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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)

**SUBSCRIPTION OF FUNDS
AND
TEMPORARY DEVIATION FROM THE USE OF IPO PROCEEDS**

SUBSCRIPTION OF FUNDS

The Company subscribed for principal-protected and low-risk fund products from two different fund companies on 22 November 2024 and 25 November 2024 (the “**Two Subscriptions**” or the “**Investments**”), with an investment amount of HK\$38.00 million and HK\$22.00 million, respectively. As at the date of this announcement, the Company has fully withdrawn the Two Subscriptions and has recovered all the funds.

The subscription amount and terms of the Investments were determined by the Company’s senior management after comprehensive assessment and consideration of the following factors: (i) the Group’s then financial position; (ii) the expected investment returns and investment periods; and (iii) the fact that the Investments would not have a significant impact on the Group’s operations and working capital. The Company’s senior management considers that the terms of the Investments are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Investments were made by the Company to manage funds with the goal of achieving a balanced return while maintaining a high degree of liquidity and a low level of risk. The Company’s senior management believes that the Investments have the potential to provide the Group with returns that are superior to the deposit yields typically offered by commercial banks, and that the Investments are secure, liquid, and can be redeemed at any time. In the long run, the Investments can help the Company preserve and increase the value of its funds, maintain flexibility in fund management, improve the efficiency of fund usage, and facilitate the Company’s daily and general business operations. The Company has conducted treasury management activities for many years, including subscribing to short-term, principal-protected, and low-risk investment and wealth management products, and all investment plans must be reviewed and approved in advance by the management. In addition, the Company is currently maintaining a healthy and sound financial position.

For the avoidance of doubt, the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) for each of the Two Subscriptions does not exceed 5%. Neither of the Two Subscriptions constitutes a notifiable transaction under Chapter 14 of the Listing Rules nor a connected transaction under Chapter 14A of the Listing Rules.

TEMPORARY DEVIATION FROM THE USE OF IPO PROCEEDS AND REMEDIAL MEASURES

As disclosed in the Prospectus, to the extent that the Company's net proceeds from the global offering (the "**IPO Proceeds**") are not immediately used for the purposes as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus and to the extent permitted by the relevant laws and regulations, the Company will deposit such monies into short-term interest-bearing accounts with licensed commercial banks and/or other authorized institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). Considering that the Investments are secure, liquid, and can be redeemed at any time, the Company misunderstood the nature of the Investments as being similar to bank deposits and, thus, believed that funding the Investments with the IPO Proceeds would not affect the intended use of the IPO Proceeds as disclosed in the Prospectus. As a result, the Company used part of the IPO Proceeds to fund the Investments.

The Company wishes to emphasize that the deviation from the use of the IPO Proceeds was an inadvertent oversight. As at the date of this announcement, the IPO Proceeds allocated for the subscription of the Investments have been fully recovered and will not have any impact on the subsequent normal use of the IPO Proceeds in accordance with the stated purposes as disclosed in the Prospectus or the normal operations of the Company.

To prevent similar situations in the future, the Company has reviewed its internal procedures and taken the following remedial measures:

1. The Directors, supervisors, senior management and responsible employees of the Company have received training regarding the relevant requirements of the Listing Rules. In the future, additional training on regulatory compliance will be scheduled regularly to enhance their understanding of the importance of compliance with the Listing Rules and to reduce the risk of recurrence of incidents;
2. The Company will strengthen communication with the compliance adviser to improve its familiarity with the Listing Rules; and
3. The Company will strictly apply the IPO Proceeds in accordance with the purposes set out in the Prospectus. If there is a need to use the IPO Proceeds for other purposes in the future, the Company will perform the necessary approval procedures and disclosure obligations regarding changes to the use of the IPO proceeds in accordance with the requirements of the Listing Rules and the Articles of Association to ensure the compliant use of IPO proceeds.

DEFINITIONS

Unless the context requires otherwise, the terms used in this announcement shall have the following meanings:

“Board”	the board of Directors of the Company
“Company”	Beijing Biostar Pharmaceuticals Co., Ltd. (北京華昊中天生物醫藥股份有限公司), a limited liability company incorporated in the People’s Republic of China, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2563)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus dated 23 October 2024 of the Company
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising the unlisted shares and H shares
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“%”	per cent.

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, 25 February 2025

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.