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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Baytacare Pharmaceutical Co., Ltd.*, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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北 斗 嘉 藥 業 股 份 有 限 公 司
BAYTACARE PHARMACEUTICAL CO., LTD.*

*(formerly known as 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)

- (1) PROPOSAL FOR GENERAL MANDATE TO ISSUE H SHARES**
 - (2) PROPOSAL FOR GENERAL MANDATE TO ISSUE DOMESTIC SHARES**
 - (3) PROPOSED ADOPTION OF SHARE OPTION SCHEME**
 - (4) PROPOSED RE-ELECTION OF DIRECTORS**
 - (5) PROPOSED ELECTION OF EXECUTIVE DIRECTOR,
NON-EXECUTIVE DIRECTOR AND
INDEPENDENT NON-EXECUTIVE DIRECTOR**
 - (6) PROPOSED RE-ELECTION OF SUPERVISORS**
 - (7) PROPOSED ELECTION OF SUPERVISOR**
 - (8) NOTICE OF ANNUAL GENERAL MEETING**
 - (9) NOTICE OF H SHAREHOLDERS' CLASS MEETING
AND**
 - (10) NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING**
-

Notices convening the AGM (together with the supplemental notice of the AGM), the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting are set out on pages 30 to 41 of this circular. Whether or not you intend to attend the said meetings, you are requested to complete the proxy forms enclosed with the notices of the AGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting in accordance with the instructions printed thereon and return the same to the registered address of the Company at No. 3, No. 2 Road, Jilin Hi-Tech Development Zone, Jilin City, Jilin Province, the PRC (for holders of Domestic Shares) or to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the relevant meetings. Completion and return of the proxy forms will not prevent the Shareholders from attending and voting in person at the AGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting (or any adjournment thereof) should they so wish.

This circular will remain on the "Latest Company Announcement" page of the GEM website (www.hkgem.com) for at least 7 days from its date of publication and on the website of the Company (www.northeasttiger.com).

* For identification purpose only

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Level 40, Long Yuan Chuang Zhan Building, No. 2010 Baoan South Road, Luohu District, Shenzhen, The People’s Republic of China on 31 May 2017 at 2:00 p.m.
“Board”	the board of Directors
“close associate”	shall have the meaning ascribed to it under the GEM Listing Rules
“Companies Law”	the Companies Law of the PRC, as amended, supplemented and/or otherwise modified from time to time
“Company”	Baytacare Pharmaceutical Co., Ltd.* (北斗嘉藥業股份有限公司), a company incorporated in the PRC with limited liability, whose H Shares are listed on the GEM of the Stock Exchange (stock code: 8197)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	issued ordinary share(s) in the share capital of the Company, with a nominal value of RMB0.10 each, which are subscribed for or credited as fully paid in RMB
“Domestic Shareholder(s)”	registered holder(s) of Domestic Shares
“Domestic Shareholders’ Class Meeting”	the class meeting of the Domestic Shareholders to be held at Level 40, Long Yuan Chuang Zhan Building, No. 2010 Baoan South Road, Luohu District, Shenzhen, The People’s Republic of China on 31 May 2017 at 3:45 p.m. (or immediately after the conclusion of the H Shareholders’ Class Meeting or any adjournment thereof)
“Domestic Shares Issue Mandate”	subject to the conditions set out in this circular, the general mandate enabling the Directors to allot, issue and deal with additional Domestic Shares with an aggregate number not exceeding 20% of the aggregate number of Domestic Shares in issue as at the date of the AGM
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM

DEFINITIONS

“Grantee”	any Participant who accepts the Offer of the grant of any Share Option in accordance with the terms of the Share Option Scheme or (where the context so permits) a person entitled to any such Share Option in consequence of the death of the original Grantee or the legal personal representative(s) of such person
“Group”	collectively, the Company and its subsidiaries
“H Share(s)”	overseas listed foreign ordinary share(s) in the share capital of the Company, with a nominal value of RMB0.10 each, which are listed on the GEM of the Stock Exchange
“H Shareholder(s)”	registered holder(s) of H Shares
“H Shareholders’ Class Meeting”	the class meeting of the H Shareholders to be held at Level 40, Long Yuan Chuang Zhan Building, No. 2010 Baoan South Road, Luohu District, Shenzhen, The People’s Republic of China on 31 May 2017 at 3:00 p.m. (or immediately after the conclusion of the AGM or any adjournment thereof)
“H Shares Issue Mandate”	subject to the conditions set out in this circular, the general mandate enabling the Directors to allot, issue and deal with additional H Shares with an aggregate number not exceeding 20% of the aggregate number of H Shares in issue as at the date of the AGM
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	12 May 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Offer”	an offer of the grant of a Share Option made in accordance with the terms of the Share Option Scheme
“Offer Date”	the date on which a Share Option is offered to a Participant
“Option Period”	the period for the exercise of a Share Option to be notified by the Board to the Grantee at the time of making an Offer, but in any event shall not exceed 10 years from the Offer Date
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

DEFINITIONS

“Participant(s)”	For the purpose of the Share Option Scheme, means <ul style="list-style-type: none">(a) any full-time or part-time employee of any member of the Group;(b) any consultant or adviser of any member of the Group;(c) any director (including executive, non-executive or independent non-executive directors) of any member of the Group;(d) any substantial shareholder of any member of the Group;(e) any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group; and(f) any company wholly-owned by one or more persons belonging to any of the above classes of persons or entities
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong)
“Shareholder(s)”	shareholders of the Company
“Share(s)”	collectively, Domestic Shares and H Shares
“Share Option(s)”	the option(s) to subscribe for the H Share(s) pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme in respect of the H Shares to be adopted by the Company at the AGM, the H Shareholders’ Class Meeting and the Domestic Shareholders’ Class Meeting, a summary of the principal terms of the rules of which are set out in Appendix I to this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per H Share at which a Grantee may subscribe for H Shares on the exercise of a Share Option pursuant to the Share Option Scheme

In this circular, if there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. English translation of names in Chinese which are marked with “” is for identification purpose only.*

LETTER FROM THE BOARD

北斗嘉藥業股份有限公司
BAYTACARE PHARMACEUTICAL CO., LTD.*

*(formerly known as 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)

Executive Directors:

Wang Shaoyan
Cui Bingyan
Qin Haibo

Registered Office:

No. 3, No. 2 Road
Jilin Hi-Tech Development Zone
Jilin City
Jilin Province, PRC

Non-executive Directors:

Guo Aiqun
Cao Yang

Place of Business in Hong Kong:

Suite 2002
20/F., Haleson Building
1 Jubilee Street, Central
Hong Kong

Independent Non-executive Directors:

Zhao Zhen Xing
Chen Youfang
Hui Lai Yam

12 May 2017

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSAL FOR GENERAL MANDATE TO ISSUE H SHARES**
- (2) PROPOSAL FOR GENERAL MANDATE TO ISSUE DOMESTIC SHARES**
- (3) PROPOSED ADOPTION OF SHARE OPTION SCHEME**
- (4) PROPOSED RE-ELECTION OF DIRECTORS**
- (5) PROPOSED ELECTION OF EXECUTIVE DIRECTOR, NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTOR**
- (6) PROPOSED RE-ELECTION OF SUPERVISORS**
- (7) PROPOSED ELECTION OF SUPERVISOR**
- (8) NOTICE OF ANNUAL GENERAL MEETING**
- (9) NOTICE OF H SHAREHOLDERS' CLASS MEETING AND**
- (10) NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information relating to (1) the proposal for the grant of the H Shares Issue Mandate to the Directors; (2) the proposal for the grant of the Domestic Shares Issue Mandate to the Directors; (3) the proposed adoption of the Share Option Scheme; (4) the details of the proposed re-election of the retiring Directors; (5) the proposed election of executive

LETTER FROM THE BOARD

Director, non-executive Director and independent non-executive Director; (6) the details of the proposed re-election of members of the supervisory board of the Company; (7) the proposed election of member of the supervisory board of the Company; and (8) to provide you with the notices of the AGM (together with the supplemental notice of the AGM), the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting respectively.

H SHARES ISSUE MANDATE

At the 2016 annual general meeting of the Company held on 30 May 2016, a special resolution was passed to grant to the Directors a general mandate to allot, issue and deal with additional H Shares up to a limit of 20% of the aggregate number of H Shares in issue as at 30 May 2016 (the "**Previous H Shares Mandate**"). As at the Latest Practicable Date, an aggregate of 41,400,000 H Shares were issued pursuant to the Previous H Shares Mandate.

Unless otherwise renewed, the Previous H Shares Mandate will lapse at the conclusion of the AGM. Accordingly, a resolution for the renewal of the Previous H Shares Mandate will be proposed at the AGM for the Shareholders' approval to authorize the Directors to allot, issue and deal with additional H Shares up to 20% of the aggregate number of H Shares in issue as at the date of passing such resolution.

Under the applicable PRC laws and regulations, the Company is required to have the approvals from the CSRC for the exercise of the H Shares Issue Mandate. Accordingly, the H Shares Issue Mandate will be conditional upon the approvals of the CSRC and/or any other regulatory authorities (if applicable) as required by the laws, rules and regulations of the PRC being obtained. If the above conditions are not fulfilled, the H Shares Issue Mandate will not be exercisable by the Directors.

As at the Latest Practicable Date, a total of 248,400,000 H Shares were in issue. Subject to the passing of the relevant resolution to approve the H Shares Issue Mandate and on the basis that no further H Shares are issued or repurchased between the Latest Practicable Date and the AGM, the Directors would be authorized to exercise the powers of the Company to issue a maximum of 49,680,000 H Shares.

DOMESTIC SHARES ISSUE MANDATE

At the 2016 annual general meeting of the Company held on 30 May 2016, a special resolution was passed to grant to the Directors a general mandate to allot, issue and deal with additional Domestic Shares up to a limit of 20% of the aggregate number of Domestic Shares in issue as at 30 May 2016 (the "**Previous Domestic Shares Mandate**"). As at the Latest Practicable Date, an aggregate of 70,000,000 Domestic Shares were issued pursuant to the Previous Domestic Shares Mandate.

Unless otherwise renewed, the Previous Domestic Shares Mandate will lapse at the conclusion of the AGM. Accordingly, a resolution for the renewal of the Previous Domestic Shares Mandate will be proposed at the AGM for the Shareholders' approval to authorize the Directors to allot, issue and deal with additional Domestic Shares up to 20% of the aggregate number of Domestic Shares in issue as at the date of passing such resolution.

LETTER FROM THE BOARD

Under the applicable PRC laws and regulations, the Company is required to have the approvals from the CSRC for the exercise of the Domestic Shares Issue Mandate. Accordingly, the Domestic Shares Issue Mandate will be conditional upon the approvals of the CSRC and/or any other regulatory authorities (if applicable) as required by the laws, rules and regulations of the PRC being obtained. If the above conditions are not fulfilled, the Domestic Shares Issue Mandate will not be exercisable by the Directors.

As at the Latest Practicable Date, a total of 609,654,240 Domestic Shares were in issue. Subject to the passing of the relevant resolution to approve the Domestic Shares Issue Mandate and on the basis that no further Domestic Shares are issued or repurchased between the Latest Practicable Date and the AGM, the Directors would be authorized to exercise the powers of the Company to issue a maximum of 121,930,848 Domestic Shares.

PROPOSED ADOPTION OF THE SHARE OPTION SCHEME

Reference is made to the announcement of the Company dated 12 April 2017. The Board proposed to adopt the Share Option Scheme in respect of H Shares pursuant to Chapter 23 of the GEM Listing Rules. A summary of the principal terms of the Share Option Scheme is set out in Appendix I to this circular.

As at the Latest Practicable Date, none of the Company or any of its subsidiaries has adopted any share option scheme pursuant to the GEM Listing Rules.

The adoption of the Share Option Scheme is conditional upon:

- (1) the passing of a special resolution to adopt the Share Option Scheme at each of the AGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting;
- (2) the no-objection indication by the competent authorities and/or the regulatory bodies in the PRC (including the CSRC); and
- (3) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares to be allotted and issued pursuant to the exercise of any Share Options under the Share Option Scheme.

The maximum number of H Shares which may be issued upon exercise of all Share Options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the ordinary H Shares in issue as at the date of approval by the Shareholders at the AGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting and as such limit is refreshed by the Shareholders from time to time. As at the Latest Practicable Date, there were an aggregate of 248,400,000 H Shares in issue. Assuming there is no change in the number of H Shares in issue between the Latest Practicable Date and the date of the AGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting, the initial maximum number of H Shares that may be issued upon exercise of all Share Options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company is 24,840,000 H Shares.

LETTER FROM THE BOARD

(A) Reasons for adopting the Share Option Scheme

The purpose of the adoption of the Share Option Scheme is to motivate the initiative of the management, key employees and the 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. The rules of the Share Option Scheme provide that the Board may specify the Grantees to whom Share Options shall be granted, the performance targets to be achieved as well as the minimum period that a Share Option must be held before a Share Option can be exercised on a case by case basis. The basis for determining the subscription price is also specified precisely in the rules of the Share Option Scheme and that the subscription price of a Share Option cannot in any event fall below the price stipulated in the GEM Listing Rules. With the aforesaid criteria and rules, it is expected that the Grantees will be motivated to contribute to the long-term development of the Group so as to bring about an increase in the market price of the H Shares and capture the values of the Share Options granted.

(B) Value of the Share Options

The Directors consider that it is not appropriate to state the value of all the Share Options that can be granted pursuant to the Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the value of the Share Options have not been determined. Such variables include but are not limited to the exercise price, exercise period and the conditions that a Share Option is subject to. The Directors believe that any calculation of the value of the Share Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and might be misleading to the Shareholders.

(C) Others

Application will be made to the Stock Exchange for the granting of approval for the listing of, and permission to deal in, the H Shares falling to be issued upon exercise of the Share Options granted under the Share Option Scheme.

None of the Directors is and will be trustee of the Share Option Scheme or has a direct or indirect interest in the trustee.

To the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors or their respective close associates had any interests in a business, which competes or is likely to compete either directly or indirectly with the business of the Group, and none of the Directors or their respective close associates had or might have any other conflicts of interest with the Group which would be required to be disclosed under Rule 11.04 of the GEM Listing Rules as if the Director were controlling Shareholders.

A copy of the Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at Suite 2002, 20/F., Haleson Building, 1 Jubilee Street, Central, Hong Kong.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

Mr. Wang Shaoyan (王少岩), Ms. Cui Bingyan (崔冰岩), Mr. Qin Haibo (秦海波), being executive Directors, Mr. Cao Yang (曹陽), being a non-executive Director, and Mr. Zhao Zhen Xing (趙振興) and Ms. Hui Lai Yam (許麗欽), being independent non-executive Directors, will retire from office as Directors and being eligible, have offered themselves for re-election as Directors at the AGM. The biographical details of the above retiring Directors who are subject to re-election at the AGM are set out in appendix II of this circular.

PROPOSED ELECTION OF EXECUTIVE DIRECTOR, NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTOR

Reference is made to the announcement of the Company dated 12 April 2017 in relation to the resignation and proposed election of non-executive Director and independent non-executive Director and the announcement of the Company dated 12 May 2017 in relation to, among others, the proposed election of executive Director and independent non-executive Director.

On 12 April 2017, Mr. Guo Aiqun (郭愛群) (“**Mr. Guo**”) resigned as a non-executive Director with effect from the close of the AGM. On the same day, Mr. Chen Youfang (陳有方) (“**Mr. Chen**”) resigned as an independent non-executive Director and a member of the audit committee of the Company (the “**Audit Committee**”) with effect from the close of the AGM.

The Board therefore proposes to present resolutions at the AGM to elect Mr. Shi Peng (師鵬) (“**Mr. Shi**”) as a non-executive Director and Mr. Gao Zhikai (高志凱) (“**Mr. Gao**”) as an independent non-executive Director. Subject to the approval by the Shareholders at the AGM, the term of service of each of Mr. Shi and Mr. Gao will be for a term of three years commencing from the date of the AGM.

Upon the close of the AGM and subject to the approval of the Shareholders in respect of the appointment of Mr. Gao as an independent non-executive Director at the AGM, (i) Mr. Chen will cease to be a member of the Audit Committee; and (ii) Mr. Gao will be appointed as a member of the Audit Committee.

On 12 May 2017, the Board proposed to appoint Mr. Jiang Xiaobin (姜曉斌) (“**Mr. Jiang**”) as an executive Director and Mr. Yang Yulin (楊育林) (“**Mr. Yang**”) as an independent non-executive Director subject to the approval of the Shareholders at the AGM.

The biographical details of Mr. Shi, Mr. Gao, Mr. Jiang and Mr. Yang are set out in appendix II of this circular.

PROPOSED RE-ELECTION OF SUPERVISORS

Reference is made to the announcement of the Company dated 12 May 2017 in relation to, among others, the re-election of members of the supervisory board of the Company. Ms. Yang Lixue (楊濟雪), Ms. Meng Shuhua (孟淑華) and Ms. Lin Xiarong (林夏容) will retire from office as members of the supervisory board of the Company and being eligible, have offered themselves for re-election at the AGM. The biographical details of the above supervisors are set out in appendix III of this circular.

LETTER FROM THE BOARD

PROPOSED ELECTION OF SUPERVISOR

Reference is made to the announcement of the Company dated 12 May 2017 in relation to, among others, the proposed election of supervisor of the Board. On 12 May 2017, Ms. Han Xue (韓雪) (“**Ms. Han**”) has been nominated as a candidate for election at the AGM as a member of the supervisory board of the Company. The biographical details of Ms. Han are set out in appendix III of this circular.

AGM

Notices convening the AGM (together with the supplemental notice of the AGM), the H Shareholders’ Class Meeting and the Domestic Shareholders’ Class Meeting are set out on pages 30 to 41 of this circular.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, no Shareholders has any material interest in the resolutions to be proposed at the AGM, the H Shareholders’ Class Meeting and the Domestic Shareholders’ Class Meeting. Accordingly, none of the Shareholders will be required to abstain from voting on any of the resolutions to be proposed at the AGM, the H Shareholders’ Class Meeting and the Domestic Shareholders’ Class Meeting.

The proxy forms for use at the AGM, the H Shareholders’ Class Meeting and the Domestic Shareholders’ Class Meeting are enclosed with the notices of the AGM, the H Shareholders’ Class Meeting and the Domestic Shareholders’ Class Meeting respectively. Whether or not you are able to attend the said meetings in person, you are requested to complete the proxy forms in accordance with the instructions printed thereon and return them as soon as possible to the Company’s registered address at No. 3, No. 2 Road, Jilin Hi-Tech Development Zone, Jilin City, Jilin Province, the PRC (for holders of Domestic Shares), or the Company’s H share registrar in Hong Kong, Computershare Hong Kong Investors Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for holders of H Shares) as soon as possible and in any event not later than 24 hours before the time appointed for holding the relevant meeting. Completion and return of the form of proxy applicable to the AGM, the H Shareholders’ Class Meeting and the Domestic Shareholders’ Class Meeting will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof should you so wish.

VOTING BY WAY OF POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any votes of the Shareholders at the general meetings must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the chairman of the AGM, the H Shareholders’ Class Meeting and the Domestic Shareholders’ Class Meeting will demand a poll for every resolution put to the vote at the AGM, the H Shareholders’ Class Meeting and the Domestic Shareholders’ Class Meeting.

RECOMMENDATIONS

The Directors consider that (1) the granting of the H Shares Issue Mandate; (2) the granting of the Domestic Shares Issue Mandate; (3) the proposed adoption of the Share Option Scheme; (4) the proposed re-election of the retiring Directors; (5) the proposed election of executive Director, non-executive

LETTER FROM THE BOARD

Director and independent non-executive Director; (6) the proposed re-election of the retiring members of the supervisory board of the Company; and (7) the proposed election of new member of the supervisory board of the Company are in the best interests of the Company and the Shareholders and accordingly recommend that all Shareholders should vote in favour of the aforesaid resolutions to be proposed at the AGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting (as the case may be).

RESPONSIBILITY STATEMENT

This circular, 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular 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 circular misleading.

By order of the Board
北斗嘉藥業股份有限公司
Baytacare Pharmaceutical Co., Ltd.*
Wang Shaoyan
Chairman

The following is a summary of the principal terms of the Share Option Scheme proposed to be adopted by the Shareholders at the AGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting.

1. PURPOSES OF THE SHARE OPTION SCHEME

The Share Option Scheme is a share incentive scheme and is established to recognize, motivate and provide incentives to those who make contributions to the Group. The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

The Share Option Scheme will give the Participants an opportunity to have a personal stake in the Group and will help achieve the following objectives:

- (a) motivate the Participants to optimise their performance and efficiency; and
- (b) attract and retain the Participants whose contributions are important to the long-term growth and profitability of the Group.

2. DURATION AND ADMINISTRATION

Subject to the provision of early termination under paragraph 14 below, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Share Option Scheme is conditionally adopted by the Shareholders and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof, after which period no further Share Options shall be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects to the extent necessary to give effect to the exercise of any Share Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Share Options granted during the life of the Share Option Scheme shall continue to be exercisable in accordance with their terms of grant within the Option Period.

The Share Option Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided herein and in the absence of manifest error) shall be final and binding on all parties.

3. DETERMINATION OF ELIGIBILITY AND GRANT OF SHARE OPTIONS

The Board may, at its absolute discretion, invite any person belonging to any of the following classes of persons of any member of the Group, to be a Participant of the Share Option Scheme and to take up a Share Option to subscribe for H Shares:

- (a) any full-time or part-time employee of any member of the Group;

- (b) any consultant or adviser of any member of the Group;
- (c) any director (including executive, non-executive or independent non-executive directors) of any member of the Group;
- (d) any substantial shareholder of any member of the Group; and
- (e) any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group,

and for the purposes of the Share Option Scheme, the Share Options may be granted to any company wholly-owned by one or more persons belonging to any of the above classes of Participants.

The basis of eligibility of any Participant to the grant of any Share Option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of the Participant's contribution or potential contribution to the development and growth of the Group.

Subject to the provisions of the Share Option Scheme and the GEM Listing Rules, the Board may when making an Offer impose any conditions in relation thereto as it may at its absolute discretion think fit, which may include conditions on the minimum period for which a Share Option must be held and performance targets that must be achieved before a Share Option can be exercised.

No Offer may be made after any inside information has come to the knowledge of the Group until it has announced such inside information. In particular, no Share Option may be granted during the period commencing one month immediately preceding the earlier of:-

- (1) the date of the meeting of the Board (such date to first be notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules); and
- (2) the deadline for the Company to publish an announcement of its results for any year, half-year or quarterly under the GEM Listing Rules, or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcement.

An Offer shall be deemed to have been accepted and a Share Option to which the Offer relates shall be deemed to have been granted and accepted and to have taken effect when a letter in such form as the Board may from time to time determine signifying acceptance of the Share Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within 7 days from the Offer Date (inclusive of the Offer Date). Such remittance shall in no circumstances be refundable.

4. SUBSCRIPTION PRICE

The Subscription Price shall be a price solely determined by the Board and notified to a Participant and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the Offer Date; and (iii) the nominal value of a H Share on the Offer Date, provided that in the event of fractional prices, the Subscription Price per Share shall be rounded upwards to the nearest whole cent.

5. EXERCISE OF SHARE OPTIONS

- (a) A Share Option shall be personal to the Grantee and shall not be transferrable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Share Option. Any breach of the foregoing by a Grantee shall entitle the Company to cancel, revoke or terminate any Share Option granted to such Grantee to the extent not already exercised.
- (b) A Share Option may be exercised at any time during the Option Period by the Grantee giving notice in writing to the Company in such form as the Board may from time to time determine stating that the Share Option is thereby exercised and the number of H Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price of the H Shares in respect of which the notice is given together with the reasonable administration fee specified by the Company from time to time. Within 28 days after receipt of the notice and the remittance, the Company shall issue and allot the relevant H Shares, fully paid, to the Grantee.
- (c) The Grantees may exercise the Share Options in Renminbi, Hong Kong dollars or any other currency as approved by the Board.

6. RIGHTS ON DEATH OR TERMINATION OF EMPLOYMENT

- (a) In the event that the Grantee (being an individual) dies before exercising the Share Option(s) in full, his/her legal personal representative(s) may exercise the Share Option(s) up to the Grantee's entitlement (to the extent which has become exercisable and not already exercised) within a period of 12 months following his/her death.
- (b) In the event that the Grantee is an employee of the Group when an Offer is made to him/her and he/she subsequently ceases to be an employee of the Group for any reason other than (i) his/her death or (ii) the termination of his/her employment on one or more of the grounds specified in paragraph 8(e) below, the Share Option(s) (to the extent not already lapsed or exercised) shall lapse on the expiry of 3 months after the date of cessation of such employment (which date will be the last actual working day on which the Grantee was physically at work with the Company or the relevant member of the Group whether salary is paid in lieu of notice or not).

- (c) In the event that the Grantee is an employee of the Group when an Offer is made to him/her and he/she subsequently ceases to be an employee by reason of a termination of his/her employment on one or more of the grounds specified in paragraph 8(e) below, his/her option(s) shall lapse automatically (to the extent not already exercised) on the date of cessation of his/her employment with the Group and in the event the Grantee has exercised the Share Option(s) in whole or in part pursuant to paragraph 5(b) above, but H Shares have not been allotted to him/her, the Grantee shall, unless the Board determines otherwise, be deemed not to have so exercised such Share Option(s) and the Company shall return to the Grantee the amount of the Subscription Price for the H Shares in respect of the purported exercise of such Share Option(s).

7. TAKEOVER OFFERS, LIQUIDATION AND RECONSTRUCTION

- (a) In the event of a general offer being made to all the Shareholders (or all such holders other than the offeror and/or any persons controlled by the offeror and/or any person acting in association or concert with the offeror), the Company shall use its best endeavours to procure that an appropriate offer is extended to all the Grantee (on comparable terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Share Options granted to them, as Shareholders). If such offer becoming or being declared unconditional, the Grantee (or, as the case may be, his/her legal personal representative(s)) shall, notwithstanding any terms on which his/her Share Options were granted, be entitled to exercise the Share Option in full (to the extent not already lapsed or exercised) at any time within 1 month after the date on which the offer becomes or is declared unconditional.
- (b) In the event of a compromise or arrangement between the Company and the Shareholders or its creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies pursuant to the Companies Law, the Company shall give notice thereof to all the Grantees on the same day as it gives notice of the meeting to the Shareholders or its creditors to consider such a compromise or arrangement and the Share Options (to the extent not already lapsed or exercised) shall become exercisable in whole or in part on such date not later than 2 business days prior to the date of the general meeting directed to be convened by the court for the purposes of considering such compromise or arrangement (the “**Suspension Date**”). With effect from the Suspension Date, the rights of all Grantees to exercise their respective Share Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Share Options shall, to the extent that they have not been exercised, lapse and determine.

- (c) In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or, as the case may be, his/her legal personal representative(s)) shall be entitled to exercise all or any of his/her Share Options (to the extent not already lapsed or exercised) at any time not later than 2 business days prior to the proposed general meeting of the Company by giving notice in writing to the Company in accordance with paragraph 5(b) above, accompanied by a remittance for the full amount of the aggregate Subscription Price of the H Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant H Shares to the Grantee credited as fully paid.

8. LAPSE OF SHARE OPTIONS

A Share Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period;
- (b) the date on which the Board exercises the Company's right to cancel, revoke or terminate the Share Option(s) on the ground that the Grantee commits a breach of paragraph 5(a) above;
- (c) the expiry of any of the periods or the occurrence of the relevant event referred to in paragraphs 6(a) or (b) or paragraphs 7(a), (b) or (c) above;
- (d) subject to paragraph 7(c) above, the date of the commencement of the winding-up of the Company;
- (e) in the event that the Grantee is an employee of the Group when an Offer is made to him/her and he/she subsequently ceases to be an employee of the Group on any one or more of the grounds that he/she has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence involving his/her integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Group, the date of cessation of his/her employment with the Group. A resolution of the Board or the board of directors of the relevant member of the Group to the effect that employment of a Grantee has or has not been terminated on one or more of the grounds specified in this sub-paragraph shall be conclusive and binding on the Grantee;

- (f) the occurrence of any act of bankruptcy, insolvency or entering into of any arrangements or compositions with his/her creditors generally by the Grantee, or conviction of the Grantee of any criminal offence involving his/her integrity or honesty;
- (g) where the Grantee is only a substantial shareholder of any member of the Group, the date on which the Grantee ceases to be a substantial shareholder of such member of the Group; or
- (h) subject to the compromise or arrangement as referred to in sub-paragraph 7(b) above becoming effective, the date on which such compromise or arrangement becomes effective.

9. MAXIMUM NUMBER OF H SHARES AVAILABLE FOR SUBSCRIPTION

- (a) The aggregate number of H Shares which may be issued upon exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the H Shares in issue from time to time. No Share Options may be granted under the Share Option Scheme or any other share option schemes of the Company if this will result in the limit being exceeded.
- (b) Subject to sub-paragraphs 9(c) and (d) below, the maximum number of H Shares issuable upon exercise of all Share Options to be granted under the Share Option Scheme and any other share option schemes of the Company as from the date on which the Share Option Scheme is conditionally adopted by the Shareholders (excluding, for this purpose, H Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of all the H Shares in issue as at the date of approval of the Share Option Scheme by the Shareholders in general meeting and class meetings (if required) unless the Company obtains an approval for the refreshment of the 10% limit pursuant to sub-paragraph 9(c) below.
- (c) The 10% limit as mentioned under sub-paragraphs 9(b) above may be refreshed at any time by obtaining approval of the Shareholders in general meeting provided that the total number of H Shares which may be issued upon exercise of all Share Options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the H Shares in issue as at the date of approval of the refreshed limit. Share Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Company) will not be counted for the purpose of calculating the refreshed 10% limit.
- (d) Subject to sub-paragraph 9(a) above, the Company may seek separate approval by the Shareholders in general meeting for granting options beyond the 10% limit under sub-paragraphs 9(b) and (c) above provided the options in excess of the limit are granted only to Participants specifically identified by the Company before such approval is sought. In such event, the Company will send a circular to the Shareholders containing a generic description of the specified persons who may be granted such Share Options, the number and terms of such Share Options to be granted and the purpose of granting such Share Options to the specified persons with an explanation of how the terms of the Share Options will serve such purpose and all other information required under the GEM Listing Rules.

10. MAXIMUM ENTITLEMENT OF A PARTICIPANT

The total number of H Shares issued and to be issued upon exercise of the Share Options granted to each Participant (including both exercised and outstanding Share Options) under the Share Option Scheme or any other share option schemes of the Company in any 12-month period up to date of grant shall not exceed 1% of the H Shares in issue. Where any further grant of Share Options to a Participant would result in the H Shares issued and to be issued upon exercise of all Share Options granted and to be granted to such Participant (including exercised, cancelled and outstanding Share Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the H Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Participant and his/her close associates abstaining from voting, and the number and terms (including the Subscription Price) of Share Options to be granted to such Participant must be fixed before the approval of the Shareholders. In such event, the Company must send a circular to the Shareholders containing the identity of the Participant, the number and terms of Share Options to be granted (and options previously granted to such person), and all other information required under the GEM Listing Rules. The date of meeting of the Board proposing such further grant should be taken as the Offer Date for the purpose of calculating the Subscription Price under paragraph 4 above.

11. GRANT OF SHARE OPTIONS TO DIRECTORS, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDERS

- (a) Each grant of Share Options to a director, chief executive or substantial shareholder of the Company or any of their respective associates (with the meaning as ascribed under the GEM Listing Rules) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee).
- (b) Where any grant of Share Options to a substantial shareholder or an independent non-executive director of the Company or any of their respective close associates would result in the total number of H Shares issued and to be issued upon exercise of all Share Options already granted and to be granted (including Share Options exercised, cancelled and outstanding) under the Share Option Scheme and any other share option schemes of the Company to such person in any 12-month period up to and including the date of such grant:
 - (i) representing in aggregate over 0.1% of the H Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the H Shares at the date of each grant, in excess of HK\$5 million,

such further grant of Share Options must be approved by the Shareholders at a general meeting of the Company, with voting to be taken by way of poll. The Company shall send a circular to the Shareholders containing all information as required under the GEM Listing Rules in this regard. All connected persons (as defined in the GEM Listing Rules) of the Company shall abstain from voting (except where any connected person intends to vote against the proposed grant and his/her intention to do so has been stated in the aforesaid circular). Any vote taken at the general meeting to approve the grant of such Share Options must be taken on a poll. Any change in the terms of an option granted to a substantial shareholder of the Company or an independent non-executive Director or any of their respective close associates is also required to be approved by Shareholders in the aforesaid manner.

12. REORGANISATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company whilst any Share Option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, open offer, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of H Shares as consideration in respect of a transaction to which any member of the Group is party), such corresponding adjustments (if any) shall be made in:

- (i) the number of H Shares subject to the Share Option so far as unexercised; and/or
- (ii) the Subscription Prices of any unexercised Share Option,

as the auditors or independent financial adviser of the Company (as the case may be) shall certify in writing to the Board to be in their opinion fair and reasonable and in compliance with the relevant provisions of the GEM Listing Rules (or any guideline or supplemental guideline as may be issued by the Stock Exchange from time to time), provided that any such alteration shall give a Grantee as near as possible the same proportion of the issued share capital of the Company as (but in any event shall not be greater than) that to which he/she/it was previously entitled and any such adjustments shall be made on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Share Option shall remain as nearly as possible the same (but shall not be greater than, except upon any consolidation of the H Shares pursuant to this paragraph) it was before such event, but no adjustment shall be made to the effect of which would be to enable a H Share to be issued at less than its nominal value.

13. ALTERATION OF THE SHARE OPTION SCHEME

- (a) The Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the Share Option Scheme shall not be altered to the advantage of Grantees or prospective Grantees except with the prior sanction of the Shareholders by a resolution in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Share Option granted or agreed to be granted prior to such alteration except with the consent or sanction such majority of the Grantees as would be required of the Shareholders under the articles of association of the Company for a variation of the rights attached to the H Shares.
- (b) Any alterations to the terms and conditions of the Share Option Scheme, which are of a material nature, or any change to the terms of Share Option granted, or any change to the authority of the Board in respect of alteration of the Share Option Scheme, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.

- (c) Notwithstanding anything to the contrary contained in sub-paragraphs 13(a) and (b) above, the Board may at any time alter or modify the Share Option Scheme in any way to the extent necessary to cause the Share Option Scheme to comply with any statutory provisions or the regulations of any regulatory or other relevant authority. Any amendment to any terms of the Share Option Scheme or the options granted shall comply with the relevant requirements of Chapter 23 of the GEM Listing Rules and the notes thereto and the supplementary guidance on the interpretation of the GEM Listing Rules issued by the Stock Exchange from time to time (including the supplemental guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes).

14. TERMINATION

The Company by resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further Share Options will be offered but Share Options granted prior to such termination shall continue to be valid and exercisable in accordance with provisions of the Share Option Scheme.

15. CANCELLATION OF SHARE OPTIONS

Any cancellation of Share Options granted but not exercised may be effected on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion sees fit and in a manner that complies with all applicable legal requirements for such cancellation. Where the Company cancels Share Options and issues new ones to the same Grantee, the issue of such new Share Options may only be made under the Share Option Scheme with available unissued Share Options (excluding the cancelled Share Options) and in compliance with the terms of the Share Option Scheme, in particular within the limit approved by the Shareholders and, subject to the maximum number of H Shares available for subscription referred to in paragraph 9 above.

16. VOTING AND DIVIDEND RIGHTS AND RANKING OF SHARES

No dividends will be payable and no voting rights will be exercisable in relation to a Share Option that has not been exercised. The H Shares to be allotted upon the exercise of a Share Option will be subject to all the provisions of the articles of association of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid H Shares in issue on the date of allotment and accordingly will entitle the holders the rights (including those arising on a liquidation of the Company) to vote and to participate in all dividends or other distributions paid or made after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be on or before the date of allotment, save that the H Shares allotted upon the exercise of any Share Option shall not carry any voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

The biographical details of the proposed Directors and the retiring Directors are set out as follows:

Mr. Shi Peng (師鵬)

Mr. Shi, aged 41, obtained a bachelor's degree in public service management (film management) from Beijing Film Academy* (北京電影學院) in 2004. From June 2003 to June 2006, he had been the chairman of the board of directors of Beijing Jin Wu Huan Real Estate Development Company Limited* (北京金五環房地產開發有限公司). Mr. Shi then became an actor from June 2006 to 2016. Since 2017, Mr. Shi has been the chairman of the board of directors of Beijing Jin Wu Huan Real Estate Development Company Limited* (北京金五環房地產開發有限公司).

Save as disclosed above, Mr. Shi does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group.

Mr. Shi does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and he has no interests in the shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Shi will enter into a director's service agreement with the Company for a term of three years commencing from the date of the AGM subject to rotation and re-election at annual general meetings of the Company in accordance with the articles of association of the Company. The proposed director's fee of Mr. Shi is RMB20,000 per annum (subject to final confirmation upon execution of the relevant service agreement) which is determined with reference to his experience, duties and responsibilities within the Company.

Save as disclosed above, there are no other matters relating to the proposed appointment that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to paragraphs 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Gao Zhikai (高志凱)

Mr. Gao, aged 55, holds a Juris Doctor degree from Yale Law School and holds a master degree in politics from the graduate school of Yale University. He obtained a master degree in English literature from Beijing Foreign Studies University* (北京外國語大學) and a bachelor's degree in English literature from Suzhou University* (蘇州大學). Mr. Gao is licensed as an attorney-at-law in the State of New York of the United States of America.

Mr. Gao is currently the director of China Energy Security Research Institute* (中國能源安全研究所), the vice president of China Beidou Industry Promotion Association* (中國北斗產業促進會), the deputy chairman of Sino-Europe United Investment Corporation* (中歐聯合投資有限公司) and a consultant of Arabian American Oil Company (沙特阿美公司). Mr. Gao is currently also a non-executive director of Huanxi Media Group Limited (stock code: 1003) and an independent non-executive director of E-Commodities Holdings Limited (stock code: 1733), the shares of both are listed on the Main Board of the Stock Exchange.

Save as disclosed above, Mr. Gao does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group.

Mr. Gao does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and he has no interests in the shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Gao will enter into a director's service agreement with the Company for a term of three years commencing from the date of the AGM subject to rotation and re-election at annual general meetings of the Company in accordance with the articles of association of the Company. The proposed director's fee of Mr. Gao is RMB20,000 per annum (subject to final confirmation upon execution of the relevant service agreement) which is determined with reference to his experience, duties and responsibilities within the Company.

Save as disclosed above, there are no other matters relating to the proposed appointment that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to paragraphs 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Wang Shaoyan (王少岩)

Mr. Wang Shaoyan, aged 34, was appointed as an executive Director on 10 January 2016. Mr. Wang currently serves as the general manager of Beijing Shanshi Media Technology Limited* (北京山石傳媒科技有限公司). Mr. Wang has prior experience as a project manager, deputy general manager and general manager of Beijing Shiji Fengqing Broadcast Limited* (北京世紀風情文化傳播有限公司) from 2007 to 2014. He obtained a Master of Science degree in mechanical and manufacturing engineering from the University of Birmingham in 2007 and a Bachelor of Business Administration degree from the West Coast University in 2005. Mr. Wang currently is also the chairman of the board (the “**Board**”) of directors of the Company.

Save as disclosed above, Mr. Wang does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group.

Mr. Wang does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and he has no interests in the shares of the Company which are required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

Mr. Wang has entered into a director’s service agreement with the Company for a term of three years commencing from 10 January 2016 subject to rotation and re-election at annual general meetings of the Company in accordance with the articles of association of the Company. Mr. Wang is entitled to a fixed annual emolument of RMB39,000 plus a discretionary bonus for each financial year which is at the Board’s discretion and determined with reference to the Group’s results and performance. The emoluments of Mr. Wang are determined by the Board with reference to the prevailing market conditions and his roles and responsibilities in the Group.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Wang that need to be brought to the attention of the shareholders of the Company and there is no other information that should be disclosed pursuant to paragraphs 17.50(2)(h) to (v) 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**”).

Ms. Cui Bingyan (崔冰岩)

Ms. Cui Bingyan, aged 43, was appointed as an executive Director on 10 January 2016. Ms. Cui currently serves as the general manager of Shenzhen Longyuan Shanzhuang Property Management Limited* (深圳市龍園山莊物業管理有限公司). Ms. Cui has prior experience as the general operating officer of Shenzhen Zhonghao (Group) Company Limited* (深圳中浩(集團)股份有限公司) from 1996 to 1998, the office manager of Haerbin Gongbai Holding Limited* (哈爾濱市工百集團) from 1993 to 1996, and a veteran of the 81156 army hospital of People's Liberation Army 13th Army* (中國人民解放軍第十三集團軍81156部隊醫院) from 1989 to 1992. She obtained a Master of Business Administration degree from the University of Northern Virginia in 2007. Ms. Cui completed an advanced seminar in property asset management at Tsinghua University in 2004. Ms. Cui obtained a bachelor's degree in law from National University of Defense Technology in 2004 and a college degree in history from Heilongjiang Institute of Education in 1996.

Save as disclosed above, Ms. Cui does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group.

Ms. Cui does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and she has no interests in the shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Ms. Cui has entered into a director's service agreement with the Company for a term of three years commencing from 10 January 2016 subject to rotation and re-election at annual general meetings of the Company in accordance with the articles of association of the Company. Ms. Cui is entitled to a fixed annual emolument of RMB31,000 plus a discretionary bonus for each financial year which is at the Board's discretion and determined with reference to the Group's results and performance. The emoluments of Ms. Cui are determined by the Board with reference to the prevailing marketing conditions and her roles and responsibilities in the Group.

Save as disclosed above, there are no other matters relating to the re-election of Ms. Cui that need to be brought to the attention of the shareholders of the Company and there is no other information that should be disclosed pursuant to paragraphs 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Qin Haibo (秦海波)

Mr. Qin Haibo, aged 45, was appointed as an executive Director on 27 November 2012. He graduated from Changchun Tax Institute* (長春稅務學院) in Accounting (會計學專業). He is an accountant in the People's Republic of China (the "PRC"). He has been engaged in the production and sales of Chinese medicine products in the PRC for approximately eighteen years.

Save as disclosed above, Mr. Qin does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group.

Mr. Qin does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and he has no interests in the shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Qin has not entered into any service contract with the Company and he is not appointed for a specific term since he is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. He is not entitled to any specific remuneration, except for a bonus for each financial year which is at the Board's discretion and determined by reference to the Company's results and performance for the financial year concerned as well as subject to approval by the Shareholders at relevant annual general meeting of the Company.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Qin that need to be brought to the attention of the shareholders of the Company and there is no other information that should be disclosed pursuant to paragraphs 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Cao Yang (曹陽)

Mr. Cao Yang, aged 37, was appointed as a non-executive Director on 13 April 2016. He obtained a bachelor's degree in automation from Northeastern University, the People's Republic of China (中國東北大學) and has worked in the electronic industry for 14 years. Mr. Cao has prior experience as an engineer at Xu Dian (Suzhou) Technology Company Limited* (旭電(蘇州)科技有限公司) from 2002 to 2005, a manager at Suzhou Sheng Ze Electronic Company Limited* (蘇州盛澤電子有限公司) from 2005 to 2006, and a general manager at Kemaida (Beijing) Electronic Company Limited* (科邁達(北京)電子有限公司) from 2006 and onwards.

Save as disclosed above, Mr. Cao does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group.

Mr. Cao does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and he has no interests in the shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Cao has entered into a letter of appointment with the Company for a term of three years commencing from 13 April 2016 subject to rotation and re-election at annual general meetings of the Company in accordance with the articles of association of the Company. He is not entitled to any specific remuneration, except for a bonus for each financial year which is at the Board's discretion and determined by reference to the Company's results and performance for the financial year concerned as well as subject to approval by the Shareholders at relevant annual general meeting of the Company.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Cao that need to be brought to the attention of the shareholders of the Company and there is no other information that should be disclosed pursuant to paragraphs 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Zhao Zhen Xing (趙振興)

Mr. Zhao Zhen Xing, aged 73, was appointed as an independent non-executive Director on 30 September 2004. He graduated from College of Jilin Provincial Finance and banking. He became a registered auditor of PRC in 1994, and in July 1997 he was recognized as a senior accountant of PRC. He was the manager of the internal audit department of Jilin Tansu Group* (吉林炭素集團), Jilin Tansu Company Limited * (吉林炭素股份有限責任有限公司) during 1991 to 2001. He served as a supervisor of Jilin Tansu Group, Jilin Tansu Company Limited during 1997 to 2001.

Save as disclosed above, Mr. Zhao does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group.

Mr. Zhao does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and he has no interests in the shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Zhao has not entered into any service contract with the Company and he is not appointed for a specific term since he is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. He is not entitled to any specific remuneration, except for a bonus for each financial year which is at the Board's discretion and determined by reference to the Company's results and performance for the financial year concerned as well as subject to approval by the Shareholders at relevant annual general meeting of the Company.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Zhao that need to be brought to the attention of the shareholders of the Company and there is no other information that should be disclosed pursuant to paragraphs 17.50(2)(h) to (v) of the GEM Listing Rules.

Ms. Hui Lai Yam (許麗欽)

Ms. Hui Lai Yam, aged 47, was appointed as an independent non-executive Director on 19 June 2015. She has worked in the accounting industry for 23 years. She graduated from Xiamen University in Accounting. Ms. Hui is a Certified Dealmaker endorsed by the China Mergers and Acquisition Association.

Save as disclosed above, Ms. Hui does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group.

Ms. Hui does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and she has no interests in the shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Ms. Hui has not entered into any service contract with the Company and she is not appointed for a specific term since she is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. She is not entitled to any specific remuneration, except for a bonus for each financial year which is at the Board's discretion and determined by reference to the Company's results and performance for the financial year concerned as well as subject to approval by the Shareholders at relevant annual general meeting of the Company.

Save as disclosed above, there are no other matters relating to the re-election of Ms. Hui that need to be brought to the attention of the shareholders of the Company and there is no other information that should be disclosed pursuant to paragraphs 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Jiang Xiaobin (姜曉斌)

Mr. Jiang, aged 46, obtained a bachelor's degree in international economics and trade from Beijing International Studies University (北京第二外國語學院) in 1994, a master degree in Chinese medicines preparations from Beijing University of Chinese Medicine (北京中醫藥大學) in 2003 and a master's degree in business administration from Capital University of Economics and Business (首都經濟貿易大學) in 2005. He had been the president for operation and sale of Right Health Nutrition American Group Inc. (美國雷德生物健康產業集團) from March 2004 to March 2009. From June 2009 to March 2016, he was the chairman of the board of directors of Beijing Holley-Cotec Pharmaceuticals Co., Ltd.* (北京華方科泰醫藥有限公司). Since December 2016, he has been the chairman of the board of directors of Zhong Sheng Wantong Investment Fund Management (Beijing) Company Limited* (中盛萬通投資基金管理(北京)有限公司).

Save as disclosed above, Mr. Jiang does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Mr. Jiang does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and he has no interests in the shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Jiang will enter into a director's service agreement with the Company for a term of three years commencing from the date of the AGM, subject to rotation and re-election at annual general meetings of the Company in accordance with the articles of association of the Company. Mr. Jiang is not entitled to any specific remuneration, except for a bonus for each financial year which is at the Board's discretion and determined by reference to the Company's results and performance for the financial year concerned as well as subject to the approval by the Shareholders at relevant annual general meeting of the Company.

Save as disclosed above, there are no other matters relating to the proposed appointment that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to paragraphs 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Yang Yulin (楊育林)

Mr. Yang, aged 63, obtained a doctor of philosophy (engineering design and manufacture) from The University of Hull in January 2004. He had been the vice principal of Yanshan University (燕山大學) from July 1995 to July 1999 and from September 2003 to December 2014. He had been the chairman of the board of directors of Eagle Equipment Technology QHD Co., Ltd.* (鷹領航空高端裝備秦皇島有限公司) from December 2014 to December 2016.

Save as disclosed above, Mr. Yang does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Mr. Yang does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and he has no interests in the shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Yang will enter into a director's service agreement with the Company for a term of three years commencing from the date of the AGM, subject to rotation and re-election at annual general meetings of the Company in accordance with the articles of association of the Company. Mr. Yang is not entitled to any specific remuneration, except for a bonus for each financial year which is at the Board's discretion and determined by reference to the Company's results and performance for the financial year concerned as well as subject to the approval by the Shareholders at relevant annual general meeting of the Company.

Save as disclosed above, there are no other matters relating to the proposed appointment that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to paragraphs 17.50(2)(h) to (v) of the GEM Listing Rules.

APPENDIX III BIOGRAPHICAL DETAILS OF THE PROPOSED SUPERVISOR AND THE SUPERVISORS TO BE RE-ELECTED AT THE AGM

Ms. Yang Lixue (楊瀟雪)

Ms. Yang Lixue, aged 34, was appointed as the chairman of the supervisory committee of the company on 10 January 2016. She has worked in the finance and risk management industry for approximately 11 years. Since 2011, she has been the deputy general manager of the investment and development department of Coastal Greenland Limited (沿海綠色家園有限公司) (stock code: 1124), a company the shares of which are listed on the Stock Exchange. In 2011, Ms. Yang was the corporate clients manager of the corporate banking and financial institutions department of Bank of China (Hong Kong branch). From 2009 to 2010, Ms. Yang was a risk management analyst at the risk management department of the Bank of Communications (Hong Kong branch). From 2008 to 2009, Ms. Yang was an analyst at the enterprise risk management and consulting department of Deloitte Touche Tohmatsu in Hong Kong and Deloitte Touche Tohmatsu Certified Public Accountants LLP in Beijing. From 2004 to 2005, Ms. Yang worked as a clerk at the National Accountant Assessment and Certification Centre of the Ministry of Finance PRC. From 2013 to 2015, Ms. Yang was a part-time postgraduate student studying in the appreciation and market collection management of fine arts at the China Central Academy of Fine Arts. Ms. Yang graduated from the International Capital Market Association Centre of University of Reading with a Master of Science degree in International Securities, Investment and Banking in 2007, and from the Lingnan (University) College of Sun Yat-Sen University with a bachelor's degree in finance in 2004.

Save as disclosed above, Ms. Yang does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Ms. Yang does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and she has no interests in the shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Ms. Yang has entered into a service agreement with the Company for a period of three years commencing from 10 January 2016. Ms. Yang is not entitled to any remuneration.

Save as disclosed above, there are no other matters relating to the proposed re-election that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to paragraphs 17.50(2)(h) to (v) of the GEM Listing Rules.

Ms. Meng Shuhua (孟淑華)

Ms. Meng Shuhua, aged 45, was appointed as a supervisor on 24 November 2015. She has been serving as a manager of the human resources department of the Company since 2005. Ms. Meng has prior experience as a staff of the personnel department of Jilin Fareast Medical Industry Limited* (吉林遠東藥業集團股份有限公司) from 1991 to 2005 and served on the 81112 army of the People's Liberation Army* (人民解放軍第81112部隊) from 1987 to 1990. Ms. Meng has completed high school education.

Save as disclosed above, Ms. Meng does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Ms. Meng does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and she has no interests in the shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Ms. Meng has entered into a service agreement with the Company for a period of three years commencing from 24 November 2015. Ms. Meng is entitled to a total annual emolument of RMB28,000. The emoluments of Ms. Meng are determined by the supervisory committee of the Company with reference to the prevailing marketing conditions, and her roles and responsibilities in the Group.

APPENDIX III BIOGRAPHICAL DETAILS OF THE PROPOSED SUPERVISOR AND THE SUPERVISORS TO BE RE-ELECTED AT THE AGM

Save as disclosed above, there are no other matters relating to the proposed re-election that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to paragraphs 17.50(2)(h) to (v) of the GEM Listing Rules.

Ms. Lin Xiarong (林夏容)

Ms. Lin Xiarong, aged 36, was appointed as a supervisor of the Company on 10 January 2016). She has worked in the accounting industry for approximately 11 years. Since 2009, she has been serving as the financial manager of Shenzhen Longyuan Shanzhuang Industrial Development Company Limited* (深圳市龍園山莊實業發展有限公司). Ms. Lin is a certified senior accountant accredited by the International Profession Certification Association. From 2004 to 2008, Ms. Lin was an accountant with Shenzhen Longyuan Shanzhuang Property Management Company Limited* (深圳市龍園山莊物業管理有限公司). Ms. Lin graduated from Shenzhen University in Business Administration in 2005.

Save as disclosed above, Ms. Lin does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Ms. Lin does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and she has no interests in the shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Ms. Lin has entered into a service agreement with the Company for a period of three years commencing from 10 January 2016. Ms. Lin is not entitled to any remuneration.

Save as disclosed above, there are no other matters relating to the proposed re-election that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to paragraphs 17.50(2)(h) to (v) of the GEM Listing Rules.

Ms. Han Xue (韓雪)

Ms. Han, aged 29, obtained a bachelor of arts degree in Japanese language from Hebei University of Economics and Business (河北經貿大學) in July 2011. From June 2011 to June 2016, she had been the secretary of the chairman of the board of directors of DIR Xunhe Business Innovation (Beijing) Limited (訊和創新科技(北京)有限公司). Currently, Ms. Han had been the manager of the board of Directors of the Company.

Save as disclosed above, Ms. Han does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Ms. Han does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and she has no interests in the shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Ms. Han will enter into a supervisor's service agreement with the Company for a term of three years commencing from the date of the AGM, subject to rotation and re-election at annual general meetings of the Company in accordance with the articles of association of the Company. Ms. Han is not entitled to any specific remuneration, except for a bonus for each financial year which is at the Board's discretion and determined by reference to the Company's results and performance for the financial year concerned as well as subject to the approval by the Shareholders at relevant annual general meeting of the Company.

Save as disclosed above, there are no other matters relating to the proposed appointment that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to paragraphs 17.50(2)(h) to (v) of the GEM Listing Rules.

NOTICE OF AGM

北斗嘉藥業股份有限公司 BAYTACARE PHARMACEUTICAL CO., LTD.*

(formerly known as 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)

NOTICE IS HEREBY GIVEN that an annual general meeting (the “AGM”) of Baytacare Pharmaceutical Co., Ltd.* (the “Company”) will be held at Level 40, Long Yuan Chuang Zhan Building, No. 2010 Baoan South Road, Luohu District, Shenzhen, The People's Republic of China on 31 May 2017 at 2:00 p.m. for considering and, if thought fit, passing, with or without amendments, the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. To consider and approve the audited financial statements and the report of the auditors of the Company for the year ended 31 December 2016;
2. To consider and approve the report of the directors of the Company for the year ended 31 December 2016;
3. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2016;
4. To consider and approve the re-appointment of Pan-China (H.K.) CPA Limited as the Company's auditors and to authorize the board of directors of the Company to fix their remuneration;
5. To empower the executive directors of the Company to exercise the authority for the determination of incentive bonus to the relevant person of the Company as a motivation for the contribution of efforts to the development of the Company, if any;
6. To consider and approve the remuneration proposals for the directors and supervisors of the Company for the year ended 31 December 2016;
7. To consider and approve the election of Mr. Shi Peng (師鵬) as a non-executive director of the Company;
8. To consider and approve the election of Mr. Gao Zhikai (高志凱) as an independent non-executive director of the Company;

* For identification purpose only

NOTICE OF AGM

SPECIAL RESOLUTIONS

9. To authorize the board (the “**Board**”) of directors (the “**Directors**”) of the Company to allot, issue and deal with H shares in the Company (the “**H Shares**”) subject to the following conditions:
- (a) subject to paragraphs (c) and (d) below and subject to all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the People’s Republic of China (the “**PRC**”), The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or of any other governmental or regulatory body, the Board be and they are hereby authorized to exercise, whether by a single exercise or otherwise, all the powers of the Company to allot, issue and deal with H Shares during the Relevant Period (as defined in paragraph (e) below);
 - (b) the authority granted under paragraph (a) above shall authorize the Board to make an offer or agreement or grant an option during the Relevant Period which would or might require H Shares to be allotted and issued either during or after the end of the Relevant Period;
 - (c) the aggregate number of H Shares allotted or agreed to be allotted (whether pursuant to an option or otherwise) by the Board pursuant to the authority granted under paragraphs (a) and (b) above, otherwise than pursuant to (i) a rights issue (as defined in paragraph (e) below); (ii) the exercise of any options granted under any share option schemes of the Company or other similar arrangement adopted from time to time; (iii) the exercise of the conversion rights under the terms of any securities which are convertible into such shares; (iv) the exercise of rights of subscription under the terms of any warrants issued by the Company; or (v) any scrip dividend or similar arrangement providing for the allotment of such shares in lieu of the whole or part of a dividend on such shares in accordance with the articles of association of the Company, shall not exceed 20 per cent of the aggregate number of H Shares in issue at the date of passing of this resolution;
 - (d) the authority granted under paragraph (a) above shall be conditional upon the approvals of the China Securities Regulatory Commission and/or any other regulatory authorities as required by the laws, rules and regulations of the PRC (if necessary) being obtained by the Company;
 - (e) for the purpose of this special resolution, “Relevant Period” means the period from the passing of this special resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting following the passing of this special resolution;
 - (ii) the expiration of a period of twelve months following the passing of this special resolution; and
 - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting;

NOTICE OF AGM

“Rights issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company on the register of members of the Company on a fixed record date and, where appropriate, the holders of the other equity securities of the Company entitled to be offered therein, in proportion to their then holdings of such shares or other equity securities (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any regulatory body or any stock exchange);

- (f) subject to approvals of all relevant governmental authorities in the PRC for the issue and allotment of and dealing in such H Shares being granted, the Board be and it is hereby authorized to:
 - (i) make such corresponding amendments to the articles of association of the Company as it thinks fit so as to change the registered capital of the Company and to reflect the new capital structure of the Company upon the exercise of authority to allot, issue and deal with H Shares as conferred under paragraph (a) above; and
 - (ii) file the amended articles of association of the Company with the relevant governmental authorities of the PRC;

- 10. To authorize the Board to allot, issue and deal with domestic shares in the Company (the “**Domestic Shares**”) subject to the following conditions:
 - (a) subject to paragraphs (c) and (d) below and subject to all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body, the Board be and they are hereby authorized to exercise, whether by a single exercise or otherwise, all the powers of the Company to allot, issue and deal with Domestic Shares during the Relevant Period (as defined in paragraph (e) below);
 - (b) the authority granted under paragraph (a) above shall authorize the Board to make an offer or agreement or grant an option during the Relevant Period which would or might require Domestic Shares to be allotted and issued either during or after the end of the Relevant Period;
 - (c) the aggregate number of Domestic Shares allotted or agreed to be allotted (whether pursuant to an option or otherwise) by the Board pursuant to the authority granted under paragraphs (a) and (b) above, otherwise than pursuant to (i) a rights issue (as defined in paragraph (e) below); (ii) the exercise of the conversion rights under the terms of any securities which are convertible into such shares; (iii) the exercise of rights of subscription under the terms of any warrants issued by the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of such shares in lieu of the whole or part of a dividend on such shares in accordance with the articles of association of the Company, shall not exceed 20 per cent of the aggregate number of Domestic Shares in issue at the date of passing of this resolution;

NOTICE OF AGM

- (d) the authority granted under paragraph (a) above shall be conditional upon the approvals of the China Securities Regulatory Commission and/or any other regulatory authorities as required by the laws, rules and regulations of the PRC (if necessary) being obtained by the Company;
 - (e) for the purpose of this special resolution, “Relevant Period” means the period from the passing of this special resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting following the passing of this special resolution;
 - (ii) the expiration of a period of twelve months following the passing of this special resolution; and
 - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting;
- “Rights issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company on the register of members of the Company on a fixed record date and, where appropriate, the holders of the other equity securities of the Company entitled to be offered therein, in proportion to their then holdings of such shares or other equity securities (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any regulatory body or any stock exchange);
- (f) subject to approvals of all relevant governmental authorities in the PRC for the issue and allotment of and dealing in such Domestic Shares being granted, the Board be and it is hereby authorized to:
 - (i) make such corresponding amendments to the articles of association of the Company as it thinks fit so as to change the registered capital of the Company and to reflect the new capital structure of the Company upon the exercise of authority to allot, issue and deal with Domestic Shares as conferred under paragraph (a) above; and
 - (ii) file the amended articles of association of the Company with the relevant governmental authorities of the PRC; and

NOTICE OF AGM

11. To consider and approve the proposal regarding adoption of a share option scheme of the Company.

By order of the Board
北斗嘉藥業股份有限公司
Baytacare Pharmaceutical Co., Ltd.*
Wang Shaoyan
Chairman

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

* *For identification purpose only*

Notes:

1. Eligibility for the AGM

Shareholders of the Company who intend to attend the AGM must deliver all instruments of transfer, accompanied by the relevant share certificates, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or the Company's registered office at No. 3, No. 2 Road, Jilin Hi-Tech Development Zone, Jilin City, Jilin Province, the People's Republic of China on or before 4:30 p.m. on 28 April 2017.

Shareholders should note that the register of members of the Company will be closed from 1 May 2017 to 31 May 2017 (both days inclusive) for the purpose of ascertaining the shareholders of the Company entitled to attend the AGM.

Holders of shares whose names stand on the register of members of the Company at 4:30 p.m. on 28 April 2017 are entitled to attend and vote at the AGM.

2. Registration procedures for the AGM

- (i) A shareholder or his proxy should produce proof of identity when attending the AGM;
- (ii) Shareholders of the Company who intend to attend the AGM should return the reply slip for the AGM to the Company on or before 11 May 2017; and
- (iii) Shareholders of the Company may send the above reply slip to the registered address of the Company in person, by post or by facsimile at (852) 3020 0233.

3. Proxy

- (i) A shareholder of the Company eligible to attend the AGM is entitled to appoint one or more proxies to attend and vote on his behalf in accordance with the articles of association of the Company. A proxy need not be a shareholder of the Company;
- (ii) A proxy shall be appointed by a written instrument signed by the appointer or its attorney. If the proxy form is signed by the attorney of the appointer, the power of the attorney or other authorisation document(s) of such attorney should be notarised; and
- (iii) To be valid, the power of attorney or other authorisation document(s) which have been notarised together with the completed proxy form, must be delivered to the registered address of the Company (for holders of domestic shares) or to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) not less than 24 hours before the time designed for the holding of the AGM or any adjournment thereof.

4. The AGM is expected not to last for more than half a day. Attendants shall bear their own traveling and accommodation expenses.

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

北 斗 嘉 藥 業 股 份 有 限 公 司 BAYTACARE PHARMACEUTICAL CO., LTD.*

(formerly known as 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)

Reference is made to the notice of the annual general meeting (the “AGM”) of Baytacare Pharmaceutical Co., Ltd.* (the “Company”, together with its subsidiaries, the “Group”) dated 12 April 2017 (the “Original Notice”), which sets out the time and venue of the AGM and contain the resolutions to be tabled before the AGM for shareholders’ approval.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the AGM will be held as originally scheduled on 31 May 2017 at 2:00 p.m. at Level 40, Long Yuan Chuang Zhan Building, No. 2010 Baoan South Road, Luohu District, Shenzhen, The People’s Republic of China, for the purposes of considering and if thought fit, passing the following resolutions, in addition to the resolutions set out in the Original Notice:

ORDINARY RESOLUTIONS

- 8(a) To consider and approve the re-election of Mr. Wang Shaoyan (王少岩) as an executive director of the Company;
- 8(b) To consider and approve the re-election of Ms. Cui Bingyan (崔冰岩) as an executive director of the Company;
- 8(c) To consider and approve the re-election of Mr. Qin Haibo (秦海波) as an executive director of the Company;
- 8(d) To consider and approve the re-election of Mr. Cao Yang (曹陽) as a non-executive director of the Company;
- 8(e) To consider and approve the re-election of Mr. Zhao Zhen Xing (趙振興) as an independent non-executive director of the Company;
- 8(f) To consider and approve the re-election of Ms. Hui Lai Yam (許麗欽) as an independent non-executive director of the Company;
- 8(g) To consider and approve the election of Mr. Jiang Xiaobin (姜曉斌) as an executive director of the Company;
- 8(h) To consider and approve the election of Mr. Yang Yulin (楊育林) as an independent non-executive director of the Company;

* For identification purpose only

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

- 8(i) To consider and approve the election of Ms. Han Xue (韓雪) as a member of the supervisory board of the Company;
- 8(j) To consider and approve the re-election of Ms. Yang Lixue (楊瀆雪) as a member of the supervisory board of the Company;
- 8(k) To consider and approve the re-election of Ms. Meng Shuhua (孟淑華) as a member of the supervisory board of the Company; and
- 8(l) To consider and approve the re-election of Ms. Lin Xiarong (林夏容) as a member of the supervisory board of the Company.

Notes:

1. A shareholder of the Company eligible to attend the AGM is entitled to appoint one or more proxies to attend and vote on his behalf in accordance with the articles of association of the Company. A proxy need not be a shareholder of the Company.
2. A proxy shall be appointed by a written instrument signed by the appointer or its attorney. If the proxy form is signed by the attorney of the appointer, the power of the attorney or other authorisation document(s) of such attorney should be notarised.
3. To be valid, the power of attorney or other authorisation document(s) which have been notarised together with the completed proxy form, must be delivered to the registered address of the Company (for holders of domestic shares) or to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) not less than 24 hours before the time designed for the holding of the AGM or any adjournment thereof.
4. Since the proxy form (the "**First Proxy Form**") sent together with the Original Notice does not contain the proposed resolutions set out in this supplemental notice, a new proxy form (the "**Revised Proxy Form**") has been prepared and is sent together with this supplemental notice of the AGM.
5. Shareholders are requested to complete and return the Revised Proxy Form in accordance with the instructions printed thereon to the registered address of the Company (for holders of domestic shares) or to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) not less than 24 hours before the time designed for the holding of the AGM or any adjournment thereof.
6. A shareholder who has not yet lodged the First Proxy Form with the Company is requested to lodge the Revised Proxy Form if he/she wishes to appoint proxies to attend the AGM on his/her behalf. In this case, the First Proxy Form should not be lodged with the Company.

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

7. A shareholder who has already lodged the First Proxy Form with the Company should note that:
- (a) if no Revised Proxy Form is lodged with the Company, the First Proxy Form will be treated as a valid proxy form lodged by him/her if correctly completed. The proxy so appointed by the shareholder will be entitled to vote at his/her discretion or to abstain from voting on any resolution properly put to the AGM, including, among others, the resolutions set out in this supplemental notice of AGM.
 - (b) if the Revised Proxy Form is lodged with the Company not less than 24 hours prior to the time appointed for holding the AGM or any adjournment thereof, the Revised Proxy Form will revoke and supersede the First Proxy Form previously lodged by him/her. The Second Proxy Form will be treated as a valid proxy form lodged by the shareholder if correctly completed.
 - (c) if the Revised Proxy Form is lodged with the Company less than 24 hours prior to, at or subsequent to the time appointed for holding the AGM or any adjournment thereof, the Revised Proxy Form will be invalid. However, it will revoke the First Proxy Form previously lodged by the shareholder, and any vote that may be cast by the purported proxy (whether appointed under the First Proxy Form or the Revised Proxy Form) will not be counted in any poll which will be taken on a proposed resolution. Accordingly, shareholders are advised not to lodge the Revised Proxy Form after the aforesaid deadline. In such case, if such Shareholders wish to vote at the AGM, they will have to attend in person and vote at the AGM themselves.
8. Shareholders are reminded that completion and delivery of the First Proxy Form and/or the Revised Proxy Form will not preclude shareholders from attending and voting in person at the AGM or at any adjourned meeting should they so wish.
9. Please refer to the Original Notice for details in respect of other resolutions to be passed at the AGM, eligibility for attending the AGM, proxy, registration procedures, closure of register of members and other relevant matters.

By Order of the Board
北斗嘉藥業股份有限公司
Baytacare Pharmaceutical Co., Ltd.*
Wang Shaoyan
Chairman

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

* *For identification purpose only*

NOTICE OF H SHAREHOLDERS' CLASS MEETING

北斗嘉藥業股份有限公司 BAYTACARE PHARMACEUTICAL CO., LTD.*

*(formerly known as 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)*

NOTICE IS HEREBY GIVEN that a class meeting of the holders of H shares (the “**H Shareholders’ Class Meeting**”) of Baytacare Pharmaceutical Co., Ltd.* (the “**Company**”) will be held at Level 40, Long Yuan Chuang Zhan Building, No. 2010 Baoan South Road, Luohu District, Shenzhen, The People’s Republic of China on 31 May 2017 at 3:00 p.m. (or immediately after the conclusion of the annual general meeting of the Company or any adjournment thereof) for considering and, if thought fit, passing, with or without amendments, the following resolution of the Company:

SPECIAL RESOLUTION

1. To consider and approve the proposal regarding adoption of a share option scheme of the Company.

By order of the Board
北斗嘉藥業股份有限公司
Baytacare Pharmaceutical Co., Ltd.*
Wang Shaoyan
Chairman

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

* For identification purpose only

NOTICE OF H SHAREHOLDERS' CLASS MEETING

Notes:

1. Eligibility for the H Shareholders' Class Meeting

Shareholders of the Company who intend to attend the H Shareholders' Class Meeting must deliver all instruments of transfer, accompanied by the relevant share certificates, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or the Company's registered office at No. 3, No. 2 Road, Jilin Hi-Tech Development Zone, Jilin City, Jilin Province, the People's Republic of China on or before 4:30 p.m. on 28 April 2017.

Shareholders should note that the register of members of the Company will be closed from 1 May 2017 to 31 May 2017 (both days inclusive) for the purpose of ascertaining the shareholders of the Company entitled to attend the H Shareholders' Class Meeting.

Holders of shares whose names stand on the register of members of the Company at 4:30 p.m. on 28 April 2017 are entitled to attend and vote at the H Shareholders' Class Meeting.

2. Registration procedures for the H Shareholders' Class Meeting

- (i) A shareholder or his proxy should produce proof of identity when attending the H Shareholders' Class Meeting;
- (ii) Shareholders of the Company who intend to attend the H Shareholders' Class Meeting should return the reply slip for the H Shareholders' Class Meeting to the Company on or before 11 May 2017; and
- (iii) Shareholders of the Company may send the above reply slip to the registered address of the Company in person, by post or by facsimile at (852) 3020 0233.

3. Proxy

- (i) A shareholder of the Company eligible to attend the H Shareholders' Class Meeting is entitled to appoint one or more proxies to attend and vote on his behalf in accordance with the articles of association of the Company. A proxy need not be a shareholder of the Company;
- (ii) A proxy shall be appointed by a written instrument signed by the appointer or its attorney. If the proxy form is signed by the attorney of the appointer, the power of the attorney or other authorisation document(s) of such attorney should be notarised; and
- (iii) To be valid, the power of attorney or other authorisation document(s) which have been notarised together with the completed proxy form, must be delivered to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time designed for the holding of the H Shareholders' Class Meeting or any adjournment thereof.

4. The H Shareholders' Class Meeting is expected not to last for more than half a day. Attendants shall bear their own traveling and accommodation expenses.

NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING

北 斗 嘉 藥 業 股 份 有 限 公 司

BAYTACARE PHARMACEUTICAL CO., LTD.*

*(formerly known as 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)

NOTICE IS HEREBY GIVEN that a class meeting of the holders of domestic shares (the “**Domestic Shareholders’ Class Meeting**”) of Baytacare Pharmaceutical Co., Ltd.* (the “**Company**”) will be held at Level 40, Long Yuan Chuang Zhan Building, No. 2010 Baoan South Road, Luohu District, Shenzhen, The People’s Republic of China on 31 May 2017 at 3:45 p.m. (or immediately after the conclusion of the H shareholders’ class meeting of the Company or any adjournment thereof) for considering and, if thought fit, passing, with or without amendments, the following resolution of the Company:

SPECIAL RESOLUTION

1. To consider and approve the proposal regarding adoption of a share option scheme of the Company.

By order of the Board

北斗嘉藥業股份有限公司

Baytacare Pharmaceutical Co., Ltd.*

Wang Shaoyan

Chairman

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

* For identification purpose only

NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING

Notes:

1. Eligibility for the Domestic Shareholders' Class Meeting

Holders of domestic shares whose names stand on the register of members of the Company at 4:30 p.m. on 28 April 2017 are entitled to attend and vote at the Domestic Shareholders' Class Meeting.

2. Registration procedures for the Domestic Shareholders' Class Meeting

- (i) A shareholder or his proxy should produce proof of identity when attending the Domestic Shareholders' Class Meeting;
- (ii) Shareholders of the Company who intend to attend the Domestic Shareholders' Class Meeting should return the reply slip for the Domestic Shareholders' Class Meeting to the Company on or before 11 May 2017; and
- (iii) Shareholders of the Company may send the above reply slip to the registered address of the Company in person, by post or by facsimile at (852) 3020 0233.

3. Proxy

- (i) A shareholder of the Company eligible to attend the Domestic Shareholders' Class Meeting is entitled to appoint one or more proxies to attend and vote on his behalf in accordance with the articles of association of the Company. A proxy need not be a shareholder of the Company;
- (ii) A proxy shall be appointed by a written instrument signed by the appointer or its attorney. If the proxy form is signed by the attorney of the appointer, the power of the attorney or other authorisation document(s) of such attorney should be notarised; and
- (iii) To be valid, the power of attorney or other authorisation document(s) which have been notarised together with the completed proxy form, must be delivered to the registered address of the Company not less than 24 hours before the time designed for the holding of the Domestic Shareholders' Class Meeting or any adjournment thereof.

4. The Domestic Shareholders' Class Meeting is expected not to last for more than half a day. Attendants shall bear their own traveling and accommodation expenses.