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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) VOLUNTARY ANNOUNCEMENT - ARREST OF FORMER CHAIRMAN AND (2) UPDATE ON LISTING STATUS

(1) ARREST OF FORMER CHAIRMAN

The following is made by the Company on a voluntary basis.

Reference is made to the announcements of the Company dated 26 April 2018, 27 April 2018, 30 April 2018 and 9 July 2018 in relation to, among others, the suspension of the executive duties of Mr. Wang Shaoyan (a former executive director of the Company and chairman of the Board and his removal as the chairman of the Board).

The Company instituted legal actions in mainland China against Mr. Wang Shaoyan for entering into the agreements on behalf of the Company without due authorisation of the Board, and failure to carry out his duties as a director of the Company. On 21 August 2018, Mr. Wang Shaoyan was arrested by the PRC Public Security Bureau for suspected misappropriation of funds.

(2) UPDATE ON LISTING STATUS

This is made by the Company pursuant to Rule 9.17 of the GEM Listing Rules and the inside information provisions under Part XIVA of the SFO.

The Company has received a letter dated 14 September 2018 from the Stock Exchange (the "**Letter**"), which serves as a notice pursuant to Rule 9.15 of the GEM Listing Rules, that the Stock Exchange has decided to suspend trading in the Shares under Rule 9.04 of the GEM Listing Rules and proceed with cancellation of the Company's listing under Rule 9.14 of the GEM Listing Rules (the "**Decision**").

Pursuant to the Letter, in view of the Decision, the Company is required to re-comply with Rule 17.26 of the GEM Listing Rules and it will have a remedial period of 12 months to re-comply with Rule 17.26 of the GEM Listing Rules. If the Company fails to do so by the

expiry of the 12-month period (i.e., 13 September 2019), the Stock Exchange will proceed with cancellation of the Company's listing.

Under Rule 4.06(1) of the GEM Listing Rules, the Company has the right to have the Decision referred to the GEM Listing Committee for review. The Company may request that the Decision be reviewed by the GEM Listing Committee on or before 26 September 2018. If the Company does not make any review application by 26 September 2018, trading in the Shares will be suspended from 9:00 a.m. on 27 September 2018. Before that, trading in the Shares will continue. The Company is still in the process of reviewing the Letter and is discussing the same with the Company's legal advisers, and would actively consider lodging a request for the Decision be referred to the GEM Listing Committee for review.

The Directors would remind the Shareholders and potential investors that (i) the Company may or may not proceed with the review by the GEM Listing Committee; and (ii) the outcome of such review is uncertain, if undertaken.

Further announcements will be made by the Company as and when appropriate and in accordance with the requirements of the GEM Listing Rules. Shareholders who have any queries about the implications of the Stock Exchange's notice of proceeding to cancel the Company's listing are advised to obtain appropriate professional advice.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“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)
“Director(s)”	director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC” or “China”	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the People's Republic of China and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	collectively, the Domestic Shares and the H Shares
“Shareholder(s)”	Holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Baytacare Pharmaceutical Co., Ltd. *
Executive Director
Cui Bingyan

Beijing, People’s Republic of China, 14 September 2018

As at the date of this announcement, the executive Directors are Cui Bingyan, Fang Yao and Guo Aiqun; the non-executive Directors are Shi Peng and Cao Yang; and the independent non-executive Directors are Hui Lai Yam, Gao Zhikai and Chen Youfang.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing Securities on GEM of The Stock Exchange of Hong Kong Limited 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 GEM at www.hkgem.com for at least 7 days from the date of the publication and the Company’s website at www.baytacare.com from the date of this announcement.

* *for identification purposes only*