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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)**

**QUARTERLY UPDATE ON SUSPENSION OF TRADING**

This announcement is made by Baytacare Pharmaceutical Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.26A of the GEM Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**GEM Listing Rules**”).

References are made to the announcements of the Company dated 26 September 2018, 10 October 2018, 21 December 2018 and 26 March 2019.

The board of directors (the “**Board**”) of the Company wishes to provide an update on the business operations of the Company, and progress towards resumption of trading.

**(i) Company Business Update**

The Group has continued its normal business operations since the suspension of trading of the Company’s shares on 27 September 2018.

The Company published its audited consolidated annual results for the year ended 31 December 2018 on 29 April 2019 and its unaudited consolidated results for the three months ended 31 March 2019 on 15 May 2019. For details, please refer to the announcement and the annual report 2018 published by the Company on 29 April 2019 and the first quarterly report 2019 published by the Company on 15 May 2019.

**(ii) Acquisition of 70% Equity Interests in Hubei Taofuan Electronics Commerce Co., Ltd.\* (湖北陶福安電子商務有限公司)**

Reference is made to the announcement of the Company dated 31 May 2019.

After trading hours on 31 May 2019, the Company entered into a sale and purchase agreement with Taofuan Holdings Co., Ltd.\* (陶福安控股有限公司) and Hubei Taofuan Electronics Commerce Co., Ltd.\* (湖北陶福安電子商務有限公司) (the “**Target**”) pursuant to which the Company conditionally agreed to acquire 70% equity interest in the Target at an aggregate consideration of RMB1.5 million (the “**Acquisition**”).

Immediately after completion of the Acquisition, the Company will own 70% equity interest in the Target and the financial results of the Target will be consolidated with the results of the Group.

The related industrial and commercial change procedures for the acquisition were completed on 21 June 2019 and the company is currently registered as the shareholder of the target’s 70% equity. As of the date of this announcement, the Target is negotiating over new orders for Chinese herbs with the potential customers.

Besides, Baytacare Trading Co., Ltd.\* (北斗嘉貿易有限公司), a wholly-owned subsidiary of the Company entered into the agreement for the sale and purchase of mobile devices with a new customer, Ulefone Technology (HK) Co., Limited with a total transactional monetary amount of USD2,000,000 on 19 June 2019, and as of 25 June 2019, Baytacare Trading has received an Initial Fund of USD200,000.

On 26 June 2019, the company and its new customer, HaozhouHuayu Zhongyaoyin pian limited entered into the acquisition agreement for Chinese herbs with a total transactional monetary amount of RMB38,500,000.

### (iii) **Resumption of Trading**

Trading in the shares of the Company has been suspended with effect from 9am on 27 September 2018. Thereafter, the Company received a letter from the Stock Exchange dated 4 October 2018, in which the Stock Exchange sets out the resumption guidance (“**Resumption Guidance**”) for the Company. The Company announced the contents of the Resumption Guidance on 10 October 2018. On 3 April 2019, the Company received another letter from the Stock Exchange, pursuant to which the Stock Exchange set out additional resumption guidance (“**Additional Resumption Guidance**”). The Company announced the contents of the Additional Resumption Guidance on 9 April 2019.

Currently, the Company is using its best endeavours to confirm the resumption plan and resumption timetable as soon as possible. Once the resumption plan and resumption timetable are confirmed, the Company will comply with the relevant GEM Listing Rules requirement, including announcing the relevant resumption plan and resumption timetable, and obtaining the approval of the Stock Exchange.

The Company will keep the public informed of the progress on the fulfilment of the resumption conditions by making further periodic announcements.

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

Shenzhen, People's Republic of China, 26 June 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 Directors are Chen Youfang and Zhu Tianxiang.*

*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](http://www.hkgem.com) for at least 7 days from the date of the publication and the Company's website at [www.baytacare.com](http://www.baytacare.com) from the date of this announcement.*

\* for identification purposes only