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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)

**TERMINATION OF MAJOR TRANSACTION IN RELATION TO
ACQUISITION OF PROPERTY AND DISCLOSEABLE TRANSACTION
IN RELATION TO DISPOSAL OF ASSETS**

Reference is made to the circular (the “**Circular**”) of Baytacare Pharmaceutical Co., Ltd.* (the “**Company**”) dated 29 December 2016 in relation to (1) the Assets Acquisition Agreement dated 28 November 2016 entered into between the Company and Beijing Heng Yuan Ji Ye Investment Management Co., Ltd.* (the “**Vendor**”) in relation to the Acquisition and (2) the Assets Disposal Agreement dated 28 November 2016 entered into between the Company and Jilin Chun Hua Qiu Shi Agricultural Development Co., Ltd.* (the “**Purchaser**”) in relation to the Disposal.

Capitalised terms used herein shall have the meanings as those defined in the Circular unless the context otherwise requires. This announcement is made pursuant to Rule 19.36 of the GEM Listing Rules.

TERMINATION AGREEMENT FOR THE ACQUISITION

Pursuant to the Assets Acquisition Agreement, completion of the Acquisition shall be conditional upon, among others, all the necessary approval, authorization and filings in relation to the Acquisition having been obtained. The Assets Acquisition Agreement shall lapse and cease to have effect if all the conditions precedent of the Assets Acquisition Agreement have not been fulfilled on 30 April 2017 (or such later date as agreed by the parties in writing).

As at the date of this announcement, all the necessary approval, authorization and filings in relation to the Acquisition have not been obtained on 30 April 2017 and the Company and the Vendor have not been able to reach an agreement on the extension of the date for fulfilment of the conditions precedent. Accordingly, on 6 July 2017, the Company and the Vendor entered into a termination agreement, pursuant to which the parties agreed to terminate the Assets Acquisition Agreement with effect from 6 July 2017.

The Directors are of the view that the termination of the Assets Acquisition Agreement has no material adverse impact on the business operation and financial position of the Group.

TERMINATION NOTICE FOR THE DISPOSAL

Pursuant to the Assets Disposal Agreement, completion of the Disposal shall be conditional upon, among others, all the necessary approval, authorization and filings in relation to the Disposal having been obtained. The Assets Disposal Agreement shall lapse and cease to have effect if all the conditions precedent have not been fulfilled within 180 days of the date of the Assets Disposal Agreement (or such later date as agreed by the parties in writing).

As at the date of this announcement, all the necessary approval, authorization and filings in relation to the Disposal have not been obtained within 180 days of the date of the Assets Disposal Agreement. The Company, having attempted to contact the Purchaser by all possible means of communication, has not been able to contact the Purchaser on the extension of the date for fulfilment of the conditions precedent. Accordingly, on 28 June 2017, the Company issued a termination notice to the Purchaser (the “**Termination Notice**”), which provides that the Purchaser shall be deemed to have forfeited the Disposal and agreed to the termination of the Assets Disposal Agreement if the Company does not receive any written response to the Termination Notice from the Purchaser within 7 days of the issuance of the Termination Notice. As advised by the Company’s PRC legal advisers, the Termination Notice is effective and enforceable under the PRC laws and regulations. As no written response to the Termination Notice has been received by the Company from the Purchaser, the Purchaser is deemed to have agreed to the termination of the Assets Disposal Agreement and accordingly the Assets Disposal Agreement is terminated with effect from 6 July 2017.

The Directors are of the view that the termination of the Assets Disposal Agreement has no material adverse impact on the business operation and financial position of the Group.

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

Julin, the PRC, 6 July 2017

As at the date of this announcement, the executive Directors are Wang Shaoyan, Cui Bingyan and Jiang Xiaobin; the non-executive Directors are Shi Peng and Cao Yang and the independent non-executive Directors are Hui Lai Yam, Gao Zhikai and Yang Yulin.

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 GEM website at <http://www.hkgem.com> for at least 7 days from the day of its posting and the Company’s website at <http://www.baytacare.com> from the date of this announcement.

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