



EU YAN SANG INTERNATIONAL LTD
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Eu Yan Sang secures exclusive worldwide distributorship for prized Wisconsin grown American Ginseng

- Branding, processing & marketing of the world's best American Ginseng
- Expects revenue in first year of operations to exceed S\$10 million, with potential to surpass S\$40 million within next 3 to 5 years

Singapore, 12 December 2006 – Mainboard listed Eu Yan Sang International Ltd (“EYS”, “The Group” or “余仁生国际企业”), a leading household name for Traditional Chinese Medicine (“TCM”) and integrative healthcare, has signed an exclusive worldwide distributorship agreement with the Wisconsin Ginseng & Herb Co-op (“Co-op”). EYS will procure and maintain a supply of Wisconsin grown American ginseng¹ from the Co-op for processing and distribution of ginseng products globally. American ginseng products sold by EYS will then have the sole right to carry the coveted Ginseng Board of Wisconsin Inc. Seal®, commonly known as the Wisconsin Seal, owned by the Ginseng Board of Wisconsin, Inc. (“GBW”).

Packaged products bearing the official Wisconsin Seal must contain 100 percent pure Wisconsin ginseng, grown and harvested in Wisconsin. The trusted Eu Yan Sang brand name will provide added assurance in terms of quality, efficacy and authenticity.

Wisconsin grown American Ginseng is cultivated to exacting standards developed in collaboration with the U.S. Environmental Protection Association and enforced by the U.S. Food and Drug Administration. It is prized for having high ginsenoside² levels when compared to American Ginseng from other growing regions of the world. This is due to Wisconsin's ideal climate, mineral-rich and industrial pesticide-free soil conditions. Widely recognized as the best type of cultivated American ginseng, Wisconsin grown ginseng is highly sought after in Asian markets as aficionados consume the fine herb for increased vitality, reduction of excess bodily heat and stress relief.

¹ There are 2 types of Ginsengs. American ginseng (*Panax quinquefolius*), native to North America but successfully grown in other countries such as Canada & China, has a cooling effect. Asian ginseng (*Panax ginseng*), including Korean, Manchurian, Vietnamese, and Chinese ginseng, provides a hot rush of energy.

² Ginsenosides are a class of active compounds, triterpene saponins, found exclusively in the Ginseng plant and viewed as the cause of Ginseng's efficacy



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EYS expects revenue in the first year arising from the distributorship to be in excess of \$10 million, with the potential to grow to more than \$40 million within the next 3 to 5 years.

Mr Richard Eu, Group CEO, commented, “Our established distribution networks are well-suited for this distribution initiative while the extensive analytical, diagnostics, profiling and developmental activities we carry out will enable us to validate and enhance our Wisconsin ginseng product offerings to wholesalers and retailers around the world.”

The Co-op is a non-profit association representing Wisconsin ginseng growers, and is dedicated to providing the finest cultivated American ginseng available in the market today. The GBW is a Marketing Board representing all growers of American Ginseng in Wisconsin. They are also a non-profit association and the owner and administrator of the Ginseng Board of Wisconsin Inc. Seal® Program (“the program”). The program was developed in 1991 and provides consumers with a simple and convenient method of identifying authentic Wisconsin Ginseng at the point of purchase.

Mr. Randy Ross, President of the Ginseng & Herb Co-op stated, “ This collaboration will benefit from the superior farming techniques and product quality of Wisconsin growers on one hand, the brand recognition and distribution networks of Eu Yan Sang on the other. The commitment of Eu Yan Sang and the Ginseng & Herb Co-op to leverage our respective strengths will create synergies that would result in better market reach and stronger sales performance.”

Although the distributorship agreement is not expected to contribute materially to EYS’ earnings per share and net tangible assets for FY2007 (period ending 30 June 2007), Mr Eu stated with optimism, “In this current financial year, we will re-invest the earnings from this distributorship into marketing and promotional activities. This will lay a solid foundation for us to broaden our clientele and earnings base arising from Wisconsin ginseng products by the next half a year or so. This initiative marks an important move up the TCM value chain for us to leverage on our extensive knowledge to become a purveyor of rare and fine herbs.”



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About Eu Yan Sang International Limited (SGX:EYSI)

Listed on the Singapore Exchange, Eu Yan Sang International Limited (Eu Yan Sang) is a progressive, global healthcare company with its core focus in Traditional Chinese Medicine (TCM).

The company has come a long way from its humble beginnings offering TCM remedies to tin mine coolies in Gopeng, Perak, Malaysia 127 years ago. Today Eu Yan Sang is a household name in Asia with an unrivalled reputation as the leader in the TCM industry.

Eu Yan Sang's ability to control the total supply chain of its products – from the sourcing of its raw materials to the production and distribution of its products and the provision of treatments gives the Group an excellent competitive edge in the industry.

Eu Yan Sang strives to broaden its appeal by monitoring changing consumer trends and needs, investing in new business ideas, engaging in research and development with strategic partnerships and expanding its distribution network.

The Group markets fine quality Chinese herbs, Chinese Proprietary Medicines as well as health foods and supplements. It currently offers more than 260 products under the Eu Yan Sang brand name and over 1,000 different types of Chinese herbs and other medicinal products.

Manufacturing activities are carried out in two of its GMP (Good Manufacturing Practice)- certified factories located in Hong Kong and Malaysia. The Hong Kong facility in Yuen Long, has also received the highly respected TGA-certification (Therapeutic Goods Administration).

Eu Yan Sang has an extensive distribution network comprising more than 110 Eu Yan Sang branded retail outlets in Hong Kong, Macau, Malaysia and Singapore. Eu Yan Sang products are available in drugstores, pharmacies, medical halls, supermarkets, convenience stores, hospitals, health clubs and spas worldwide. Its cybershop at www.euyansang.com.sg offers global customers the ease and convenience of shopping online.

The company also operates a chain of 13 TCM clinics in Singapore and Malaysia; three specialist TCM clinics in Singapore; and four "YourHealth" integrative medicine centres (IMCs) in Australia. The specialist TCM clinics and the IMCs combine the best practices of conventional medicine, TCM and natural therapies to provide consumers with holistic healthcare.

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