information carefully.

The key terms of the Offer and the related matters are set out below.

3.1 Terms

The Offeror is making the Offer for all of the Offer Shares.

3.2 Offer Price

The offer price for each Offer Share acquired under the Offer (the “**Offer Price**”) is as follows:

For each Offer Share S\$1.8184 in cash.

Further details on bases for the determination of the Offer Price are set out in section 2.3 of the Letter to Shareholders in the Offer Document and reproduced in section 2 of the Circular, Shareholders are advised to read the information carefully.

3.3 Rights and Encumbrances

The Offer Shares are to be acquired:

- (i) fully paid;

- (ii) free from all claims, charges, liens, pledge, mortgages, encumbrances, declaration of trust, hypothecation, retention of title, power of sale, equity, options, rights of pre-emption, rights of first refusal, moratorium or other third party rights or interests of any nature whatsoever or an agreement or obligation to create any of the foregoing (collectively, the “**Encumbrances**”); and
- (iii) together with all rights, benefits and entitlements and advantages attaching thereto as at the Pre-Conditional Announcement Date and hereafter attaching thereto, including the right to receive and retain (if any) all dividends, rights, other distributions and/or return of capital (collectively, the “**Distributions**”) announced, declared, paid or made by the Company in respect of such Offer Shares on or after the Pre-Conditional Announcement Date.

If any Distribution is or has been announced, declared, paid or made by the Company on or after the Pre-Conditional Announcement Date to a Shareholder who accepts or has accepted the Offer, and the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls after the book closure date for the determination of entitlements to such Distribution, the Offeror reserves the right to reduce the Offer Price payable to such accepting Shareholder by the amount of such Distribution.

The Company has confirmed that there are no Distributions announced or declared on or after the Pre-Conditional Announcement Date and up to the Latest Practicable Date.

3.4 No Options

As at the Latest Practicable Date, the Company has confirmed that there are no outstanding instruments convertible into, rights to subscribe for, and options or derivatives in respect of, the Shares or securities which carry voting rights in the Company.

3.5 Offer Unconditional

The Offer will be unconditional in all respects.

3.6 Warranty

A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof (i) fully paid, (ii) free from all Encumbrances, and (iii) together with all rights, benefits and entitlements and advantages attaching thereto as at the Pre-Conditional Announcement Date and hereafter attaching thereto, including the right to receive and retain (if any) all Distributions announced, declared, paid or made by the Company in respect of such Offer Shares on or after the Pre-Conditional Announcement Date.

3.7 Choices

Shareholders can, in relation to all or part of their Offer Shares, either:

- (i) accept the Offer in respect of such Offer Shares in accordance with the procedures set out in Appendix 2 to the Offer Document; or
- (ii) take no action and let the Offer lapse in respect of their Offer Shares.

3.8 Further Details of the Offer

Further details of the Offer are set out in Appendix 1 to the Offer Document, in relation to (i) the duration of the Offer, (ii) the settlement of the consideration for the Offer, (iii) the requirements relating to the announcement of the level of acceptances of the Offer; and (iv) the right of withdrawal of acceptances of the Offer.

4. INFORMATION ON THE OFFEROR AND THE INVESTORS

The detailed information on the Offeror and the Investors are set out in section 4 of the Letter to Shareholders in the Offer Document and reproduced in section 6 of the Circular, and Shareholders are advised to read the information carefully.

The salient information on the Offeror and the Investors are set out below.

The Offeror

The Offeror is a special purpose vehicle incorporated in Singapore, which has been established for the purpose of the Acquisition and the Offer. As at the Offer Announcement Date, the Offeror had an issued and fully paid-up share capital of S\$1 consisting of one ordinary share, which was held by Rohto. Following satisfaction of the Pre-Condition, both Rohto and Mitsui have subscribed for new Offeror Shares such that the Offeror is jointly owned by the Investors.

As at the Latest Practicable Date, the Offeror has an issued and fully paid-up share capital of S\$505,397,316 comprising 505,397,316 ordinary shares, held as follows:

- (i) Rohto holds 336,931,544 Offeror Shares, representing approximately two-thirds of the total Offeror Shares; and
- (ii) Mitsui holds 168,465,772 Offeror Shares, representing approximately one-third of the total Offeror Shares.

Rohto may transfer up to 280,000,000 Offeror Shares to Mentholatum (Asia-Pacific) Limited, a wholly-owned subsidiary of Rohto, before or after the completion of the Offer and the Reinvestment.

As at the latest practicable date of the Offer Document, the board of directors of the Offeror comprises six members, consisting of four members appointed by Rohto and two members appointed by Mitsui, as follows:

- (i) Mr. Kunio Yamada;
- (ii) Mr. Masaya Saito;
- (iii) Mr. Hidetoshi Segi;
- (iv) Mr. Sin Kai Chung, Michael;
- (v) Mr. Yoshifumi Hatanaka; and
- (vi) Mr. Gea Ban Peng.

Additional information on the Offeror is set out in Appendix 3 of the Offer Document.

The Investors

Rohto was incorporated in Japan and is listed on the Tokyo Stock Exchange. Rohto is one of the leading wellness companies in Japan and operates its business with the aim of leading all individuals and society surrounding us to “well-being” by delivering “health” to people around the world through products and services. Rohto’s Business Domain Vision 2030 aims to further expand and strengthen its core businesses of over-the-counter drugs, skin care, and functional foods.

The board of directors of Rohto comprises 11 members, consisting of:

- (i) Mr. Kunio Yamada;
- (ii) Mr. Masashi Sugimoto;
- (iii) Mr. Masaya Saito;
- (iv) Mr. Shinichi Kunisaki;
- (v) Mr. Hidetoshi Segi;

- (vi) Mr. Yasunori Kawasaki;
- (vii) Ms. Yoshie Okouchi;
- (viii) Mr. Akie Iriyama;
- (ix) Ms. Haruka Mera;
- (x) Mr. Tatsuo Uemura; and
- (xi) Ms. Eriko Hayashi.

Additional information on the Investors is set out in Appendix 4 of the Offer Document.

Mitsui was incorporated in Japan and is listed on the stock exchanges of Tokyo, Nagoya, Sapporo and Fukuoka. Mitsui is one of the leading trading/investment conglomerate companies in Japan, with a strong capability to bring technology, product, service, knowledge by using its wide-ranged global network. Mitsui positions the healthcare and nutrition field as one of its priority areas, and is working to create a company-wide group called Wellness Ecosystem. Mitsui invested in IHH Healthcare, one of the largest hospital groups in Asia, in 2011, and through additional several investments to nutritional & medical fields, Mitsui has been expanding the healthcare business from prevention to treatment, and is focusing on innovative & comprehensive wellness care in Asia.

5. INFORMATION ON THE COMPANY

The Company was incorporated in Singapore and is an unlisted public company. The Company, founded in 1879, is a leading integrative health and wellness services company with a unique heritage in Traditional Chinese Medicine (“TCM”) that operates over 170 retail outlets and 30 TCM clinics in its core Singapore, Hong Kong and Malaysia markets. The Company also has a significant network across 29 markets including manufacturing capabilities in Malaysia and Hong Kong. Through its comprehensive and modern product portfolio, combined with a strong emphasis on continuous product innovation, the Company seeks to empower customers to live their best quality of life by providing health and wellness solutions rooted in TCM wisdom.

As at the Latest Practicable Date, the board of directors of the Company comprises five members, consisting of:

- (i) Mr. Richard Eu Yee Ming (Group Chairman);
- (ii) Mr. Wong Dominic Ho Kang (Group Chief Executive Officer);
- (iii) Mr. Chua Siang Hwee, Jeffrey (Non-executive Director);
- (iv) Mr. Koh Thong Meng, Danny (Non-executive Director); and
- (v) Ms. Chong Phit Lian (Non-executive Director);

As at the Latest Practicable Date, the Company has an issued and fully paid-up share capital of S\$39,177,337.61 comprising 444,545,960 Shares and there are no shares held in the treasury by the Company.

Additional information on the Company is set out in Appendix II of the Circular, and Shareholders are advised to read the information carefully.

6. RATIONALE FOR THE ACQUISITION AND THE OFFER, AND THE OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

The rationale for the Acquisition and the Offer, and the Offeror's future intentions for the Company are set out in sections 6 and 7 of the Letter to Shareholders in the Offer Document, and reproduced in sections 7 and 8 of the Circular, and Shareholders are advised to read the information carefully.

7. FINANCIAL ASSESSMENT OF THE OFFER

In assessing the financial terms of the Offer, we have taken into account the following factors which we consider to have a significant bearing on our assessment:

- (a) absence of market quotation for the Shares;
- (b) historical financial performance of the Group;
- (c) net asset value (“NAV”) and net tangible assets (“NTA”) of the Group;
- (d) comparison of valuation statistics of companies broadly comparable to the Group;
- (e) comparison with recent successful privatisation and delisting offers of companies listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”);
- (f) estimated range of value of the Shares;
- (g) previous take-over offer and historical prices paid for the Shares; and
- (h) other relevant considerations.

7.1 Absence of Market Quotation for the Shares

The Company is an unlisted public company incorporated in Singapore, which was previously listed on the Main Board of the SGX-ST and has been delisted from the SGX-ST since 7 October 2016. The Shares are not quoted or traded on any stock exchange.

We note that save for the historical transactions set out in paragraph 7.7 of this letter, there are limited publicly available data on the historical trading prices of the Shares. Having regard to the absence of any recent market quotation for the Shares, we are of the view that it would not be meaningful to benchmark the Offer Price against the limited historical trading prices of the Shares to evaluate the reasonableness of the Offer Price unlike shares of a publicly listed company.

7.2 Historical Financial Performance of the Group

The salient historical financial information of the Group for the financial years ended 30 June 2021, 2022 and 2023 (“FY2021”, “FY2022” and “FY2023” respectively) is set out in the table below. The Company has confirmed that there have been no interim financial statements published since the latest audited financial statements of the Group for FY2023.

7.2.1 Consolidated Statement of Comprehensive Income

	----- Audited -----		
(S\$'000)	FY2021 (Restated) ⁽¹⁾	FY2022	FY2023
Revenue	227,318	256,949	297,272
Cost of sales	(108,910)	(120,893)	(134,968)
Gross profit	118,408	136,056	162,304
Other income	9,421	7,473	2,683
Other losses			
- Impairment losses of financial assets	(35)	(131)	(37)
- Others	2,133	(3,207)	(32)
Expenses			
- Distribution and marketing	(81,111)	(81,391)	(91,493)
- Administrative	(29,226)	(38,769)	(47,662)

(S\$'000)	----- Audited -----		
	FY2021 (Restated) ⁽¹⁾	FY2022	FY2023
- Finance	(2,660)	(1,540)	(2,264)
Share of profit of associates and joint venture	(45)	214	384
Profit before income tax	16,885	18,705	23,883
Income tax expense	(2,781)	(3,765)	(5,186)
Net profit	14,104	14,940	18,697
Profit/(loss) attributable to:			
Equity holders of the Company	14,102	14,954	18,714
Non-controlling interests	2	(14)	(17)
	14,104	14,940	18,697

Sources: Audited financial statements of the Company for FY2021, FY2022 and FY2023

Note:

(1) As set out in the audited financial statement of the Company for FY2022, FY2021 restatements have been made for errors arising from the effects of timing differences on the recognition of certain expenses.

FY2022 vs FY2021

The Group's revenue increased by approximately S\$29.6 million from S\$227.3 million in FY2021 to S\$256.9 million in FY2022 mainly due to product led growth through the existing retail stores and via the E-commerce segment.

In line with the growth in revenue, the Group's cost of sales increased by approximately S\$12.0 million from S\$108.9 million in FY2021 to S\$120.9 million in FY2022.

As a result, the gross profit of the Group increased by approximately S\$17.7 million from S\$118.4 million in FY2021 to S\$136.1 million in FY2022.

Other income decreased by approximately S\$1.9 million from S\$9.4 million in FY2021 to S\$7.5 million in FY2022 mainly due to the reduction of government grants and landlords' support in relation to COVID-19 pandemic in FY2022.

The Group recorded other gains of S\$2.1 million in FY2021 as compared to other losses of S\$3.3 million in FY2022 mainly due to revaluation loss on the freehold and leasehold land and buildings in FY2022.

The Group's expenses increased by approximately S\$8.7 million from S\$113.0 million in FY2021 to S\$121.7 million in FY2022. This is largely due to the increase in administrative expenses amounting to S\$9.5 million due to higher manpower costs and increased IT expenses from implementation of the ERP system which was partially offset by the decrease in finance expenses of S\$1.1 million due to decrease borrowings.

Share of profit of associates and joint ventures recorded a loss of S\$45,000 in FY2021 as compared to profit of S\$0.2 million in FY2022.

Based on the above reasons, the Group's net profit for the year increased by approximately S\$0.8 million from S\$14.1 million in FY2021 to S\$14.9 million in FY2022.

FY2022 vs FY2023

The Group's revenue increased by approximately S\$40.3 million from S\$256.9 million in FY2022 to S\$297.3 million in FY2023 mainly due to product led growth, primarily driven by the

retail segment, further bolstered by the favourable effects from the reopening of the Hong Kong borders in third quarter of FY2023.

In line with the growth in revenue, the Group's cost of sales increased by approximately S\$14.1 million from S\$120.9 million in FY2022 to S\$135.0 million in FY2023.

As a result, gross profit increased by approximately S\$26.2 million from S\$136.1 million in FY2022 to S\$162.3 million in FY2023.

Other income decreased by approximately S\$4.8 million from S\$7.5 million in FY2022 to S\$2.7 million in FY2023 largely due to the absence of government grants and landlords' support in relation to COVID-19 pandemic in FY2023.

Other losses of the Group decreased by approximately S\$3.2 million from S\$3.3 million in FY2022 to S\$69,000 in FY2023 mainly due to the lower revaluation loss incurred on the freehold and leasehold land and buildings in FY2023.

The Group's expenses increased by approximately S\$19.7 million from S\$121.7 million in FY2022 to S\$141.4 million in FY2023 mainly due to increased media advertising spend, increased manpower costs, rental costs due to overall store count growth, and higher costs incurred on transformative and exploratory investments.

Share of profit of associates and joint venture increased by approximately S\$0.2 million from S\$0.2 million in FY2022 to S\$0.4 million in FY2023.

Based on the above reasons, the Group's net profit for the year increased by S\$3.8 million from S\$14.9 million in FY2022 to S\$18.7 million in FY2023.

7.2.2 Consolidated Statement of Cash Flows

(S\$'000)	----- Audited -----		
	FY2021 (Restated)	FY2022	FY2023
Net cash provided by operating activities	49,799	43,551	47,626
Net cash used in investing activities	(9,154)	(7,133)	(5,257)
Net cash used in financing activities	(53,025)	(29,508)	(36,023)
Net increase/(decrease) in cash and cash equivalents	(12,380)	6,910	6,346
Effects of currency translation on cash and cash equivalents	(494)	(121)	(1,337)
Cash and cash equivalents at the end of the financial year	38,386	45,175	50,184

Sources: Audited financial statements of the Company for FY2021, FY2022 and FY2023

The Group generated positive net cash provided by operating activities of S\$49.8 million, S\$43.6 million and S\$47.6 million in FY2021, FY2022, and FY2023 respectively.

Net cash provided by operating activities in FY2023 was S\$47.6 million, due to positive operating cashflows before changes in working capital of S\$58.0 million, net working capital outflow of S\$5.4 million, interest received and income tax refund of S\$0.3 million, and income taxes paid of S\$5.3 million. The net working capital outflow was mainly due to (i) an increase in inventories of S\$9.9 million and (ii) an increase in trade and other receivables of S\$4.9 million, which was partially offset by (i) a decrease in prepayments of S\$4.4 million and (ii) an increase in trade and other payables of S\$4.1 million.

Net cash used in investing activities in FY2023 was S\$5.3 million, mainly due to the additions to property, plant and equipment of S\$4.9 million and additions to intangible assets of S\$2.4 million, which was partially offset by disposal of joint venture of S\$2.0 million.

Net cash used in financing activities in FY2023 amounted in S\$36.0 million, mainly due to (i) principal payment of lease liabilities of S\$21.8 million; (ii) repayment of borrowings of S\$2.1 million; (iii) dividends paid of S\$11.1 million; and (iv) interest paid of S\$1.6 million, which was partially offset by the proceeds from borrowings of S\$0.5 million.

The Group's net cash and cash equivalents increased by S\$6.3 million in FY2023.

Taking into account the cash and cash equivalents at the beginning of FY2023 of S\$45.2 million and the net increase in cash and cash equivalents of S\$6.3 million, and the decrease in the effects of currency translation on cash and cash equivalents of S\$1.3 million, the Group's cash and cash equivalents as at 30 June 2023 amounted to approximately S\$50.2 million.

7.3 NAV and NTA of the Group

7.3.1 Balance Sheet of the Group

A summary of the balance sheet of the Group as at 30 June 2023 is set out as follows:

(\$'000)	Audited As at 30 June 2023
Current assets	
Cash and cash equivalents	50,184
Trade and other receivables	21,749
Inventories	64,875
Tax recoverable	128
Total current assets	136,936
Non-current assets	
Other receivables	4,251
Investments in associates	879
Investments in joint ventures	544
Investment properties	2,957
Property, plant and equipment	111,521
Intangible assets	9,689
Deferred income tax assets	938
Net investment in lease	375
Total non-current assets	131,154
Total assets	268,090
Current liabilities	
Trade and other payables	32,972
Deferred income	3,447
Borrowings	34,493
Provision for restoration costs	692
Current income tax liabilities	2,779
Total current liabilities	74,383
Non-current liabilities	

(S\$'000)	Audited As at 30 June 2023
Other payables	874
Borrowings	33,453
Provision for restoration costs	1,942
Deferred income tax liabilities	7,570
Total non-current liabilities	43,839
Total liabilities	118,222
Net assets	149,868
Equity	
Capital and reserves attributable to the equity holders of the Company	
Share capital	39,177
Other reserves	5,450
Retained profits	105,055
	149,682
Non-controlling interests	186
Total equity	149,868
NAV of the Company	149,682
Less: Intangible assets	9,689
NTA of the Company	139,993
Number of issued shares (excluding treasury shares) ('000)	444,546
NAV per Share (S\$ cents)	33.67
NTA per Share (S\$ cents)	31.49

Source: Audited financial statements of the Company for FY2023

Assets

As at 30 June 2023, the Group has total assets of S\$268.1 million comprising current assets of S\$136.9 million (51.1% of total assets) and non-current assets of S\$131.2 million (48.9% of total assets).

The main current assets of the Group are (i) inventories of S\$64.9 million (47.4% of current assets); (ii) cash and cash equivalents of S\$50.2 million (36.7% of current assets); and (iii) trade and other receivables of S\$21.7 million (15.9% of current assets) as at 30 June 2023.

The main non-current assets of the Group are (i) property, plant and equipment of S\$111.5 million (85.0% of non-current assets), (ii) intangible assets of S\$9.7 million (7.4% of non-current assets), and (iii) investment properties of S\$3.0 million (2.3% of non-current assets) as at 30 June 2023.

Liabilities and equity

As at 30 June 2023, the Group has total liabilities of S\$118.2 million, mainly comprising borrowings of S\$67.9 million (57.4% of total liabilities) and trade and other payables of S\$33.8 million (28.6% of total liabilities).

Total equity of the Group was S\$149.9 million as at 30 June 2023.

There is no change in the number of issued Shares since 30 June 2023 and up to the Latest Practicable Date.

7.3.2 Book NAV/NTA of the Group

The NAV of a group refers to the aggregate value of all the assets in their existing condition, net of any non-controlling interests and all the liabilities of the group. The NAV approach may provide an estimate of the value of a group assuming the hypothetical sale of all its assets over a reasonable period of time, the proceeds of which would be first used to settle the liabilities of the group with the balance available for distribution to its shareholders. Therefore, the net assets of a group are perceived as providing support for the value of the shareholders' equity.

Notwithstanding the foregoing, Shareholders should note that an analysis based on the NAV of the Group provides an estimate of the value of the Group based on a hypothetical scenario, and such hypothetical scenario is assumed without considering factors such as, *inter alia*, time value of money, market conditions, legal and professional fees, liquidation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers, which would theoretically lower the NAV that can be realised. While the asset base of the Group can be a basis for valuation, such a valuation does not necessarily imply a realisable market value as the market value of the assets and liabilities may vary depending on prevailing market and economic conditions. Furthermore, the NAV approach is more relevant in circumstances where the business is to cease operations or where the profitability of the business being valued is not sufficient to sustain an earnings-based valuation.

Based on the Company's latest audited financial statement as at 30 June 2023 and 444,545,960 Shares in issue as at 30 June 2023, the NAV of the Group amounted to S\$149.7 million or S\$0.3367 per Share. We note that the Offer Price represents a premium of approximately 440.1% against the NAV per Share of S\$0.3367 as at 30 June 2023. Accordingly, the Price-to-NAV ("**P/NAV**") of the Group implied by the Offer Price would be approximately 5.40 times as at 30 June 2023.

Excluding intangible assets comprising mainly of computer software licenses, copyrights and work in progress, which amounted to an aggregate of approximately S\$9.7 million as at 30 June 2023, the NTA of the Group amounted to S\$140.0 million or S\$0.3149 per Share. We note that the Offer Price represents a premium of approximately 477.4% against the NTA per Share of S\$0.3149 as at 30 June 2023. Accordingly, the Price-to-NTA ("**P/NTA**") of the Group implied by the Offer Price would be approximately 5.77 times as at 30 June 2023.

7.3.3 Revalued NAV ("**RNAV**") of the Group

In our evaluation of the Offer, we have also considered whether there are any assets which should have been valued at an amount that materially differed from that which are recorded in the audited balance sheet of the Group as at 30 June 2023, and whether there are any factors which have not been otherwise disclosed in the financial statements of the Company that are likely to impact the NAV and RNAV of the Group as at 30 June 2023.

We note that the aggregate book value of the investment properties of the Group as at 30 June 2023 amounted to S\$3.0 million, representing 1.1% of the Group's total assets. The aggregate book value of the property, plant and equipment of the Group as at 30 June 2023 (comprising (i) freehold land and buildings; (ii) leasehold land and buildings; (iii) right-of-use – leasehold properties; (iv) furniture, fittings and equipment; (v) motor vehicles; (vi) renovations; and (vii) plant and machinery) amounted to S\$111.5 million, representing 41.6% of the Group's total assets. Of which, freehold land and buildings amounted to approximately S\$6.4 million as at 30 June 2023, representing approximately 2.4% of the Group's total assets, while leasehold land and buildings amounted to approximately S\$38.2 million as at 30 June 2023, representing approximately 14.3% of the Group's total assets. Save for the HK Property (as defined below), the Group carries its properties at fair value and had last obtained valuations for purposes of its FY2023 audit to support its determination of the fair value of the properties.

For the purposes of the Offer, the Company had commissioned the Independent Valuers to conduct independent valuations of selected properties (the “**Appraised Properties**”) as set out in the table below:

Description of Property	Independent Valuer	Market Value as at 31 May 2024 (S\$'000)
G/F, No. 192 Lai Chi Kok Road, Kowloon, Hong Kong (“ HK Property ”)	Jones Lang LaSalle Limited	2,315 ⁽¹⁾
Rés-Do-Chão B, Hei Van, Rua do Monte N° 1-B, Macau Peninsula, Macau (“ Macau Property ”)	Jones Lang LaSalle Limited	8,052 ⁽²⁾
21 Tai Seng Drive Singapore 535223 (“ Singapore Property ”)	Colliers International Consultancy & Valuation (Singapore) Pte Ltd	20,000

Notes:

- (1) Based on Jones Lang LaSalle Limited’s estimated market value of HKD 13,400,000 as at 31 May 2024 and the closing exchange rate of S\$1:HKD5.7875 on 31 May 2024 as quoted by Bloomberg L.P..
- (2) Based on Jones Lang LaSalle Limited’s estimated market value of HKD 46,600,000 as at 31 May 2024 and the closing exchange rate of S\$1:HKD5.7875 on 31 May 2024 as quoted by Bloomberg L.P..

The Independent Valuers had conducted its independent valuation of the Appraised Properties on the basis of “Market Value” which is defined as “*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*”.

In arriving at the “Market Value” of the HK Property and Macau Property, Jones Lang LaSalle Limited has adopted the direct comparison method and the income capitalisation method as the appropriate method for the valuation respectively. In arriving at the “Market Value” of the Singapore Property, Colliers International Consultancy & Valuation (Singapore) Pte Ltd has adopted the comparison method as the primary method and the income capitalisation method as a check for the valuation. Further details on the independent valuations of the Appraised Properties, including the bases for the independent valuations, can be found in the Valuation Reports, which are set out in Appendix IV of the Circular. Shareholders are advised to read the above in conjunction with the Valuation Reports in its entirety.

Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the Appraised Properties, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of valuation.

For the Singapore Property, the Management has confirmed that in a hypothetical scenario where the Singapore Property is sold at the market value, there should not be any tax liabilities arising from the disposal of the Singapore Property as (i) any gains on disposal should not be subject to tax; and (ii) there are sufficient losses to set-off against an overall balancing charge, if any, arising from the disposal of qualifying fixed assets of the Singapore Property shall there be no substantial change in its shareholders and their shareholdings as at the relevant date.

For the HK Property, the Management has confirmed that in a hypothetical scenario where the HK Property is sold at the market value, there should not be any tax liabilities arising from the disposal of the HK Property as any gains on disposal should not be subject to tax.

For the Macau Property, the Management has confirmed that in a hypothetical scenario where the Macau Property is sold at the market value, there should not be any tax liabilities arising from the disposal of the Macau Property as the market value is below the tax written down value.

The Management has confirmed that the Appraised Properties are held for long-term purposes and has no known immediate plans to dispose of its interest in the Appraised Properties, and any such tax liabilities are not likely to crystallise.

Apart from the Appraised Properties, the Group also owns other freehold land and buildings, leasehold land and buildings and investment properties amounting to an aggregate of approximately S\$17.6 million or 6.6% of the Group's total assets as at 30 June 2023. Such other properties have not been revalued for the purposes of determining the RNAV of the Group as (i) such properties are individually not material relative to the Group's total assets (being individually less than 3.0% of the Group's total assets as at 30 June 2023), (ii) the Management's confirmation that there are no material differences between the book values as at 30 June 2023 and the market values of these properties as at the Latest Practicable Date, taking into consideration that the Group carries these properties at fair value and had last obtained valuations for purposes of its FY2023 audit to support its determination of the fair value of the properties, and (iii) that such properties are primarily used to support the Group's existing business operation. For the avoidance of doubt, while the HK Property is not material relative to the Group's total assets as at 30 June 2023, the Company had proceeded to conduct an independent valuation as the HK Property has been recorded at historical cost in the Group's balance sheet as at 30 June 2023.

Based on the above, we have made the following adjustment to the NAV of the Group to arrive at the RNAV of the Group as at 30 June 2023:

(S\$'000)	As at 30 June 2023
Audited NAV of the Group	149,682
Add: Revaluation surplus arising from Appraised Properties	382
RNAV of the Group	150,064
RNAV per Share (S\$ cent)	33.76

Based on the above, we note that the Offer Price represents a premium of approximately 438.7% against the RNAV per share of S\$0.3376 as at 30 June 2023. Accordingly, the Price-to-RNAV ("**P/RNAV**") of the Group implied by the Offer Price would be approximately 5.39 times as at 30 June 2023.

Shareholders should note that the RNAV of the Group above is not necessarily a realisable value given that the RNAV valuation approach is based largely upon the surplus revaluation estimates which were obtained by application of "as is" valuation estimates. This approach implicitly assumes that the Appraised Properties may be disposed of by the Group at a price determined by the independent valuations, on a willing buyer and a willing seller basis in an arms-length transaction with a third party. It should be noted that such valuation or market value of the Appraised Properties may vary depending on, *inter alia*, the prevailing market and economic conditions, and does not consider the associated time, effort, marketability, buyer demand and uncertainty relating to such property sale.

Events after 30 June 2023 and up to the Latest Practicable Date

In connection to the Offer, the Company had incurred expenses and costs of approximately S\$21.1 million¹ for the strategic review process leading up to the Acquisition of the Sale Shares. Such estimated expenses and costs include, amongst others, due diligence fees, banker's adviser fees and transactions fees payable to the professionals for the Acquisition of the Sale Shares. We note that such expenses may have a material impact on the financial performance

¹ Based on the SPA, we understand that RCH has undertaken to the Offeror that the transactional fees and expenses incurred by the Company would not exceed S\$21.1 million and should it transpire that this undertaking is breached, RCH shall be liable to pay the Offeror the amount in excess of S\$21.1 million. Besides RCH, none of the shareholders of the Company would have liability for the breach of this undertaking. We also understand from the Management that the Company had secured a loan of approximately S\$20.7 million to finance the payment of S\$21.1 million.

of the Group for the current financial year (i.e. FY2024), and on the NAV of the Group as at 30 June 2023, which is expected to reduce the NAV by approximately S\$0.048 per Share.

For the purposes of our evaluation of the financial terms of the Offer, we have used the RNAV per Share of S\$0.3376 as at 30 June 2023 before taking into account the above estimated expenses and costs relating to the Acquisition of the Sale Shares.

We further understand from the Company that the Group had completed two acquisitions and a disposal post the Group's audited financial statements for FY2023, including the acquisition of a material interest in Chien Chi Tow Healthcare Pte. Ltd., for a purchase consideration of S\$6.8 million in October 2023². We have considered, but have not taken into account the above-mentioned acquisitions and disposal into our assessment of the historical performance and position of the Company as the Management is of the view that the acquisition and disposal is not expected to have a material impact on the NAV or the earnings of the Group for FY2023.

Save as disclosed in this letter, the Independent Directors and Management have confirmed that as at the Latest Practicable Date and to the best of their knowledge and belief:

- (a) they are not aware of any material difference between the estimated market value of the assets held by the Group (including its investments in associates and joint ventures) *vis-à-vis* their respective book values recorded in the audited statements of financial position of the Group as at 30 June 2023;
- (b) they are not aware of any circumstances which may cause the NAV and NTA of the Group as at the Latest Practicable Date to be materially different from that recorded in the audited statements of financial position of the Group as at 30 June 2023;
- (c) there have been no material disposals or acquisitions of assets by the Group between 30 June 2023 and the Latest Practicable Date, and as at the Latest Practicable Date, the Group does not have any plans for such impending material disposal or acquisition of assets, conversion of the use of the Group's material assets or material change in the nature of the Group's business;
- (d) there are no indicators of impairment on the intangible assets that would require the Group to perform further impairment tests;
- (e) there are no contingent liabilities, bad or doubtful debts or impairment losses or material events at as the Latest Practicable Date which are likely to have a material impact on the NAV and NTA of the Group as at 30 June 2023;
- (f) there are no litigation, claim or proceedings pending or threatened against the Group or of any fact likely to give rise to any proceedings as at the Latest Practicable Date which would have a material impact on the financial position of the Group as at 30 June 2023; and
- (g) there are no intangible assets as at the Latest Practicable Date which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards (International) and which have not been disclosed that would have a material impact on the NAV and NTA of the Group as at 30 June 2023.

7.3.4 Net debt position of the Group

The Group recorded cash and cash equivalents of S\$50.2 million as at 30 June 2023. After deducting for current and non-current borrowings, the Group would record a net debt position

² We understand from the Management that as a result of the acquisition, the Group will also recognise intangible assets of approximately S\$6.0 million and goodwill of approximately S\$4.0 million in the current financial year (i.e. FY2024).

S\$17.8 million (or net debt of S\$0.04 per Share). Accordingly, we have not compared the Offer Price vis-à-vis the NAV or NTA of the Group on an ex-cash basis.

7.4 Comparison of Valuation Statistics of Companies Broadly Comparable to the Group

In considering what may be regarded as a reasonable range of valuation for the purpose of assessing the financial terms of the Offer, we have referred to selected listed companies on the various stock exchanges which business activities are broadly comparable with those of the Group to give an indication of the current market expectations with regard to the perceived valuation of these businesses.

The Company was incorporated in Singapore and is an unlisted public company. As set out in Appendix II to the Circular, the Company is a leading integrative health and wellness services company with a unique heritage in Traditional Chinese Medicine that operates over 170 retail outlets and 30 TCM clinics in its core Singapore, Hong Kong and Malaysia markets. The Company also has a significant network across 29 markets including manufacturing capabilities in Malaysia and Hong Kong.

We have, in consultation with the Management, used the following companies listed on the SGX-ST, the Bursa Malaysia and the Hong Kong Stock Exchange which are principally engaged in businesses that are similar to the Group (the “**Comparable Companies**”) to get an indication of the current market expectations with regard to the perceived valuation of the Group.

We wish to highlight that the Comparable Companies are not exhaustive and there is no listed company or group which may be considered identical to the Group in terms of, *inter alia*, business activities, market capitalisation, scale of operations, risk profile, geographical spread, operating and financial leverage, accounting policies, adherence to accounting standards, tax factors, track record and future prospects. In addition, each of the Comparable Companies may engage in other separate business activities which are not related to the principal business of the Group. As such, any comparison made herein is strictly limited in scope and merely serves as an illustrative guide to Shareholders.

Details on the Comparable Companies, including their business descriptions and selected key financial and valuation statistics, are set out below and in Annex A to this letter:

- (a) Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited;
- (b) Beijing Tong Ren Tang Chinese Medicine Company Limited;
- (c) Tong Ren Tang Technologies Co. Ltd.;
- (d) Zhongzhi Pharmaceutical Holdings Limited;
- (e) Beshom Holdings Berhad;
- (f) PuraPharm Corporation Limited;
- (g) Wai Yuen Tong Medicine Holdings Limited; and
- (h) Modern Chinese Medicine Group Co., Ltd.

In assessing the financial terms of the Offer, we have used the following valuation parameters in our analysis:

Valuation parameter	Description
Price-earnings ratio ("PER")	<p>The historical PER, which illustrates the ratio of the market price of a company's shares relative to its historical consolidated earnings per share, is commonly used for the purpose of illustrating the profitability, and hence valuation, of a company.</p> <p>We have considered the historical PERs of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and trailing 12 months earnings per share vis-à-vis the corresponding historical PER of the Group based on the Offer Price and the trailing 12 months earnings per share (if applicable).</p>
P/NAV or P/NTA	<p>A NAV/NTA-based approach is useful to illustrate the extent that the value of each share is backed by assets, and would be more relevant in the case where the group were to change the nature of its business or realise or convert the use of all or most of its assets. The NAV/NTA-based valuation approach may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets over a reasonable period of time at the aggregate value of the assets used in the computation of the NAV/NTA, with the balance to be distributed to its shareholders after the settlement of all the liabilities and obligations of the company or group.</p> <p>We have considered the historical P/NAV and P/NTA ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and latest announced NAV and NTA per share as at the end of the relevant financial year/period (as adjusted for any corporate activities which were undertaken after the latest available balance sheet date that may affect the NAV and NTA per share, where relevant), vis-à-vis the corresponding historical P/NAV and P/NTA ratio of the Group based on the Offer Price and the latest announced NAV and NTA per Share of the Group as at the end of the relevant financial year/period (as adjusted for any corporate activities which were undertaken after the latest available balance sheet date that may affect the NAV and NTA per share, where relevant).</p>

Valuation parameter	Description
Enterprise value to EBITDA ("EV/EBITDA") ratio	The historical EV/EBITDA ratio illustrates the ratio of the market value of a company's business relative to its historical consolidated pre-tax operating cashflow performance, without regard to its capital structure, and provides an indication of current market valuation relative to operating performance. "EV" is the sum of a company's market capitalisation, preferred equity, minority interests, short- and long-term debts and lease liabilities less cash and cash equivalents and represents the actual cost to acquire the entire company. "EBITDA" refers to historical consolidated earnings before interest, tax, depreciation and amortisation expenses. EBITDA can be used to analyse the profitability between companies as it eliminates the effects of financing and accounting decisions.

We have considered the historical EV/EBITDA ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date, latest available balance sheet values (as adjusted for any corporate activities which were undertaken after the latest available balance sheet date that may affect the EV, where relevant) and trailing 12 months EBITDA *vis-à-vis* the corresponding historical EV/EBITDA ratio of the Company based on the Offer Price and the trailing 12 months EBITDA of the Group.

Comparative valuation statistics of the Comparable Companies vis-à-vis the Company

The following table sets out the comparative valuation statistics of the Comparable Companies *vis-à-vis* the Group as implied by the Offer Price:

Comparable Companies	Market Capitalisation ⁽¹⁾ (S\$ millions)	Historical PER (times)	Historical P/NAV ratio (times)	Historical P/NTA ratio (times)	Historical EV/EBITDA ratio (times)
Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited	4,606.49 ⁽²⁾	25.43	3.54	3.61	19.37
Beijing Tong Ren Tang Chinese Medicine Company Limited	1,435.36	15.34	2.14	2.18	8.76
Tong Ren Tang Technologies Co. Ltd.	1,226.73 ⁽³⁾	11.16	0.96	0.96	4.90
Zhongzhi Pharmaceutical Holdings Limited	155.56	5.13	0.80	0.81	2.74
Beshom Holdings Berhad	86.83	28.67	0.99	0.99	12.54
Purapharm Corporation Limited	52.11	n.m. ⁽⁴⁾	1.96	2.99	n.m. ⁽⁴⁾
Wai Yuen Tong Medicine Holdings Limited	42.09	7.11	0.11	0.11	10.20
Modern Chinese Medicine Group Co., Ltd.	38.97	4.29	0.44	0.44	n.m. ⁽⁴⁾
High		28.67	3.54	3.61	19.37
Mean		13.87	1.37	1.51	9.75
Median		11.16	0.97	0.98	9.48
Low		4.29	0.11	0.11	2.74
Company (Implied by the Offer Price)⁽⁵⁾	808.36	43.20	5.40⁽⁶⁾ 5.39⁽⁷⁾	5.77	14.20

Sources: Bloomberg L.P., annual reports and/or announcements of the respective Comparable Companies and SAC Capital's computations

Notes:

- (1) Based on last traded prices of the respective companies and exchange rates as at the Latest Practicable Date, as extracted from Bloomberg L.P..
- (2) Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited has its "A" shares listed on the Shanghai Stock Exchange while its "S" shares listed on the Singapore Stock Exchange. The market capitalisation and valuation multiples have been based on the sum of its market capitalisations in both stock exchanges.
- (3) The market capitalisation and valuation multiples of Tong Ren Tang Technologies Co. Ltd. have been based on the total issued shares of 1,280,784,000, of which, 652,080,000 are domestic shares which are not freely traded and 628,704,00 are "H" shares which are listed on the Hong Kong Stock Exchange.
- (4) n.m. denotes not meaningful as the respective companies were loss making in the latest trailing 12 months period.
- (5) Based on 444,545,960 Shares as at the Latest Practicable Date.
- (6) Based on the NAV of the Group of S\$149.7 million or S\$0.3367 per Share as at 30 June 2023, as set out in paragraph 7.3.2 of this letter.
- (7) Based on the RNAV of the Group of S\$150.1 million or S\$0.3376 per Share as at 30 June 2023, as set out in paragraph 7.3.3 of this letter.

Historical PER comparison

We note that the historical PER of 43.20 times of the Group as implied by the Offer Price is above the range of historical PER of the Comparable Companies of between 4.29 times and 28.67 times.

Historical P/NAV ratio comparison

We note that the historical P/NAV of 5.40 times of the Group as implied by the Offer Price is above the range of historical P/NAV ratios of the Comparable Companies of between 0.11 times and 3.54 times.

Historical P/RNAV ratio comparison

We note that the historical P/RNAV of 5.39 times of the Group as implied by the Offer Price is above the range of historical P/NAV ratios of the Comparable Companies of between 0.11 times and 3.54 times.

Historical P/NTA ratio comparison

We note that the historical P/NTA of 5.77 times of the Group as implied by the Offer Price is above the range of historical P/NTA ratios of the Comparable Companies of between 0.11 times and 3.61 times.

Historical EV/EBITDA ratio comparison

We note that the historical EV/EBITDA ratio of 14.20 times of the Group as implied by the Offer price is above the corresponding mean and median of the historical EV/EBITDA ratios of the Comparable Companies of 9.75 times and 9.48 times respectively.

7.5 Comparison with Recent Successful Privatisation Transactions and Delisting Offers of Companies Listed on the SGX-ST

We note that it is the intention of the Offeror to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act to privatise the Company.

In assessing the reasonableness of the Offer, we have compared the financial terms of the Offer with: (a) selected recent successful privatisation transactions in cash announced on the SGX-ST, whether by way of a general offer under the Code or a scheme of arrangement under Section 210 of the Companies Act where the offeror has stated its intention to delist the Company from the Official List of the SGX-ST; and (b) selected recent completed delisting cash offers under Rule 1307 of the Listing Rules announced (collectively, the “**Take-over Transactions**”) during the 12-month period prior to the Pre-Conditional Announcement Date.

This analysis serves as a general indication of the relevant premium/discount that the offerors had paid in order to acquire the target companies without having regard to their specific industry characteristics or other considerations, and the comparison sets out the premium or discount represented by each of the respective offer prices to the NAV/NTA of the respective target companies, where applicable. We note that certain transactions had undertaken revaluations and/or adjustments to their assets which may have a material impact on their latest announced book values, we have also, where relevant, compared the financial terms of such offer transactions with the revalued NAV (or revalued NTA where applicable) and/or adjusted NAV (or adjusted NTA where applicable) of the Take-over Transaction.

The Company is unlisted and its Shares are not traded publicly. Hence, comparison of the Offer Price against the trading market prices of the Take-over Transactions is not relevant for our analysis here.

We wish to highlight that the Take-over Transactions set out below are by no means exhaustive. In addition, as the Group is not directly comparable to the target companies involved in the Take-over Transactions in terms of business activities, scale of operations, market capitalisation, geographical spread, risk profile, accounting policies, financial performance, operating and financial leverage, track record and future prospects, the comparison merely serves as a general guide to provide an indication of the premia/discounts paid in connection with privatisation transactions and delisting offers of companies listed on the SGX-ST. Each of the Take-over Transactions must be judged on its own commercial and financial merits. Shareholders should also note that the premium (if any) to be paid by an offeror in a privatisation transaction or delisting offer varies in different circumstances depending on, *inter alia*, the offeror’s intentions with regard to the Company, the potential synergy that the offeror can gain from acquiring the Group, the attractiveness of the underlying business, prevailing market expectations and the presence of competing bids. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Group.

Company	Date of offer announcement	Business Description	Offer price (S\$)	Offer price-to-NAV / NTA ratio (times) ⁽¹⁾
Lian Beng Group Ltd	11 April 2023	Lian Beng Group Limited provides building construction and civil engineering services for both the private and public sectors. The group also sells, leases and maintains construction machinery and equipment, and develops and invests in properties	0.680 ⁽²⁾	0.43 ⁽³⁾
Challenger Technologies Limited	30 May 2023	Challenger Technologies Limited operates superstore retails and small outlet retails. The company sells information technology products and provides services related to its products. Challenger Technologies serves customers in Singapore	0.600 ⁽⁴⁾	1.46 ⁽⁵⁾
Sysma Holdings Limited	1 June 2023	Sysma Holdings Limited is principally engaged in providing building construction services to the private sector in Singapore. The company's current focus is on building high-end land housing (especially Bungalows) and conducting A&A works on landed and other properties in Singapore.	0.168	0.72 ⁽⁶⁾
Healthway Medical Corporation Limited	3 July 2023	Healthway Medical Corporation Limited provides outpatient medical services in Singapore. The company offers care in the areas of family medicine, specialists care, dental and oral care and medical aesthetics.	0.048	1.07 ⁽⁷⁾
LHN Logistics Limited	2 August 2023	LHN Logistics Limited provides logistic management solutions. The company offers wide range of comprehensive services from dangerous goods and chemicals transportation, container depot management, and storage and distribution of loaded and empty containers. LHN Logistics serves customers worldwide.	0.227	2.01 ⁽⁸⁾
			High	2.01
			Mean	1.14
			Median	1.07
			Low	0.43
Company (Implied by the Offer Price)	22 May 2024		1.8184	5.40 ⁽⁹⁾ 5.77 ⁽¹⁰⁾ 5.39 ⁽¹¹⁾

Sources: Announcements and circulars to shareholders in relation to the respective Take-over Transactions and SAC Capital's computations.

Notes:

- (1) Based on the NAV per share or revalued NAV per share or adjusted NAV per share or NTA per share or revalued NTA per share or adjusted revalued NTA per share, as the case may be, as extracted from the independent financial adviser's letters for the respective companies.
- (2) On 3 May 2023, a revised offer price of S\$0.680 per share was announced. Accordingly, the offer price-to-NAV / NTA ratio in the table above was computed based on the revised offer price of S\$0.680 per share.
- (3) Based on the revalued NAV per share of Lian Beng Group Ltd as at 30 November 2022.
- (4) On 6 June 2023, a revised offer price of S\$0.600 per share was announced. Accordingly, the offer price-to-NAV / NTA ratio in the table above was computed based on the revised offer price of S\$0.600 per share.
- (5) Based on the revalued NAV per share of Challenger Technologies Limited as at 31 December 2022.
- (6) Based on the revalued NAV per share of Sysma Holdings Limited as at 31 January 2023.
- (7) Based on the NAV per share of Healthway Medical Corporation Limited as at 30 June 2023. We noted from the independent financial adviser's letter that no adjustments to the NAV per share was required.
- (8) Based on the revalued NAV per share of LHN Logistics Limited as at 31 March 2023.
- (9) Based on the NAV of the Company of S\$149.7 million or S\$0.3367 per Share as at 30 June 2023, as set out in paragraph 7.3.2 of this letter.
- (10) Based on the NTA of the Company of S\$140.0 million or S\$0.3149 per Share as at 30 June 2023, as set out in paragraph 7.3.2 of this letter.
- (11) Based on the RNAV of the Company of S\$150.1 million or S\$0.3376 per Share as at 30 June 2023, as set out in paragraph 7.3.3 of this letter.

We note that in respect of the Take-over Transactions,

- (a) the P/NAV ratio as implied by the Offer Price of 5.40 times is above the range of Price-to-NAV/NTA ratios of the Take-over Transactions of between 0.43 times and 2.01 times;
- (b) the P/NTA ratio as implied by the Offer Price of 5.77 times is above the range of Price-to-NAV/NTA ratios of the Take-over Transactions of between 0.43 times and 2.01 times; and
- (c) the P/RNAV ratio as implied by the Offer Price of 5.39 times is above the range of Price-to-NAV/NTA ratios of the Take-over Transactions of between 0.43 times and 2.01 times.

7.6 Estimated range of value of the Shares

In deriving a range of values for the Shares, we have considered the mean and median of PER, P/NAV and EV/EBITDA valuation multiples as our primary valuation methodology.

Valuation Parameter	Implied Valuation Range (S\$ million)	
	Low	High
PER as implied by the mean / median PER of the Comparable Companies	208.8	259.6
PNAV as implied by the mean / median P/NAV ratio of the Comparable Companies	145.7	204.7
EV/EBITDA as implied by the mean / median EV/EBITDA ratio of the Comparable Companies	533.5	549.5
Average (S\$ million)	296.0	337.9
Implied Share Price (S\$)	0.666	0.760

Based on the above, the overall range of derived theoretical valuations is between approximately S\$296.0 million and S\$337.9 million, which translate to between S\$0.666 and S\$0.760 per Share. We noted that the Offer Price of S\$1.8184 is above our estimated value range of the Shares.

7.7 Previous Take-Over Offer and Historical Prices Paid for The Shares

7.7.1 Previous Take-Over Offers for the Company

In assessing the Offer, we have also compared the financial terms of the Offer with the previous take-over offers made by other offerors for the Company pursuant to the requirements of the Code. In this regard, we noted an offer was made for the Company in 2016.

On 16 May 2016, Credit Suisse (Singapore) Limited, for and on behalf of RCH, announced that RCH intended to make a voluntary conditional cash offer for all the issued and paid-up ordinary shares in the capital of the Company, other than those shares owned, controlled or agreed to be acquired by RCH, with the intention to delist and privatise the Company (the “**2016 Offer**”). As at the close of the 2016 Offer, RCH received valid acceptances amounting to 84.2% of the total number of issued shares of the Company. This included acceptances received from parties acting or presumed to be acting in concert (where relevant) with RCH. Due to the loss of the free float requirement to maintain its listing on the SGX-ST, the Company had applied for delisting of the Shares from SGX-ST and was delisted on 7 October 2016.

	Announcement Date	Offer Price (S\$)	PER (times)	P/NAV (times)	EV/EBITDA (times)
2016 Offer	16 May 2016	0.60	n.m. ⁽¹⁾⁽²⁾	1.70 ⁽¹⁾	17.28 ⁽¹⁾
Offer	4 April 2024	1.8184	43.20	5.40	14.20

Source: Relevant announcements and circulars to Shareholders by the Company

Notes:

(1) As extracted from the independent financial adviser's letter dated 20 June 2016.

(2) n.m. denotes not meaningful as the latest trailing 12 months earnings is negative.

We note that in respect of the 2016 Offer:

- (a) the Offer Price of S\$1.8184 under the Offer represents a premium of 203.1% over the offer price of S\$0.60 under the 2016 Offer (the “**2016 Price**”);
- (b) the P/NAV of 5.40 times as implied by the Offer Price is above the P/NAV of 1.70 times under the 2016 Offer; and
- (c) the EV/EBITDA of 14.20 times as implied by the Offer Price is below the EV/EBITDA of 17.28 times under the 2016 Offer.

Shareholders should note that the above comparison is limited and has to be assessed in the context of the economic or general market conditions for the Shares as well as the conditions for the current Offer which may have been different from the 2016 Offer.

Hence, any comparison between the Offer and the 2016 Offer is necessarily limited and meant for illustration purpose only.

7.7.2 Share Buyback Exercise

We note that the Company had purchased 3,877,787 Shares (“**2019 Purchased Shares**”) and 771,470 Shares (“**2021 Purchased Shares**”) pursuant to the share buyback mandated approved by the Shareholders by way of an ordinary resolution at the Company's annual general meeting held on 9 January 2019 and 5 February 2021 respectively. The offer price for both the 2019 Purchased Share and the 2021 Purchased Share was S\$0.69 per Share.

Based on the above, we note that the Offer Price represents a premium of 163.5% over the offer price of S\$0.69 per Share for the 2019 Purchased Shares and the 2021 Purchased Shares.

Shareholders should note that the above comparison is limited and has to be assessed in the context of the economic or general market conditions for the Shares as well as the conditions for the current Offer which may have been different from the share buyback exercises.

Hence, any comparison between the Offer and the share buyback exercises is necessarily limited and meant for illustration purpose only.

7.8 Other Relevant Considerations

7.8.1 No public trading platform

The Company is a public unlisted company and its Shares are not quoted or traded on the SGX-ST or on any other stock exchange. Therefore, there is no public platform to facilitate the trading of the Shares. Shareholders will face difficulties in selling their Shares due to the absence of a public market if they wish to exit from their investments in the Company.

7.8.2 Offer is unconditional in all respects

As set out in section 2.6 of the Letter to Shareholders in the Offer Document and reproduced in section 2 of the Circular, the Offer has become unconditional as to acceptances and has been declared by the Offeror to be unconditional in all respects. Shareholders who accept the Offer are assured of receiving the Offer Price in respect of all their acceptances of the Offer with no transaction costs involved.

7.8.3 Offeror's intention in relation to the Company and compulsory acquisition

As set out in section 7 of the Letter to Shareholders in the Offer Document, and reproduced in section 8 of the Circular, the Offeror intends to conduct a review of the business of the Group to identify potential synergies with the current businesses of the Investors. The Offeror presently has no intention to (i) introduce any major changes to the business of the Company, (ii) re-deploy the fixed assets of the Company, or (iii) discontinue the employment of the employees of the Group. However, the Offeror retains and reserves the right and flexibility at any time to consider any options in relation to the Group which may present themselves and which it may regard to be in the interests of the Offeror, the Investors and the Group.

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror receives valid acceptances pursuant to the Offer and/or acquires Shares otherwise than through valid acceptances of the Offer in respect of not less than 90% of the total number of Shares (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 of Shareholders who have not accepted the Offer at a price equal to the Offer Price.

As set out in section 8 of the Letter to Shareholders in the Offer Document, and reproduced in section 9 of the Circular, the Offeror, if and when entitled, intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act.

7.8.4 Absence of alternative or competing offers

We note that the likelihood of an alternative or competing offer from any third party is remote in view that as at the Latest Practicable Date, the Offeror and any other person acting or presumed to be acting in concert with the Offeror in relation to the Acquisition and the Offer holds an aggregate of 381,922,612 Shares, representing approximately 85.9% of the total number of Shares.

As at the Latest Practicable Date, other than the Offer, there is no publicly available evidence of an alternative or competing offer for the Shares from any other party. In addition, the Independent Directors have confirmed that as at the Latest Practicable Date, apart from the Offer, they have not received any alternative or competing offer for the Shares from any other party.

7.8.5 Historical dividend yields of the Company

We set out below an analysis of the dividends declared per Share for the last three (3) financial years ended 30 June:

(S\$)	FY2021	FY2022	FY2023
Final dividend per Share (S\$)	-	0.010	0.025

Sources: Audited financial statements of the Company for FY2021, FY2022 and FY2023.

From the table above, we note that the Company's total annual dividend ranged from nil to S\$0.025 per Share from FY2021 to FY2023.

Notwithstanding the past dividend payouts, the Directors have confirmed that the Company does not have a fixed dividend policy. Shareholders should note that past dividend payouts should not be in any way relied upon as an indication or promise of the Company's future dividend payouts. There is no assurance that the Company will continue to pay dividend in future and/or maintain the level of dividends paid in the past financial years, after the completion of the Offer.

The quantum of dividends paid by the Company in any period would depend upon various factors including but not limited to the financial position of the Group, retained earnings, results of operation and cash flow, the Group's expected working capital requirements and capital expenditure, future expansion and investment plans, funding requirements, general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group.

7.8.6 Retention Arrangements

As set out in section 3 of the Letter to Shareholders in the Offer Document, and reproduced in section 5 of the Circular, we note that the Offeror and the Investors had entered into a reinvestment agreement with each of Richard Eu Yee Ming, who is the chairman of the Company's board of directors, and Richard Eu Zai Qi, who is the managing director for mergers and acquisitions of the Company.

8. **OUR OPINION AND ADVICE**

8.1 **Key Considerations of the Offer**

In arriving at our opinion and advice in respect of the Offer, we have taken into account, and reviewed the following key considerations, which we consider to be pertinent in our assessment of the Offer. The following should be read in conjunction with, and in the context of, the full text of this letter:

- (a) absence of market quotation for the Shares, as set out in paragraph 7.1 of this letter;
- (b) historical financial performance of the Group, as set out in paragraph 7.2 of this letter;
- (c) the financial position of the Group, including the NAV and RNAV of the Group, as set out in paragraph 7.3 of this letter;
- (d) a comparison with the valuation statistics of the Comparable Companies, as set out in paragraph 7.4 of this letter;

- (e) a comparison with recent successful privatisation transactions and delisting offers of companies listed on the SGX-ST, as set out in paragraph 7.5 of this letter;
- (f) estimated range of value of the Shares, as set out in paragraph 7.6 of this letter;
- (g) a comparison with the previous take-over offers and historical prices paid for the shares, as set out in paragraph 7.7 of this letter; and
- (h) other relevant considerations as follows:
 - (i) there is no public trading platform to facilitate the trading of the Shares as set out in section 7.8.1 of this letter;
 - (ii) the Offer being unconditional in all respects, as set out in paragraph 7.8.2 of this letter;
 - (iii) the offeror's intention in relation to the Company and compulsory acquisition, as set out in paragraph 7.8.3 of this letter;
 - (iv) the absence of alternative take-over offers from third parties as at the Latest Practicable Date, as set out in paragraph 7.8.4 of this letter;
 - (v) the historical dividend yields of the Company, as set out in paragraph 7.8.5 of this letter; and
 - (vi) the retention agreement, as set out in paragraph 7.8.6 of this letter.

8.2 Assessment of the Offer

For the purpose of evaluating the Offer, we have adopted the approach that the term "fair" and "reasonable" are regarded as two different concepts. The term "fair" relates to an opinion on the value of the offer price against the value of the securities subject to the offer (the "**Securities**"), and an offer is "fair" if the price offered is equal to or greater than the value of the Securities. In considering whether an offer is "reasonable", other matters as well as the value of the Securities are taken into consideration. Such other matters include, but are not limited to, existing voting rights in the company held by an offeror and its concert parties or the market liquidity of the relevant securities.

8.2.1 Assessment of Fairness of the Offer

In determining the fairness of the Offer, we have considered, *inter alia*, the following pertinent factors:

- (a) the Offer represents a premium of approximately 440.1% against the NAV per Share of S\$0.3367 as at 30 June 2023. Accordingly, the P/NAV of the Group implied by the Offer Price would be approximately 5.40 times as at 30 June 2023;
- (b) the Offer represents a premium of approximately 477.4% against the NTA per Share of S\$0.3149 as at 30 June 2023. Accordingly, the P/NTA of the Group implied by the Offer Price would be approximately 5.77 times as at 30 June 2023;
- (c) the Offer represents a premium of approximately 438.7% against the RNAV per Share of S\$0.3376 as at 30 June 2023. Accordingly, the P/RNAV of the Group implied by the Offer Price would be approximately 5.39 times as at 30 June 2023;
- (d) the historical PER, P/NAV ratio, P/RNAV ratio and P/NTA ratio as implied by the Offer Price are all above the range of the corresponding ratios of the Comparable Companies. In addition, the historical EV/EBITDA ratio as implied by the Offer Price is above the

corresponding mean and median of the historical EV/EBITDA ratios of the Comparable Companies;

- (e) the P/NAV ratio, P/NTA ratio and P/RNAV ratio are above the range of corresponding price-to-NAV/NTA ratio the Take-Over Transactions;
- (f) the Offer Price is above the estimated value range of the Shares of S\$0.666 and S\$0.760 per Share; and
- (g) the Offer Price represents a premium of approximately 203.1% over the 2016 Price of S\$0.60, and a premium of 163.5% over the offer price of S\$0.69 per Share for the 2019 Purchased Shares and the 2021 Purchased Shares.

In view of the above, we are of the opinion that the Offer is **FAIR**.

8.2.2 Assessment of Reasonableness of the Offer

In determining the reasonableness of the Offer, we have considered, *inter alia*, the following pertinent factors:

- (a) the Shareholders will face difficulties in selling their Shares due to the absence of a public market if they wish to exit from their investments in the Company;
- (b) the Offeror's intention in relation to the exercise of its rights of compulsory acquisition under Section 215(1) of the Companies Act, if it is so entitled, and
- (c) as at the Latest Practicable Date, apart from the Offer, no alternative or competing offer has been received by the Company. In addition, the likelihood of an alternative or competing offer from any third party is remote in view that as at the Latest Practicable Date, the Offeror and any other person acting or presumed to be acting in concert with the Offeror in relation to the Acquisition and the Offer holds an aggregate of 381,922,612 Shares, representing approximately 85.9% of the total number of Shares.

In view of the above, we are of the opinion that the Offer is **REASONABLE**.

8.3 **Our opinion on the Offer**

In conclusion, we are of the opinion that, on balance, the financial terms of the Offer are **fair and reasonable**. Accordingly, we advise the Independent Directors to recommend Shareholders to vote **in favour** of the Offer.

In rendering our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or specific group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

Our opinion and advice are addressed to the Independent Directors for their benefit and for the purposes of their consideration of the Offer. The recommendation to be made by them to the Shareholders in respect of the Offer shall remain the responsibility of the Independent Directors. Whilst a copy of this letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this letter (or any part thereof) for any purpose at any time and in any manner without the prior written consent of SAC Capital in each specific case, except for the purpose of the Offer.

This letter is governed by and shall be construed in accordance with the laws of Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
SAC CAPITAL PRIVATE LIMITED

Tan Kian Tiong
Partner and Head, Corporate Finance

Annex A

----- Trailing 12 Months -----

Company	Stock exchange	Business description (as extracted from Bloomberg)	Share price as at the Latest Practicable Date	Market capitalisation as at the Latest Practicable Date (S\$' million) ⁽¹⁾	Financial year end	Revenue (S\$' million) ⁽¹⁾	Net profit/(loss) after tax attributable to shareholders (S\$' million) ⁽¹⁾
Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited	SGX-ST	Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited produces and sells traditional Chinese medicine, western medicine, health products, and healthcare instruments. The company also manufactures gene-related biopharmaceutical products. Tianjin Pharmaceutical Da Ren Tang Group markets its products under the Great Wall, Cypress, and Health brand names.	USD 2.590 RMB 36.800	4,606.5 ⁽²⁾	31 December	1,517.8	181.2
Beijing Tong Ren Tang Chinese Medicine Company Limited	HKEX	Metro Holdings Limited operates department store, develops and invests in properties, as well as undertakes building contract works. The company also distributes building and construction materials.	HKD 9.900	1,435.4	31 December	264.1	93.6
Tong Ren Tang Technologies Co. Ltd.	HKEX	Tong Ren Tang Technologies Co. Ltd. manufactures medical products. The company produces Chinese patent medicines, biological preparations, antibiotics, biochemical medicines, and other products. Tong Ren Tang Technologies also operates import and export businesses.	HKD 5.530	1,226.7 ⁽³⁾	31 December	1,260.9	109.9
Zhongzhi Pharmaceutical Holdings Limited	HKEX	Zhongzhi Pharmaceutical Holdings Limited is a pharmaceutical company that develops various drugs. The company focuses on developing new Chinese medicine and herbal medicines. The group is engaged in the research and development, manufacturing and sale of (i) Chinese patent medicines; and (ii) decoction pieces (consisting of traditional decoction pieces and modern decoction pieces) under the group's brands in the PRC. The Group's brands include “Zeus (中智)”, “Liumian (六棉)” and “Caojinghua (草晶華)”.	HKD 1.040	155.6	31 December	381.6	30.3
Beshom Holdings Berhad	Bursa Malaysia	Beshom Holdings Berhad operates as a holding company. The company, through its subsidiaries, focuses on wholesaling and retailing of herbal medicines, healthcare products, and beauty products. HAI-O is one of the major suppliers of Chinese herbal products, medicated tonics, Chinese tea, cooking ingredients, health supplements, skincare, cosmetics, lifestyle and fashion merchandises.	MYR 1.010	86.8	30 April	44.2	3.0

Company	Stock exchange	Business description (as extracted from Bloomberg)	Share price as at the Latest Practicable Date	Market capitalisation as at the Latest Practicable Date (S\$' million) ⁽¹⁾	----- Trailing 12 Months -----		
					Financial year end	Revenue (S\$' million) ⁽¹⁾	Net profit/(loss) after tax attributable to shareholders (S\$' million) ⁽¹⁾
PuraPharm Corporation Limited	HKEX	PuraPharm Corporation Limited is a pharmaceutical company that develops medicine. The company researches and develops traditional Chinese medicine.	HKD 0.760	52.1	31 December	70.5	(18.40)
Wai Yuen Tong Medicine Holdings Limited	HKEX	Wai Yuen Tong Medicine Holdings Limited, through its subsidiaries, manufactures and sells Chinese and western pharmaceutical products.	HKD 0.216	42.1	31 March	235.4	6.3
Modern Chinese Medicine Group Co., Ltd.	HKEX	Modern Chinese Medicine Group Co., Ltd. operates modern Chinese medicine industry. The company manufactures and sells circulation enhancement pill, vigour and vitality supplement pill, cardiogenic enhancement capsule, heart wellness capsule, and other products. Modern Chinese Medicine Group Co., Ltd. markets its products throughout China.	HKD 0.375	39.0	31 December	64.1	9.1

Sources: Bloomberg L.P., annual reports and/or announcements of the respective companies

Notes:

- (1) The following exchange rates have been extracted from Bloomberg L.P. as at the Latest Practicable Date:
- (a) S\$1: USD0.739;
 - (b) S\$1: RMB5.372;
 - (c) S\$1: HKD5.776; and
 - (d) S\$1: MYR3.489
- (2) Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited has its "A" shares listed on the Shanghai Stock Exchange while its "S" shares listed on the Singapore Stock Exchange. The market capitalisation has been based on the sum of its market capitalisations in both stock exchanges.
- (3) The market capitalisation of Tong Ren Tang Technologies Co. Ltd. has been based on the total issued shares of 1,280,784,000, of which, 652,080,000 are domestic shares which are not freely traded and 628,704,000 are "H" shares which are listed on the Hong Kong Stock Exchange.

ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Designation
Mr. Richard Eu Yee Ming	c/o 21 Tai Seng Drive, Singapore 535223	Group Chairman
Mr. Wong Dominic Ho Kang	c/o 21 Tai Seng Drive, Singapore 535223	Group Chief Executive Officer
Mr. Chua Siang Hwee, Jeffrey	c/o 21 Tai Seng Drive, Singapore 535223	Non-Executive Director
Mr. Koh Thong Meng, Danny	c/o 21 Tai Seng Drive, Singapore 535223	Non-Executive Director
Ms. Chong Phit Lian	c/o 21 Tai Seng Drive, Singapore 535223	Non-Executive Director

2. DESCRIPTION OF THE COMPANY

The Company was incorporated in Singapore and is an unlisted public company. The Company, founded in 1879, is a leading integrative health and wellness services company with a unique heritage in Traditional Chinese Medicine (“TCM”) that operates over 170 retail outlets and 30 TCM clinics in its core Singapore, Hong Kong and Malaysia markets. The Company also has a significant network across 29 markets including manufacturing capabilities in Malaysia and Hong Kong. Through its comprehensive and modern product portfolio, combined with a strong emphasis on continuous product innovation, the Company seeks to empower customers to live their best quality of life by providing health and wellness solutions rooted in TCM wisdom.

3. SHARE CAPITAL

3.1 Issued Share Capital

The issued and paid-up share capital of the Company as at the Latest Practicable Date is S\$39,177,337.61, comprising 444,545,960 Shares. The Company does not hold any treasury shares as at the Latest Practicable Date.

3.2 Capital, Dividends and Voting Rights

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution. The Constitution is available for inspection at the registered address of the Company at 21 Tai Seng Drive, Singapore 535223 during normal business hours for the period during which the Offer remains open for acceptance. An extract of the relevant provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting has been reproduced in **Appendix III** to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.

3.3 Number of Shares Issued Since the End of the Last Financial Year

As at the Latest Practicable Date, the Company has not issued any new Shares since 30 June 2023, being the end of the last financial year of the Company.

3.4 Options and Convertible Instruments

The Company has not issued any instruments convertible into, rights to subscribe for, and options in respect of, the Shares and securities which carry voting rights affecting the Shares that are outstanding as at the Latest Practicable Date.

3.5 Shares sold during the Reference Period

The Company is not aware of the sale of any Offer Share(s) during the Reference Period.

4. DISCLOSURE OF INTERESTS

4.1 Interests of the Company in Offeror Securities

As at the Latest Practicable Date, the Company does not have any direct or deemed interests in any Offeror Securities.

4.2 Dealings in Offeror Securities by the Company

As at the Latest Practicable Date, the Company has not dealt for value in any Offeror Securities during the Reference Period.

4.3 Interests of the Directors in Offeror Securities

Save as otherwise disclosed in this Circular, none of the Directors has any direct or deemed interest in any Offeror Securities as at the Latest Practicable Date.

4.4 Dealings in Offeror Securities by the Directors

Save as otherwise disclosed in this Circular, none of the Directors has dealt for value in any Offeror Securities during the Reference Period.

4.5 Interests of the Directors in Company Securities

Save as otherwise disclosed in this Circular, none of the Directors has any direct or deemed interest in any Company Securities as at the Latest Practicable Date.

4.6 Dealings in Company Securities by the Directors

Save as otherwise disclosed in this Circular, none of the Directors has dealt for value in any Company Securities during the Reference Period.

4.7 Company Securities owned or controlled by the IFA

As at the Latest Practicable Date, none of the IFA or any funds whose investments are managed by the IFA on a discretionary basis owns or controls any Company Securities.

4.8 Dealings in Company Securities by the IFA

During the Reference Period, none of the IFA or any funds whose investments are managed by the IFA on a discretionary basis has dealt for value in the Company Securities.

4.9 Intentions of the Directors in relation to the Offer

As at the Latest Practicable Date, save as disclosed in this Circular, the Directors do not own any direct interest in the Company.

5. OTHER DISCLOSURES

5.1 Directors' Service Contracts

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which cannot be terminated by the employing company within the next 12 months without paying any compensation; and
- (b) there are no such contracts entered into or amended during the Reference Period.

5.2 No Payment or Benefit to Directors

There is no payment or other benefit which will be made or given to any Director or to any director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the Company as compensation for loss of office or otherwise in connection with the Offer as at the Latest Practicable Date.

5.3 No Agreement Conditional upon Outcome of Offer

Save for the retention arrangements of Richard Eu and Richie Eu disclosed in **Section 5** of this Circular, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer as at the Latest Practicable Date.

5.4 Material Contracts entered into by Offeror

Save for the retention arrangements of Richard Eu disclosed in **Section 5** of this Circular, there are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect, as at the Latest Practicable Date.

Save as disclosed in this Circular, there are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect, as at the Latest Practicable Date.

6. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, neither the Company nor any of the Company's subsidiaries have entered into any material contracts with Interested Persons (other than those entered into in the ordinary course of business) during the period beginning three (3) years prior to the Pre-Conditional Announcement Date and ending on the Latest Practicable Date.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed in publicly available information on the Group, the Directors are not aware of any material litigation, claims or proceedings pending or threatened against, or made by, the Company or any of its subsidiaries or any facts likely to give rise to any such material litigation, claims or proceedings, which might materially and adversely affect the financial position of the Group, taken as a whole.

8. FINANCIAL INFORMATION

8.1 Consolidated Statements of Profit or Loss

Set out below is certain financial information extracted from the audited consolidated financial statements of the Group for the financial years ended 30 June 2021, 2022 and 2023 (“FY2021”, “FY2022” and “FY2023” respectively). The extracted financial information for FY2021, FY2022 and FY2023 should be read in conjunction with the audited consolidated financial statements of the Group and the accompanying notes as set out in the Company’s Annual Reports for FY2021, FY2022 and FY2023 respectively.

Historical Financial Performance of the Group

The salient historical financial information of the Group for FY2021, FY2022 and FY2023 is set out in the table below.

Consolidated Statement of Comprehensive Income

		Audited	
	FY2021	FY2022	FY2023
(S\$'000)	(Restated)⁽¹⁾		
Revenue	227,318	256,949	297,272
Cost of sales	(108,910)	(120,893)	(134,968)
Gross profit	118,408	136,056	162,304
Other income	9,421	7,473	2,683
Other losses			
- Impairment losses of financial assets	(35)	(131)	(37)
- Others	2,133	(3,207)	(32)
Expenses			
- Distribution and marketing	(81,111)	(81,391)	(91,493)
- Administrative	(29,226)	(38,769)	(47,662)
- Finance	(2,660)	(1,540)	(2,264)
Share of profit of associates and joint venture	(45)	214	384
Profit before income tax	16,885	18,705	23,883
Income tax expense	(2,781)	(3,765)	(5,186)
Net profit	14,104	14,940	18,697

(S\$'000)	Audited		
	FY2021 (Restated) ⁽¹⁾	FY2022	FY2023
Profit/(loss) attributable to:			
Equity holders of the Company	14,102	14,954	18,714
Non-controlling interests	2	(14)	(17)
	14,104	14,940	18,697
Number of issued shares (excluding treasury shares) ('000)	445,317	444,546	444,546
Ordinary dividends paid or proposed ('000)	—	4,445	11,114
Net earnings per share (S\$ cents)	3.17	3.36	4.21
Net dividends per share (S\$ cents)	—	1.00	2.50

Sources: Audited financial statements of the Company for FY2021, FY2022 and FY2023

Note:

(1) As set out in the audited financial statement of the Company for FY2022, FY2021 restatements have been made for errors arising from the effects of timing differences on the recognition of certain expenses.

FY2022 vs FY2021

The Group's revenue increased by approximately S\$29.6 million from S\$227.3 million in FY2021 to S\$256.9 million in FY2022 mainly due to product led growth through the existing retail stores and via the E-commerce segment.

In line with the growth in revenue, the Group's cost of sales increased by approximately S\$12.0 million from S\$108.9 million in FY2021 to S\$120.9 million in FY2022.

As a result, the gross profit of the Company increased by approximately S\$17.7 million from S\$118.4 million in FY2021 to S\$136.1 million in FY2022.

Other income decreased by approximately S\$1.9 million from S\$9.4 million in FY2021 to S\$7.5 million in FY2022 mainly due to the reduction of government grants and landlords' support in relation to COVID-19 pandemic in FY2022.

The Group recorded other gains of S\$2.1 million in FY2021 as compared to other losses of S\$3.3 million in FY2022 mainly due to revaluation loss on the freehold and leasehold land and buildings in FY2022.

The Group's expenses increased by approximately S\$8.7 million from S\$113.0 million in FY2021 to S\$121.7 million in FY2022. This is largely due to the increase in administrative expenses amounting to S\$9.5 million due to higher manpower costs and increased IT expenses from implementation of the ERP system which was partially offset by the decrease in finance expenses of S\$1.1 million due to decreased borrowings.

Share of profit of associates and joint ventures recorded a loss of S\$45,000 in FY2021 as compared to profit of S\$0.2 million in FY2022.

Based on the above reasons, the Group's net profit for the year increased by approximately S\$0.8 million from S\$14.1 million in FY2021 to S\$14.9 million in FY2022.

FY2022 vs FY2023

The Group's revenue increased by approximately S\$40.3 million from S\$256.9 million in FY2022 to S\$297.3 million in FY2023 mainly due to product led growth, primarily driven by the retail segment, further bolstered by the favourable effects from the reopening of the Hong Kong borders in the third quarter of FY2023.

In line with the growth in revenue, the Group's cost of sales increased by approximately S\$14.1 million from S\$120.9 million in FY2022 to S\$135.0 million in FY2023.

As a result, gross profit increased by approximately S\$26.2 million from S\$136.1 million in FY2022 to S\$162.3 million in FY2023.

Other income decreased by approximately S\$4.8 million from S\$7.5 million in FY2022 to S\$2.7 million in FY2023 largely due to the absence of government grants and landlords' support in relation to COVID-19 pandemic in FY2023.

Other losses of the Group decreased by approximately S\$3.2 million from S\$3.3 million in FY2022 to S\$69,000 in FY2023 mainly due to the lower revaluation loss incurred on the freehold and leasehold land and buildings in FY2023.

The Group's expenses increased by approximately S\$19.7 million from S\$121.7 million in FY2022 to S\$141.4 million in FY2023 mainly due to increased media advertising spend, increased manpower costs, rental costs due to overall store count growth, and higher costs incurred on transformative and exploratory investments.

Share of profit of associates and joint venture increased by approximately S\$0.2 million from S\$0.2 million in FY2022 to S\$0.4 million in FY2023.

Based on the above reasons, the Group's net profit for the year increased by S\$3.8 million from S\$14.9 million in FY2022 to S\$18.7 million in FY2023.

8.2 Statements of Assets and Liabilities

A summary of the audited consolidated balance sheet of the Group for FY2023 is set out below. The audited consolidated balance sheet of the Group for FY2023 should be read in conjunction with the audited consolidated financial statements of the Group for FY2023 and the accompanying notes as set out in the Annual Report for FY2023.

(S\$'000)	Audited as at 30 June 2023
Current assets	
Cash and cash equivalents	50,184
Trade and other receivables	21,749
Inventories	64,875
Tax recoverable	128
Total current assets	136,936
Non-current assets	
Other receivables	4,251
Investments in associates	879
Investments in joint ventures	544
Investment properties	2,957

(S\$'000)	Audited as at 30 June 2023
Property, plant and equipment	111,521
Intangible assets	9,689
Deferred income tax assets	938
Net investment in lease	375
Total non-current assets	131,154
Total assets	268,090
Current liabilities	
Trade and other payables	32,972
Deferred income	3,447
Borrowings	34,493
Provision for restoration costs	692
Current income tax liabilities	2,779
Total current liabilities	74,383
Non-current liabilities	
Other payables	874
Borrowings	33,453
Provision for restoration costs	1,942
Deferred income tax liabilities	7,570
Total non-current liabilities	43,839
Total liabilities	118,222
Net assets	149,868
Equity	
Capital and reserves attributable to the equity holders of the Company	
Share capital	39,177
Other reserves	5,450
Retained profits	105,055
	149,682
Non-controlling interests	186
Total equity	149,868
NAV of the Company	149,682
Less: Intangible assets	9,689
NTA of the Company	139,993
Number of issued shares (excluding treasury shares) ('000)	444,546
NAV per Share (S\$ cents)	33.67
NTA per Share (S\$ cents)	31.49

Source: Audited financial statements of the Company for FY2023

Assets

As at 30 June 2023, the Group has total assets of S\$268.1 million comprising current assets of S\$136.9 million (51.1% of total assets) and non-current assets of S\$131.2 million (48.9% of total assets).

The main current assets of the Group are (i) inventories of S\$64.9 million (47.4% of current assets); (ii) cash and cash equivalents of S\$50.2 million (36.7% of current assets); and (iii) trade and other receivables of S\$21.7 million (15.9% of current assets) as at 30 June 2023.

The main non-current assets of the Group are (i) property, plant and equipment of S\$111.5 million (85.0% of non-current assets); (ii) intangible assets of S\$9.7 million (7.4% of non-current assets); and (iii) investment properties of S\$3.0 million (2.3% of non-current assets) as at 30 June 2023.

Liabilities and equity

As at 30 June 2023, the Company has total liabilities of S\$118.2 million, mainly comprising borrowings of S\$67.9 million (57.4% of total liabilities) and trade and other payables of S\$33.8 million (28.6% of total liabilities).

Total equity of the Company was S\$149.9 million as at 30 June 2023.

8.3 Significant Accounting Policies

A summary of the significant accounting policies of the Group is set out in note 2 to the audited consolidated financial statements of the Group for FY2023. Copies of the Annual Report for FY2023 are available for inspection at the registered address of the Company at 21 Tai Seng Drive, Singapore 535223 during normal business hours for the period during which the Offer remains open for acceptance.

Save as disclosed in any information on the Group which is publicly available (including, without limitation, the Annual Report for FY2023 and the announcements released by the Company on the Company's website at <https://www.euyansang.com.sg/en/corporate-news/>), there are no significant accounting policies or any points from the notes of the financial statements of the Group which are of major relevance for the interpretation of the financial statements of the Group.

8.4 Changes in Accounting Policies

Save as disclosed in any information on Group which is publicly available (including, without limitation, the Annual Report for FY2023 and the announcements released by the Company on the Company's website at <https://www.euyansang.com.sg/en/corporate-news/>), as at the Latest Practicable Date, there is no change in the accounting policy of the Group which will cause the figures disclosed in this Circular not to be comparable to a material extent.

8.5 Material Change in Financial Position

Save as disclosed in any information on the Group which is publicly available (including, without limitation, the Annual Report for FY2023, the announcements released by the Company on the Company's website at <https://www.euyansang.com.sg/en/corporate-news/>) and this Circular (including the IFA Letter), as at the Latest Practicable Date, there has been no known material change in the financial position of the Group since 30 June 2023, being the date of the last published audited accounts of the Company.

9. GENERAL

9.1 Costs and Expenses

All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

9.2 Consent of IFA

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name as the IFA to the Independent Directors in respect of the Offer and the IFA Letter set out in **Appendix I** to this Circular and all references thereto, in the form and context in which they appear in this Circular.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection, with reasonable prior notice given to the Company, at the registered address of the Company at 21 Tai Seng Drive, Singapore 535223 during normal business hours for the period during which the Offer remains open for acceptance:

- (a) the Constitution;
- (b) the Annual Reports of the Company for FY2021, FY2022 and FY2023;
- (c) the IFA Letter; and
- (d) the letter of consent referred to in paragraph 9.2 of **Appendix II** to this Circular.

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EXTRACTS FROM THE COMPANY'S CONSTITUTION

The rights of Shareholders in respect of capital, dividends and voting are extracted from the Constitution of the Company and reproduced below. All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Constitution, a copy of which is available for inspection at the registered address of the Company at 21 Tai Seng Drive, Singapore 535223.

1. RIGHTS IN RESPECT OF CAPITAL

ISSUE OF SHARES

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| <p>6. (A) <i>The Company has power to issue different classes of shares, including shares which confer special, limited or conditional voting rights, or which do not confer voting rights.</i></p> | <p><i>Issue of different classes of shares</i></p> |
| <p>(B) <i>The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution.</i></p> | <p><i>Shares of a class other than ordinary shares</i></p> |
| <p>(C) <i>Notwithstanding anything in articles 6(A) and 6(B), the Company shall not undertake any issuance of shares that confer special, limited or conditional voting rights, or that confer no voting rights, unless it is approved by the members of the Company by Special Resolution.</i></p> | <p><i>Special Resolution required for issuance of shares with special voting rights etc.</i></p> |
| <p>7. <i>Subject to the Statutes and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to the provisions of this Constitution, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions, or which confer special, limited or conditional voting rights, or which do not confer voting rights, as the Directors may think fit, any preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors.</i></p> | <p><i>Issue of shares</i></p> |
| <p>8. (A) <i>The Company may issue shares for which no consideration is payable to the Company.</i></p> | <p><i>Issue of shares for no consideration</i></p> |
| <p>(B) <i>The rights attached to shares issued upon special conditions shall be clearly defined in this Constitution. Without prejudice to any special right previously conferred on the holders of any existing shares or class of shares but subject to the Act and this Constitution, shares in the Company may be issued by the Directors and any such shares may be issued with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital or otherwise as the Directors may determine.</i></p> | <p><i>Special rights</i></p> |

VARIATION OF RIGHTS

9. *Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital, other than redeemable preference capital, may be repaid and the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of this Constitution relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, Provided always that:*
- (a) where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting; or*
- (b) where all the issued shares of the class are held by one person, the necessary quorum shall be one person and such holder of shares of the class present in person or by proxy or by attorney or other duly authorised representative may demand a poll.*

Variation of rights

The foregoing provisions of this article shall apply to the variation or abrogation of the special rights attached to only some of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

10. *The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the issue of further shares ranking equally therewith.*

Issue of further shares with special rights

ALTERATION OF SHARE CAPITAL

11. (A) *Subject to any direction to the contrary that may be given by the Company in General Meeting, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this article 11(A).*

Offer of new shares to members

(B) *Notwithstanding article 11(A), the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:*

*General
authority*

(a) (i) *issue shares of the Company whether by way of rights, bonus or otherwise; and/or*

(ii) *make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and*

(b) *(notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,*

provided always that (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).

(C) *Except so far as otherwise provided by the conditions of issue or by this Constitution, all new shares shall be subject to the provisions of the Statutes and of this Constitution with reference to allotments, payment of calls, liens, transfers, transmissions, forfeiture and otherwise.*

*New shares
subject to the
Statutes and
this
Constitution*

12. (A) *The Company may by Ordinary Resolution:*

*Power to
consolidate,
sub-divide and
redenominate
shares*

(a) *consolidate and divide all or any of its shares;*

(b) *sub-divide its shares, or any of them (subject, nevertheless, to the provisions of the Statutes and this Constitution), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to new shares;*

(c) *subject to the provisions of this Constitution and the Statutes, convert its share capital or any class of shares from one currency to another currency;*

(d) *cancel the number of shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person or which have been forfeited, and diminish the amount of its share capital by the number of the shares so cancelled; and*

- (B) *The Company may by Special Resolution, subject to and in accordance with the Statutes, convert one class of shares into another class of shares.* *Power to convert shares*
13. (A) *The Company may reduce its share capital or any undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.* *Power to reduce capital*
- (B) *The Company may, subject to and in accordance with the Act, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company.* *Power to repurchase shares*
- On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to this Constitution, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.*
- (C) *The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.* *Treasury shares*

SHARES

14. *Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder thereof.* *Absolute owner of shares*
15. *Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special, limited or conditional rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, or which do not confer voting rights, as the Company may from time to time by Ordinary Resolution or, if required by the Statutes, by Special Resolution determine (or, in the absence of any such determination, but subject to the Statutes, as the Directors may determine) and subject to the provisions of the Statutes, the Company may issue preference shares which are, or at the option of the Company are, liable to be redeemed.* *Rights and privileges of new shares*

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| 16. Subject to the provisions of this Constitution and of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in General Meeting passed pursuant thereto, all new shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper. | Power of Directors to issue shares |
| 17. The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. | Power to pay commission and brokerage |
| 18. If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this article shall not affect the liability of any allottee who may have agreed to pay the same. | Payment of instalments |

SHARE CERTIFICATES

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| 19. Every share certificate shall be issued under the Seal in accordance with the Act and shall bear the autographic or facsimile signatures of a Director and the Secretary or a second Director or some other person appointed by the Directors for the purpose. The facsimile signatures may be reproduced by mechanical, electronic or other method approved by the Directors. No certificate shall be issued representing shares of more than one class. | Share certificates |
| 20. In the case of a share registered jointly in the names of several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate for such share to any one of the registered joint holders shall be sufficient delivery to all such holders. | Issue of certificate to joint holders |
| 21. Every person whose name is entered as a member in the Register of Members shall be entitled to receive, in accordance with the Act, a certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred. Where such a member transfers part only of the shares comprised in a certificate or requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of sub-dividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and such member shall pay a maximum fee of S\$2 for each new certificate or such other fee as the Directors may from time to time determine. | Entitlement to certificate |
| 22. Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, the Company shall issue a new certificate in lieu thereof on such evidence being produced and a letter of indemnity (if required) being given by the member, transferee, person entitled or purchaser, as the Directors of the Company shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of a fee not exceeding S\$2 as the Directors may from time to time require. In the case of destruction, loss or theft, a member or person entitled to whom such new certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss. | Replacement share certificates |

CALLS ON SHARES

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| <p>23. <i>The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.</i></p> | <p><i>Calls on shares</i></p> |
| <p>24. <i>Each member shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls, instalments and interest due in respect thereof. A call may be revoked or postponed as the Directors may determine.</i></p> | <p><i>Notice of calls</i></p> |
| <p>25. <i>If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 10 per cent. per annum) as the Directors may determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.</i></p> | <p><i>Interest on unpaid calls</i></p> |
| <p>26. <i>Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of this Constitution be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</i></p> | <p><i>When calls made and payable</i></p> |
| <p>27. <i>The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.</i></p> | <p><i>Power of Directors to differentiate</i></p> |
| <p>28. <i>The Directors may if they think fit receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate not exceeding (unless the Company in General Meeting shall otherwise direct) eight per cent. per annum as the member paying such sum and the Directors may agree.</i></p> | <p><i>Payment of calls in advance</i></p> |

FORFEITURE AND LIEN

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| <p>29. <i>If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.</i></p> | <p><i>Notice requiring payment of calls</i></p> |
| <p>30. <i>The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be forfeited.</i></p> | <p><i>Notice to state place and time of payment</i></p> |

31. *If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.* Forfeiture on non-compliance with notice
32. *A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such other person as aforesaid.* Sale of forfeited shares
33. *A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at that time of forfeiture or surrender or waive payment in whole or in part.* Rights and liabilities of members whose shares have been forfeited
34. *The Company shall have a first and paramount lien on every share (not being a fully paid share) and dividends from time to time declared or payable in respect of such shares. Such lien shall be restricted to unpaid calls and instalments (together with any interest and expenses thereon) upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this article.* Company to have paramount lien
35. *The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.* Sale of shares subject to lien
36. *The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the shares at the time of the sale. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer or effect the transfer of the shares sold to the purchaser.* Application of sale proceeds

37. *A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.*
- Title to forfeited or surrendered shares*

RESTRICTION ON TRANSFER OF SHARES

38. *Subject to the Act and the restrictions set out in this Constitution, any member may transfer all or any of his shares, but every transfer must be in writing and in the usual or common form, or in any other form which the Directors may approve. The instrument of transfer of a share shall be signed both by the transferor and by the transferee, and by the witness or witnesses thereto. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof. Shares of different classes shall not be comprised in the same instrument of transfer.*
- Form and execution of transfer*
39. *All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer for which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same.*
- Retention of transfers*
40. *The Register of Members may be closed at such times and for such period as the Directors may from time to time determine. Provided always that such Register shall not be closed for more than 30 days in any calendar year.*
- Closure of Register of Members*
41. (A) *The Directors may, in their sole discretion, refuse to register an instrument of transfer of shares in respect of any share on which the Company has a lien or to a person of whom they do not approve but shall in such event:*
- Directors' power to refuse to register a transfer*
- (a) *within 30 days after the date on which the transfer was lodged with the Company, send to the transferor and to the transferee notice of the refusal; and*
- (b) *within 30 days beginning with the day on which the application for a transfer of shares was made to the Company for a person to be registered as a member in respect of shares which have been transferred or transmitted to him by act of parties or operation of law, serve on the applicant a notice in writing stating the facts which are considered to justify refusal in the exercise of that discretion.*

(B) *The Directors may, in their sole discretion, decline to register any transfer of shares unless:*

When Directors may refuse to register a transfer

- (a) *such fee not exceeding S\$2 or such other sum as the Directors may from time to time require under the provisions of this Constitution, is paid to the Company in respect thereof;*
- (b) *the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;*
- (c) *the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which the transfer relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and*
- (d) *the instrument of transfer is in respect of only one class of shares.*

42. *The Company shall provide a book to be called "Register of Transfers" which shall be kept under the control of the Directors, and in which shall be entered the particulars of every transfer of shares.*

Register of Transfers

TRANSMISSION OF SHARES

43. *In the case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.*

Survivor or legal personal representatives of deceased member

44. *Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may (subject as hereinafter provided) upon producing such evidence as the Directors may reasonably require to show his legal title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of his desire or transfer such share to some other person. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he elects to have another person registered, he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.*

Transmission of shares

45. *Except as otherwise provided by or in accordance with this Constitution, a person becoming entitled to a share pursuant to article 43 or article 44 shall (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) be entitled to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the Company, or to voting or otherwise) as if he were the member in respect of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in the Register of Members in respect of the share.* *Rights of person on transmission of shares*
46. *There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares, such fee not exceeding S\$2 as the Directors may from time to time require or prescribe.* *Fee for registration of probate etc.*

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

123. (A) *The Directors may, with the sanction of an Ordinary Resolution of the Company (but subject to article 6(C)):* *Power to issue free bonus shares and/or to capitalise reserves*
- (a) *issue bonus shares for which no consideration is payable to the Company, to the persons registered as holders of shares in the Register of Members at the close of business on the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of shares; and/or*
- (b) *capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of the profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members at the close of business on the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.*
- (B) *The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.* *Power of Directors to give effect to bonus issues and capitalisations*

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| <p>(C) <i>In addition and without prejudice to the powers provided for by articles 123(A) and 123(B), the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or any other share plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit. The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing.</i></p> | <p><i>Power to issue free shares and/or to capitalise reserves for share-based incentive plans and Directors' remuneration</i></p> |
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2. RIGHTS IN RESPECT OF VOTING

GENERAL MEETINGS

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| <p>47. (A) <i>Except as otherwise permitted under the Act, an Annual General Meeting shall be held in accordance with the provisions of the Act. All General Meetings (other than the Annual General Meeting) shall be called Extraordinary General Meetings.</i></p> | <p><i>Annual general meeting and extraordinary general meeting</i></p> |
| <p>(B) <i>The time and place of any General Meeting shall be determined by the Directors.</i></p> | <p><i>Time and place</i></p> |
| <p>48. <i>The Directors may whenever they think fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors</i></p> | <p><i>Calling extraordinary general meeting</i></p> |

NOTICE OF GENERAL MEETINGS

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| <p>49. <i>Subject to the provisions of the Act relating to Special Resolutions and agreements to shorter notice, 14 days' notice at the least (exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every General Meeting shall be given in the manner hereinafter mentioned to all members and such persons as are under the provisions of this Constitution and the Act entitled to receive such notices from the Company; Provided always that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:</i></p> | <p><i>Notice of general meeting</i></p> |
| <p>(a) <i>in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and</i></p> | |
| <p>(b) <i>in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent of the total voting rights of all the members having a right to vote at that meeting,</i></p> | |

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting.

50. (A) *Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company. Where the Company has one or more classes of shares that confer special, limited or conditional voting rights, or that confer no voting rights, the notice shall also specify the special, limited or conditional voting rights, or the absence of voting rights, in respect of each such class of shares.* Contents of notice for general meeting
- (B) *In the case of an Annual General Meeting, the notice shall also specify the meeting as such.* Contents of notice for annual general meeting
- (C) *In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.* Notice of general meeting for special business and Special Resolutions
51. *Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:* Routine business
- (a) *declaring a dividend;*
- (b) *receiving and adopting the financial statements, the Directors' statement, the Auditor's report and other documents required to be attached to the financial statements;*
- (c) *appointing or re-appointing the Auditor;*
- (d) *fixing the remuneration of the Auditor or determining the manner in which such remuneration is to be fixed; and*
- (e) *fixing the remuneration of the Directors proposed to be paid in respect of their office as such under article 77 and/or article 78.*

PROCEEDINGS AT GENERAL MEETINGS

52. *The Chairman of the Board of Directors, failing whom the Deputy Chairman, if any, shall preside as chairman at every General Meeting. If there is no such Chairman or Deputy Chairman, or if at any meeting neither is present within 10 minutes after the time appointed for the holding of the meeting and willing to act, the Directors present shall choose one of their number, or if no Director is present or if all the Directors present decline to take the chair, the members present shall choose one of their number, to be chairman of the meeting.* Chairman of general meeting

53. *No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Except as herein otherwise provided, two members present in person shall form a quorum save that:* *Quorum*

(a) *in the event of a corporation being beneficially entitled to the whole of the issued shares of the Company, one person representing such corporation shall be a quorum and shall be deemed to constitute a meeting and, if applicable, the provisions of Section 179 of the Act shall apply; and*

(b) *in the event the Company has only one member, the Company may pass a resolution by that member recording the resolution and signing the record in accordance with the provisions of Section 184G of the Act.*

For the purpose of this article, "member" includes a person attending by proxy or by attorney or other duly authorised representative.

Provided always that (i) a proxy representing more than one member shall only count as one member for the purpose of determining the quorum; and (ii) where a member is represented by more than one proxy such proxies shall count as only one member for the purpose of determining the quorum.

54. *If within 30 minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or to such other day, and at such other time and place as the Directors may determine. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the meeting shall be dissolved. No notice of any such adjournment as aforesaid shall be required to be given to the members.* *If quorum not present, adjournment or dissolution of meeting*

55. *The chairman of any General Meeting at which a quorum is present may, with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more or sine die, notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. Except as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.* *Business at adjourned meeting*

56. *Subject to the provisions of the Act, the members may participate in a General Meeting by means of a conference telephone or a video conference telephone or similar communications equipment by which all persons participating in the General Meeting are able to hear and be heard by all other members without the need for a member to be in the physical presence of another member(s) and participation in the General Meeting in this manner shall be deemed to constitute presence in person at such meeting. The members participating in any such General Meeting shall be counted in the quorum for such General Meeting and subject to there being a requisite* *General meeting via conference telephone, video conference telephone or similar communications equipment*

quorum under this Constitution, all resolutions agreed by the members in such General Meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the members duly convened and held. A General Meeting conducted by means of a conference telephone or a video conference telephone or similar communications equipment as aforesaid is deemed to be held at the place agreed upon by the members attending the General Meeting, provided that at least one of the members present at the General Meeting was at that place for the duration of the General Meeting.

57. (A) *Subject to any additional requirements as may be imposed by the Act or this Constitution, all resolutions of the members shall be adopted by a simple majority vote of the members present and voting.* Voting
- (B) *If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.* Amendment of resolutions
58. *Subject to the provisions of the Act:* Resolutions in writing
- (a) *a Special Resolution may be passed by written means if the resolution indicates that it is a Special Resolution and if it has been formally agreed on any date by one or more members who on that date represent at least 75 per cent. of the total voting rights of all members who on that date would have the right to vote on that resolution at a General Meeting of the Company; and*
- (b) *an Ordinary Resolution is passed by written means if the resolution does not indicate that it is a Special Resolution and if it has been formally agreed on any date by one or more members who on that date represent a majority of the total voting rights of all members who on that date would have the right to vote on that resolution at a General Meeting of the Company.*
- A Special or Ordinary Resolution passed by written means may consist of several documents in the like form each signed by one or more of the members who have the right to vote on that resolution at a General Meeting of the Company. The expressions "by written means" and "signed" include approval by any such member by telefax or any form of electronic communication approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors. For the purpose of this article, "member" includes a person signing by proxy or by attorney or as representing a corporation which is a member.*
59. *At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:* Method of voting
- (a) *by the chairman of the meeting; or*

- (b) *by at least two members present in person or by proxy or by attorney or other duly authorised representative and entitled to vote at the meeting;*
or
- (c) *by a member present in person or by proxy or by attorney or other duly authorised representative and representing not less than ten per cent. of the total voting rights of all the members having the right to vote at the meeting.*

A demand for a poll made pursuant to this article may be withdrawn only with the approval of the chairman of the meeting, and any such demand shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. Unless a poll is demanded a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

- 60. *If a poll is duly demanded, it shall be taken in such manner (including the use of ballot or voting papers) as the chairman of the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may, or if so directed by the meeting shall, appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.* *Taking a poll*
- 61. *A poll demanded on the election of a chairman or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than 30 days from the date of the meeting) and place as the chairman of the meeting may direct. No notice need be given of a poll not taken immediately.* *Timing for taking a poll*
- 62. *In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.* *Casting vote of chairman*

VOTES OF MEMBERS

- 63. *Subject and without prejudice to any special rights or restrictions as to voting for the time being attached to any class or classes of shares for the time being forming part of the capital of the Company and to article 13(C), each member entitled to vote may vote in person or by proxy or by attorney or other duly authorised representative. Every member who is present in person or by proxy, or by attorney or other duly authorised representative shall:* *Voting rights of members*
 - (a) *on a show of hands, have one vote, Provided always that:*
 - (i) *in the case of a member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the chairman of the meeting (or by a person authorised by him) in his sole discretion, shall be entitled to vote on a show of hands; and*

- (ii) *in the case of a member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands; and*
- (b) *on a poll, have one vote for each share which he holds or represents.*
64. *In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy or by attorney or other duly authorised representative, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the share.* Voting rights of joint holders
65. *Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy or by attorney or other duly authorised representative at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.* Voting in the event of mental disorder
66. *No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at any General Meeting either personally or by proxy or by attorney or other duly authorised representative, or to exercise any other right conferred by membership in relation to meetings of the Company, unless all calls or other sums presently payable by him to the Company in respect of such shares have been paid.* Entitlement of members to vote
67. *No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.* When objection to admissibility of votes may be made
68. *On a poll, votes may be given either personally or by proxy or by attorney or other duly authorised representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.* Vote on a poll
69. (A) *Except as otherwise provided in the Act:* Appointment of proxies
- (a) *a member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the same General Meeting. Where such member appoints more than one proxy, the proportion of the shareholding to be represented by each proxy shall be specified in the instrument of proxy, failing which the first named proxy shall be treated as representing 100 per cent. of the shareholding and any subsequent named proxy as an alternate to the earlier named; and*
- (b) *a member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.*

- (B) *The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.* Notes and instructions
- (C) *A proxy need not be a member of the Company.* Proxy need not be a member
70. (A) *The instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:* Execution of proxies
- (a) *in the case of an individual, shall be:*
- (i) *signed by the appointor or his attorney if the instrument is delivered personally or sent by post; or*
- (ii) *authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and*
- (b) *in the case of a corporation, shall be:*
- (i) *either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, if the instrument is delivered personally or sent by post; or*
- (ii) *authorised by that corporation, through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.*
- The Directors may, for the purposes of articles 70(A)(a)(ii) and 70(A)(b)(ii), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by the use of such procedures shall be deemed not to have been received by the Company.*
- (B) *The signature on, or authorisation of, such instrument need not be witnessed. Where an instrument appointing a proxy is signed or authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to article 71(A), failing which the instrument may be treated as invalid.* Witness and authority
- (C) *The Directors may, in their absolute discretion:* Directors may approve method and manner, and designate procedure, for electronic communications
- (a) *approve the method and manner for an instrument appointing a proxy to be authorised; and*
- (b) *designate the procedure for authenticating an instrument appointing a proxy,*
- as contemplated in articles 70(A)(a)(ii) and 70(A)(b)(ii) for application to such members or class of members as they may determine. Where the Directors do not so approve and designate in relation to a member (whether of a class or otherwise), article 70(A)(a)(i) and/or (as the case may be) article 70(A)(b)(i) shall apply.*

- (D) *The instrument appointing a proxy shall be in the following form with such variations, if any, as circumstances may require or in any other form which the Directors may approve:* *Form of proxies*

“Eu Yan Sang International Ltd

I/We, [name(s)], of [address(es)], being a member/members* of the abovenamed Company, appoint [name] of [address], or failing him/her*, [name] of [address], as my/our* proxy to vote for me/us* on my/our* behalf at the [Annual or Extraordinary, as the case may be] General Meeting of the Company, to be held on [date], and at any adjournment of the meeting. Signed on [date].*

** Delete whichever is not applicable.”*

71. (A) *The instrument appointing a proxy or the power of attorney or other authority, if any:* *Deposit of proxies*

(a) if sent personally or by post, shall be deposited at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting or adjourned meeting (or, if no place is so specified, at the Office); or

(b) if submitted by electronic communication, shall be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting or adjourned meeting,

and in either case, not less than 72 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default the instrument of proxy shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided always that an instrument of proxy or the power of attorney or other authority, if any, relating to more than one meeting (including any adjournment thereof) having once been so delivered in accordance with this article 71 for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.

- (B) *The Directors may, in their absolute discretion, and in relation to such members or class of members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in article 71(A)(b). Where the Directors do not so specify in relation to a member (whether of a class or otherwise), article 71(A)(a) shall apply.* *Directors may specify means for electronic communications*

72. *An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.* *Rights of proxies*

73. *A vote given in accordance with the terms of an instrument of proxy (which for the purposes of this Constitution shall also include a power of attorney) shall be valid notwithstanding the previous death or mental disorder of the principal or revocation of the proxy, or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy was given. Provided that no intimation in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office (or such other place as may be specified for the deposit of instruments appointing proxies) before the commencement of the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used.*
- Intervening death or mental disorder*

CORPORATIONS ACTING BY REPRESENTATIVES

74. *In accordance with the provisions of Section 179 of the Act, any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall, in accordance with his authority and until his authority is revoked by the corporation, be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of this Constitution (but subject to the Act) be deemed to be personally present at any such meeting if the person so authorised is present thereat.*
- Corporations acting by representatives*

NOTICES

129. (A) *Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid cover addressed to such member at his registered address appearing in the Register of Members. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.*
- Service of notices*
- (B) *Without prejudice to the provisions of article 129(A), but subject otherwise to the Act and any regulations made thereunder relating to electronic communications, any notice or document (including, without limitation, any accounts, balance-sheet, financial statements or report) which is required or permitted to be given, sent or served under the Act or under this Constitution by the Company, or by the Directors, to a member may be given, sent or served using electronic communications:*
- Electronic communications*
- (a) *to the current address of that person; or*
- (b) *by making it available on a website prescribed by the Company from time to time,*

in accordance with the provisions of this Constitution, the Act and/or any other applicable regulations or procedures.

- (C) *For the purposes of article 129(B) above, a member shall be deemed to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document.* Implied consent
- (D) *Notwithstanding article 129(C) above, the Directors may, at their discretion, at any time give a member an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and a member shall be deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document.* Deemed consent
- (E) *Where a notice or document is given, sent or served by electronic communications:* When notice given by electronic communications deemed served
- (a) *to the current address of a person pursuant to article 129(B) (a), it shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communication by the email server or facility operated by the Company or its service provider to the current address of such person (notwithstanding any delayed receipt, non-delivery or "returned mail" reply message or any other error message indicating that the electronic communication was delayed or not successfully sent), unless otherwise provided under the Act and/or any other applicable regulations or procedures; and*
- (b) *by making it available on a website pursuant to article 129(B)(b), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, or unless otherwise provided under the Act and/or any other applicable regulations or procedures.*
- (F) *Where a notice or document is given, sent or served to a member by making it available on a website pursuant to article 129(B)(b), the Company shall give separate notice to the member of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by any one or more of the following means:* Notice to be given of service on website
- (a) *by sending such separate notice to the member personally or through the post pursuant to article 129(A);*
- (b) *by sending such separate notice to the member using electronic communications to his current address pursuant to article 129(B)(a); and/or*
- (c) *by way of advertisement in the daily press.*
- (G) *Any notice on behalf of the Company or of the Directors shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company, whether such signature is printed or written.* Signature on notice

- (H) *When a given number of days' notice or notice extending over any other period is required to be given the day of service shall not, unless it is otherwise provided or required by this Constitution or by the Act, be counted in such number of days or period.* *Day of service not counted*
- (I) *The provisions in this article 129 shall apply mutatis mutandis to notices of meetings of Directors or any committee of Directors.* *Notice of meetings of Directors or any committee of Directors*
130. *Any notice given to that one of the joint holders of a share whose name stands first in the Register of Members in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purpose a joint holder having no registered address in Singapore and not having supplied an address within Singapore for the service of notices shall be disregarded.* *Service of notices in respect of joint holders*
131. *A person entitled to a share in consequence of the death or bankruptcy of a member upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also to the Company an address for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the member but for his death or bankruptcy would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any member or given, sent or served to any member using electronic communications in pursuance of this Constitution shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company shall have notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such member in the Register of Members as sole or first-named joint holder.* *Service of notices after death, bankruptcy, etc.*
132. (A) *Notice of every General Meeting shall be given in the manner hereinbefore authorised to:* *Persons entitled to receive notices of general meeting*
- (a) *every member;*
- (b) *every person entitled to a share in consequence of the death or bankruptcy or otherwise of a member who but for the same would be entitled to receive notice of the meeting; and*
- (c) *the Auditor.*
- (B) *No other person shall be entitled to receive notices of General Meetings.*

3. RIGHTS IN RESPECT OF DIVIDENDS

RESERVES

112. *The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions (if any) of the Statutes.*
- Reserves

DIVIDENDS

113. *The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.*
- Declaration of dividends
114. *If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.*
- Fixed and Interim dividends
115. *Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:*
- Apportionment of dividends
- (a) *all dividends in respect of shares shall be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and*
- (b) *all dividends shall be apportioned and paid proportionately to the amounts so paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid.*
- For the purposes of this article, an amount paid or credited as paid on a share in advance of a call is to be ignored.*
116. (A) *No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.*
- Dividends payable out of profits
- (B) *No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.*
- No interest on dividends
117. *The Directors may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.*
- Deduction from dividends

118. (A) *The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.* Retention of dividends on shares subject to lien
- (B) *The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.* Retention of dividends pending transmission
119. *The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six years from the date they are first payable shall be forfeited and shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture.* Unclaimed dividends or other moneys
120. *The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.* Payment of dividend in specie
121. *Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.* Dividends payable by cheque or warrant
122. *If two or more persons are registered in the Register of Members as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.* Payment of dividends to joint holders

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VALUATION REPORTS



Valuation Advisory

Client: Eu Yan Sang (Hong Kong) Limited

Property: Ground Floor, No. 192 Lai Chi Kok Road, Kowloon,
Hong Kong

Valuation Date: 31 May 2024

Report No.: 2/24/00241 (VAS/AA/EN/IC/ay)
Report Date: 11 June 2024

Our Ref: 2/24/00241
VAS/AA/EN/IC/ay

11 June 2024

Eu Yan Sang (Hong Kong) Limited

Eu Yan Sang Centre
10 Wang Lee Street
Yuen Long Industrial Estate,
Yuen Long, New Territories
Hong Kong

Attn: Ms Iris Lau

By Email

iris.lau@euyansang.com

Dear Madam,

Re: Property Valuation of Ground Floor, No. 192 Lai Chi Kok Road, Kowloon, Hong Kong

1.0 INTRODUCTION

Instructions

We refer to the instruction from **Eu Yan Sang (Hong Kong) Limited** (the “Company”) for us to prepare a current market valuation of Ground Floor, No. 192 Lai Chi Kok Road, Kowloon, Hong Kong (the “Property”) subject to vacant possession as at 31 May 2024 (the “Date of Valuation”) for the purposes of a Mandatory General Offer for all the issued ordinary shares in the capital of Eu Yan Sang International Ltd (other than those already owned, controlled, or agreed to be acquired by Soar R2M Pte. Ltd..

We confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the Company with our opinion of the market value of the unencumbered leasehold interest of the Property, as at the Date of Valuation.

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評估及諮詢部
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公司牌照號碼：C-003464

Jones Lang LaSalle Limited
Value and Risk Advisory
7/F One Taikoo Place 979 King's Road Quarry Bay Hong Kong
Company Licence No. C-003464



ISO 9001 : 2015
Certificate No.: CC 568

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1.0 INTRODUCTION (CONT'D)

Basis of Valuation

All works are carried out in accordance with the “HKIS Valuation Standards 2020” published by The Hong Kong Institute of Surveyors (“**HKIS**”), the “International Valuation Standards” published by the International Valuation Standards Council (“**IVSC**”) and the “RICS Valuation – Global Standards” published by the Royal Institution of Chartered Surveyors (“**RICS**”) subject to variation to meet local established law. Unless otherwise stated, our valuations are undertaken as External Valuers as defined in the relevant Valuation Standards.

Compliance with the RICS standards may be subject to monitoring under the RICS’ conduct and disciplinary regulations.

Our valuation is made on the basis of Market Value as defined by IVSC and adopted by HKIS and RICS, set out as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

The valuation presented in this report represents 100% interest of the Property and not the shareholdings of the company holding the property interest hereof.

Our valuation services have been executed in accordance with our Quality Assurance System, accredited by HKQAA via ISO 9001:2015 and our report has been prepared with reference to the assumptions, definitions and limiting conditions as set out in our General Principles of Valuation, copy of which is attached in Appendix No. 1.

Valuation Assumptions

Our valuation has been made on the assumption that the owner sells the Property on the market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect the value of the Property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation that may be incurred in effecting the sales. Unless otherwise stated, it is assumed that the Property is free of legal complications and encumbrances, restrictions, outgoings of an onerous nature that could affect the values.

We have assumed that the owner of the Property has free and uninterrupted rights to use and assign the Property for the whole of the unexpired land lease term as granted. Unless otherwise stated, we have valued the Property on the assumption that they are freely disposable and transferable for the existing use without payment of any premium to the relevant authorities.

VALUATION

Ground Floor, No. 192 Lai Chi Kok Road,
Kowloon, Hong Kong



1.0 INTRODUCTION (CONT'D)

Source of Information

We have relied to a very considerable extent on the information provided by the Company and have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, particulars of occupancy, floor plan, floor areas and all other relevant matters. The dimensions, measurements and areas included in the report are based on information contained in copies of documents provided to us and are therefore only approximations.

We have relied on the Company's confirmation that no material facts have been omitted from the information supplied. We have not been instructed to independently verify the information provided to us. Our valuations are totally dependent on the adequacy and accuracy of the information supplied and/or the assumptions made.

Title Investigation

We have not been provided with copies of the title documents relating to the Property but we have arranged to conduct searches at the Land Registry. However, we have not examined the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us. All documents and leases have been used for reference only.

Valuation Method

We have adopted the Direct Comparison Method in the course of our valuation.

The Direct Comparison Method is based on comparing the property to be valued directly with other comparable properties, which have recently been subject to transfer of legal ownership. However, given the differences between individual real estate properties, appropriate adjustments are required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the property under consideration.

Property Inspection

We only inspected the exterior of the Property and the general locale. For the purpose of this valuation, we have assumed that the interior of the Property is kept in reasonable conditions commensurate with its age. No tests have been carried out to any of the services.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the Property, or has since been incorporated, and we are therefore unable to report that the Property is free from risk in this respect. For the purpose of this valuation we have assumed that such investigation would not disclose the presence of any such material to any significant extent.

VALUATION

Ground Floor, No. 192 Lai Chi Kok Road,
Kowloon, Hong Kong



1.0 INTRODUCTION (CONT'D)

Plant and Machinery

Our valuation normally includes all plant and machinery that form part of the building services installations. However, process plant, machinery and equipment which may have been installed wholly in connection with the occupiers' industrial or commercial processes, together with furniture and furnishings, tenants' fixtures and fittings are excluded in our valuations.

Valuer

This valuation report was prepared by Ms. Evelyn Ng, Director, and Mr. Ivan Cheng, Valuer, with oversight by Mr. Alkan Au, Senior Director.

We confirm that the valuers are in the position to provide an objective and unbiased valuation and are competent to undertake the valuation assignment.

Yours faithfully
For and on behalf of
Jones Lang LaSalle Limited

Au Kin Keung, Alkan
BA (Hons), MHKIS, MRICS, RPS (GP)
Senior Director
Licence No.: E-181955

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VALUATION

Ground Floor, No. 192 Lai Chi Kok Road,
Kowloon, Hong Kong



2.0 VALUATION CERTIFICATE

Property	Description, age and tenure	Particulars of occupancy	Market value as at 31 May 2024 (HK\$)
Ground Floor, No. 192 Lai Chi Kok Road, Kowloon, Hong Kong ("the Property")	The Property comprises a ground floor shop in a 6-storey tenement building ("the Building") completed in 1965. The saleable area of the Property is approximately 617ft ² (57.32m ²).	As advised by the Company, the Property was owner-occupied as at the Date of Valuation.	\$13,400,000 (Hong Kong Dollars Thirteen Million Four Hundred Thousand) (Note (3))
1/7 equal and undivided share of and in the Remaining Portion of Kowloon Inland Lot No. 2027	Kowloon Inland Lot No. 2027 R.P. is held under Government Lease for a term of 75 years commencing on 24 March 1923 and is renewable for a further term of 75 years. The current Government Rent payable is HK\$7,920 per annum.		Land Element: \$13,400,000 Building Element: \$0

Notes:

- (1) As per the Land Search Record, the registered owner of the Property is Eu Yan Sang (Hong Kong) Limited vide Memorial No. UB3674000 dated 25 March 1988.
- (2) As per the Land Search Record, the Property was subject to the following encumbrances:
 - ✓ Deed of Mutual Covenant and Grant vide Memorial No. UB487775 dated 26 April 1965.
 - ✓ Deed of Surrender with Plan vide Memorial No. UB668137 dated 25 March 1969.
 - ✓ Statutory Declaration by Eu Keng Loan vide Memorial No. UB1915004 dated 19 June 1980.
 - ✓ Statutory Declaration (Re: of Roy Eu Keng lu Director of Eu Yan Sang (Hong Kong) Limited vide Memorial No. UB6968970 dated 19 February 1997.
 - ✓ Declaration (Re: of Wong Suet Ying as to Loss of Title Deed) vide Memorial No. 14100300580116 dated 12 September 2014.
- (3) We have adopted the following assumptions and considerations in our valuation:
 - a) We have assumed that the Property is free of encumbrance and can be freely assigned in the market and if any consent to sell/ consent to assign is required, such consent is assumed to be available as at the Date of Valuation.
 - b) As per our external inspection, the exterior of the Property was maintained in a reasonable manner commensurate with its age. As no internal inspection of the Property was made available to us, we have assumed that the interior of the Property had been maintained in a reasonable manner commensurate with its age.

APPENDIX NO. 1

General Principles of Valuation

VALUATION

Ground Floor, No. 192 Lai Chi Kok Road,
Kowloon, Hong Kong



GENERAL PRINCIPLES ADOPTED IN THE PREPARATION AND CONDITIONS THAT APPLY TO AND FORM PART OF HONG KONG VALUATIONS AND REPORTS

This document sets out the terms of engagement for our valuation services. They apply unless we have specifically mentioned otherwise in the service agreement or in the body of the Reports. Where appropriate, we will be pleased to discuss variations to suit any particular circumstances, where appropriate. Any variations to these terms of engagement must be confirmed in writing.

Our Valuations and Reports are confidential to, and for the use only of, the party to whom they are addressed and for the stated specific purpose. No responsibility whatsoever is accepted to any third parties who may use or rely on the whole or any part of the contents of any such Valuation or Report.

1. Valuation Methodology:

All works are carried out in accordance with the “HKIS Valuation Standards 2020” published by The Hong Kong Institute of Surveyors (“HKIS”), the “International Valuation Standards” published by the International Valuation Standards Council (“IVSC”) and the “RICS Valuation – Global Standards” published by the Royal Institution of Chartered Surveyors (“RICS”) subject to variation to meet local established law. Unless otherwise stated, our valuation is undertaken as External Valuers as defined in the relevant Valuation Standards.

Compliance with the RICS standards may be subject to monitoring under the RICS’ conduct and disciplinary regulations.

2. Valuation Basis:

Our valuations are made on the basis of Market Value as defined by IVSC and adopted by HKIS and RICS, set out as:

“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

Our valuations are made on the assumption that the owner sells the property on the open market without the benefit of a deferred terms contract, leaseback, joint venture or similar arrangement which would serve to affect the value of the property.

Each valuation is current as at the date of valuation only. The value assessed may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of preceding half of this paragraph, we do not assume any responsibility or accept liability where this valuation is relied upon after the expiration of three months from the date of valuation.

3. Costs:

No allowances are made in our valuations for dealing with any encumbrances such as charges, mortgages, nor for amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale or disposal.

4. Source of Information:

We accept as being complete and correct the information provided to us, by the sources listed, as to details of tenure, tenancies, tenant’s improvements, planning consents and other relevant matters, as summarized in our report

.../2

VALUATION

Ground Floor, No. 192 Lai Chi Kok Road,
Kowloon, Hong Kong



- 2 -

5. Assumptions

Unless we state otherwise in the valuation, our valuation assumes (without investigation on our part), where applicable,

- (a) good and marketable title, and no encumbrance on the property's title which could materially affect its value,
- (b) no encroachment by or on the property and no unauthorized additions or structural alterations (our valuation is made according to the original layout as shown in the Registered Floor Plans or developer's brochure and assumes no outstanding reinstatement costs to be charged on the property),
- (c) no major environmental factor (including contamination) affects the property,
- (d) no deficiencies in the structural integrity of the property and other improvements,
- (e) the property is not affected or required for any public purposes or is to be acquired for a public purpose,
- (f) there are no outstanding statutory orders on the property or the likely possibility of future orders being made by a regulatory authority,
- (g) body corporate records and finances are in a satisfactory order and there are no major financial commitments, orders or levies in respect of any major rectifications, remedial or other works to be undertaken by the body corporate above normal maintenance,
- (h) no material litigation pending relating to the property,
- (i) that the property (and any works thereto) comply with all relevant statutory regulations, including enactments relating to fire regulations,
- (j) no deleterious materials (including by way of example asbestos and calcium chloride)
- (k) ground conditions and services are suitable (including, particularly with respect to agricultural land, no possibility of latent infestation in the soil or of disease which might affect crops or stock at any time in the future) and no extraordinary expenses or delays will be incurred due to archaeological, ecological or environmental matters.

Without affecting the generality of the above, where leases or documents of title or site and building surveys or building report or pest certificate or engineer's certificate or body corporate records are provided to us for the purpose of the valuation, reliance must not be placed on our interpretation thereof of any of these documents.

6. Tenants:

Enquiries as to the financial standing of actual or prospective tenants are not made unless we specifically agree to in writing. Where properties are valued with the benefit of lettings, it is therefore assumed, unless we are informed otherwise in writing, that the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

7. Measurements:

All measurements are carried out in accordance with the "Code of Measuring Practice" booklet published by the HKIS. To suit the local legislation and/or client's request or agreement, we declare our departure from the "RICS property measurement" published by RICS. Unless otherwise stated, we do not physically measure the actual properties or verify the floor areas provided to us, unless we specifically agree in writing to do so, although we make reference to the Registered Floor Plans if available.

8. Jurisdiction:

Unless the parties otherwise agree in writing, all disputes arising out and relating to our valuation shall be finally settled under Hong Kong Law and the parties irrevocably submit to the jurisdiction of the Hong Kong Courts.

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Valuation Advisory

Client: Eu Yan Sang (Hong Kong) Limited

Property: Rés-Do-Chão B, Hei Van, Rua do Monte N° 1-B,
Macau Peninsula, Macau

Valuation Date: 31 May 2024

Report No.: 3/24/00102 (VAS/AA/MW/SF/ay)
Report Date : 11 June 2024

Our Ref: 3/24/00102
(VAS/AA/MW/SF/ay)

11 June 2024

Eu Yan Sang (Hong Kong) Limited

Eu Yan Sang Centre
10 Wang Lee Street
Yuen Long Industrial Estate,
Yuen Long, New Territories
Hong Kong

Attn: Ms Iris Lau

By email: iris.lau@euyansang.com

Dear Madam,

Re: Property Valuation of Rés-Do-Chão B, Hei Van, Rua do Monte N° 1-B, Macau Peninsula, Macau

1.0 INTRODUCTION

Instructions

We refer to the instruction from **Eu Yan Sang (Hong Kong) Limited** (the “**Company**”) for us to prepare a current market valuation of Rés-Do-Chão B, Hei Van, Rua do Monte N° 1-B, Macau Peninsula, Macau (the “**Property**”) subject to vacant possession as at 31 May 2024 (the “**Date of Valuation**”) for the purposes of a Mandatory General Offer for all the issued ordinary shares in the capital of Eu Yan Sang International Ltd (other than those already owned, controlled, or agreed to be acquired by Soar R2M Pte. Ltd..

We confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the Company with our opinion of the market value of the unencumbered leasehold interest of the Property, as at the Date of Valuation.

仲量聯行有限公司
評估及諮詢部
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公司牌照號碼：C-003464

Jones Lang LaSalle Limited
Value and Risk Advisory
7/F One Taikoo Place 979 King's Road Quarry Bay Hong Kong
Company Licence No. C-003464



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1.0 INTRODUCTION (CONT'D)

Basis of Valuation

All work is carried out in accordance with the “HKIS Valuation Standards 2020” published by The Hong Kong Institute of Surveyors (“HKIS”), the “International Valuation Standards” published by the International Valuation Standards Council (“IVSC”) and the “RICS Valuation – Global Standards” published by the Royal Institution of Chartered Surveyors (“RICS”) subject to variation to meet local established law. Unless otherwise stated, our valuations are undertaken as External Valuers as defined in the relevant Valuation Standards.

Compliance with the RICS standards may be subject to monitoring under the RICS’ conduct and disciplinary regulations.

Our valuation is made on the basis of Market Value as defined by IVSC and adopted by HKIS and RICS, set out as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

The valuation presented in this report represents 100% interest of the Property and not the shareholdings of the company holding the property interest hereof.

Our valuation services have been executed in accordance with our Quality Assurance System, accredited by HKQAA via ISO 9001:2015 and our report has been prepared with reference to the assumptions, definitions and limiting conditions as set out in our General Principles of Valuation, copy of which is attached in Appendix No. 1.

Valuation Assumptions

Our valuation has been made on the assumption that the owner sells the Property on the market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect the values of the Property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation that may be incurred in effecting the sales. Unless otherwise stated, it is assumed that the Property are free of legal complications and encumbrances, restrictions, outgoing of an onerous nature that could affect the values.

We have assumed that the owners of the Property have free and uninterrupted rights to use and assign the Property for the whole of the unexpired land lease term as granted. Unless otherwise stated, we have valued the Property on the assumption that they are freely disposable and transferable for the existing use without payment of any premium to the relevant authorities.

1.0 INTRODUCTION (CONT'D)

Source of Information

We have relied to a considerable extent on the information provided by the Company and we have accepted advice in relation to tenure, particulars of occupancy, floor plans and areas, and all other relevant matters. The dimensions, measurements and areas included in the report are based on information contained in copies of documents made available to us and thus are approximations. We have not carried out on site measurements to verify the correctness of the floor areas of the Property.

We have no reason to doubt the truth and accuracy of the information provided to us. The Company also advised that no material facts have been omitted from the information supplied and we have no reason to suspect that material information has been withheld.

Our valuation is totally dependent on the adequacy and accuracy of the information supplied and/ or the assumptions made. Should these prove to be incorrect or inadequate, the accuracy of our valuation may be affected and we reserve the right to adjust the value reported herein.

All measurements are carried out in accordance with the "Code of Measuring Practice" booklet published by the HKIS. Unless otherwise stated, we do not physically measure the actual property or verify the floor area provided to us, unless we specifically agree in writing to do so, although we make reference to the registered floor plans if available. To suit the local legislation and/or client's request or agreement, we declare our departure from the "RICS property measurement" published by RICS.

Title Investigation

We have caused searches on the Property conducted in the Conservatoria do Registo Predial of Macau on 11 June 2024 ("**Land Search Records**"). However, we have not searched the original documents to verify the ownership or to ascertain the existence of any lease amendments, which may not appear on the Land Search Records. All documents have been used for reference only. We have not seen original planning consents and have assumed that the Property had been erected, being occupied and used in accordance with such consents and that there are no outstanding statutory notices.

Valuation Method

We have adopted the Income Capitalization Method in the course of our valuation.

The Income Capitalization Method is based on the capitalization of the fully leased, current passing rental income and potential reversionary income of the property with reference to estimated market rent at appropriate investment yield to arrive at the market value. The rental value and capitalization rate to be adopted for the valuation are derived from analysis of market transactions and/or our interpretation of prevailing investor requirements or expectations.

1.0 INTRODUCTION (CONT'D)

Property Inspection

We inspected the general locate and the exterior of the Property by our Mark Wong (Director) on 11 June 2024.

We have not conducted site and structural surveys and, as such, we cannot report that the Property are free from rot, infestation or any other structural defects. We have not carried out building surveys, nor have we inspected those parts of the Property, which are covered, unexposed or inaccessible and such parts have been assumed to be in good repair and condition. We cannot express an opinion about or advise upon the condition of uninspected parts and this report should not be taken as making any implied representation or statement about such parts. No tests have been carried out to any of the building services within the Property.

We were not instructed to arrange for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the Property, or has since been incorporated, and we are therefore unable to report that the Property are free from risk in this respect. For the purpose of this valuation, we have assumed that such investigations would not disclose the presence of any such material to any significant extent.

Plant and Machinery

Our valuation normally includes all plant and machinery that form part of the building services installations. However, process plant, machinery and equipment which may have been installed wholly in connection with the occupiers' industrial or commercial processes, together with furniture and furnishings, tenants' fixtures and fittings are excluded.

Valuer

This valuation report was prepared by Mr. Mark Wong, Director with oversight by Mr. Alkan Au, Senior Director.

We confirm that the valuers are in the position to provide an objective and unbiased valuation and are competent to undertake the valuation assignment.

Foreign Exchange

We have valued the Property in Hong Kong Dollars ("HKD").

VALUATION

Rés-Do-Chão B, Hei Van, Rua do Monte N° 1-B, Macau Peninsula, Macau



1.0 INTRODUCTION (CONT'D)

Yours faithfully
For and on behalf of
Jones Lang LaSalle Limited

Au Kin Keung, Alkan
BA (Hons), MHKIS, MRICS, RPS (GP)
Senior Director
Licence No.: E-181955

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VALUATION

Rés-Do-Chão B, Hei Van, Rua do Monte N° 1-B, Macau Peninsula, Macau



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2.0 VALUATION CERTIFICATE

Property	Description, age and tenure	Particulars of occupancy	Market value as at 31 May 2024 (HKD)
Rés-Do-Chão B, Hei Van, Rua de Monte N° 1-B, Macau Peninsula, Macau ("the Property")	The Property comprises a ground floor shop together with a cockloft in a 5-storey (excluding the basement and upper basement levels) tenement building known as Hei Van (喜運大廈) ("the Building") located at Rua do Monte (大炮台街).	As advised by the Company, the Property was leased to Eu Yan San (Macau) Limited for 3 years for monthly rent of HK\$50,000 commencing 16 September 2023.	\$46,600,000 (Hong Kong Dollars Forty Six Million and Six Hundred Thousand) (Note (3))
Property Reference N°.20872 - BR/C	As per the Land Search Record, the Building was completed in 1976.		Land Element: \$46,540,000 Building Element: \$60,000
	The saleable area of the Property is approximately 465ft ² (43.2m ²).		
	The Property is held under Propriedade Privada (私有產權地).		

Notes:

- (1) As per the Land Search Record, the registered owner of the Property is Yan Sang Biotecnologia Companhia Limitada 仁生生物科技有限公司.
- (2) As per the Land Search Record, there was no encumbrances registered against the Property.
- (3) We have adopted the following assumptions and considerations in our valuation:
 - a) We have assumed that the Property is free of encumbrance and can be freely assigned in the market and if any consent to sell/ consent to assign is required, such consent is assumed to be available as at the Date of Valuation.
 - b) As per our external inspection, the exterior of the Property was maintained in a reasonable manner commensurate with its age. As no internal inspection of the Property was made available to us, we have assumed that the interior of the Property had been maintained in a reasonable manner commensurate with its age.
 - c) We have assumed that all information, such as the tenancy and floor area provided to us is correct. Should it be established subsequently that the details relating to the Property are incorrect, we reserve the right to adjust the value reported herein.

VALUATION

Rés-Do-Chão B, Hei Van, Rua do Monte N° 1-B, Macau Peninsula, Macau



APPENDIX NO. 1

General Principles of Valuation

**GENERAL PRINCIPLES ADOPTED IN THE PREPARATION
AND CONDITIONS THAT APPLY TO AND FORM PART
OF
MACAU VALUATIONS AND REPORTS**

This document sets out the general principles upon which our Valuations and Reports are normally prepared, and the conditions that apply to and form part of our Valuations and Reports. They apply unless we have specifically mentioned otherwise in the body of the report. Where appropriate, we will be pleased to discuss variations to suit any particular circumstances, where appropriate, or to arrange for the execution of structural or site surveys, or any other more detailed enquiries. Any variations to these general principles and/or conditions must be confirmed in writing.

Our Valuations and Reports are confidential to, and for the use only of, the party to whom they are addressed and for the stated specific purpose. No responsibility whatsoever is accepted to any third parties who may use or rely on the whole or any part of the contents of any such Valuation or Report.

1. Valuation Methodology:

All work is carried out in accordance with the “HKIS Valuation Standards 2020” published by The Hong Kong Institute of Surveyors (“HKIS”), the “International Valuation Standards” published by the International Valuation Standards Council (“IVSC”) and the “RICS Valuation – Global Standards” published by the Royal Institution of Chartered Surveyors (“RICS”) subject to variation to meet local established law. Unless otherwise stated, our valuations are undertaken as External Valuers as defined in the relevant Valuation Standards.

Compliance with the RICS standards may be subject to monitoring under the RICS’ conduct and disciplinary regulations.

2. Valuation Basis:

Our valuations are made on the basis of Market Value as defined by IVSC and adopted by HKIS and RICS, set out as:

“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

Our valuations are made on the assumption that the owner sells the property on the open market without the benefit of a deferred terms contract, leaseback, joint venture or similar arrangement which would serve to affect the value of the property.

Each valuation is current as at the date of valuation only. The value assessed may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of preceding half of this paragraph, we do not assume any responsibility or accept liability where this valuation is relied upon after the expiration of three months from the date of valuation.

3. Costs:

No allowances are made in our valuations for dealing with any encumbrances such as charges, mortgages, nor for amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale or disposal.

4. Source of Information:

We accept as being complete and correct the information provided to us, by the sources listed, as to details of tenure, tenancies, tenant's improvements, planning consents and other relevant matters, as summarized in our report.

.../2

5. Assumptions

Unless we state otherwise in the valuation, our valuation assumes (without investigation on our part), where applicable,

- (a) good and marketable title, and no encumbrance on the property's title which could materially affect its value,
- (b) no encroachment by or on the property and no unauthorized additions or structural alterations (our valuation is made according to the original layout as shown in the Registered Floor Plans or developer's brochure and assumes no outstanding reinstatement costs to be charged on the property),
- (c) no major environmental factor (including contamination) affects the property,
- (d) no deficiencies in the structural integrity of the property and other improvements,
- (e) the property is not affected or required for any public purposes or is to be acquired for a public purpose,
- (f) there are no outstanding statutory orders on the property or the likely possibility of future orders being made by a regulatory authority,
- (g) body corporate records and finances are in a satisfactory order and there are no major financial commitments, orders or levies in respect of any major rectifications, remedial or other works to be undertaken by the body corporate above normal maintenance,
- (h) no material litigation pending relating to the property,
- (i) that the property (and any works thereto) comply with all relevant statutory regulations, including enactments relating to fire regulations,
- (j) no deleterious materials (including by way of example asbestos and calcium chloride)
- (k) ground conditions and services are suitable (including, particularly with respect to agricultural land, no possibility of latent infestation in the soil or of disease which might affect crops or stock at any time in the future) and no extraordinary expenses or delays will be incurred due to archaeological, ecological or environmental matters.

Without affecting the generality of the above, where leases or documents of title or site and building surveys or building report or pest certificate or engineer's certificate or body corporate records are provided to us for the purpose of the valuation, reliance must not be placed on our interpretation thereof of any of these documents.

6. Tenants:

Enquiries as to the financial standing of actual or prospective tenants are not made unless we specifically agree to in writing. Where property is valued with the benefit of lettings, it is therefore assumed, unless we are informed otherwise in writing, that the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

7. Measurements:

All measurements are carried out in accordance with the "Code of Measuring Practice" booklet published by the HKIS. Unless otherwise stated, we do not physically measure the actual properties or verify the floor areas provided to us, unless we specifically agree in writing to do so, although we make reference to the Registered Floor Plans if available. To suit the local legislation and/or client's request or agreement, we declare our departure from the "RICS property measurement" published by RICS.

8. Jurisdiction:

Unless the parties otherwise agree in writing, all disputes arising out and relating to our valuation shall be finally settled under Hong Kong Law and the parties irrevocably submit to the jurisdiction of the Hong Kong Courts.

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Colliers International Consultancy & Valuation (Singapore) Pte Ltd
UEN No. 198105965E

Our Ref : TKC/COD/IJ/240666

6 June 2024

Eu Yang Sang International Ltd
21 Tai Seng Drive
Singapore 535223

Attention: Kathleen Ng

Dear Sir/Madam,

Re: Valuation of 21 Tai Seng Drive Singapore 535223 (the "Property")

In accordance with our terms of engagement dated 4 June 2024 we attach our report setting out our opinion of the value of the "Property".

We confirm that we have carried out a site inspection of the Property, made relevant investigations and obtained such further information as we consider necessary as to allow us to provide you with our opinion of value for the purposes of a Mandatory General Offer for all the issued ordinary shares in the capital of Eu Yan Sang International Ltd (other than those already owned, controlled, or agreed to be acquired by Soar R2M Pte. Ltd.)

Please note this report is for your sole use and for the purpose indicated only and no liability to any third party can be accepted for the whole or any part of the contents of the document. Neither the whole nor any part of this valuation report nor any reference thereto may not be included in any published documents, circular or statement, nor published in any way whatsoever except with the prior written approval of Colliers International Consultancy and Valuation (Singapore) Pte Ltd as to the form and context in which it may appear. Notwithstanding this, Eu Yang Sang International Ltd is permitted to include a copy of this report in the circular in respect of the Mandatory General Offer.

Should you have any queries on the content of this report, please contact Cody Teo at 88287797, who would be pleased to assist.

Yours faithfully,
For and on behalf of
Colliers International Consultancy & Valuation (Singapore) Pte Ltd

A handwritten signature in black ink, appearing to read "Tan Keng Chiam".

Tan Keng Chiam
Licensed Appraiser No. AD041-2004796D
Valuation and Advisory Services

Valuation Report 21 Tai Seng Drive Singapore 535223 (the "Property")

Prepared Eu Yang Sang International Ltd
6 June 2024

Colliers
12 Marina View, #17-02
Asia Square Tower 2
Singapore 018961
Singapore
Main:: +65 6531 8615
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Accelerating success.



1 Introduction

1.1 Terms of Engagement

As agreed in our terms of engagement dated 4 June 2024, we have conducted an internal inspection and provide our opinion of the Market Value of the Property (as defined hereinafter) in its existing state, for the purposes of a Mandatory General Offer for all the issued ordinary shares in the capital of Eu Yan Sang International Ltd (other than those already owned, controlled, or agreed to be acquired by Soar R2M Pte. Ltd.)

1.2 Valuation Date

The valuation date 31 May 2024 base upon our inspection on 15 May 2024. Due to possible changes in market forces and circumstances in relation to the Property the report can only regarded as representing our opinion of the value of the Property as at the valuation date. We assume that the Property is in the same condition on the valuation date as the inspection date.

1.3 Basis of Valuation

Our valuation is provided on the basis of Market Value, which we define as "the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

1.4 Valuation Standards Adopted

Colliers International Consultancy & Valuation (Singapore) Pte Ltd is regulated by the Singapore Institute of Surveyors and Valuers and all necessary investigations, inspections, and other work carried out for the purpose of this valuation have been in accordance with its' valuation standards. The Singapore Institute of Surveyors and Valuers monitors regulated firms under its Conduct and Disciplinary regulations. Colliers International maintains a complaint handling procedure, a copy of which is available on request.

1.5 The Valuer

This valuation has been prepared by Cody Teo and reviewed by Tan Keng Chiam.

Tan Keng Chiam is a Licensed Appraiser under the Inland Revenue Authority of Singapore and Member of the Singapore Institute of Surveyors & Valuers. He are suitably qualified to carry out the valuation of this magnitude and nature and have over 30 years' experience respectively in the real estate industry in Singapore.

Neither the valuer nor Colliers International Consultancy & Valuation (Singapore) Pte Ltd are aware of any pecuniary interest or conflict of interest that could reasonably be regarded as being capable of affecting the ability to give an unbiased and objective, opinion of the value of the Property

1.6 Inspection and Investigations

The valuer has carried out an internal inspection within the Property, and made independent investigations as necessary for carrying out this valuation.

All information used has been verified as far as is reasonable, and has included information and data provided by you, from government departments, in the public domain, and our own internal database.

In the absence of readily available and verifiable information from other sources for valuation purposes, and as agreed, we have relied on the information solely provided by you for the purposes of valuation. We have assumed all such information provided by you to be true and accurate.

No structural survey or environmental survey of the Property has been carried out. Services and facilities have not been tested.

1.7 Caveats and Assumptions

This report is subject to and includes our Standard Caveats and Assumptions as set out in the appendices at the end of this report, as well as our agreed terms of our engagement.

Please note the report is for your sole use and for the purpose indicated only and no liability to any third party can be accepted for the whole or any part of the contents of the document. The whole nor any part of the valuation report nor any reference thereto may not be included in any other published documents, circular or statement, nor published in any way whatsoever except with the prior written approval of Colliers International Consultancy & Valuation (Singapore) Pte Ltd Limited as to the form and context in which it may appear. Notwithstanding this, Eu Yang Sang International Ltd is permitted to include a copy of this report in the circular in respect of the Mandatory General Offer.

Colliers International Consultancy & Valuation (Singapore) Pte Ltd will at all times keep all information relating to this valuation report confidential and not release it to third parties, without the written consent of the client. Whilst every effort is made to ensure the accuracy of the information, we shall not be responsible or liable for any errors or omissions or inaccuracies which will affect the result of the opinion of values.

The resultant market value in our opinion the best estimate but it should not be construed to be a guarantee or prediction and it is fully dependent upon the accuracy of the assumptions made. Every investor who intends to make an investment in the company, should review the reports to understand the assumptions and methodologies made in the reports to appreciate the context in which the value is arrived at and carry out their assessment with regard to the risk of the investment on their own. This report is only for Eu Yang Sang International Ltd who had commissioned us to carry out the assignment. No responsibility nor liability is admitted to any third part relying on our report.

2 Property Details

2.1 Property Address

21 Tai Seng Drive Singapore 535223

2.2 Property Type

A 6-storey light industrial building with ancillary office and warehouse uses.

2.3 Land Area

3053.6 sm or thereabouts

2.4 Floor Area

Approximately 7,311.78 sm (as extracted from architectural floor plans provided and subject to final survey)

2.5 Year of Completion

Circa early 1990s with extension carried out in the year 2013.

2.6 Building Condition

Good

3 Title Particulars

3.1 Legal Description

Lot 4625W Mukim 23

3.2 Tenure

30 + 30 years JTC lease commencing 16 December 1990 (with unexpired lease term of about 26.5 years as at the date of valuation).

3.3 Registered Lessee(s)

EU Realty (Singapore) Private Limited

3.4 Legal Encumbrance(s)

Nil

4 Town Planning

4.1 Master Plan (2019 Edition)

'Business 2' with plot ratio of 2.5

Note: The official Master Plan Zoning, Drainage/ MRT Interpretation Plans and other legal requisitions have not been applied for and/ or made available to us.

4.2 Approved Use

For warehousing/ light industrial/ ancillary office only

5 Building Description

5.1 Location Of Property

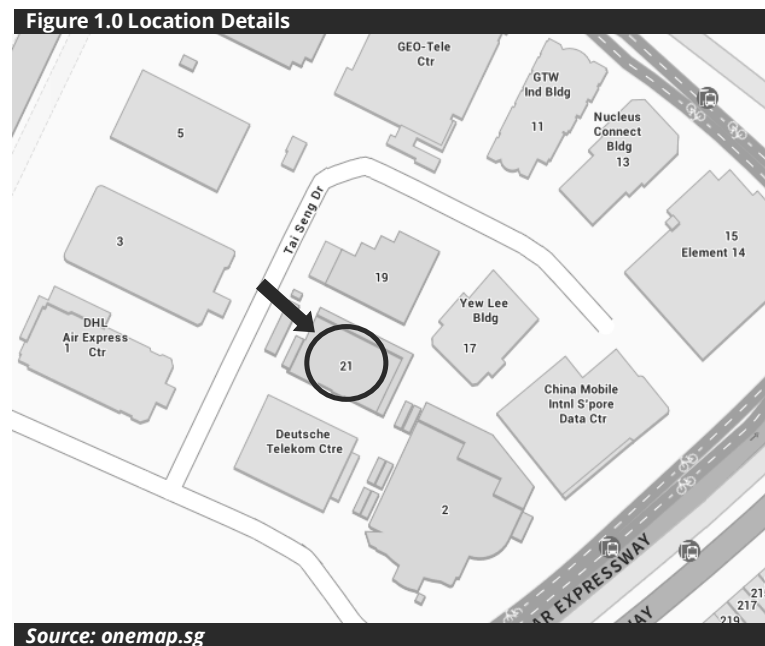
The Property is located on the south-eastern side of Tai Seng Drive, off Airport Road and Upper Paya Lebar Road, and some 9.5 km from the City Centre.

The locality is mixed in nature comprising purpose-built industrial buildings, HDB/ JTC terrace workshops and flatted factories, HDB flats within Hougang/ Macpherson/ Ubi New Towns, as well as some low-rise private residential estates.

Prominent industrial developments in the vicinity include Luxasia Building, Natural Cool Lifestyle Hub, Breadtalk IHQ, 18 Tai Seng, Charles & Keith Building, Sakae Building, amongst others. Labour supply, social and recreational amenities are readily available within the nearby Hougang, Macpherson and Ubi HDB estates.

Accessibility to other parts of Singapore is enhanced by its close proximity to the Central/ Pan-Island/ Kallang-Paya Lebar Expresssways and the Tai Seng MRT Station, all are within a short drive away.

Location Map Of The Property



5.2 Development Description

The Property stands on a rectangular shaped plot of land, with a frontage of about 43 metres onto Tai Seng Drive and a depth of about 71 metres. It is slightly above the access road level and has a flat contour generally.

The site is generally enclosed by metal grilles on low boundary walls/ metal chain-linked fencing, complete with a metal sliding entrance gate and a side gate.

Other site improvements include concrete compound/ driveway, substation, guardhouse, loading/ unloading bays with dock levelers and covered/ open car parking lots.

Site Plan



5.3 Construction

Reinforced concrete (r.c.) framed structure with plastered brickwalls, r.c. floors/ staircases and r.c. flat/ metal roofs generally. The building is fitted with aluminium roller shutters, timber/ glass doors, fixed glass/ louvred panels and aluminium framed glass doors/ windows generally.

5.4 Accommodation

1st Storey	:	Main reception area/ counter, lift lobbies, product display area, café, general office area, training room, general factory/ storage area, male/ female toilets and loading/ unloading bays generally
2nd Storey	:	Lift lobbies, general warehouse area, store room and male/ female toilets generally.
3rd Storey	:	Lift lobbies, general warehouse area, store room and male/ female toilets generally.
4th Storey	:	Lift lobbies, general warehouse area, store room and male/ female toilets generally
5th Storey	:	Lift lobbies, general office area with partitioned executive office rooms, meeting rooms, store, pantry and male/ female toilets generally
6th Storey	:	Lift lobbies, general office area with partitioned executive office rooms, showroom, meeting rooms, store rooms, pantry, switch room and male/ female/ handicapped toilets generally

5.5 Internal Finishes and Fittings

Floor	:	Polished homogeneous/ homogeneous tiles, quartz, carpet, laminated boards, epoxy coating and cement screed generally
Wall	:	Emulsion paint, marble, wallpaper, polished homogeneous tiles and timber/ partitioned boards generally
Ceiling	:	Emulsion paint, timber/metal panels, false ceiling boards with recessed light fittings and air-conditioning diffusers generally
Fittings	:	Ceiling-cassette/central air-conditioners, reception counter, display cabinet, high/low kitchen cabinets, vanity top and mirror panels generally

5.6 Building Services

Vertical access within the building is via 2 passenger lifts and 2 cargo lifts and supplemented with reinforced concrete staircases.

Essential public utilities and tele-communication services are connected.

5.7 Environmental Issues

We have inspected the Property and have seen no evidence of environmental concerns such as contamination or other hazards. However, our inspection does not include investigations into this type of issue, and we are not qualified to assess such environmental concerns. Should you wish or require a thorough investigation of such issues, it is recommended to seek the advice of professionals with appropriate expertise. Should subsequent investigations show evidence of contamination or the like, then our valuation may be subject to revision.

6 Building Occupancy Details

Majority of the Property is occupied by the registered lessee, with some areas tenanted.

7 Property Tax

The Annual Value of the Property is currently assessed at S\$1,369,000/- for the year 2024. Property tax is payable at 10% of annual value.

8 Land Rent

Land rent is currently payable at S\$16,787.17/- per month. The rent is subject to revision on 16 December every year to the prevailing market rent, but the increase, if any, shall not exceed 5.5% of the yearly rent for each immediately preceding year.

9 Valuation Approach

We have considered 2 valuation approaches to assess the market value of the Property. They are:

- (a) Comparison Method
- (b) Income Capitalisation Method

We have used the Comparison Method as the primary method and used the Income Capitalisation Method as a check.

9.1 Comparison Method

The Comparison Method provides an indication of value by comparing the Property with identical or similar properties for which price information is available.

By analysing such sales, which qualify as 'arm's-length' transactions, between willing buyers and sellers, adjustments are made for size, location, time, amenities and other relevant factors when comparing such sales prices to assess the value of the subject asset. This approach is commonly used to value assets where reliable sales evidence of properties of a similar nature is available.

9.2 Income Capitalisation Method

Income Capitalisation Method is used when income is not expected to vary significantly over time. The method converts a market rental income into a capital value by "capitalising" the income by a market derived "capitalisation rate". It typically involves the analysis of a single years' income, which is capitalised by an overall capitalisation rate to derive the value of a property. The adopted yield reflects the nature, location, tenure, tenancy profile of the property together with the prevailing market conditions.

10 Valuation Assumptions And Special Assumptions

This valuation has been undertaken assuming the following:

- a) We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated
- b) We have assumed the Property can be freely transferred, mortgaged and let in the market without any additional fee.
- c) We have assumed that all Information, estimates and opinions furnished to us and contained in this report have been obtained from sources considered reliable and believed to be true and correct, but we can assume no responsibility for their accuracy.
- d) We have assumed that the Property is free from any environmental problem or hazard.
- e) We are not aware of any easements or rights - of - way affecting the Property and our valuation assumes that none exists.
- f) We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all relevant laws, ordinances and statutory requirements except only where otherwise stated.
- g) We have assumed that, for any use of the Property upon which this valuation report is based, any and all required licences, permits, certificates, and authorisations have been obtained, and are capable of renewal without difficulty, except only where otherwise stated.
- h) We have assumed the Property is in a good state of repair, management and maintenance and fit for the use to which it is put, and will continue to be managed and maintained to this standard in the future.
- i) We have assumed that the current tenancies of the Property are of good covenant and will run the full term of their leases at the current contracted rental levels.

11 Valuation

We are of the opinion that the Market Value of the Property subject to the contents, terms and conditions contained within and annexed to our report, as at 31 May 2024 is as follows :

Market Value	S\$20,000,000/-
(Singapore Dollars Twenty Million Only)	

For and on behalf of
Colliers International Consultancy & Valuation (Singapore) Pte Ltd



Tan Keng Chiam
Licensed Appraiser No. AD041-2002004796D
Executive Director
Valuation and Advisory Services

Photographs of the Property

External



Product Display Area



Cafe



Training Room



Photographs of the Property

Warehouse



General Office Area



Toilet



Loading/Unloading Area



Caveats And Assumptions

1. Definitions

In these Caveats and Assumptions the following words or phrases shall have the meaning or meanings set out below:

'Confidential Information' means information that:

- (a) Is by its nature confidential.
- (b) Is designed by Us as confidential.
- (c) You know or ought to know is confidential.
- (d) Includes, without limitation: information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services.

'Currency Date' means, in relation to any valuation report, the date as at which our professional opinion is stated to be current.

'Fee' means the amount agreed to be paid for the Services as set out in the Quotation.

'Parties' means You or Us as the context dictates.

'Quotation' means the written quote provided by Us in relation to the Services.

'Services' means the valuation services provided pursuant to these Terms and Conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the Services.

'The Property' means the assets which are subject of our appointment as your advisor.

'We', 'Us', 'Our', 'Colliers' means Colliers International Limited.

'You', 'Your', 'Client' means the person, company, firm or other legal entity by or on whose behalf instructions are given, and any person, firm, company or legal entity who actually gave the instructions to us even though such instructions were given as agent for another.

'Professional Property Practice Standards' refers to RICS Valuation and Appraisal Handbook, or Singapore Institute of Surveyors & Valuers' Valuation Standards and Practice Guidelines.

2. Performance Of Services

- 2.1 We have provided the Services in accordance with:
 - (a) The Terms and Conditions contained herein; or
 - (b) As specifically instructed by You for the purpose of the Services; and
 - (c) Within the current provisions set by the prevailing Professional Property Practice Standards.

3. Condition Of The Property

- 3.1 No allowance has been made in our report for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and our valuation assumes that none exists.
- 3.2 We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, and authorisations have been obtained, except only where otherwise stated.
- 3.3 We have assumed that any development sites are in a condition suitable for development; this has not been checked by us.
- 3.4 We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurements has been taken.
- 3.5 We have assumed that there is no timber infestation, asbestos or any other defect (unless advised otherwise) and that the property is compliant with all relevant environmental laws. It is Your responsibility to provide reports to Us that are relevant to these issues.
- 3.6 An internal inspection has been made, unless otherwise stated.
- 3.7 While due care is exercised in the course of our inspection to note any serious defects, no structural survey of the Property will or has been undertaken, and We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible.
- 3.8 None of the services have been tested by Us and we are unable therefore to report on their present condition, but will presume them to be in good working order.

- 3.9 We recommend that You engage appropriately qualified persons to undertake investigations excluded from our Services.
- 3.10 No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the property.

4. **Environment And Planning**

- 4.1 We have obtained town planning information from the prevailing Master Plan available on URA website. It is your responsibility to check the accuracy of this information under the appropriate planning legislation.
- 4.2 For obvious reasons, we do not and cannot provide information relating to government acquisitions unless the land has already been gazetted for acquisition.
- 4.3 No requisition on road, MRT, LRT, drainage and other government proposals has been made by us. Such information will not be tendered unless specifically requested for and we be properly reimbursed.
- 4.4 We do not hold ourselves to be experts in environmental contamination. Unless otherwise stated, our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show that the site is contaminated, our valuation may require revision.

5. **Floor/Building Areas And Lettable Areas**

- 5.1 Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the prevailing Professional Property Practice Standards.
- 5.2 If you do not provide Us with a survey, We will estimate floor/building and/or lettable areas based only upon available secondary information (including but not limited to building plans, deposited plans, and our own measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the prevailing Professional Property Practice Standards.
- 5.3 Where such a survey is subsequently produced which differs from the areas estimated by us then You will refer the valuation back to Us for comment or, where appropriate, amendment.

6. **OTHER ASSUMPTIONS**

- 6.1 Unless otherwise notified by You, We will assume:
 - (a) There are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the Title.
 - (b) All licences and permits can be renewed and We have not made any enquires in this regard.
- 6.2 Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural/ dilapidation reports), we will rely upon the apparent expertise of such experts/ specialists. We will not verify the accuracy of this information or reports, and assume no responsibility for their accuracy.
- 6.3 Our services are provided on the basis that the client has provided us with a full and frank disclosure of all information and other facts which may affect the service, including all secrecy clauses and side agreements. We accept no responsibility or liability whatsoever for the valuation unless such a full disclosure has been made.
- 6.4 Any plans, sketches or maps included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
- 6.5 The study of possible alternative development options and the related economics are not within the scope of this report, unless otherwise stated.
- 6.6 Our opinion about the Market Value of the property is free from any influence and/ or point of views of any other parties.
- 6.7 All Location Plans are obtained from www.onemap.gov.sg. Whilst we do make every endeavor to update the maps as far as it is possible, we do not vouch for the accuracy of the maps and shall not be responsible if it is otherwise.
- 6.8 Values are reported in Singapore currency unless otherwise stated.

7. Estimated Selling Price

- 7.1 Where you instruct Us to provide an Estimated Selling Price, You agree that the Services:
- (a) Are limited to the provision of an opinion based on Our knowledge of the market and informal enquiries.
 - (b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a search of Title(s) or other enquiries as to encumbrances, restrictions or impediments on Title(s); or other investigations which would be required for a formal valuation.
 - (c) Provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide as to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.
- 7.2 No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an Estimated Selling Price.

8. Currency Of Valuation

- 8.1 Due to possible changes in market forces and circumstances in relation to the property the Services can only be regarded as relevant as at the Currency Date.
- 8.2 Where You rely upon Our valuation report after the Currency Date, You accept the risks associated with market movements between the Currency Date and the date of such reliance.
- 8.3 Without limiting the generality of 9.1, You should not rely upon Our valuation:
- (a) After the expiry of 3 months from the Currency Date;
 - (b) Where circumstances have occurred during that period which may have a material effect on the value of the property or the assumptions or methodology used in the valuation report.

9. Market Projections

- 9.1 Any market projections incorporated within our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and based on information currently available to us and not representative of what actual values of the property will be as at future date. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.
- 9.2 Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections.
- 9.3 Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.
- 9.4 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to us by you.

10. Your Obligations

- 10.1 You warrant that the instructions and subsequent information supplied by You contain a full and frank disclosure of all information that is relevant to Our provision of the Services.
- 10.2 You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.
- 10.3 You authorise and license Us to incorporate Your intellectual property within Our report(s).
- 10.4 You will not release any part of Our valuation report or its substance to any third party without Our written consent. When we consent for You to release Our report or any part of Our report to any third party, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/ they had been a party to the original letter of instruction between us. Where we consent to such reliance, You agree to furnish the addressee with a copy of any reliance letter issued by Us and/ or a copy of these terms and conditions.
- 10.5 We reserve the right to reconsider or amend the valuation advice, or the Fee set out in Our Quotation to You, if;
- (a) Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and contain matters that may affect the value of the advice; or
 - (b) Where subsequent site inspections made in relation to any of the matters raised in Clause 3 materially affect or may alter the value of the property, the subject of the Services.
 - (c) The information provided to Us by You prior to the provision of services is in any way incomplete, misleading or wrong.

- 10.6 If You release any part of the valuation advice or its substance without written consent, You agree to defend, You agree to defend and indemnify Us against claims by a third party who has reviewed the report if We have not, at or subsequent to the time of engagement, provided our specific written consent to such party reviewing and replying on the report. We have no responsibility to any other person even if that person suffers damage as a result of You providing this valuation without Our prior consent.
- 10.7 You agree that the only remedy for losses or damages relating to the breach of this Agreement shall be limited to three times Our contracted fee for the assignment and no claim shall be made any consequential or punitive damages.
- 10.8 You agree not to bring any claim for any losses against any director, consultant or any employee of Ours. You hereby agree that Our director, consultant or any employee does not have a personal duty of care to You and any claim for losses must be brought against Colliers International.
- 10.9 Where any loss is suffered by You for which We and any other person are jointly and severally liable to You the loss recoverable by You from Us shall be limited so as to be in proportion to our relative contribution to the overall fault.

11. Confidentiality

- 11.1 This report and each part of it is prepared and intended for the exclusive use of the Client for the sole purpose stated in our valuation report, and in accepting this report, the Client expressly agrees not to use or rely upon this report or any part of it for any other purpose. No person other than the Client shall use or rely upon this report or any part of it for any purpose unless we have given Our express written consent. Similarly neither the whole nor any part of this report nor any reference there to may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.
- 11.2 If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.
- 11.3 You agree that You will indemnify, hold harmless and defend Us from and against any and all loss, liability, costs or expenses (including but not limited to professional or executive time) We may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.
- 11.4 Unless otherwise directed in writing by Client, Colliers International retains the right to include references to the Services in its promotional material. Such references shall not contain confidential material.

12. Privacy

- 12.1 We may obtain personal information about You in the course of performing Our Services. We respect your privacy and advise You that we will only obtain information that is necessary to assist us in the course of performing Our Services. If it is necessary for Us to engage third parties, we will inform these parties that they are not to disclose any personal information about You to any person or organisation other than Us.

13. Subcontracting

- 13.1 We may sub-contract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these Terms and Conditions, with Your consent.

14. Limitation Of Colliers Liability

- 14.1 To the extent permissible under applicable laws, in no event shall Colliers International be liable to Client or anyone claiming by, through or under Client, including insurers, for any lost, delayed, or diminished profits, revenues, production, business, use or opportunities, or any incidental, special, indirect, or economic losses, wasted costs, diminution of value or consequential damages, of any kind or nature whatsoever, however caused.
- 14.2 We shall be released from Our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond Our reasonable control (example being a strike, act of God or act of terrorism). All the costs and benefits forecasted will, ultimately, be determined by future market conditions. Forecasts of these elements are based on assumptions of certain variable factors, which, in turn, are extremely sensitive to changes in the market and economic contexts. For this reason, the figures mentioned in this report were not computed under any known or guaranteed conditions. Rather, these are forecasts drawn from reliable sources of data and information and made in the best judgment and professional integrity of Colliers international. Notwithstanding this, Colliers International reiterates that it will not accept any responsibilities in the face of damage claims that might result from any error, omission or recommendations, viewpoints, judgments and information provided in this report.

- 14.3 Neither Colliers nor any employee of Ours shall be required to give testimony or to appear in court or any other tribunal or at any government agency by reason of this valuation report or with reference to the property in question, except by court summons/ judicial notification, and unless prior arrangements have been made and we are properly reimbursed for reasonable time and expenses incurred. The hourly billing pertain to court preparation, waiting and travel time, document review and preparation (excludes valuation report) and all meetings related to court testimony.
- 14.4 We are free from any possible legal and/ or non-legal issue which may attach to the Property's title documents.
- 14.5 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to Us by You.
- 14.6 Our liability for loss and damage attributable to Our negligence, breach of contract, misrepresentation or otherwise (but not in respect of fraud, fraudulent misrepresentation, death or personal injury) shall be limited to a maximum of three times Our contracted fee for the assignment per property for any single case. A single case of damages is defined as the total sum of all damage claims of all persons entitled to claim, which arise from one and the same professional error/ offence. In the case of damages suffered from several offences brought about by the same technical error within the scope of several coherent services of a similar nature, we are only to held liable for an amount of three times Our contracted fee for the assignment per property.
- 14.7 Where the agreement is addressed to more than one Client, the above limit of liability applies to the aggregate of all claims by all such Clients and not separately to each Client.
- 14.8 No third party will be entitled to rely on any part of Our valuation report or its substance or advice except with our written consent. Should any third party rely on Our report without obtaining Our written consent, We are not bound by any liability which arises from the use of or reliance upon Our valuation report by such unauthorized party.
- 14.9 We will not be liable for any services outside the scope of the services agreed to be performed by Us, and in respect of any consequential losses or loss of profits.
- 14.10 Responsibility for Our valuation extends only to the party(ies) to whom it is addressed. However in the event of Us being asked by You to re-address Our report to another party or other parties or permit reliance upon it by another party or other parties, We will give consideration to doing so, to named parties, and We reserve the right to charge additional fee for doing so although We will agree such fee with You before commencing the work.
- 15. Entire Agreement**
 - 15.1 No further agreement, amendment or modification of these Terms and Conditions shall be valid or binding unless made in writing and executed on behalf of the Parties by their duly authorised officers.
 - 15.2 If there is inconsistency between these Terms and Conditions and the Quotation, any letter of instruction from You, or other specific request or information shall prevail to the extent of the inconsistency.
 - 15.3 Copyright in any reports, documents or other material provided to You by Us shall remain Our property at all times unless otherwise stated
- 16. Anti Bribery And Corruption Measures**
 - 16.1 We represent, in connection with any services to be provided to You, that neither We nor Our contractors, employees or agents (collectively, "Consultant") has made or will make, either directly or indirectly, any payments (i) to or for the use or benefit of any Government Official (ii) to any other person either for an advance or reimbursement, if Consultant knows or has reason to know that any part of such payment has been or will be given to any Government official or (iii) to any person or entity, the payment of which would violate laws and regulations in Australia, the United States, the United Kingdom or any other government entity having jurisdiction over the activities carried out by Consultant. The term "Government Official" in this paragraph means any officer or employee of a government or any governmental department or agency, or any person acting in an official capacity for or on behalf of any such government or governmental department or agency, including employees of state-owned or controlled entities and candidates for political office.
 - 16.2 We represent that, in connection with any services to be provided to You, We will conduct operations at all times in compliance with applicable financial recordkeeping and reporting requirements, including all applicable money laundering-related laws of any jurisdictions where We conduct business or own assets.

The Colliers logo, featuring the word "Colliers" in a white serif font inside a white rectangular border with a horizontal line below it.

At Colliers,
we are
enterprising.

**We maximise the potential of property to
accelerate the success of our clients and
our people.**

Our expert advice to property occupiers, owners and investors leads the industry into the future. We invest in relationships to create enduring value. What sets us apart is not what we do, but how we do it. Our people are passionate, take personal responsibility and always do what's right for our clients, people and communities. We attract and develop industry leaders, empowering them to think and act differently to drive exceptional results. What's more, our global reach maximises the potential of property, wherever our clients do business.

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