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)

(I) RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF FIVE RIGHTS SHARES FOR EVERY ONE CONSOLIDATED SHARE HELD ON THE RECORD DATE WITH BONUS WARRANTS ON THE BASIS OF ONE BONUS WARRANT FOR EVERY FIVE RIGHTS SHARES TAKEN UP AND (II) ADJUSTMENTS TO SHARE OPTIONS

(I) RESULTS OF THE RIGHTS ISSUE AND THE BONUS WARRANT ISSUE

The Board is pleased to announce that the Rights Issue has become unconditional at 4:00 p.m. on Tuesday, 6 March 2012.

As at 4:00 p.m. on Thursday, 1 March 2012, being the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares, (a) 289 valid acceptances in respect of a total of 1,766,718,543 Rights Shares provisionally allotted under the Rights Issue have been received, representing approximately 71.50% of the total number of the Rights Shares available under the Rights Issue; and (b) 376 valid applications for a total of 59,113,841 excess Rights Shares have been received, representing approximately 2.40% of the total number of the Rights Shares available under the Rights Issue. In aggregate, 665 valid acceptances and applications in respect of a total of 1,825,832,384 Rights Shares, representing approximately 73.89% of the total number of the Rights Shares available under the Rights Issue, have been received. Accordingly, the Rights Issue was undersubscribed by 645,255,466 Rights Shares. Global Wealthy has taken up 601,000,000 Rights Shares and the remaining Rights Shares of 44,255,466 have been taken up by Chung Nam and/or subscribers procured by it pursuant to the Underwriting Agreement. Pursuant to the Bonus Warrant Issue, 494,217,570 Bonus Warrants entitling the holders to subscribe for 494,217,570 Bonus Warrant Shares at the Exercise Price of HK$0.10 per Share (subject to adjustments) will be issued.

DESPATCH OF CERTIFICATES FOR FULLY-PAID RIGHTS SHARES AND BONUS WARRANTS

Share certificates for the fully-paid Rights Shares and warrant certificates for the Bonus Warrants will be despatched on or before Friday, 9 March 2012 to those entitled thereto by ordinary post to their addresses as shown on the register of members of the Company at their own risk.

COMMENCEMENT OF DEALINGS IN RIGHTS SHARES AND BONUS WARRANTS

Dealings in the fully-paid Rights Shares and the Bonus Warrants are expected to commence on the Stock Exchange at 9:00 a.m. on Tuesday, 13 March 2012.

(II) ADJUSTMENTS TO SHARE OPTIONS

In accordance with the terms and conditions of the share option scheme of the Share Options, the exercise price of and the number of shares of the Company to be allotted and issued upon exercise in full of the subscription rights attaching to the outstanding Share Options have been adjusted with effect from 9 March 2012 as a result of the Rights Issue and the Bonus Warrant Issue.

Reference is made to the prospectus of the Company dated 15 February 2012 (the "**Prospectus**") in relation to, among others, the proposed Rights Issue and Bonus Warrant Issue of the Company on the basis of five Rights Shares for every one Consolidated Share held on the Record Date with Bonus Warrants on the basis of one Bonus Warrant for every five Rights Shares taken up. Unless provided otherwise, capitalized terms used in this announcement have the same meanings as those defined in the Prospectus.

(I) RESULTS OF THE RIGHTS ISSUE AND THE BONUS WARRANTS ISSUE

The Board is pleased to announce that the Rights Issue has become unconditional at 4:00 p.m. on Tuesday, 6 March 2012.

As at 4:00 p.m. on Thursday, 1 March 2012, being the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares, (a) 289 valid acceptances in respect of a total of 1,766,718,543 Rights Shares provisionally allotted under the Rights Issue have been received, representing approximately 71.50% of the total number of the Rights Shares available under the Rights Issue; and (b) 376 valid applications for a total of 59,113,841 excess Rights Shares have been received, representing approximately 2.40% of the total number of the Rights Shares available under the Rights Issue. In aggregate, 665 valid acceptances and applications in respect of a total of 1,825,832,384 Rights Shares, representing approximately 73.89% of the total number of the Rights Shares available under the Rights Issue, have been received. Accordingly, the Rights Issue was undersubscribed by 645,255,466 Rights Shares. Global Wealthy has taken up 601,000,000 Rights Shares and the remaining Rights Shares of 44,255,466 have been taken up by Chung Nam and/or subscribers procured by it pursuant to the Underwriting Agreement. Pursuant to the Bonus Warrant Issue, 494,217,570 Bonus Warrants entitling the holders to subscribe for 494,217,570 Bonus Warrant Shares at the Exercise Price of HK$0.10 per Share (subject to adjustments) for a period of 24 months will be issued.

EXCESS RIGHTS SHARES

Regarding the 59,113,841 excess Rights Shares applied for by way of application under the EAFs, the Board has resolved to accept all excess applications and allot and issue such number of excess Rights Shares as have been validly applied for under each application. Accordingly, a total of 59,113,841 excess Rights Shares will be allotted to those Shareholders lodging valid applications.

UNDERWRITING AGREEMENT

As all the conditions precedent to the Rights Issue and Bonus Warrant Issue had been fulfilled and the Underwriting Agreement had not been terminated on or before 4:00 p.m. on Tuesday, 6 March 2012, the Underwriting Agreement became unconditional at 4:00 p.m. on Tuesday, 6 March 2012. The Rights Issue was undersubscribed by 645,255,466 Rights Shares. Pursuant to the terms and conditions as set out under the Underwriting Agreement, Global Wealthy has taken up 601,000,000 Right Shares and Chung Nam and/or subscribers procured by it have taken up the remaining 44,255,466 Rights Shares.

Pursuant to the Irrevocable Undertakings, Global Wealthy and Mr. Suen have each subscribed for and will be allotted 218,716,930 and 5,000,000 Rights Shares respectively as of the date hereof. The Board also confirms that Mr. Suen did not exercise the subscription rights attaching to the Share Options on or before the Latest Time for Termination in accordance with the Irrevocable Undertakings he has given to the Company and Chung Nam.

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and upon completion of the Rights Issue and the Bonus Warrant Issue are as follows:

	Before completion of the Rights Issue and the Bonus Warrant Issue		Upon completion of the Rights Issue and the Bonus Warrant Issue: Assuming none of the Bonus Warrants are exercised		Upon completion of the Rights Issue and the Bonus Warrant Issue: Assuming the Bonus Warrants are exercised in full	
	Number of shares	*Approx. %*	*Number of shares*	*Approx. %*	*Number of shares*	*Approx. %*
Shareholders						
Substantial Shareholders						
Global Wealthy *(Note 1)*	43,743,386	8.85%	262,460,316	8.85%	306,203,702	8.85%
Global Wealthy as Underwriter	N/A	N/A	601,000,000	20.27%	721,200,000	20.85%
Director						
Mr. Suen	1,000,000	0.20%	6,000,000	0.20%	7,000,000	0.20%
Public						
Chung Nam and/or subscribers procured by it *(Note 2)*	N/A	N/A	44,255,466	1.49%	53,106,559	1.54%
Other public Shareholders	449,474,184	90.95%	2,051,589,638	69.19%	2,372,012,729	68.56%
Total	494,217,570	100.00%	2,965,305,420	100.00%	3,459,522,990	100.00%

Notes:

1. Global Wealthy, a company incorporated in the British Virgin Islands with limited liability, is a wholly owned subsidiary of Excelsior Kingdom, which in turn is wholly owned by Mr. Suen, an Executive Director and the Chairman of the Company.

2. Chung Nam undertakes and warrants to the Company that in performing its obligations under the Underwriting Agreement, no subscriber or sub-underwriter (including any direct or indirect sub-underwriters) of the Underwritten Shares will, together with any party acting in concert with it or its associates, become a Shareholder holding 10% or more of the voting rights of the Company immediately after completion of the Rights Issue.

DESPATCH OF CERTIFICATES FOR FULLY-PAID RIGHTS SHARES AND BONUS WARRANTS

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COMMENCEMENT OF DEALINGS IN RIGHTS SHARES AND BONUS WARRANTS

Dealings in the fully-paid Rights Shares and the Bonus Warrants are expected to commence on the Stock Exchange at 9:00 a.m. on Tuesday, 13 March 2012.

(II) ADJUSTMENTS TO SHARE OPTIONS

In accordance with the terms and conditions of the share option scheme of the Share Options, the exercise price of and the number of shares of the Company to be allotted and issued upon exercise in full of the subscription rights attaching to the outstanding Share Options have been adjusted with effect from 9 March 2012 as a result of the Rights Issue and the Bonus Warrant Issue in the manner as follows:

	Before completion of the Rights Issue and the Bonus Warrant Issue		Upon completion of the Rights Issue and the Bonus Warrant Issue	
Exercisable Period	**Existing exercise price per share** *HK$*	**Existing number of shares to be allotted and issued upon exercise in full of the subscription rights attaching to the outstanding Share Options**	**Adjusted exercise price per share** *HK$*	**Adjusted number of shares to be allotted and issued upon exercise in full of the subscription rights attaching to the outstanding Share Options**
1 September 2009 to 31 August 2012	2.72	1,600,000	1.01	4,311,864

The Company has appointed an independent financial adviser to certify the above necessary adjustments with respect to the exercise price of and the number of shares of the Company to be allotted and issued upon exercise in full of the subscription rights attaching to the outstanding Share Options.

By Order of the Board
Suen Cho Hung, Paul
Chairman

Hong Kong, 8 March 2012

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 Ms. Lee Chun Yeung, Catherine as Executive Directors and Mr. Wong Kwok Tai, Mr. Weng Yixiang and Mr. Lu Xinsheng as Independent Non-executive Directors.

* *For identification purpose only*