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YANION INTERNATIONAL HOLDINGS LIMITED

(益安國際集團有限公司)*

(incorporated in Bermuda with limited liability)

COMPLETION OF PLACING OF NEW SHARES

SUMMARY

Further to the announcement of the Company dated 27th May, 2002 in relation to the proposed placing of up to 68,000,000 new ordinary shares of HK\$0.50 each in the capital of the Company at an issue price of HK\$1.40 per share, the Company is pleased to announce that as of 12th June, 2002, 50,900,000 Placing Shares were subscribed, raising net proceeds of approximately HK\$69.4 million.

The 50,900,000 Placing Shares represent approximately 9.8% of the Company's total issued share capital at the date of the Announcement and approximately 8.9% of the issued share capital of the Company as enlarged by the issue of 50,900,000 Placing Shares.

Unless otherwise stated herein, terms used in this announcement shall have the same meanings as defined in the announcement of the Company dated 27th May, 2002 (the "Announcement") in relation to the placing agreement entered into by the Placing Agent and the Company to place up to 68,000,000 new shares of HK\$0.50 each in the capital of the Company at an issue price of HK\$1.40 per share to six or more independent investors on a "best effort" basis.

Further to the Announcement, the Company is pleased to announce that as of 12th June, 2002, 50,900,000 Placing Shares were subscribed, raising net proceeds of approximately HK\$69.4 million. The 50,900,000 Placing Shares represent approximately 9.8% of the Company's total issued share capital at the date of the Announcement and approximately 8.9% of the issued share capital of the Company as enlarged by the issue of 50,900,000 Placing Shares.

USE OF NET PROCEEDS

As stated in the Announcement, the net proceeds of the Placing (now approximately HK\$69.4 million) will be used primarily to finance the capital contribution of approximately HK\$62.6 million for the PRC JV to be established between the Group and a subsidiary of 中國藥材集團公司 (Chinese National Group Corporation of Traditional and Herbal Medicine) as disclosed in announcements dated 3rd January, 2002 and 12th April, 2002 and the balance will be used as general working capital of the Group.

EFFECT ON SHAREHOLDINGS AS A RESULT OF THE PLACING

The shareholdings of the Company before and after completion of the Placing of 50,900,000 Placing Shares are summarised as follows:

Name of shareholders	Shareholdings	% before completion of the Placing	Shareholdings	% after completion of the Placing
Leung Wah Chai (<i>Note 1</i>)	33,915,600	6.51	33,915,600	5.93
Butt Wing Han (<i>Note 1</i>)	8,915,250	1.71	8,915,250	1.56
Leung Tai Shing	14,320,500	2.75	14,320,500	2.51
Kamga Investment Limited (<i>Note 2</i>)	2,983,500	0.57	2,983,500	0.52
Bestbond Company Limited (<i>Note 3</i>)	6,800,000	1.31	6,800,000	1.19
Other directors	13,400,000	2.57	13,400,000	2.34
Public	440,415,823	84.58	491,315,823	85.95
Total	520,750,673	100.00	571,650,673	100.00

Note 1: Mr. Leung Wah Chai and Madam Butt Wing Han are Directors.

Note 2: Kamga Investment Limited held 2,983,500 Shares. Mr. Leung Wah Chai and Madam Butt Wing Han are controlling shareholders and directors of Kamga Investment Limited.

Note 3: Bestbond Company Limited held 6,800,000 Shares. Mr. Leung Wah Chai and Mr. Leung Tai Shing are controlling shareholders and directors of Bestbond Company Limited.

By order of the Board
YANION INTERNATIONAL HOLDINGS LIMITED
Chiu Lai Chun, Rhoda
Company Secretary

Hong Kong, 12th June, 2002

* *for identification purposes only*

“Please also refer to the published version of this announcement in The Standard”.