

**EU YAN SANG INTERNATIONAL LTD (THE "COMPANY")**  
(Company Registration No.199302179H)  
(Incorporated in Singapore)

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- (1) **PROPOSED DISPOSAL (THE "DISPOSAL") BY RED WHITE & PURE PTE. LTD. ("RWP"), A WHOLLY-OWNED SUBSIDIARY OF EU YAN SANG INTERNATIONAL LTD (THE "COMPANY"), OF ITS BUSINESS AND ASSETS**
  - (2) **PROPOSED SUBSCRIPTION (THE "SUBSCRIPTION") OF 12.86 PERCENT OF THE ENLARGED ISSUED SHARE CAPITAL OF SANCTUARY SPA GROUP PTE. LTD. ("SSG")**
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The Company refers to its announcement dated 8 May 2008 in relation to the Disposal and the Subscription (the "**First Announcement**").

The Company is pleased to announce that the Singapore Exchange Securities Trading Limited ("**SGX-ST**") has, subject to certain conditions, no objection to the Disposal and the Subscription not being considered a major transaction under Chapter 10 of the Listing Manual. Accordingly, the Company is not required to obtain its shareholders' approval for the Disposal and the Subscription.

Also, with reference to sections 3 and 5 of the First Announcement, the Company wishes to clarify that it had inadvertently disclosed the entire net asset value and entire net losses of SSG and not the net asset value and net losses attributable to the 12.86% in SSG. The correct figures to be disclosed in sections 3 and 5 of the First Announcement are set out below. In addition, for completeness, as the Company would hold a 20.00% shareholding interest in SSG following completion of both the Disposal and the Subscription, the Company also wishes to disclose the net asset value, the net losses and the relative figures computed on the basis set out in Rule 1006 attributable to a 20.00% shareholding interest in SSG, as set out below.

**RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL**

The net asset/(liability) value and the net profits/(losses) attributable to (i) the Business and sale assets of RWP to be disposed, (ii) that of the Company and its subsidiaries (the "**Group**"), (iii) 12.86% of the enlarged issued share capital of SSG and (iv) 20.00% of the enlarged issued share capital of SSG are as set out below:

	Based on full year audited financial statements for financial year ended 30 June 2007 of RWP and the Group and the full year audited financial statements for financial year ended 31 December 2006 of SSG		Based on full year audited financial statements for financial year ended 30 June 2007 of RWP and the Group and the full year unaudited financial statements for financial year ended 31 December 2007 of SSG	
	Net asset/ (liability) value	Net profits/ (loss)	Net asset/ (liability) value	Net profits/ (loss)
(i) RWP <sup>(1)</sup>	S\$(3,978,000)	S\$(3,859,000)	S\$(3,978,000)	S\$(3,859,000)
(ii) Group	S\$91,221,000	S\$14,711,000	S\$91,221,000	S\$14,711,000
(iii) 12.86% of SSG	S\$5,152	S\$(18,103)	S\$ 1,912 <sup>(2)</sup>	S\$(3,426) <sup>(2)</sup>
(iv) 20.00% of SSG	S\$8,012	S\$(28,153)	S\$2,974 <sup>(2)</sup>	S\$(5,327) <sup>(2)</sup>

Note:

- (1) These figures include the results of its wholly-owned subsidiary, RWP Food Services Pte Ltd.
- (2) These are unaudited figures.

Consequently, the relative figures for the Subscription computed on the basis set out in Rule 1006(b) should also be revised as follows:

	Based on full year audited financial statements for financial year ended 30 June 2007 of RWP and the Group and the full year audited financial statements for financial year ended 31 December 2006 of SSG	Based on full year audited financial statements for financial year ended 30 June 2007 of RWP and the Group and the full year unaudited financial statements for financial year ended 31 December 2007 of SSG
(ii) Rule 1006(b) – Net profits / (losses) attributable to the assets acquired, compared with the Group's net profits	Negative 0.12%	Negative 0.02%

Also, the relative figures attributable to an acquisition of 20.00% shareholding interest in SSG computed on the bases set out in Rule 1006 of the SGX-ST Listing Manual are as follows:

	Based on full year audited financial statements for financial year ended 30 June 2007 of RWP and the Group and the full year audited financial statements for financial year ended 31 December 2006 of SSG	Based on full year audited financial statements for financial year ended 30 June 2007 of RWP and the Group and the full year unaudited financial statements for financial year ended 31 December 2007 of SSG
(i) Rule 1006(a) - Net asset / (liability) value of the assets to be disposed of, compared with the Group's net asset value	Not applicable to an acquisition	Not applicable to an acquisition
(ii) Rule 1006(b) – Net profits / (losses) attributable to the assets acquired, compared with the Group's net profits	Negative 0.19%	Negative 0.04%
(iii) Rule 1006(c) – Consideration Test	0.69 <sup>(1)</sup> % of the Company's market capitalisation of approximately S\$201.8 million as at 7 May 2008 (the market day preceding the date of the Sale and Purchase Agreement is executed)	0.69 <sup>(1)</sup> % of the Company's market capitalisation of approximately S\$201.8 million as at 7 May 2008 (the market day preceding the date of the Sale and Purchase Agreement is executed)
(iv) Rule 1006(d) – Securities in issue test	Not applicable	Not applicable

**Note:**

- (1) Calculated based on the consideration of S\$1,400,000, which was determined based on the aggregate consideration of (i) the Subscription consideration of S\$900,000 and (ii) the Disposal consideration of S\$500,000 which is to be satisfied under the terms of the Disposal by way of an allotment and issue of shares representing 7.14% of the enlarged issued share capital of SSG, which are determined on a willing seller and willing buyer basis as set out in the Sale and Purchase Agreement.

**FINANCIAL EFFECTS**

Consequently, the proforma financial effects of the Disposal and the Subscription on the share capital, earnings, net tangible assets (“NTA”), and gearing of the Company should be as follows:

**Share Capital**

There is no resulting change to the share capital of the Company following the Disposal and the Subscription.

## Earnings

Assuming that the transaction had been effected at the beginning of financial year 2007:

S\$ million	Before the Disposal and the Subscription (audited accounts as at 30 June 2007)	After the Disposal and the Subscription
(Loss)/ Profit attributable to Shareholders	S\$14,711,000	S\$15,311,673
Number of shares	360,378,938	360,378,938
(Loss)/ Profit per Share (cents)	4.08	4.25

## NTA

Assuming that the transaction had been effected at the end of the financial year 2007:

S\$ million	Before the Disposal and the Subscription (audited accounts as at 30 June 2007)	After the Disposal and the Subscription
NTA	S\$91,221,000	S\$88,371,484
Number of shares	360,378,938	360,378,938
NTA per share (cents)	25.3	24.5

## Gearing

Assuming that the transaction had been effected at the end of the financial year 2007:

S\$ million	Before the Disposal and the Subscription (audited accounts as at 30 June 2007)	After the Disposal and the Subscription
Total borrowings	S\$25,138,000	S\$25,138,000
Shareholders' funds	S\$91,221,000	S\$88,371,484
Gross gearing (times)	0.28	0.28

Further, the Company wishes to clarify that Subscription consideration of S\$900,000 in cash will be paid out of the working capital of the Company.

**BY ORDER OF THE BOARD**

**Submitted by Tan Kang Fun @ KF Tan  
Chief Financial Officer & Company Secretary  
on 2 July 2008**