
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Beijing Biostar Pharmaceuticals Co., Ltd.**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Beijing Biostar Pharmaceuticals Co., Ltd.

北京華昊中天生物醫藥股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2563)

- (1) 2024 REPORT OF THE BOARD;**
(2) 2024 REPORT OF THE SUPERVISORY COMMITTEE;
(3) 2024 AUDITED CONSOLIDATED FINANCIAL STATEMENTS;
(4) 2024 ANNUAL REPORT;
(5) PROFIT DISTRIBUTION PLAN OF THE COMPANY FOR THE YEAR 2024;
(6) REMUNERATION OF DIRECTORS FOR THE YEAR 2025;
(7) REMUNERATION OF SUPERVISORS FOR THE YEAR 2025;
(8) PROPOSED APPOINTMENT OF AUDITOR FOR 2025;
**(9) PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE
H SHARES;**
AND
NOTICE OF THE ANNUAL GENERAL MEETING

Capitalised terms used in this cover page have the same meanings as those defined in this circular.

The notice convening the AGM of the Company to be held at 1202B, 12/F, Building 3, No. 22 Ronghua Middle Road, Beijing Economic-Technological Development Area, Beijing, PRC on Monday, August 25, 2025 at 3:00 p.m. is set out on pages 9 to 12 of this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.biostar-pharm.com).

Whether or not you are able to attend the AGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the AGM (i.e. not later than 3:00 p.m. on August 24, 2025) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM if you so wish.

References to time and dates in this circular are to Hong Kong time and dates.

July 25, 2025

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2024 Annual Report”	the annual report of the Company for the year ended December 31, 2024 published on July 25, 2025
“AGM”	the annual general meeting of the Company to be held at 1202B, 12/F, Building 3, No. 22 Ronghua Middle Road, Beijing Economic-Technological Development Area, Beijing, PRC on Monday, August 25, 2025 at 3:00 p.m.
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Audit Committee”	audit committee of the Board
“Board” or “Board of Directors”	the board of directors of the Company
“China” or “PRC”	the People’s Republic of China for the purpose of this circular and for geographical reference only, except where the context requires, references in this circular to “China” and the “PRC” do not apply to Hong Kong, Macau Special Administrative Region and Taiwan Region
“Company”	Beijing Biostar Pharmaceuticals Co., Ltd. (北京華昊中天生物醫藥股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (Stock Code: 2563)
“Company Law”	the Company Law of the PRC
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“H Share(s)”	overseas listed foreign invested ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and traded in Hong Kong dollars

DEFINITIONS

“H Share Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase H Shares not exceeding 10% of the total number of H Shares (excluding Treasury Shares, if any) in issue as at the date of passing the proposed resolution approving the H Share Repurchase Mandate at the AGM, details of which are set out in the notice of the Annual General Meeting
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“Latest Practicable Date”	July 18, 2025, being the latest practicable date prior to the date of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares in the capital of the Company with a nominal value of RMB1.00 each, comprising the Unlisted Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Treasury Shares”	has the meaning ascribed to it under the Listing Rules as amended from time to time
“Unlisted Shares”	ordinary Share(s) issued by the Company with a nominal value of RMB1.00 each which is/are not listed on any stock exchange

LETTER FROM THE BOARD



Beijing Biostar Pharmaceuticals Co., Ltd.

北京華昊中天生物醫藥股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2563)

Executive Directors:

Dr. Tang Li (Tang Li博士)
*(Chairperson, Executive Director,
Chief Scientific Officer and
Chief Marketing Officer)*
Dr. Qiu Rongguo (Qiu Rongguo博士)
Mr. Zhang Cheng (張成先生)
Dr. Guan Jin (關津博士)

Non-executive Director:

Mr. Tang Jin (唐進先生)
Ms. Dai Xuefen (戴雪芬女士)

Independent Non-executive Directors:

Dr. Meng Songdong (孟頌東博士)
Mr. Shiu Shu Ming (蕭恕明先生)
Dr. Ye Chengang (葉陳剛博士)

Registered Office:

1202B, 12/F, Building 3
No. 22 Ronghua Middle Road
Beijing Economic-Technological
Development Area,
Beijing,
PRC

*Head Office and Principal Place of
Business in the PRC:*

1202B, 12/F, Building 3
No. 22 Ronghua Middle Road
Beijing Economic-Technological
Development Area
Beijing, PRC

Principal Place of Business in Hong Kong:

Unit 02, 8/F,
Tung Che Commercial Centre
246 Des Voeux Road West
Hong Kong

July 25, 2025

To the Shareholders

Dear Sir or Madam,

- (1) 2024 REPORT OF THE BOARD;**
(2) 2024 REPORT OF THE SUPERVISORY COMMITTEE;
(3) 2024 AUDITED CONSOLIDATED FINANCIAL STATEMENTS;
(4) 2024 ANNUAL REPORT;
(5) PROFIT DISTRIBUTION PLAN OF THE COMPANY FOR THE YEAR 2024;
(6) REMUNERATION OF DIRECTORS FOR THE YEAR 2025;
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(8) PROPOSED APPOINTMENT OF AUDITOR FOR 2025;
**(9) PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE
H SHARES;**
AND
NOTICE OF THE ANNUAL GENERAL MEETING

LETTER FROM THE BOARD

I. INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary for the AGM in order to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM.

In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make an informed decision in the circumstance where sufficient and necessary information is available, we have provided detailed information to Shareholders in this circular.

II. RESOLUTIONS

1. 2024 Report of the Board

An ordinary resolution will be proposed at the AGM to consider and approve the report of the Board for the year ended December 31, 2024, the full text of which is set out in the 2024 Annual Report.

2. 2024 Report of the Supervisory Committee

An ordinary resolution will be proposed at the AGM to consider and approve the report of the Supervisory Committee for the year ended December 31, 2024, the full text of which is set out in the 2024 Annual Report.

3. 2024 Audited Consolidated Financial Statements

An ordinary resolution will be proposed at the AGM to consider and approve the audited consolidated financial statements for the year ended December 31, 2024, the full text of which is set out in the 2024 Annual Report.

4. 2024 Annual Report

An ordinary resolution will be proposed at the AGM to consider and approve the 2024 Annual Report. The 2024 Annual Report has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.biostar-pharm.com).

5. 2025 Directors' Remuneration Package

An ordinary resolution will be proposed at the AGM to approve the Directors' remuneration package for the year ending December 31, 2025. The remuneration of executive Directors and non-executive Directors shall be determined based on their respective positions or management roles within the Company and in accordance with the Company's remuneration management policies. Their fixed annual remuneration shall not exceed 120% of their respective total remuneration for the year ended December 31, 2024. Year-end bonuses shall be determined based on the results of annual performance evaluations. Each independent non-executive Director shall receive an annual director's fee of RMB150,000, which is determined

LETTER FROM THE BOARD

based on, among other factors, the responsibilities assumed by each of the independent non-executive Directors and prevailing market rates among companies of comparable size and business nature.

6. 2025 Supervisors' Remuneration Package

An ordinary resolution will be proposed at the AGM to approve the Supervisors' remuneration package for the year ending December 31, 2025. The remuneration of Supervisors shall be determined based on their positions within the Company and in accordance with the Company's remuneration management policies. Their fixed annual remuneration shall not exceed 120% of their respective total remuneration for the year ended December 31, 2024. Year-end bonuses shall be determined based on the results of annual performance evaluations.

7. 2024 Profit Distribution Proposal

An ordinary resolution will be proposed at the AGM to approve the profit distribution proposal of the Company for the year ending December 31, 2024. The Company did not record a net profit for the year ended December 31, 2024. In light of the Company's operating performance and in consideration of future development needs, the Board does not recommend the distribution of a final dividend for the year ended December 31, 2024.

The profit distribution proposal of the Company for the year ended December 31, 2024 is as follows:

No profit will be distributed for the year 2024.

8. Proposed Appointment of Auditor

In order to unify the financial disclosure standards between the PRC and Hong Kong two markets, the Company will change its accounting standards for the preparation of offshore financial statements from HKFRS Accounting Standards to China Accounting Standards for Business Enterprises (CASBE) starting from the financial year of 2025.

In view of the above change, and having taken into account a number of factors including, but not limited to: (i) experience in auditing Hong Kong-listed companies under CAS, industry knowledge, technical capability, professional expertise, and execution competence; (ii) adequacy and allocation of resources including manpower and time; (iii) independence and objectivity; (iv) relevant guidance issued by the Accounting and Financial Reporting Council; and (v) prior experience in providing professional and quality services to the Company and familiarity with the Company's business operations — the Audit Committee has recommended, and the Board has resolved, not to re-appoint Daxin Global (HK) CPA Limited and to appoint WUYIGE Certified Public Accountants LLP as the auditor of the Company.

LETTER FROM THE BOARD

An ordinary resolution will be proposed at the AGM to consider and approve the appointment of WUYIGE Certified Public Accountants LLP as the auditor of the Company for the year ending December 31, 2025, to hold office from the date of approval at the AGM until the conclusion of the next annual general meeting of the Company, and to authorize the Board and such person(s) authorized by the Board to determine its remuneration with reference to the audit workload and market prices.

9. Proposed Granting of General Mandate to Repurchase H Shares

In order to ensure flexibility and discretion to the Board, in the event that it becomes desirable to repurchase any H Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for a general mandate to repurchase H Shares. At the AGM, a special resolution will be proposed to grant a general mandate to the Directors to exercise the powers of the Company to repurchase H Shares in the share capital of the Company up to 10% of issued H Shares (excluding Treasury Shares, if any) as at the date of the passing of the proposed special resolution in relation to such general mandate.

The Company Law (to which the Company is subject to) provides that a joint stock limited company incorporated in the PRC may not repurchase its shares unless such repurchase is effected for the purpose of (a) reducing its registered capital; (b) in connection with a merger between itself and another entity that holds its shares; (c) using shares for employee stock ownership plan or share incentives; (d) the repurchase is made at the request of its shareholders who disagree with shareholders' resolutions in connection with a merger or division of the company; (e) the repurchased shares are used for the corporate bonds convertible into shares of the listed company; or (f) the repurchase is necessary for maintaining the value of the listed company and the interests of its shareholders. Pursuant to the Articles of Association, the Company shall not repurchase its shares except under any of the following circumstances: (a) reducing the Company's registered capital; (b) merging with other companies holding shares of the Company; (c) using the shares as employee stock plan or share incentive; (d) requiring the Company for acquiring their shares from Shareholders who have voted against the resolutions passed at a shareholders' general meeting on the merger or division of the Company; (e) use of shares for conversion of convertible corporate bonds issued by the Company; (f) necessary if the Company wishes to maintain the value of the Company and the interests of the Shareholders; or (g) in circumstances permitted by law or administrative regulations. other circumstances stipulated by laws, administrative regulations, departmental rules and the securities regulatory rules of place where the Company's shares are listed.

The Listing Rules permit shareholders of a joint stock limited company duly incorporated in the PRC to grant a general mandate to its directors to repurchase H shares of such company that are listed on the Stock Exchange. Such mandate is required to be given by way of a special resolution passed by shareholders in general meeting.

LETTER FROM THE BOARD

As the H Shares are traded on the Stock Exchange in Hong Kong dollars, the amount payable by the Company upon any repurchase of its H Shares will, therefore, be paid in Hong Kong dollars.

The H Share Repurchase Mandate will be conditional upon: (a) the passing of the special resolution approving the grant of the H Share Repurchase Mandate at the AGM; (b) the obtaining of the approvals of the relevant regulatory authorities as required by the laws, rules and regulations of the PRC (if applicable); and (c) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure under the Articles of Association.

The H Share Repurchase Mandate, if approved at the AGM, would expire on the earliest of:

- (a) the conclusion of the next annual general meeting of the Company following the passing of the relevant resolution;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or other applicable laws, rules and regulations to be held; or
- (c) the date on which the authority set out in the relevant resolution approved at a general meeting is revoked or varied by a special resolution of the Shareholders in a general meeting.

The Directors wish to state that they have no immediate plan to repurchase any H Shares pursuant to the H Share Repurchase Mandate.

III. ANNUAL GENERAL MEETING

The AGM will be held at 1202B, 12/F, Building 3, No. 22 Ronghua Middle Road, Beijing Economic-Technological Development Area, Beijing, PRC on Monday, August 25, 2025 at 3:00 p.m., at which resolution will be proposed for the Shareholders to consider and, where appropriate, approve the proposed matters set out in the notice of the AGM.

The register of members of the Company will be closed from Wednesday, August 20, 2025 to Monday, August 25, 2025, both days inclusive, in order to determine the eligibility of Shareholders who are entitled to attend and vote at the AGM to be held on Monday, August 25, 2025. Shareholders whose name appear on the register of members of the Company on Wednesday, August 20, 2025 will be entitled to attend and vote at the AGM.

LETTER FROM THE BOARD

In order to be eligible to attend and vote at the AGM, all transfers accompanied by relevant share certificates and transfer forms must be lodged with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Tuesday, August 19, 2025.

Any vote of Shareholders at the AGM must be taken by poll except where the chairman of the AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company shall publish the poll results announcement in the manner prescribed under Rule 13.39(5) of the Listing Rules. Accordingly, the chairman of the AGM will exercise his power under the Articles of Association to demand a poll in relation to all the proposed resolutions at the AGM.

To the best of the Directors' knowledge, information and belief, none of the Shareholders are required to abstain from voting at the AGM.

IV. RECOMMENDATION

The Board considers that each of the resolutions proposed at the AGM is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of all the resolution proposed at the AGM as set forth in the notice of the AGM.

Yours faithfully,

By order of the Board

Beijing Biostar Pharmaceuticals Co., Ltd.

北京華昊中天生物醫藥股份有限公司

Dr. Tang Li

Chairperson and Executive Director



Beijing Biostar Pharmaceuticals Co., Ltd.

北京華昊中天生物醫藥股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2563)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2025 AGM of Beijing Biostar Pharmaceuticals Co., Ltd. (the “**Company**”) will be convened and held at 1202B, 12/F, Building 3, No. 22 Ronghua Middle Road, Beijing Economic-Technological Development Area, Beijing, PRC on Monday, August 25, 2025 at 3:00 p.m. (the “**AGM**”) for the following purposes:

AS ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors (the “**Board**”) of the Company for the year ended December 31, 2024.
2. To consider and approve the report of the supervisors committee of the Company for the year ended December 31, 2024.
3. To consider and approve the audited consolidated financial statements for the year ended December 31, 2024.
4. To consider and approve the annual report of the Company for the year ended December 31, 2024.
5. To consider and approve the Company’s directors’ remuneration package for the year ending December 31, 2025.
6. To consider and approve the Company’s supervisors’ remuneration package for the year ending December 31, 2025.
7. To consider and approve the profit distribution proposal of the Company for the year ended December 31, 2024.
8. To consider and approve the non-reappointment of Daxin Global (HK) CPA Limited as the auditors of the Company, and to approve the appointment of WUYIGE Certified Public Accountants LLP as the auditor of the Company for the year ending December 31, 2025, and to authorize the Board to determine their remuneration.

NOTICE OF AGM

AS SPECIAL RESOLUTION

9. To consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“THAT:

- (a) the general mandate that H Shares in issue of the Company are repurchased by the Board of Directors at its discretion and in a timely manner, subject to the fluctuation and changes of the capital markets and the share price of the Company during the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;
- (b) the total amount of repurchase of H Shares that were publicly issued by the Company shall not exceed 10% of the total number of the Company’s H Shares (excluding Treasury Shares, if any) in issue as at the date of passing of this resolution at the AGM (i.e. the total amount of H Shares repurchased shall not exceed 10% of the total number of H Shares in issue as at the date of passing of this resolution at the AGM). The funds of repurchase are funds which fulfill the requirements of regulatory policies and regulations, including self-owned funds and self-raised funds. The articles of association of the Company confer the Company rights to repurchase H Shares. The funds of repurchase include internal resources of the Company that can be legally allocated for such purpose in accordance with the articles of association and applicable PRC laws, rules and regulations;
- (c) to formulate, approve and implement specific repurchase plan, including but not limited to the price, type, batch, amount and time of execution of the repurchase of Shares, as well as to handle the relevant procedures, such as notifying the creditors of the Company and publishing announcements and dealing with matters relating to the exercise of their rights by creditors (if involved) in accordance with the provisions of the Company Law and the articles of association, and signing other documents or agreements relevant to the repurchase of Shares;
- (d) if applicable, carry out the cancellation procedures for repurchased H Shares, reduce the registered capital, and make amendments which it deems appropriate to the Articles of Association of the Company to reflect the relevant provisions such as the total share capital and shareholding structure of the Company, and carry out the relevant statutory registrations and filings procedures at home and abroad; or if applicable, carry out the necessary procedures for converting the repurchased H Shares as Treasury Shares, and make amendments which it deems appropriate to the Articles of Association of the Company to reflect the relevant provisions such as the total share capital and shareholding structure of the Company, and carry out the relevant statutory registrations and filings procedures at home and abroad;

NOTICE OF AGM

- (e) if there are new provisions in laws and regulations or from the securities regulatory authorities relating to the share repurchase policies, or if there are changes in market conditions, unless it is required under the relevant laws and regulations, requirements of the regulators or the articles of association of the Company for a re-vote by the general meeting(s), the Board may adjust the plan for repurchase and continue to deal with relevant matters of repurchase of Shares in accordance with requirements of relevant laws and regulations and regulators as well as the market conditions and the actual situation of the Company; and
- (f) for the purpose of this resolution: “H Shares” means the overseas listed foreign invested ordinary share in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and traded in Hong Kong dollars; “Relevant Period” means the period from the passing of this resolution until the earliest of:
 - i. the conclusion of the next annual general meeting of the Company;
 - ii. the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or other applicable laws, rules and regulations to be held; or
 - iii. the revocation or variation of the authority given under the above-mentioned resolution by a special resolution of the Shareholders in a general meeting.

By order of the Board
Beijing Biostar Pharmaceuticals Co., Ltd.
北京華昊中天生物醫藥股份有限公司
Dr. Tang Li
Chairperson and Executive Director

Beijing, July 25, 2025

Notes:

1. Individual shareholders who wish to attend the meeting in person shall produce their identity cards or other effective document or proof of identity and stock account cards. Proxies of individual shareholders shall produce their effective proof of identity and form of proxy. A corporate shareholder should attend the meeting by its legal representative or proxy appointed by the legal representative. A legal representative who wishes to attend the meeting should produce his/her identity card or other valid documents evidencing his/her capacity as a legal representative. If appointed to attend the meeting, the proxy should produce his/her identity card and an authorisation instrument duly signed by the legal representative of the corporate shareholder.
2. The record date for determining the entitlement of the Shareholders to attend and vote at the AGM will be on Wednesday, August 20, 2025. For the purpose of determining the entitlement of the Shareholders to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong before 4:30 p.m. on Tuesday, August 19, 2025.

NOTICE OF AGM

3. Any shareholder entitled to attend and vote at the AGM is entitled to appoint one or more person(s) (if the shareholder holds two or more issued shares of the Company (the “Share(s)”), whether (each of) such person is a shareholder of the Company or not, as his/her/its proxy or proxies to attend and vote on his/her/its behalf at the AGM.

The instrument appointing a proxy must be signed by the shareholder or his/her attorney duly authorised in writing. For a corporate shareholder, the proxy instrument must be affixed with the common seal or signed by its director or attorney duly authorised in writing.

If the power of attorney of the proxy is signed by the authorised person of the appointer under a power of attorney or other authorisation document(s) given by the appointer, such power of attorney or other authorisation document(s) shall be notarised and served at the same time as the power of attorney. To be valid, the form of proxy, together with a notarially certified copy of the power of attorney or other authorisation document(s), must be delivered to the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 24 hours before the designated time for the holding of the AGM (i.e. not later than 3:00 p.m. on Sunday, August 24, 2025) or any adjournment thereof (as the case may be).

In case of registered joint holders of any Shares, any one of the registered joint holders can vote on such Shares at the AGM in person or by proxy as if he/she is the only holder entitled to vote. If more than one registered joint holders attend the AGM in person or by proxy, only the vote of the person whose name appears first in the register of members of the Company relating to such Shares (in person or by proxy) will be accepted as the sole and exclusive vote of the joint holders.

After the completion and return of the form of proxy and the power of attorney, you can attend and vote in person at the AGM or any adjournment thereof should you so wish. In this case, the power of attorney will be deemed to have been revoked.

4. According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions to be proposed at the AGM will be voted on by poll. Results of the poll voting will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.biostar-pharm.com) upon the conclusion of the AGM.
5. Shareholders attending the AGM are responsible for their own transportation and accommodation expenses.

As at the date of this circular, the Board comprises (i) Dr. Tang Li, Dr. Qiu Rongguo, Mr. Zhang Cheng and Dr. Guan Jin as executive Directors; (ii) Mr. Tang Jin and Ms. Dai Xuefen as non-executive Directors; and (iii) Dr. Meng Songdong, Mr. Shiu Shu Ming and Dr. Ye Chengang as independent non-executive Director.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information for them to make an informed decision on whether to vote for or against a special resolution to be proposed at the AGM in relation to the H Share Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company consisted of 147,867,143 Unlisted Shares with a nominal value of RMB1.00 each and 216,720,857 H Shares with a nominal value of RMB1.00 each. There was no Share which is held as Treasury Shares.

As at the Latest Practicable Date, the total number of Shares issued by the Company was 364,588,000 (including 147,867,143 Unlisted Shares and 216,720,857 H Shares). Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 21,672,085 H Shares, being up to 10% of the total issued Shares of the Company (excluding treasury shares) as at the date of passing the relevant resolution(s).

2. REASONS FOR REPURCHASE OF H SHARES

The Directors believe that the granting of the H Share Repurchase Mandate is in the best interest of the Company and its Shareholders. Subject to market conditions and funding arrangements at the time, the repurchase of H Shares may increase the net asset value per share and/or earnings per share and will only be made where our Directors believe that such repurchase will benefit the Company and Shareholders.

3. EXERCISE OF H SHARE REPURCHASE MANDATE

Upon the passing of the special resolution set out in the notice of the AGM, the Directors will be granted the H Share Repurchase Mandate which takes effect until the Relevant Period (as defined in the notice of AGM). In addition, the H Share Repurchase Mandate is subject to obtaining approval from the relevant regulatory authorities in China in accordance with the laws, regulations and rules of the PRC.

4. FUNDING OF REPURCHASE

In repurchasing H Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the laws of the PRC and/or any other applicable laws, as the case may be.

In accordance with the laws of the PRC or administrative regulations and subject to the approval of relevant authority, the Company is entitled by its Articles of Association to repurchase H Shares. The Company shall not repurchase H Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

5. IMPACT OF REPURCHASE

The Directors are of the view that, in the light of the financial position disclosed in the most recently published audited accounts of the Company for the year ended December 31, 2024, there will not be any material adverse impact on the Company's working capital or gearing levels in the event of the exercise of the H Share Repurchase Mandate in full at any time during the Relevant Period. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors in due course with the circumstances then prevailing considered and in the best interests of the Company.

6. STATUS OF REPURCHASED H SHARES

The Listing Rules provide that the listing of all the H Shares repurchased by the Company shall be held as treasury shares or cancelled. The Company may cancel any H Shares it repurchased and/or hold them as treasury shares subject to market conditions and its capital management needs at the relevant time of the repurchases as well as applicable laws and regulations. Should the H Shares repurchased by the Company be cancelled, all the relevant share certificates shall be cancelled and destroyed and the Company will ensure that the documents of title of the repurchased H Shares are cancelled and destroyed as soon as practicable following settlement of any such repurchase. Should the H Shares repurchased by the Company be held as treasury shares, the listing of all H Shares which are held as treasury shares shall be retained, and the Company will ensure that the treasury shares are appropriately identified, segregated and retained in accordance with applicable laws and regulations.

7. PRICES OF H SHARES

The highest and lowest prices per H Share at which H Shares have traded on the Stock Exchange during the period from October 31, 2024 (the date on which the H Shares were listed on the Stock Exchange) to the Latest Practicable Date (inclusive) are as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2024		
November (<i>from October 31, 2024</i>)	30.05	20.80
December	39.50	16.30
2025		
January	19.20	13.38
February	19.00	13.68
March	16.44	4.28
April	—	—
May	—	—
June	—	—
July (<i>up to the Latest Practicable Date</i>)	7.90	7.73

8. GENERAL INFORMATION

Each of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) currently does not intend to sell any H Shares to the Company following the approval by the Shareholders of granting the H Share Repurchase Mandate.

The Directors will exercise the power of the Company to repurchase H Shares pursuant to the H Share Repurchase Mandate in compliance with the Listing Rules and applicable laws of the PRC.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any H Shares to the Company, or that they have undertaken not to sell any H Shares held by them to the Company in the event that the granting of the H Share Repurchase Mandate is approved by the Shareholders.

The Company has confirmed that neither the explanatory statement nor the proposed share repurchase has any unusual features.

The Company may cancel such H Shares repurchased or hold them as Treasury Shares, subject to market conditions and the Group's capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances.

For any Treasury Shares deposited with CCASS pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to Hong Kong Securities Clearing Company Limited to vote at general meetings of the Company for the Treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the Treasury Shares from CCASS, and either re-register them in its own name as Treasury Shares or cancel them, in each case before the record date for the dividends or distributions, or take any other measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as Treasury Shares.

9. TAKEOVERS CODE

If as a result of a repurchase of Shares by the Company pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code.

As of the Latest Practicable Date, to the best knowledge and belief of the Directors, Dr. Tang Li, Dr. Qiu Rongguo, Baygen QT Inc., Beijing BeiJinYuan (北京北進緣), ZhuHai HuaXin(珠海華欣), Zhuhai HuaJin (珠海華錦), ZhuHai JingRong (珠海京蓉) and ZhuHai HuaRong (珠海華蓉), as a single largest group of Shareholders, are able to exercise or control the exercise of voting rights attaching to a total of 103,134,814 Shares, representing 28.29% of the issued share capital of the Company (excluding the Treasury Shares), which include (a) 3,592,932 Shares held by Dr. Tang Li (directly held, where Dr. Qiu Rongguo is the settlor and a beneficiary), (b) 40,505,885 Shares held by Baygen QT Inc., (c) 419,561 Shares held by Beijing BeiJinYuan, (d) 14,002,034 Shares directly held by ZhuHai HuaXin, (e) 19,220,863 Shares directly held by Zhuhai HuaJin, (f) 20,392,815 Shares directly held by ZhuHai JingRong, and (g) 5,000,724 Shares directly held by ZhuHai HuaRong.

Assuming that there is no issue of Unlisted Shares and H Shares between the Latest Practicable Date and the date of a repurchase, to the best knowledge and belief of the Directors, if the Share Repurchase General Mandate is exercised in full, the aggregate percentage shareholding of the single largest group of Shareholders in the Company would increase to approximately 30.08% of the then issued share capital of the Company. Such increase may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no present intention to exercise the Repurchase Mandate to such an extent so as to trigger a mandatory offer. In addition, the Directors do not have any intention to exercise the proposed Repurchase Mandate to the effect that it will result in the public float to fall below the percentage as required under the Listing Rules or such other minimum percentage agreed by the Stock Exchange from time to time.

Save as disclosed above, the Directors are not aware of any consequences which will arise under either or both of the Takeovers Code and any similar applicable law as a result of any repurchases to be made under the Repurchase Mandate.

10. H SHARES REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any H Shares (whether on the Stock Exchange or otherwise) from October 31, 2024 (the date of listing of H Shares on the Stock Exchange) up to and including the Latest Practicable Date.