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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)**

**VOLUNTARY ANNOUNCEMENT**

**IN RELATION TO**

**(1) STRATEGIC COOPERATION AGREEMENT**

**(2) TECHNICAL DEVELOPMENT SERVICE AGREEMENT**

**(3) SALE AND PURCHASE AGREEMENT**

**AND**

**(4) PROPOSED PROCUREMENT COOPERATION AGREEMENT**

**(1) STRATEGIC COOPERATION AGREEMENT**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 15 August 2018, Beijing Baytacare Management Consulting Co., Ltd.\* (北京北斗嘉管理諮詢有限公司), a wholly owned subsidiary of the Company (“**Baytacare Management**”) entered into a strategic cooperation agreement (the “**Strategic Cooperation Agreement**”) with Xintuo Wanbang (Beijing) Communications Technology Co., Ltd.\* 新拓萬邦(北京)通信科技有限公司 (“**Xintuo Wanbang**”), to facilitate the cooperation between the Baytacare Management and Xintuo Wanbang in technology and resources;

**(2) TECHNICAL DEVELOPMENT SERVICE AGREEMENT**

On 15 August 2018, Baytacare Management entered into a commissioned technical development service agreement (the “**Technical Service Agreement**”) with Xintuo Wanbang, pursuant to which Baytacare Management would provide technical development services to Xintuo Wanbang in relation to Beidou satellite intelligent terminal control and management system;

**(3) SALE AND PURCHASE AGREEMENT**

On 16 August 2018, Baytacare Management entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with Xintuo Wanbang, pursuant to which Xintuo Wanbang agreed to purchase, and Baytacare Management agree to sell 15,000 sets of communication device each comprising (i) a smartphone device; and (ii) the software and services supported with the Beidou satellite intelligent terminal control and management system; and

**(4) PROPOSED PROCUREMENT COOPERATION AGREEMENT**

Baytacare Management and Jiangsu Saibo Yuhua Technology Co., Ltd.\* (江蘇賽博宇華科技有限公司) (“**Saibo Yuhua**”) proposed to enter into a procurement cooperation agreement (the “**Procurement Cooperation Agreement**”), pursuant to which Baytacare Management would

procure 15,000 sets of communication devices from Saibo Yuhua, whereby Baytacare Management would provide the software supported with Beidou satellite intelligent terminal control and management system to Saibo Yuhua for installing such software to the communication devices to be on-sold to Xintuo Wanbang pursuant to the Sale and Purchase Agreement.

This announcement is made by Baytacare Pharmaceutical Co., Ltd.\* (the “**Company**”, together with its subsidiaries as the “**Group**”) on a voluntary basis to inform the shareholders of the Company and potential investors of the latest business development of the Company.

## **(1) STRATEGIC COOPERATION AGREEMENT**

On 15 August 2018, Baytacare Management and Xintuo Wanbang entered into the Strategic Cooperation Agreement. Under the Strategic Cooperation Agreement, Baytacare Management and Xintuo Wanbang would leverage on their resources to achieve the following:

### **1 Promote cooperation in mobile smart devices and control & management system**

Based on Baytacare Management’s technical advantage on mobile smart devices and control & management system, Baytacare Management will provide Xintuo Wanbang with development platform, technical personnel, professionalized development and design projects, as well as assist Xintuo Wanbang in the development of new smartphones.

### **2 Promote cooperation in positioning services for students and groups with special needs**

Relying on Baytacare Management’s technical advantage on positioning technology, integrating the relevant products in those of Xintuo Wanbang, and making these products more competitive in the positioning services for students and groups with special needs.

### **3 Facilitate in-depth cooperation in big data services for medical purposes**

Based on the vast number of users of Xintuo Wanbang’s products, it is proposed that Xintuo Wanbang and Baytacare Management will further increase the depth of their cooperation on big data services for healthcare purposes; as well as to acquire useful data via research and analyses of user’s habits, and discover new profit growth areas by data mining.

### **4 Facilitate the cooperation for shared use of technology, information resources and market resources**

Based on regular business communications, Baytacare Management and Xintuo Wanbang would continue to communicate with each other on the latest progress in the relevant fields, sharing the latest perspectives related to their cooperation, and establish relevant analytical methods targeted at new issues emerged on business operation and practical scenarios, so as to promote the development of both parties.

## (2) TECHNICAL SERVICE CONTRACT

On 15 August 2018, Baytacare Management and Xintuo Wanbang entered into the Technical Service Agreement. Pursuant to the Technical Service Agreement, Baytacare Management will provide technical support services, including hotline, programme debugging, on-site maintenance, data maintenance, project training and product development to Xintuo Wanbang in relation to Beidou satellite intelligent terminal control and management system (the “**Management System**”) for a 5-year period, commencing from 15 August 2018.

### *Management System*

The Beidou satellite intelligent terminal control and management system (the “**Management System**”) is compatible with a wide range of mobile devices, including smartphones, tablets, smart watches and student cards, and is designed for both iOS and Android operating systems. The Management System comprises location-based service related functions including global positioning system providing precise global location and velocity data, location security assistance services (early warning, rescue, alarm, etc.) and remote control of connection device functions.

As disclosed in the 2018 first quarter report of the Company, Baytacare Management obtained seven registration certificates for computer software registration rights including (i) Beidou satellite special group location security assistance service system V1.0; (ii) Beidou satellite key vehicle location networking control platform system V1.0; (iii) Beidou satellite intelligent terminal control and management system V1.0; (iv) Beidou satellite student position security service system V1.0; (v) “e Jia Loan” financial car loan service platform system V1.0; (vi) “e Jia Pregnant” online fetal heart monitoring service platform System V1.0; and (vii) “e Jia Kang” health management service platform system V1.0.

## (3) SALE AND PURCHASE AGREEMENT

On 16 August 2018, Baytacare Management and Xintuo Wanbang entered into the Sale and Purchase Agreement. The principal terms of the Sale and Purchase Agreement are set out below:

**Purchase order:** 15,000 sets of communication devices, each comprising (i) a smartphone device; and (ii) the relevant software and services which support Management System, at the aggregate consideration of RMB1,630 per device (the “**Purchase Order**”).

**Consideration and payment terms:** The total amount of consideration payable by Xintuo Wanbang to Baytacare Management pursuant to the Purchase Order is RMB24,450,000.

Xintuo Wanbang shall pay a sum of RMB7,335,000, representing 30% of the consideration of the Purchase Order upon the signing of the Sale and Purchase Agreement. The

remaining sum of RMB17,115,000, representing 70% of the consideration of the Purchase Order shall be paid by Xintuo Wanbang before the date of delivery of the devices.

**Delivery date:** The devices deliverable under the Purchase Order shall be delivered to Xintuo Wanbang by 25 September 2018.

The Board considers that the Sale and Purchase Agreement was entered into in the ordinary course of business of the Group and on normal commercial terms after arm's length negotiation.

#### **(4) PROPOSED PROCUREMENT COOPERATION AGREEMENT**

Baytacare Management proposed to enter into the Procurement Cooperation Agreement with Saibo Yuhua, pursuant to which Baytacare Management would procure a total of 15,000 sets of communication devices from Saibo Yuhua, whereby Baytacare Management would provide the software in relation to the Management System to Saibo Yuhua for installing such software to the communication devices to be on-sold to Xintuo Wanbang pursuant to the Sale and Purchase Agreement.

Set out below are the principal terms of the Procurement Cooperation Agreement:

**Procurement products:** 15,000 sets of smart phone

**Consideration:** The consideration payable by Baytacare Management for 15,000 sets of smart phone is RMB22,200,000.

Baytacare Management shall pay 30% of the total consideration as advanced payment, and the remaining 70% shall be paid prior to the delivery of the smart phones.

**Design and Delivery of smart phones:** The parties shall agree on the design of the smart phone within 30 days upon entering into the Procurement Cooperation Agreement.

The smart phones shall be delivered to Baytacare Management on 25 September 2018.

#### **(5) INFORMATION OF PARTIES TO THE AGREEMENTS**

##### ***Information of Xintuo Wanbang***

Xintuo Wanbang was established in the People's Republic of China with limited liability in 2008. Xintuo Wanbang is principally engaged in the development of wireless telecommunications technological know-how in wireless telecommunications across multiple wireless telecommunications

network standards, and the provision of integrated solutions for smartphones, mobile data platform system, connected devices and value-added business operations.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, each of Xintuo Wanbang and its ultimate beneficial owners is independent of the Company and its connected persons.

### ***Information of Saibo Yuhua***

Saibo Yuhua was established in the People's Republic of China with limited liability. Saibo Yuhua is principally engaged in the development, design, manufacture and sale of mobile intelligent terminal devices.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, each of Saibo Yuhua and its ultimate beneficial owners is independent of the Company and its connected persons.

### **(6) REASONS AND BENEFITS FOR ENTERING INTO THE AGREEMENTS**

The Group has the relevant expertise and experience in constructing communication systems including the Management System. The Directors are optimistic about the outlook and prospects of the big data industry in the People's Republic of China and believe that the Strategic Cooperation Agreement, the Technical Service Agreement, the Sale and Purchase Agreement and the Proposed Procurement Cooperation Agreement would allow the Group to leverage on its technology and know-how, and offer a good opportunity for the Group to further expand and commercialise its big data business segment.

By Order of the Board  
**Baytacare Pharmaceutical Co., Ltd.\***  
**Fang Yao**  
*Chairman*

Beijing, People's Republic of China, 17 August 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](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*