
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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.*
(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 ELECTION OF EXECUTIVE DIRECTOR AND
INDEPENDENT NON-EXECUTIVE DIRECTORS
(4) PROPOSED CHANGE OF REGISTERED ADDRESS
AND
(5) PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

A letter from the Board is set out on pages 3 to 7 of this circular.

Notice convening the AGM to be held at 2:00 p.m. on Sunday, 30 June 2019 at Level 40, Long Yuan Chuang Zhan Building, No. 2010 Baoan South Road, Luohu District, Shenzhen, The People's Republic of China together with the relevant form of proxy and reply slip have already been despatched to H Shareholders. Such forms were also published on the websites of the GEM (www.hkgem.com) and the Company (www.baytacare.com). For ease of reference, the notice convening the AGM is set out on pages 11 to 15 of this circular.

Whether or not you intend to attend the said meeting, you are requested to complete the proxy form enclosed with the notice of the AGM in accordance with the instructions printed thereon and return the same to the Company's principal place of business in Hong Kong at 12th Floor, Kam Sang Building, 255-257 Des Voeux Road Central, Hong Kong (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 AGM. Completion and return of the proxy form will not prevent the Shareholders from attending and voting in person at the AGM (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.baytacare.com).

* for identification purposes only

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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 Buildings, No. 2010 Baoan South Road, Luohu District, Shenzhen City, the PRC on 30 June 2019 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 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 GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“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

DEFINITIONS

“H Shareholder(s)”	registered holder(s) of H Shares
“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”	14 May 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“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
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong)
“Share(s)”	collectively, Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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 purposes only.*

LETTER FROM THE BOARD

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

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 8197)

Executive Directors:

Cui Bingyan
Fang Yao (*Chairman*)
Guo Aiqun

Non-executive Directors:

Shi Peng
Cao Yang

Independent Non-executive Directors:

Chen Youfang
Zhu Tianxiang

Registered Office:

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

Place of Business in Hong Kong:

12th Floor
Kam Sang Building
255–257 Des Voeux Road Central
Hong Kong

15 May 2019

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 ELECTION OF EXECUTIVE DIRECTOR AND
INDEPENDENT NON-EXECUTIVE DIRECTORS
(4) PROPOSED CHANGE OF REGISTERED ADDRESS
AND
(5) PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

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 election of executive Director and independent non-executive Directors; (4) the proposed change of the registered address of the Company; and (5) the proposed amendment to the articles of association of the Company.

* for identification purposes only

LETTER FROM THE BOARD

H SHARES ISSUE MANDATE

At the 2018 annual general meeting of the Company held on 15 June 2018, 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 15 June 2018 (the “**Previous H Shares Mandate**”). As at the Latest Practicable Date, no 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 2018 annual general meeting of the Company held on 15 June 2018, 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 15 June 2018 (the “**Previous Domestic Shares Mandate**”). As at the Latest Practicable Date, no 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.

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.

LETTER FROM THE BOARD

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 ELECTION OF EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTORS

Reference is made to the announcement dated 14 May 2019 of the Company in relation to, among others, proposed election of executive Director and independent non-executive Directors.

The Board proposes to present resolutions at the AGM to elect Ms. Zheng Chunyan (鄭春燕女士) as an executive Director, and Ms. Zhao Xiaomei (趙曉梅女士) and Mr. Zhu Tianxiang (朱天相先生) as independent non-executive Directors. Subject to the approval by the Shareholders at the AGM, the term of service of each of Ms. Zheng, Ms. Zhao and Mr. Zhu will be for a term of three years commencing from the date of the AGM. The biographical details of Ms. Zheng, Ms. Zhao and Mr. Zhu are set out in Appendix I to this circular.

PROPOSED CHANGE OF REGISTERED ADDRESS

Reference is made to the announcement of the Company dated 14 May 2019 in relation to the proposed change of registered address of the Company.

After the Temporary Change of Registered Address as mentioned in the aforementioned announcement, the Board proposes to change the registered address of the Company to “Room 601, Longyuan Chuangzhan Building, No. 2010 Baoan South Road, Luohu District, Shenzhen, Guangdong Province, China”, subject to the following conditions:

- (1) the passing of an ordinary resolution by the Shareholders at the AGM to approve the Proposed Change of Registered Address; and
- (2) any necessary approval of the relevant PRC authorities in relation to the Proposed Change of Registered Address being obtained.

The relevant filing with relevant PRC authorities will be made after the passing of the relevant ordinary resolution at the AGM. Subject to the satisfaction of the conditions set out above, the proposed change of registered address will take effect from the date of completion of the registration of change in its registered address with the relevant industry and commerce bureau in the PRC.

LETTER FROM THE BOARD

PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

Taking into account the aforementioned proposed change of registered address of the Company, the Board proposes to make amendment to the articles of association of the Company.

Article 3:

Existing Article

Domicile of the Company: No.3, No.2 Road, Jilin High-tech Development Zone, Jilin Province, the PRC
Postal Code: 132013
Telephone: 0432-64641900
Facsimile: 0432-64879802

Amended Article

Domicile of the Company: Room 601, Longyuan Chuangzhan Building, No. 2010 Baoan South Road, Luohu District, Shenzhen, Guangdong Province, China
Postal Code: 518001
Telephone: 0755-82327716

AGM

Notice of the AGM together with the relevant form of proxy and reply slip have been despatched to the Shareholders. A copy of the notice of the AGM is set out on pages 11 to 15 of this circular for ease of reference.

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. Accordingly, none of the Shareholders will be required to abstain from voting on any of the resolutions to be proposed at the AGM.

Whether or not you are able to attend the said meeting in person, you are requested to complete the proxy form in accordance with the instructions printed thereon and return them as soon as possible to the Company's principal place of business in Hong Kong at 12th Floor, Kam Sang Building, 255-257 Des Voeux Road Central, Hong Kong (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 AGM. Completion and return of the form of proxy applicable to the AGM will not preclude you from attending and voting in person at the AGM 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 will demand a poll for every resolution put to the vote at the AGM.

LETTER FROM THE BOARD

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 election of executive Director and independent non-executive Directors; (4) the proposed change of the registered address of the Company; and (5) the proposed amendment to the articles of association 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.

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
Baytacare Pharmaceutical Co., Ltd.*
Executive Director
Cui Bingyan

APPENDIX I BIOGRAPHICAL DETAILS OF THE PROPOSED DIRECTORS TO BE ELECTED AT THE AGM

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

Ms. Zheng Chunyan (鄭春燕女士)

Ms. Zheng Chunyan, aged 35, graduated from Southwest China Normal University with an undergraduate degree in English in 2005. From June 2005 to January 2006, Ms. Zheng served as a translator and the assistant to the General Manager in Loncin Group. From March 2006 to May 2009, she served as the secretary to the Chairman and translator of Sing Heng Chan (Chongqing) Construction Materials Co., Ltd.* (新興棧(重慶)建材有限公司) (a company of a Singapore Listed Group). From May 2009 to August 2012, she served as Executive Vice President and assistant to the Chairman of Dixi Trading Co., Ltd.* (帝西商貿有限公司), a wholly-owned subsidiary of Sing Heng Chan (Chongqing) Construction Materials Co., Ltd. From October 2012 to January 2014, she served as Operation Manager and assistant to the Chairman of Chongqing Leilong Trading Co., Ltd. (Harley-Davidson Chongqing)* (重慶雷隆商貿有限公司(哈雷戴維森重慶)). Ms. Zheng has served as the assistant to the Chairman of Chongqing Siya Pharmaceutical Co., Ltd.* (重慶思亞醫藥有限公司) and the Deputy General Manager of its subsidiary since July 2015.

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

Ms. Zheng does not have any relationship with any 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.

Save as disclosed herein, there are no other matters relating to the appointment of Ms. Zheng that need to be brought to the attention of the shareholders and there is no information which is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

Ms. Zheng will enter into a director's service contract with the Company for a term of service of three years commencing from the date of the AGM, subject to rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Ms. Zheng's remuneration will be determined by the Board with reference to her duties, responsibilities as well as the Company's remuneration policy and the market benchmark.

APPENDIX I BIOGRAPHICAL DETAILS OF THE PROPOSED DIRECTORS TO BE ELECTED AT THE AGM

Ms. Zhao Xiaomei (趙曉梅女士)

Ms. Zhao Xiaomei, aged 45, graduated from Xinxiang Medical University in 1998. From April 2001 to October 2006, Ms. Zhao served as Deputy General Manager of the China Advertising Association Special Operations Company* (中國廣告協會專項運營公司) and Zhongguang Tuopu Advertising Media Co., Ltd.* (中廣托普廣告傳媒有限公司). From October 2006 to March 2012, she served as the Chief Planning Officer, Chief Marketing Officer and Chief Strategy Officer of Minsheng Pharmaceutical E-Commerce Company* (民生醫藥電子商務網公司). From March 2012 to December 2012, she served as the partner engaged in the outsourcing of marketing projects. From December 2012 to September 2013, she served as the Director of E-Commerce of Gansu Longxi Zhongtian Pharmaceutical Co., Ltd.* (甘肅隴西中天藥業公司) (currently known as Tasly Zhongtian Pharmaceutical Co., Ltd.* (天士力中天藥業公司)). From January 2014 to December 2016, she served as the Deputy General Manager of Chongqing Pharmaceutical Public Credit Co., Ltd.* (重慶醫藥公信網有限公司), a wholly-owned subsidiary of Chongqing Medicine Exchange and the Director of Pharmaceutical Public Credit Pharmacy Chain Co., Ltd. and Wholesale Co., Ltd.* (醫藥公信網大藥房連鎖有限公司 and 批發有限公司), both being the holding subsidiaries of Chongqing Medicine Exchange. Ms. Zhao has served as Deputy Minister of Strategic Development Department and Deputy Director of Transaction Research Center at Chongqing Medicine Exchange Co., Ltd. since January 2017.

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

Ms. Zhao does not have any relationship with any 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.

Save as disclosed herein, there are no other matters relating to the appointment of Ms. Zhao that need to be brought to the attention of the shareholders and there is no information which is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

Ms. Zhao will enter into a director's service contract with the Company for a term of service of three years commencing from the date of the AGM, subject to rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Ms. Zhao's remuneration will be determined by the Board with reference to her duties, responsibilities as well as the Company's remuneration policy and the market benchmark.

APPENDIX I BIOGRAPHICAL DETAILS OF THE PROPOSED DIRECTORS TO BE ELECTED AT THE AGM

Mr. Zhu Tianxiang (朱天相先生)

Mr. Zhu Tianxiang, aged 46, graduated from the School of Accountancy of Jiangxi College of Finance and Economics with a degree in international accounting and securities investment. Mr. Zhu has extensive experience in financial management and possesses professional qualification in accounting. He served as a manager of financial department in various companies from August 1994 to July 2002. From December 2004 to June 2008, Mr. Zhu served as a senior management member, a member of the president office, the chief duty compliance officer and the vice president of Founder Securities Limited. Subsequently, Mr. Zhu occupied various important positions in Credit Suisse Founder Securities Limited such as financial controller and secretary to the board. In addition, Mr. Zhu also served as the group general manager of Shenzhen Dasheng Agricultural Group Co., Ltd.* (深圳市大生農業集團有限公司). Mr. Zhu once served as a director and general manager of Shangdong Jiangquan Company Limited* (山東江泉股份有限公司) and a non-executive director of Shanghai Dasheng Agriculture Finance Technology Co., Ltd. (formerly known as Shanghai Tonva Petrochemical Co., Ltd.) (Hong Kong listed company stock code: 1103). Mr. Zhu is currently an executive director of Sino Energy International Holdings Group Limited (Hong Kong listed company stock code: 1096).

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

Mr. Zhu does not have any relationship with any 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.

Save as disclosed herein, there are no other matters relating to the appointment of Mr. Zhu that need to be brought to the attention of the shareholders and there is no information which is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

Mr. Zhu will enter into a director's service contract with the Company for a term of service of three years commencing from the date of the AGM, subject to rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Mr. Zhu's remuneration will be determined by the Board with reference to his duties, responsibilities as well as the Company's remuneration policy and the market benchmark.

NOTICE OF AGM

北斗嘉藥業股份有限公司 BAYTACARE 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 City, the People's Republic of China on Sunday, 30 June 2019 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 2018;
2. To consider and approve the report of the directors of the Company for the year ended 31 December 2018;
3. To consider and approve the report of the supervisory board of the Company for the year ended 31 December 2018;
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 2018;
7. To consider and approve the election of Ms. Zheng Chunyan (鄭春燕女士) as an executive director of the Company;
8. To consider and approve the election of Ms. Zhao Xiaomei (趙曉梅女士) as an independent non-executive director of the Company;
9. To consider and approve the election of Mr. Zhu Tianxiang (朱天相先生) as an independent non-executive director of the Company;
10. (A) To consider and approve the change of registered address of the Company to Room 601, Longyuan Chuangzhan Building, No. 2010 Baoan South Road, Luohu District, Shenzhen, Guangdong Province, PRC (Post Code: 518001);
(B) To authorize any one director of the Company to be designated by the Board to take all such actions and execute all such documents or instruments for and on behalf of the Company as necessary or expedient and make arrangements for all specific matters relating to, in connection with or to give effect to the foregoing.

NOTICE OF AGM

SPECIAL RESOLUTIONS

11. 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;

- 12. 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.
13. Conditional upon the passing of Resolution 10 as set out in the notice convening the AGM, to consider and approve the proposed amendments to article 3 of the articles of association of the Company.

By order of the Board
北斗嘉藥業股份有限公司
Baytacare Pharmaceutical Co., Ltd.*
Executive Director
Cui Bingyan

Shenzhen, People’s Republic of China, 15 May 2019

* for identification purposes only

NOTICE OF AGM

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 principal place of business in Hong Kong at 12th Floor, Kam Sang Building, 255–257 Des Voeux Road Central, Hong Kong on or before 4:30 p.m. on 31 May 2019.

Shareholders should note that the register of members of the Company will be closed from 1 June 2019 to 30 June 2019 (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 31 May 2019 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 June 2019; and
- (iii) Shareholders of the Company may send the above reply slip to the principal place of business of the Company in Hong Kong 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.