

OSIM International Ltd
(Co. Reg No. 198304191N)

The Directors of OSIM International Ltd (the "Company") are pleased to announce the following:

1) Increase of shareholdings in OSIM (Taiwan) Co., Ltd ("OSIM Taiwan")

The Company has increased its shareholdings in OSIM (Taiwan) Co., Ltd ("OSIM Taiwan") by 2.5% to 92.5% on 6 June 2006 through a capital injection of NTD 100,000,020 in cash.

The principal activity of OSIM Taiwan is the marketing and sales of OSIM branded healthy lifestyle products in Taiwan which is one of the Company's key markets.

2) Increase Paid-up Capital in OSIM International (Australia) Pty Ltd ("OSIM Australia")

The Company has increased its shareholdings to 600,000 shares at par value AUD1.00 in OSIM Australia through a capital injection of AUD599,999 in cash. The injection was made on 30 June 2006.

OSIM Australia's principal activity is the marketing and sales of OSIM branded healthy lifestyle products in Australia.

3) No Material Impact and Directors' Interests

Both transactions above are not expected to have any material impact on the earnings per share and the net tangible assets per share of the Group for the financial year ending 31 December 2006.

None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the above two transactions.

By Order of the Board