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東北虎藥業股份有限公司
NORTHEAST TIGER PHARMACEUTICAL CO., LTD.*
(A joint stock limited company incorporated in the People's Republic of China)
(Stock Code: 8197)

PROPOSED ADOPTION OF SHARE OPTION SCHEME

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The board (the “**Board**”) of directors (the “**Directors**”) of Northeast Tiger Pharmaceutical Co., Ltd.* (東北虎藥業股份有限公司) (the “**Company**” and together with its subsidiaries, the “**Group**”) proposes to adopt a share option scheme (the “**Share Option Scheme**”) pursuant to Chapter 23 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”), to motivate the initiative of the management, key employees and consultants, to attract and retain talents, and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company so as to promote the long-term and stable development of the Group.

As at the date of this announcement, none of the Company or any of its subsidiaries has adopted any share option scheme pursuant to the GEM Listing Rules.

The Share Option Scheme is subject to, among other things, the approvals of the shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting of the Company (the “**EGM**”) to be convened for the purpose of considering and, if thought fit, approving the adoption of the Share Option Scheme.

EXPECTED PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

1. Maximum number of shares available for exercise

The maximum number of shares (the “**Shares**”) of the Company which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) shall not in aggregate exceed 10% of the ordinary H Shares in issue as at the date of approval by the Shareholders and as such limit is refreshed by the Shareholders from time to time. The maximum number of H Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) shall not exceed 30% of the ordinary H Shares in issue from time to time.

2. Maximum entitlement of each participant

The total number of H Shares issued and to be issued upon exercise of the options granted to each participant under the Share Option Scheme and any other share option scheme(s) (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of ordinary H Shares in issue.

3. Exercise period

The exercise period of the options granted under the Share Option Scheme is to be determined by the Board, and such period shall not exceed a period of 10 years commencing on the date on which an offer of the grant of an option is made by the Board (the “**Offer Date**”) and expiring on the last day of such period.

4. Exercise price

Subject to any adjustments made pursuant to the terms of the Share Option Scheme, the exercise price of the options granted under the Share Option Scheme shall be a price solely determined by the Board and shall be at least the highest of (i) the closing price of the H Shares as stated in The Stock Exchange of Hong Kong Limited’s (the “**Stock Exchange**”) daily quotations sheet on the Offer Date; (ii) the average closing price of the H Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the Offer Date; and (iii) the nominal value of an H Share.

5. Duration and termination

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of its adoption, after which period no further options will be granted but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect and options which are granted during the term of the Share Option Scheme shall continue to be valid and exercisable in accordance with the provisions of the Share Option Scheme.

CIRCULAR

A circular containing, among others, details of the terms of the Share Option Scheme and notice of the EGM will be despatched to the Shareholders in due course in accordance with the requirements of the GEM Listing Rules.

By Order of the Board
東北虎藥業股份有限公司
Northeast Tiger Pharmaceutical Co., Ltd.*
Chairman
Wang Shaoyan

Jilin, the People's Republic of China, 12 April 2017

As at the date of this announcement, the executive Directors are Wang Shaoyan, Cui Bingyan and Qin Haibo; the non-executive Directors are Guo Aiqun and Cao Yang and the independent non-executive Directors are Zhao Zhen Xing, Chen Youfang and Hui Lai Yam.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the website of the Growth Enterprise Market at <http://www.hkgem.com> for at least 7 days from the day of its posting and the Company's website at <http://www.northeasttiger.com> from the date of this announcement.

* For identification purpose only