

EU YAN SANG INTERNATIONAL LTD

Co. Reg. No. : 199302179H

(Incorporated in Singapore)

INCORPORATION OF SUBSIDIARIES - EU YAN SANG (MACAU) LIMITED AND EU YAN SANG TRADING (GUANGDONG) CO., LTD

The Board of Directors of Eu Yan Sang International Ltd. (the "Company") wishes to announce that its wholly-owned subsidiary, Eu Yan Sang (China Ventures) Limited ("EYSCV"), has incorporated two subsidiaries, namely Eu Yan Sang (Macau) Limited ("EYS Macau") and Eu Yan Sang Trading (Guangdong) Co., Ltd ("EYS Guangdong") on 12 August 2005 and 14 June 2006 respectively.

EYS Macau which was incorporated in Macau has a registered capital of MOP\$100,000.00 which has not been paid. It is 99% owned by EYSCV and the remaining 1% is owned by Ms Wong Suet Ying. Its main activity is that of import, wholesale and retail of Chinese herbal slices, Chinese medicines and healthcare products.

EYS Guangdong which was incorporated in Guangdong, People's Republic of China has a registered capital of HK\$9,500,000.00 and a paid up capital of HK\$3,000,000.00 and is wholly owned by EYSCV. Its main activity is that of wholesale, import and export of tea leaves.

These transactions are funded by internal resources and are not expected to have any material impact on the earnings per share and net tangible assets of the Company and the Group for the Financial year ending 30 June 2007.

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

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect in the above transaction.

BY ORDER OF THE BOARD

Submitted by Tan Kang Fun, Chief Financial Officer & Company Secretary, on 22 August 2006 to the SGX.