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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)

**RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS
AND
INSUFFICIENT NUMBER OF
INDEPENDENT NON-EXECUTIVE DIRECTORS**

The board (the “**Board**”) of directors (the “**Directors**”) of Baytacare Pharmaceutical Co., Ltd.* (the “**Company**”) announces that Mr. Gao Zhikai (“**Mr. Gao**”) has resigned as an independent non-executive director of the Company, with effect from 12 April 2019 due to his other business commitments, and that Ms. Hui Lai Yam (“**Ms. Hui**”) has resigned as an independent non-executive director of the Company, with effect from 15 April 2019 due to her other business commitments.

Mr. Gao has also ceased to be the chairman of the remuneration committee (the “**Remuneration Committee**”) and a member of each of the audit committee (the “**Audit Committee**”) and nomination committee (the “**Nomination Committee**”) of the Company with effect from 12 April 2019.

Ms. Hui Lai Yam has also ceased to be a member of each of the audit committee (the “**Audit Committee**”) and nomination committee (the “**Nomination Committee**”) of the Company with effect from 15 April 2019.

Save for a disagreement regarding his director’s fees, there is no disagreement between Mr. Gao and the Board and there are no other matters with respect to his resignation that need to be brought to the attention of the shareholders of the Company.

Save for a disagreement regarding her director’s fees, there is no disagreement between Ms. Hui and the Board, and there are no other matters with respect to her resignation that need to be brought to the attention of the shareholders of the Company.

INSUFFICIENT NUMBER OF INDEPENDENT NON-EXECUTIVE DIRECTORS

According to Rules 5.05(1) and 5.05(A) of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Board must include at least three independent non-executive Directors and it is required to appoint independent non-executive Directors representing at least one-third of the Board.

Pursuant to Rule 5.28 of the GEM Listing Rules, the Audit Committee must comprise a minimum of three members, the majority of which must be independent non-executive Directors. The Audit Committee must be chaired by an independent non-executive Director.

Pursuant to Rule 5.34 of the GEM Listing Rules, the Remuneration Committee must be chaired by an independent non-executive Director and be comprised of a majority of independent non-executive Directors.

Pursuant to code provision A.5.1 of the Corporate Governance Code (the “**Corporate Governance Code**”) in Appendix 15 to the GEM Listing Rules, the Nomination Committee must comprise a majority of independent non-executive Directors.

Immediately after the resignation of Mr. Gao and Ms. Hui, and as at the date of this announcement, the compositions of the Board, the Nomination Committee, Remuneration Committee and Audit Committee are as follows:

The Board:

Executive Directors

Cui Bingyan

Fang Yao (*Chairman*)

Guo Aiqun

Non-executive Directors

Shi Peng

Cao Yang

Independent non-executive Director

Chen Youfang

The Audit Committee:

Chen Youfang (*Chairman*)

The Remuneration Committee:

Shi Peng

Chen Youfang

The Nomination Committee:

Fang Yao (*Chairman*)

Immediately after the resignation of Mr. Gao and Ms. Hui, and as at the date of this announcement,

- (1) since the number of independent non-executive Directors are less than three and represent less than one-third of the Board, the Company is not in compliance with Rules 5.05(1) and 5.05(A) of the GEM Listing Rules;
- (2) since the number of members of the Audit Committee is less than three, the Company is not in compliance with Rule 5.28 of the GEM Listing Rules;
- (3) since the Remuneration Committee is not chaired by an independent non-executive director and does not comprise of a majority of independent non-executive Directors, the Company is not in compliance with Rule 5.34 of the GEM Listing Rules; and
- (4) since the Nomination Committee does not comprise of a majority of independent non-executive Directors, the Company is not in compliance with code provision A.5.1 of the Corporate Governance Code.

The Company has made endeavours, but more time is required to identify suitable candidates to be additional independent non-executive Directors in order to comply with the GEM Listing Rules and the Corporate Governance Code. The Company will continue with such endeavours and will comply with the GEM Listing Rules and the Corporate Governance Code as soon as possible.

Trading in the shares of the Company has been suspended with effect from 9am on 27 September 2018, and will continue to be suspended until further notice.

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

Beijing, People's Republic of China, 15 April 2019

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 Director is 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*