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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)**

## **VOLUNTARY ANNOUNCEMENT**

### **ENTERING INTO MARKETING SERVICE AGREEMENT AND SUPPLEMENTAL AGREEMENT WITH BAHEAL ZHIHE**

This announcement is made by Beijing Biostar Pharmaceuticals Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

#### **INTRODUCTION**

The board of directors (the “**Directors**”) of the Company (the “**Board**”) hereby announces that the Company recently entered into a marketing service agreement with Beijing Baheal Zhihe Medical Achievement Transformation Service Co., Ltd.\* (北京百洋智合醫學成果轉化服務有限公司) (“**Baheal Zhihe**”), a wholly-owned subsidiary of Qingdao Baheal Medical INC.\* (青島百洋醫藥股份有限公司) (“**Baheal Medical**”), a company listed on the Growth Enterprise Market of the Shenzhen Stock Exchange (stock code: 301015) (the “**Marketing Service Agreement**”). Pursuant to the Marketing Service Agreement, the Company agreed to grant Baheal Zhihe the exclusive right to provide marketing service for Utidelone Injection (brand name: Youtidi) (the “**Designated Product**”) to all medical institutions and pharmaceutical retail enterprises in the People’s Republic of China (excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan Region) (the “**Designated Region**”).

In addition, the Company, Chengdu Biostar Pharmaceuticals Co., Ltd.\* (成都華昊中天藥業有限公司) (“**Chengdu Biostar**”), a wholly-owned subsidiary of the Company, and Baheal Zhihe entered into a supplemental agreement to the Marketing Service Agreement (the “**Supplemental Agreement**”). Pursuant to the Supplemental Agreement, all parties agreed to authorize Baheal Zhihe to promote exclusively the Designated Product in the Designated Region in accordance with the provisions of the Marketing Service Agreement, and Chengdu Biostar will inherit all the rights and obligations of the Company under the Marketing Service Agreement.

## **PRINCIPAL TERMS OF MARKETING SERVICE AGREEMENT**

Unless terminated earlier in accordance with the relevant terms of the Marketing Service Agreement, the Marketing Service Agreement shall come into force upon the valid signing by the Company and Baheal Zhihe, and the agreement term shall be ten years commencing from the later expiration of the following two circumstances: (1) the first full calendar year following the effective date of the Marketing Service Agreement; or (2) the first full calendar year after the approval of neoadjuvant therapy for breast cancer and indications for advanced non-small cell lung cancer (the “**Agreement Term**”). However, in no event shall the Agreement Term exceed fifteen years from the effective date of the Marketing Service Agreement.

Pursuant to the Marketing Service Agreement, the Company authorized Baheal Zhihe to be the exclusive marketing service provider for the marketing of the Designated Product in the Designated Region, and to promote the Designated Product exclusively (including against the Company and its related parties) in the Designated Region during the Agreement Term.

Pursuant to the Marketing Service Agreement, Baheal Zhihe will pay the Company a non-refundable down payment of RMB50 million; at the same time, based on the research and development and sales progress, Baheal Zhihe will make the research and development milestone payment and sales milestone payment to the Company. For the annual end sales of the Designated Product, the Company shall pay the marketing service fee to Baheal Zhihe on a graded basis.

## **PRINCIPAL TERMS OF SUPPLEMENTAL AGREEMENT**

The Supplemental Agreement shall come into force and be binding upon the signing by the Company, Chengdu Biostar and Baheal Zhihe, with the same term as the Agreement Term of the Marketing Service Agreement (the “**Supplemental Agreement Term**”). Pursuant to the Supplemental Agreement, Chengdu Biostar agreed to grant Baheal Zhihe to be solely responsible for the promotion, marketing, sales and/or distribution of the Designated Product in the Designated Region from the effective date of the Supplemental Agreement, and Baheal Zhihe shall continue to promote the Designated Product in the Designated Region exclusively in accordance with the terms of the Marketing Service Agreement.

Pursuant to the Supplemental Agreement, the Company, Chengdu Biostar and Baheal Zhihe unanimously agreed that the Company will assign all of its rights and obligations under the Marketing Service Agreement to Chengdu Biostar with effect from the effective date of the Supplemental Agreement, and Chengdu Biostar shall enjoy all rights and bear all obligations under the Marketing Service Agreement, including but not limited to Chengdu Biostar shall pay the marketing service fee for the Designated Product and receive the non-refundable down payment, the research and development milestone payment and sales milestone payment from Baheal Zhihe according to the Marketing Service Agreement.

Pursuant to the Supplemental Agreement, during the Supplemental Agreement Term, the Company and Chengdu Biostar shall jointly comply with any obligations and liabilities of the Company and Chengdu Biostar as agreed under the Marketing Service Agreement and the Supplemental Agreement, and the Company and Chengdu Biostar shall be jointly and severally liable to Baheal Zhihe for any obligations and liabilities as agreed under the Marketing Service Agreement and the Supplemental Agreement.

## **REASONS FOR AND BENEFITS OF ENTERING INTO MARKETING SERVICE AGREEMENT AND SUPPLEMENTAL AGREEMENT**

The Group will take this opportunity to integrate resources more efficiently, further expand the market space of its core products, maximize the scientific and commercial value of the Group's technology platform, accelerate the research and development and implementation of more business lines, and lay a solid foundation for the sustainable development and value creation of the enterprise through cooperation with companies with excellent commercialization capabilities. Based on the above, the Board is of the view that entering into the Marketing Service Agreement and the Supplemental Agreement is in the best interests of the Company and its shareholders as a whole.

## **GENERAL INFORMATION**

### **About Utidelone Injection**

Utidelone Injection is a new generation of microtubule inhibitor produced through microbial fermentation process, a national Class 1 new drug with broad-spectrum anti-tumor activity, and is still effective against multidrug-resistant solid tumors. In March 2021, Youtidi (being the brand name of Utidelone Injection) was approved for marketing by the National Medical Products Administration for the treatment of advanced and metastatic breast cancer, and has been included in the 2022 National Reimbursement Drug List of China.

### **About Baheal Medical**

Established in 2005 and headquartered in Qingdao, Shandong Province, Baheal Medical is listed on the Growth Enterprise Market of the Shenzhen Stock Exchange (stock code: 301015). As a pharmaceutical industrialization platform that supports source innovation, the company's core business focuses on product development, manufacturing and commercial operation of medical innovation achievements, and has now built a number of category leading brands. For more information about Baheal Medical, please refer to its website at [www.baheal.cn](http://www.baheal.cn).

### **About Baheal Zhihe**

Baheal Zhihe, a wholly-owned subsidiary of Baheal Medical, is committed to cultivating medical technology products and solutions with independent intellectual property rights in the People's Republic of China based on Baheal Medical's professional commercialization capabilities, scientific and technological innovation resource integration and incubation capabilities.

As of the date of this announcement, to the best of the Company's knowledge, information and belief, Baheal Zhihe and Baheal Medical are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")). None of the transactions contemplated under the Marketing Service Agreement and the Supplemental Agreement constitute notifiable transactions of the Company under Chapter 14 of the Listing Rules.

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, the PRC, 14 November 2024

*As at the date of this announcement, 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 Mr. Zhu Pai as non-executive Directors, and (iii) Dr. Meng Songdong, Ms. Qi Jingyao and Mr. Ran Dong as independent non-executive Directors.*

\* *For identification purposes only*