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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)*

CLARIFICATION ANNOUNCEMENT IN RELATION TO

- (1) THE QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2017; AND**
- (2) THE QUARTERLY REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2017**

References are made to the announcement of Baytacare Pharmaceutical Co., Ltd.* (the “**Company**”) dated 8 May 2017 in relation to the quarterly results announcement for the three months ended 31 March 2017 (the “**Results Announcement**”) and the quarterly report of the Company for the three months ended 31 March 2017 (the “**Quarterly Report**”). Terms used herein shall have the same meaning as defined in the Quarterly Report unless the context requires otherwise.

The Company wishes to make the following clarification:

THE RESULTS ANNOUNCEMENT

On pages 15 and 16 of the Results Announcement, the section headed “Substantial Shareholders” should be deleted in its entirety and replaced with the following:

“SUBSTANTIAL SHAREHOLDERS

So far as was known to any Director or Supervisor, as at 31 March, 2017, the persons or companies (not being a Director, Supervisor or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly deemed to be

interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company were as follow:

Long positions in Shares

Name	Capacity	Number of domestic shares held	Approximate percentage of domestic shares (%)	Approximate percentage of shareholding (%)
Beijing Baoying Chuangfu Investment Management Center (Limited Partnership) (Note 1)	Beneficial owner	398,534,660	65.37	46.44
Guo Feng (Note 1)	Beneficial owner	137,611,830	22.57	16.04
Beijing Zhong Jia Hui Tong Investment Management Company Limited* (北京中嘉慧通投資管理有限公司) (Note 2)	Beneficial owner	31,500,000	5.17	3.67
Beijing Yue Sheng Investment Management Company Limited* (北京悅升投資管理有限責任公司) (Note 3)	Beneficial owner	31,500,000	5.17	3.67

Notes:

1. Pursuant to the letters of intent entered into between Beijing Baoying Chuangfu Investment Management Center (Limited Partnership) (“Beijing Baoying”), Guo Feng (“Ms. Guo”) and Zhang Yabin (“Mr. Zhang”) respectively (the “Letters of Intent”):

(1). Ms. Guo and Beijing Baoying have agreed to enter into (i) a share transfer agreement before 31 December 2016 pursuant to which Ms. Guo shall sell, and Beijing Baoying shall purchase, an aggregate of 137,611,830 Domestic Shares at RMB0.1674 per domestic share for an aggregate consideration of

RMB23,036,220, and (ii) a share pledge agreement pursuant to which Ms. Guo shall pledge an aggregate of 137,611,830 Domestic Shares to Beijing Baoying; and

- (2). Mr. Zhang and Beijing Baoying have agreed to enter into (i) a share transfer agreement before 31 July 2016 pursuant to which Mr. Zhang shall sell, and Beijing Baoying shall purchase, an aggregate of 1,618,960 Domestic Shares at RMB0.1674 per domestic share for an aggregate consideration of RMB271,014, and (ii) a share pledge agreement pursuant to which Mr. Zhang shall pledge an aggregate of 1,618,960 Domestic Shares to Beijing Baoying. As at the date of this report, the aforesaid share transfer agreements have not been entered into.

As informed by Baoying Chuangfu, Ms. Guo and Mr. Zhang, they were occupied by their other business commitments during the past several months. As such, each of Ms. Guo and Mr. Zhang have not entered into any definitive share transfer agreements in respect of their respective relevant Domestic Shares before 31 December 2016 and before 31 July 2016 as originally contemplated under the Letters of Intent.

On 23 March 2017, the Board was informed by Baoying Chuangfu that Baoying Chuangfu proposes to enter into a share transfer agreement with each of Ms. Guo and Mr. Zhang to complete the aforesaid acquisitions of 137,611,830 and 1,618,960 Domestic Shares respectively in or around April 2017.

Taking into account (i) the 137,611,830 Domestic Shares held by Ms. Guo and the 1,618,960 domestic shares held by Mr. Zhang to be transferred to Beijing Baoying pursuant to the Letters of Intent; (ii) the 398,534,660 Domestic Shares beneficially held by Beijing Baoying, Beijing Baoying shall hold an aggregate of 537,765,450 Domestic Shares.

2. Wang Yu Qin (王玉琴) holds 100% equity interest in Beijing Zhong Jia Hui Tong Investment Management Company Limited* (北京中嘉慧通投資管理有限公司).
3. Yu Bo (于波) holds 95% equity interest in Beijing Yue Sheng Investment Management Company Limited* (北京悅升投資管理有限責任公司).

Save as disclosed above, as at 31 March, 2017, the Directors were not aware of any other person who had an interest or short position in the Shares or the underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was interested in 5% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.”

THE QUARTERLY REPORT

Reference is made to the section headed “Substantial Shareholders” on pages 8 and 9 of the English version of the Quarterly Report. The Board would like to clarify that the English translations of the names of each of “北京中嘉慧通投資管理有限公司” and “北京悅升投資管理有限責任公司” are “Beijing Zhong Jia Hui Tong Investment Management Company Limited*” and “Beijing Yue Sheng Investment Management Company Limited*” respectively. The above

Chinese entities do not have official English names and the above English names are included for identification purpose only.

Save for the above clarification, all other information in the Results Announcement and the Quarterly Report remain unchanged.

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

Jilin, the People's Republic of China, 17 May 2017

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

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

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

** For identification purpose only*