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BEIJING YU SHENG TANG PHARMACEUTICAL GROUP LIMITED

北京御生堂藥業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1141)

ANNOUNCEMENT

The Board hereby announces that Mr. Bai Jianjiang, an Executive Director of the Company, has entered into a service contract with a subsidiary of the Company on 7 July 2010.

The Board of Directors (the "Board") of Beijing Yu Sheng Tang Pharmaceutical Group Limited (the "Company") hereby announces that Mr. Bai Jianjiang ("Mr. Bai"), an Executive Director of the Company, has entered into a service contract (the "Service Contract") with a subsidiary of the Company on 7 July 2010.

According to the Service Contract, Mr. Bai is not appointed for any specific length or proposed length of service and his term of service shall continue unless terminated by either one party giving to the other three months' prior notice in writing. In respect of directorship of Mr. Bai with the Company, it is subject to retirement by rotation and re-election in accordance with the Company's Bye-laws. Under the Service Contract, Mr. Bai is entitled to receive a remuneration of HK$650,000 per annum (pro-rata adjusted for any period shorter than a year) which has been approved by the Remuneration Committee of the Company based on his qualifications, experience, level of responsibilities undertaken and prevailing market conditions. Mr. Bai may also be entitled to receive discretionary bonuses or other benefits as may be decided by the Remuneration Committee having regard to the Company's and his performance. The remuneration of Mr. Bai will be subject to annual review by the Remuneration Committee.

By Order of the Board
Suen Cho Hung, Paul
Chairman

Hong Kong, 7 July 2010

As at the date of this announcement, the Board comprises Mr. Suen Cho Hung, Paul (Chairman), Mr. Sue Ka Lok (Chief Executive Officer), Mr. Bai Jianjiang and Mr. Chau Chung Tak as Executive Directors and Mr. Wong Kwok Tai, Mr. Weng Yixiang, Mr. Lu Xinsheng and Mr. Xiong Wei as Independent Non-executive Directors.

** For identification purpose only*