

EU YAN SANG INTERNATIONAL LTD

(Registration No : 199302179H)

ACQUISITION OF MINORITY SHAREHOLDING IN SUBSIDIARY, YOURHEALTH GROUP PTY LIMITED

The Board of Directors of Eu Yan Sang International Ltd (“the Company”) wishes to announce that its wholly-owned subsidiary, Eu Yan Sang Australia Pty Limited (“EYSA”) has acquired 16.54% of the minority interest shareholding of 279,033 shares in YourHealth Group Pty Limited (“YHG”) and 3,267 units in the YHG Unit Trust from one of the minority shareholders, Mr Menno Veeneklaas (“the Acquisition”). Upon the Acquisition, EYSA shall hold 78.54 % of the shareholding in YHG and 3,267 units of YHG Unit Trust.

The consideration for the Acquisition is AUD\$1.00.

Mr Menno Veeneklaas was a director of:

- (a) EYSA (Wholly owned subsidiary of the Company);
- (b) YHG (Subsidiary of the EYSA);
- (c) Other entities associated with the aforesaid entities

Pursuant to a condition of the Acquisition, Mr Menno Veeneklaas has resigned as a director from the above entities.

It is a condition of the Acquisition that EYSA and the Company would procure YHG (including funding YHG to the extent necessary) to repay the existing loans amounting to AUD\$110,668 and AUD\$50,958 owing by YHG to Mr Menno Veeneklaas and Mr Justus Veeneklaas respectively.

It is a condition of the Acquisition that EYSA, YHG and the Company use their best endeavours to have Mr Menno Veeneklaas released from any personal guarantees given in respect of liabilities of YHG and all related companies. EYSA and the Company would indemnify Mr Menno Veeneklaas against all liabilities under the guarantees until he has been released from the same.

The consideration of AUD\$1.00 would be paid by cash through internal funding. All financial obligations stated above, if called upon, would be paid by cash through internal funding

The transaction was arrived at a willing buyer willing seller basis and the terms and conditions of the Acquisition were commercially negotiated at an arm’s length basis.

The above transaction is not expected to have any material impact on the earnings per share and net tangible assets of the Company for the financial year ending 30 June 2006.

The disposal does not constitute a discloseable transaction under the provisions of Rule 1010 of the Singapore Exchange Securities Trading Limited's Listing Manual.

A copy of the agreement for the Acquisition is available for inspection during normal business hours at the Company's registered office at 269A South Bridge Road, Singapore 058818.

None of the directors or substantial shareholders of the Company has any interest, directly or indirectly, in the above acquisition.

BY ORDER OF THE BOARD

Submitted by Tan Kang Fun, Chief Financial Officer & Company Secretary, on 7/06/2006 to the SGX.