

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of Beijing Yu Sheng Tang Pharmaceutical Group Limited (the “**Company**”), will be held on Wednesday, 1 February 2012 at 9:00 a.m. at Plaza 1 and 2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong for considering and, if thought fit, passing, with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT** conditional upon the Listing Committee of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, new shares of HK\$0.10 each of the Company in issue, with effect from 5 p.m. on the day on which this resolution is passed every ten (10) existing issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) consolidated share of HK\$0.10 (each a “**Consolidated Share**”), and such Consolidated Share(s) shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the bye-laws of the Company (the “**Share Consolidation**”), and any one of the directors of the Company (the “**Directors**”) be and is hereby authorised with full power to do all things and sign or execute all documents on behalf of the Company which he/she may in his/her sole discretion considers, necessary or desirable for the purpose of giving effect to the Share Consolidation or any matters in relation thereto”;

* *For identification purpose only*

2. “**THAT** subject to the Share Consolidation becoming effective in accordance with the ordinary resolution numbered 1 in the notice of the Meeting, the authorised share capital of the Company be and is hereby increased from HK\$100,000,000.00 divided into 1,000,000,000 Consolidated Shares of HK\$0.10 each to HK\$1,000,000,000.00 divided into 10,000,000,000 Consolidated Shares by the creation of an additional 9,000,000,000 new Consolidated Shares (the “**Increase in Authorised Share Capital**”)”; and
3. “**THAT** subject to the Share Consolidation and the Increase in Authorised Share Capital becoming effective in accordance with the ordinary resolutions numbered 1 and 2 in the notice of the Meeting:
 - (a) the Rights Issue (as defined below), the Bonus Warrant Issue (as defined below) and the transactions contemplated thereunder; and the execution, delivery and performance of (i) the instrument by the Company by way of deed poll for the creation of the Bonus Warrants (as defined below) (the “**Instrument**”) (a draft copy of which is produced to the meeting marked “A” and signed by the Chairman of the meeting for the purpose of identification); (ii) the underwriting agreement dated 20 December 2011 (the “**Underwriting Agreement**”) entered into between the Company and Global Wealthy Limited and Chung Nam Securities Limited (collectively the “**Underwriters**”) (a copy of which is produced to the meeting marked “B” and signed by the Chairman of the meeting for the purpose of identification) in relation to the Rights Issue and the Bonus Warrant Issue, and the transactions contemplated thereunder and all actions taken or to be taken by the Company pursuant to or incidental to the Instrument and the Underwriting Agreement, be and are hereby approved, confirmed and ratified; and
 - (b) subject to the fulfillment or waiver of the conditions set out in the Underwriting Agreement, any one or more of the Directors be and is/ are hereby authorised to allot and issue (i) the Rights Shares (as defined below) pursuant to and in connection with the Rights Issue, (ii) the Bonus Warrants pursuant to and in connection with the Bonus Warrant Issue in accordance with the terms and conditions of the Instrument, and (iii) the new Consolidated Shares pursuant to the exercise of the subscription rights attached to the Bonus Warrant(s) to the relevant holder(s) of the Bonus Warrant(s); and (iv) do all such acts and things, including but without limitation to the execution of all such documents under seal where applicable, as he/she may in his/her discretion consider necessary, expedient or desirable for the purpose of or in connection with the implementation of or giving effect to the Rights Issue, the Bonus Warrant Issue, the Underwriting Agreement, the Instrument and the transactions contemplated thereunder, including but without limitation, the exercise or enforcement of any of the Company’s rights under the Underwriting Agreement and to make and agree to such variations of the terms of the Underwriting Agreement as he/she may consider to be appropriate and in the interests of the Company.

For the purpose of this resolution, “**Rights Issue**” means the proposed allotment and issue of up to 2,471,087,850 new Consolidated Shares of HK\$0.10 each of the Company (the “**Right Shares**”) to such holders of the Consolidated Shares (the “**Shareholders**”) whose names shall appear on the register of members of the Company on 13 February 2012, or such other date as the Company and the underwriters of the Rights Issue may agree as the record date for determination of the entitlements of the Shareholders under the Rights Issue (the “**Record Date**”) at the subscription price of HK\$0.13 per Rights Share in the proportion of five (5) Rights Shares for every one (1) whole Consolidated Share held by the Shareholders on the Record Date provided that (i) no Rights Shares shall be offered to Shareholders whose addresses on the register of members of the Company are outside Hong Kong on the Record Date and whom the Directors consider it necessary or expedient to exclude such Shareholders from the Rights Issue to such Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place (the “**Non-Qualifying Shareholders**”) and the nil-paid Rights Shares which would otherwise have been offered to them shall be sold if a premium net of expenses is obtained and to the extent that such rights can be sold, the net proceeds of such sale (after deducting the expenses of sale) be distributed to the Non-Qualifying Shareholders pro rata to their holding of Shares on the Record Date provided further that individual amounts of HK\$100 or less shall be retained for the benefit of the Company; and (ii) to the extent that the nil-paid Rights Shares referred to in (i) above are not sold as aforesaid, such nil-paid Rights Shares together with any nil-paid Rights Shares provisionally allotted but not accepted shall be offered for application under forms of application for excess Rights Shares; and together with bonus issue (the “**Bonus Warrant Issue**”) of bonus warrants (the “**Bonus Warrants**”) on the basis of one (1) Bonus Warrant for every five (5) Rights Shares taken up, conferring rights on the holder(s) thereof to subscribe for Consolidated Shares at the exercise price of HK\$0.10 per Consolidated Share (subject to adjustments), as described in further detail in a circular issued by the Company dated 13 January 2012 which the notice convening this Meeting forms part.”

By Order of the Board
Suen Cho Hung, Paul
Chairman

Hong Kong, 13 January 2012

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more Shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. The instrument appointing a proxy and (if required by the Board of Directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Meeting or any adjourned meeting thereof, and in default the instrument of proxy shall not be treated as valid.
4. Where there are joint holders of any Shares, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting if the member so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

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.