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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

The board (the "**Board**") of directors (the "**Directors**") of Beijing Biostar Pharmaceuticals Co., Ltd. (the "**Company**") hereby announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended December 31, 2024, along with comparative figures for the year ended December 31, 2023. These annual results have been reviewed by the Audit Committee of the Company and approved by the Board on June 30, 2025.

In this announcement, "we" and "our" refer to the Company, unless otherwise indicated, in which case they refer to the Group. Certain amounts and percentage figures contained in this announcement have been rounded or approximated to one or two decimal places (as applicable). Any differences between the totals and the sum of the amounts shown in any table, chart or elsewhere are due to rounding. Unless otherwise defined, terms used in this announcement have the same meanings as those defined in the prospectus of the Company dated October 23, 2024.

FINANCIAL HIGHLIGHTS

	For the year ended December 31,		
	2024	2023	**YOY**
	RMB'000	*RMB'000*	**CHANGE**
Revenue	**71,866**	66,635	7.9%
Gross profit	**61,086**	46,825	30.5%
Loss before taxation	**–143,776**	–189,644	–24.2%
Loss for the year attributable to equity shareholders of the Company	**–143,776**	–189,644	–24.2%
Loss per share	**–0.41**	–0.54	–24.1%
Cash and cash equivalents, restricted bank balances and fixed deposits with banks	**466,636**	340,405	37.1%
R&D expenses	**–116,292**	–126,537	–8.1%

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

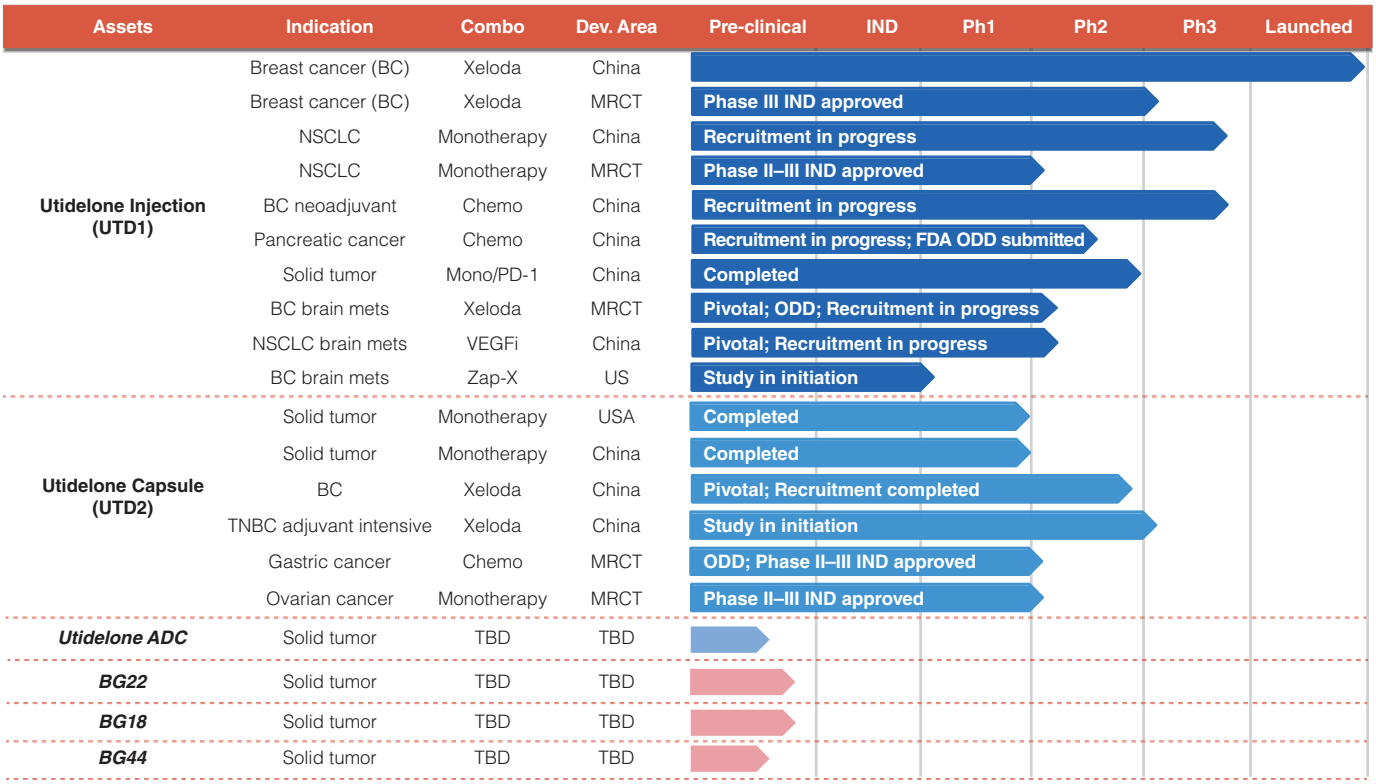
During the Reporting Period, the Company continued to make significant progress in various areas, including advancement of R&D pipeline, marketing strategic cooperation, publication of academic results, and intellectual property layout, and reached major milestones and made achievements as follows:

1. ***Advancement of R&D pipeline***

We are a synthetic biology-driven biopharmaceutical company committed to developing innovative drugs in oncology. We have successfully developed three core technology platforms which focus on the R&D of microbial metabolite new drugs. As of the end of the current Reporting Period, we had one commercialized product and 19 R&D pipeline projects. Our core product, Utidelone Injection, received approval from the NMPA in 2021 for its indication, the treatment of relapsed or metastatic breast cancer patients who have received at least one anthracycline- or taxane-containing chemotherapy regimen in combination with capecitabine. This ended a nearly two-decade absence of independently-developed domestic Class 1 innovative chemotherapy drugs in China. As of the end of the current Reporting Period, Utidelone Injection was the only approved chemotherapy drug developed using synthetic biology technology, and it was also the sole microtubule inhibitor oncology drug with a new molecular structure that was approved worldwide since 2010.

Given the properties and advantages of Utidelone, such as the ability to cross the blood-brain barrier, broad anti-cancer spectrum, high oral bioavailability, low hematological toxicity and the ability to overcome multidrug resistance mechanisms, during the current Reporting Period, we vigorously made arrangements for the expansion of new indications of Utidelone, the clinical development of its oral formulation and other aspects both domestically and internationally. For Utidelone Injection, two phase III registrational clinical studies for non-small cell lung cancer and breast cancer neoadjuvant are progressing smoothly. Two pivotal registrational clinical trials for breast cancer and lung cancer brain metastasis have been approved and commenced in the U.S. and China respectively. We have completed the phase II clinical study for solid tumors, and obtained pleasing clinical data in, among other cancers, gastric and esophageal cancers. Such data will guide our phase Ⅲ studies at a later stage. Meanwhile, we have deployed new R&D pipelines, including the phase II clinical study for the first-line treatment of advanced pancreatic cancer. For the oral Utidelone Capsule, we have successfully completed the phase I clinical study in China and the U.S., which has shown good efficacy and safety profile along with high oral bioavailability. The enrollment of the pivotal clinical study in China in respect of its combination with capecitabine for advanced breast cancer has completed. The superior efficacy and safety data provide confidence for our upcoming NDA. We are of the view that Utidelone Capsule represents an enhancement in cancer treatments, as it provides more convenience and better compliance from patients, eases the financial burden on patients, and could facilitate combination with other anti-cancer drugs to open up opportunities for new therapies. Therefore, the Company has exerted much effort in the subsequent phase II/III clinical pipeline of Utidelone Capsule, including three

large studies, namely the phase III clinical study for strengthened TNBC adjuvant treatment, the phase II/III international multi-center clinical study for advanced gastric cancer and the phase II/III international multi-center clinical study for advanced ovarian cancer, which are currently in the start-up stage. As of the end of the Reporting Period, the latest R&D pipeline chart of the Company is as follows:



Utidelone Injection

- Phase III clinical trial of Utidelone Injection for HER2- breast cancer neoadjuvant

  This study is a superiority design with head-to-head comparison with docetaxel. AC in combination with taxanes is currently a neoadjuvant standard treatment for patients with HER2- breast cancers, nevertheless its efficacy and safety profile are limited. Based on the background that Utidelone Injection was approved for the treatment of advanced breast cancer, we believe that it can be applied to early breast cancer treatment and can benefit more cancer patients, meanwhile expanding our market share. As of the end of the Reporting Period, we have enrolled two-thirds of the target number of patients, and the incidence rate of collected adverse events was low, and these adverse events were easily manageable, indicating good safety profile of Utidelone Injection in combination with AC. Efficacy data will be obtained after reaching a sufficient number of evaluable cases and completing statistical analysis. All patients are expected to be enrolled by the second half of 2025. We believe that our product has the potential to become a preferred neoadjuvant chemotherapy option for HER2- breast cancer.

- Phase II clinical trial of Utidelone Injection for Advanced NSCLC

  The results of this study were published in Cancer Pathogenesis and Therapy (2024, 2(2), 103–111) during the Reporting Period. The objective of this study was to evaluate the efficacy and safety profile of Utidelone Injection monotherapy for advanced NSCLC patients who had previously failed the second-line treatment (including platinum-based chemotherapy and targeted therapy) or could not tolerate it. We commenced the trial in April 2019 and completed it in August 2021. A total of 26 patients were enrolled. In terms of safety profile, no patients died due to TRAEs during the trial, and the incidence rate of these adverse events was low. Regarding efficacy, 21 patients were evaluable for efficacy. The ORR was 19.0%, and the DCR was 81.0%. The median PFS was 4.4 months, and the 12-month survival rate was 71.0% (detailed data is shown in the figure below).

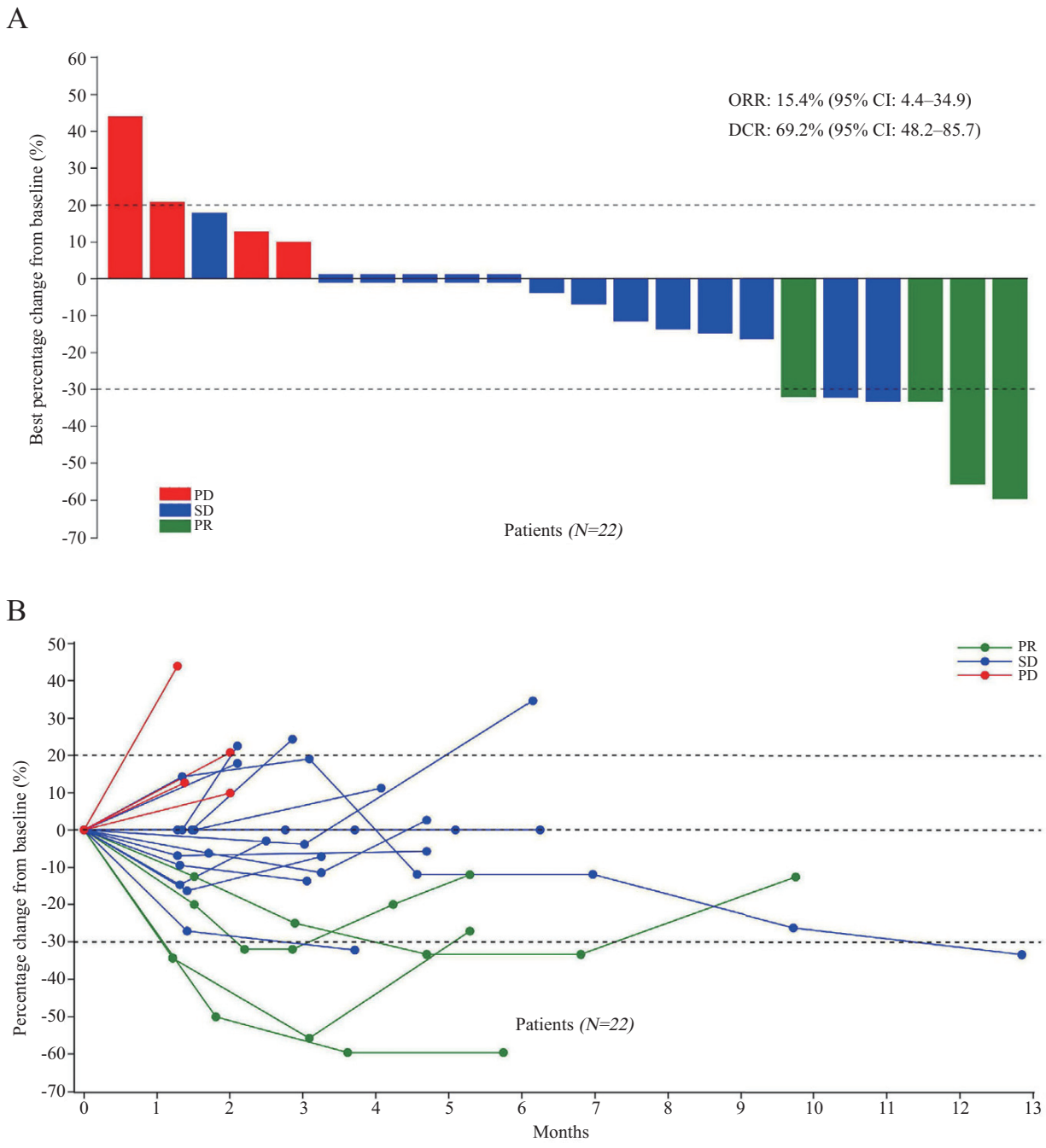


Figure: Efficacy of Utidelone for patients with NSCLC in the ITT cohort. Waterfall plot of the best percentage change in the investigator-assessed size of target tumor lesions from base line in the ITT cohort (A), spider plot of the change in the investigator-assessed tumor size over time in the ITT cohort (B).

- Phase III clinical trial of Utidelone Injection for advanced NSCLC in China

  This study is a superiority design with head-to-head comparison with docetaxel. Chemotherapy is one of the most important treatments for NSCLC. According to the above phase II clinical trial of Utidelone monotherapy for advanced NSCLC patients who had previously failed or were unable to tolerate the second-line treatment or above (including platinum-based chemotherapy), Utidelone Injection showed good efficacy and safety profile. We are currently advancing this phase III trial. As of the end of the Reporting Period, we have enrolled approximately 40% of the target number of patients, and the incidence rate of collected adverse events was low, and these adverse events were easily manageable. Efficacy data will be obtained after reaching a sufficient number of evaluable cases and completing statistical analysis. All patients are expected to be enrolled by the end of 2025.

- Phase II clinical trial of Utidelone Injection for solid tumors (in combination with PD-1 for the first-line treatment of advanced gastric and esophageal cancers) in China

  According to the data of the first stage of the phase II clinical trial, the CBR of Utidelone monotherapy for advanced gastric and esophageal cancers reached 53% and 70%, with ORR of 20% and 40%, respectively. Hence, we conducted the second-stage study of Utidelone in combination with PD-1 for the first-line treatment of gastric and esophageal cancers, and completed this study during the Reporting Period. Utidelone plus PD-1 inhibitor and chemotherapy demonstrated promising efficacy and acceptable safety as first-line treatment for GC and ESCC. There were 27 eligible patients enrolled in the GC cohort and 23 patients were evaluable for efficacy. 5 patients were still receiving treatment (up to 23 cycles). The ORR was 65.2% (with 4 non-comfirmed PR) and CBR was 100%. The mPFS was >6.1 months. There were 20 eligible patients enrolled in the ESCC cohort and 18 patients were evaluable for efficacy. 6 patients were still receiving treatments (up to 12 cycles). The confirmed ORR was 33.3% and CBR was 100%. Please see the details in the figures as shown below. The safety profiles were good for both cohorts, with no treatment-related deaths. Interim study results were published at the 2024 ASCO annual meeting; and the latest study findings have been presented as a poster at the 2025 ASCO annual meeting.

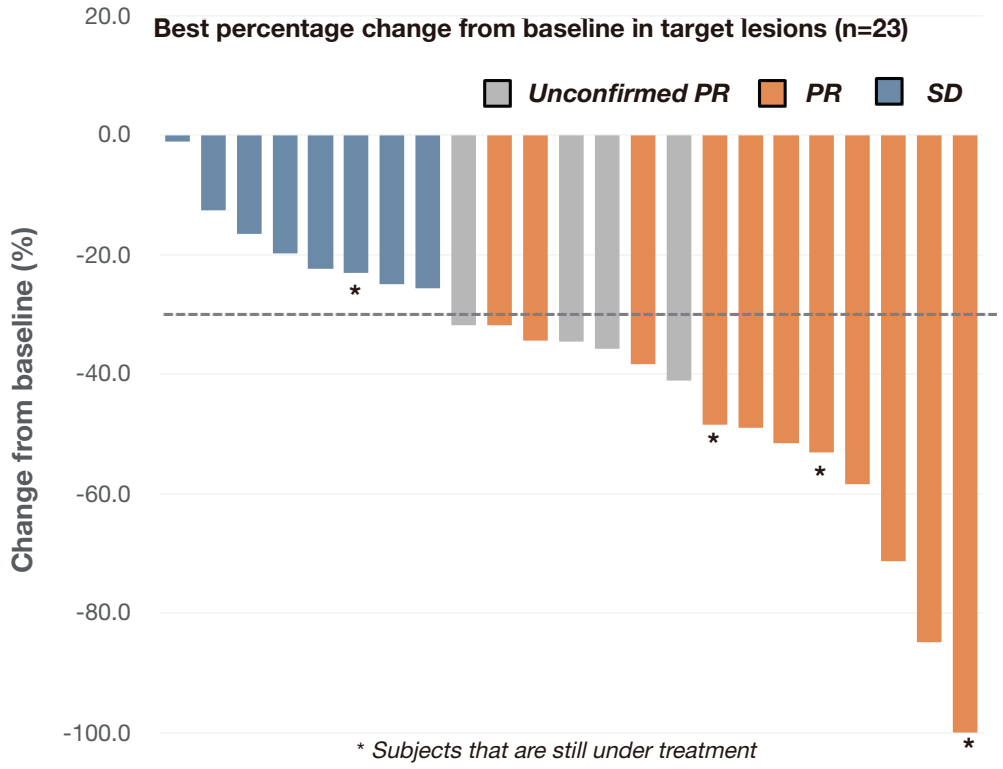


Figure: Second-stage gastric cancer cohort:
Waterfall plot of percentage of best change from baseline (PPS)

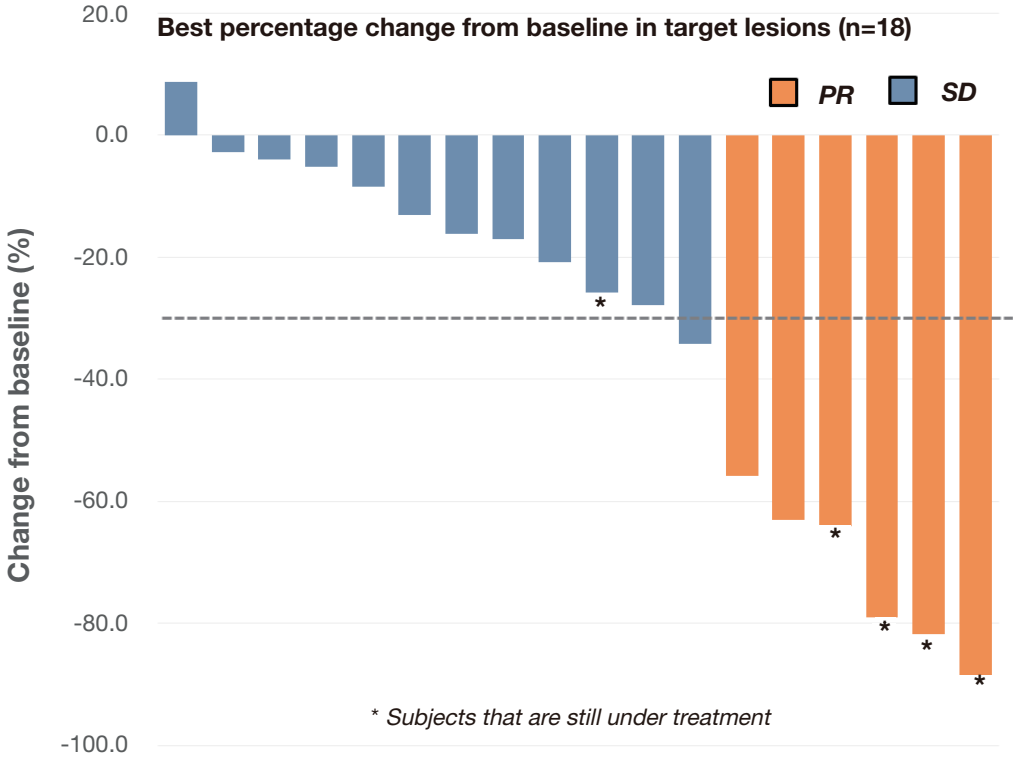


Figure: Second-stage esophageal cancers cohort:
Waterfall plot of percentage of best change from baseline (PPS)

- Phase II clinical trial of Utidelone Injection in combination with bevacizumab for HER2-negative breast cancer with brain metastasis

The results of this clinical trial were published at the 2024 ASCO annual meeting and JAMA Oncology during the Reporting Period. Utidelone can cross blood-brain barrier, enabling it to reach a high drug concentration in brain tissues, thereby playing a role in preventing and treating brain metastases. The primary objective of this study was to investigate the efficacy and safety of Utidelone combined with bevacizumab in the treatment of advanced breast cancer brain metastases. During the period from May 5, 2022 to October 25, 2023, a total of 47 patients were recruited. Among them, 35 patients had untreated CNS lesions, while 12 had progressive brain metastases after local radiotherapy. In terms of safety profile, the most common grade 1–2 adverse events (AEs) were peripheral neuropathy, decreased neutrophil count, etc. No grade 3 or higher treatment-related AEs occurred. Regarding efficacy, the CNS-ORR was 42.6%. As of May 20, 2024, the median progression-free survival (PFS) was 7.7 months, and the median overall survival (OS) was 15.1 months. Detailed data is shown in the figure below.

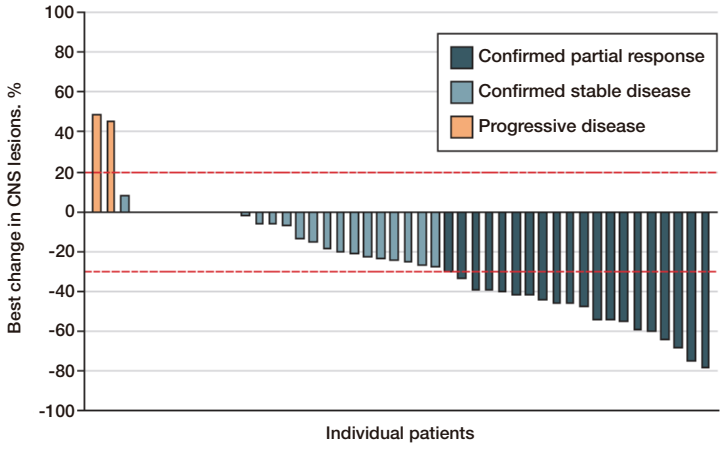


Figure: Radiographic mitigation of intracranial lesions (n=46)

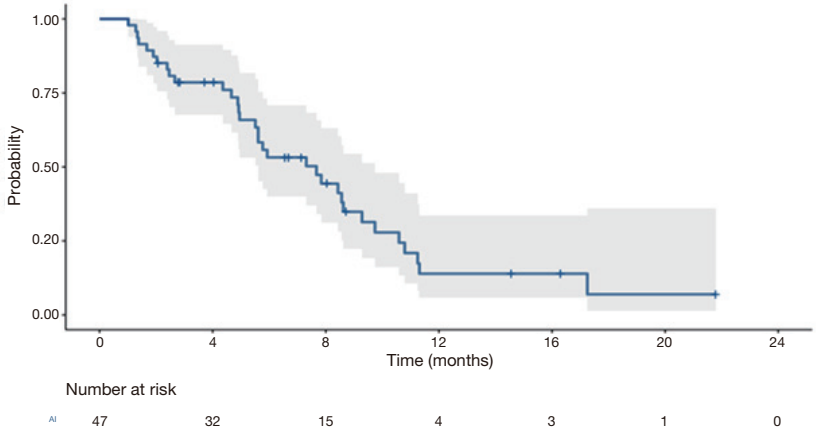


Figure: Kaplan-Meier curve of progression-free survival

- Phase II clinical trial of Utidelone Injection in combination with bevacizumab and etoposide for the treatment of HER2- negative breast cancer with brain metastases

The results of this clinical trial were presented orally at the 2025 ASCO annual meeting. The study was designed to investigate the efficacy and safety of Utidelone in combination with bevacizumab and chemotherapy in the treatment of breast cancer brain metastases with a view to finding new treatments that can control intracranial tumors and prolong survival for this group of patients. A total of 34 patients were enrolled in the study, with a median age of 51 years. Among them, the median number of prior lines of chemotherapy was 3, 10 patients were treated with bevacizumab, and 9 patients were treated with local treatment targeting brain metastases. As of December 2, 2024 (10.4 months median follow-up), 64.7% of patients received more than six cycles of treatment. In terms of efficacy, CNS-ORR was 67.6%, and CNS-CBR was 88.2%. The median CNS-PFS was 15 months, while the median overall PFS was six months. In terms of safety, the overall tolerability of this combination treatment regimen was good, with most TEAEs being grade 1–2, manageable and reversible. Nearly two-thirds of the patients completed more than 6 cycles of treatment. The grade 3–4 TEAEs occurred in the study were limited to peripheral neuropathy and bone marrow suppression, with an incidence rate of less than 10%. Detailed data is as shown in the figure below.

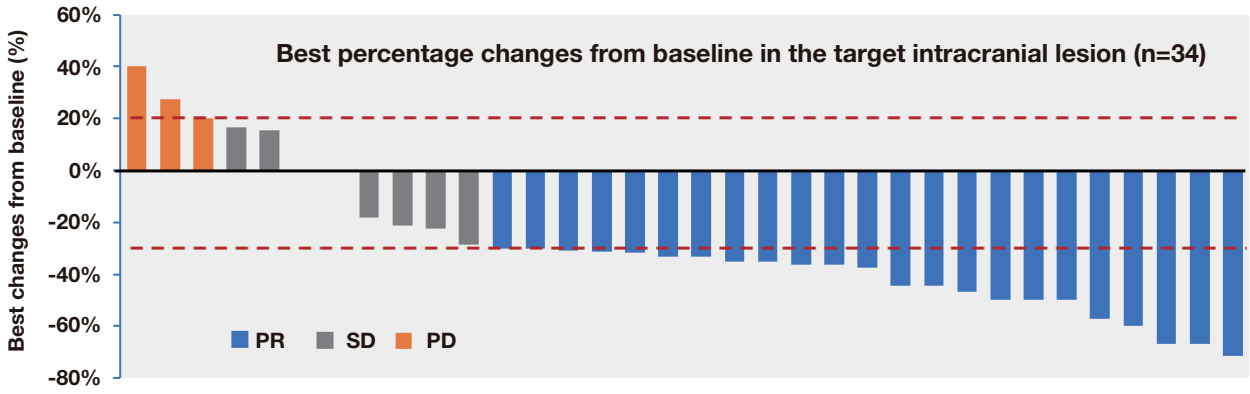


Figure: Best percentage changes from baseline in the target intracranial lesion

- Pivotal phase II clinical trial of Utidelone Injection in combination with bevacizumab for the treatment of lung cancer brain metastasis

Given Utidelone's performance in aforementioned clinical trials, we submitted an IND application for the pivotal phase II clinical trial of Utidelone Injection in combination with bevacizumab for the treatment of lung cancer brain metastasis in China in early June 2024, and obtained an IND approval in September 2024. The first patient was enrolled in January 2025.

- Pivotal phase II clinical trial of Utidelone Injection in combination with capecitabine for the treatment of breast cancer brain metastasis in the United States

  We obtained ODD approval from the FDA for Utidelone for the treatment of breast cancer brain metastasis in March 2024, and in June 2024, we received IND approval for the pivotal phase II clinical trial of Utidelone Injection in combination with capecitabine for the treatment of breast cancer brain metastasis. The clinical trial has received ethical approval in the United States, with the first patient set to be enrolled shortly. This marks the first use of Utidelone Injection in a U.S. patient population, representing an important step in the Company's internationalization strategy.

- Phase II clinical study of Utidelone Injection as first-line treatment for unresectable advanced pancreatic cancer

  Pancreatic cancer is a highly malignant tumor, and the combination regimen with gemcitabine remains its primary clinical treatment approach. However, pancreatic cancer cells are prone to developing resistance to gemcitabine, resulting in suboptimal treatment outcomes. Utidelone has shown significant inhibition of pancreatic cancer cell proliferation and colony formation ability, demonstrating strong antitumor activity in pancreatic cancer models. When used in combination with gemcitabine, Utidelone significantly reduces the IC50 value of gemcitabine without diminishing its cytotoxic effects on tumor cells, and the combined antitumor activity is superior to the traditional combination of paclitaxel and gemcitabine. Preliminary data from the phase II clinical study of Utidelone Injection in combination with gemcitabine for first-line treatment of unresectable advanced pancreatic cancer were presented at the 2024 CSCO Annual Meeting. As of the report date, 20 patients with unresectable and locally unfit advanced pancreatic cancer were enrolled in the study, with 11 having completed the first efficacy assessment. Among these, 3 patients achieved partial remission (PR), and 5 patients had stable disease (SD). The objective remission rate (ORR) was 27.27%, and the disease control rate (DCR) was 72.72%. The median overall survival (mOS) was 9.57 months. In terms of safety, most adverse events were grade 1–2. The data demonstrate that Utidelone in combination with gemcitabine offers favorable survival benefits and disease control rates for the first-line treatment of advanced pancreatic cancer patients, and has the potential to address the treatment gap in pancreatic cancer, emerging as a new treatment option. During the Reporting Period, we also submitted an ODD application to the FDA for the treatment of pancreatic cancer with Utidelone.

- Phase II trial of Utidelone Injection for heavily pre-treated metastatic castration-resistant prostate cancer refractory to docetaxel

  The results of the clinical trial were presented at the 2024 ASCO Annual Meeting during the Reporting Period. Chemotherapy options for metastatic castration-resistant prostate cancer (mCRPC) refractory to docetaxel are limited in China, due to the unavailability of cabazitaxel and sipuleucel-T. This phase II study was designed to evaluate the safety and efficacy of UTD1 in mCRPC. Twenty-five mCRC patients with a median age of 67 years were enrolled in

this study since March 23, 2022. Patients received an average of 4.2 lines of prior anticancer treatments: 100% of them received docetaxel, 96.0% of them received abiraterone, and 80.0% progressed after enzalutamide, and/or apalutamide. At of the cut-off date, the PSA response rate was 16.0%. The median rPFS and OS were 4.9 months and 7.1 months, respectively. One PR and four SD were observed in ten patients with measurable lesions, resulting in an overall ORR and DCR of 10.0% and 50.0%, respectively. The most common treatment-related adverse events (TRAEs) included peripheral sensory neuropathy, dyspepsia, anemia, et al. No treatment-related death occurred. This study demonstrated promising efficacy and favorable tolerance in heavily pretreated mCRPC patients who progressed on docetaxel.

Utidelone Capsule

During the Reporting Period, the pipeline related to Utidelone Capsule progressed rapidly, as we successfully completed its phase I clinical study in China and the United States, and carried out a number of phase II/III large clinical studies globally.

- Utidelone Capsule phase I clinical trial in China

  The primary objective of this study, the first clinical study of Utidelone Capsule in China, is to examine the safety profile and tolerability of Utidelone Capsule for Chinese patients with advanced solid tumors, and the secondary objectives include evaluating its efficacy of Utidelone Capsule and its absolute bioavailability compared to Utidelone Injection. During the Reporting Period, the study has been completed, in which patients are treated with Utidelone Capsule monotherapy at starting dose of 50 mg/m^2/d-5day (2 patients), with escalation to 75 mg/m^2/d-5day and 75 mg/m^2/d-7day (3 patients for each) in a 21-day cycle. No patient experienced DLT and the most common ≥ Grade 3 AE was diarrhea appeared at 75 mg/m^2/d-7day, but recovered within 24 hours after supportive treatment. 75 mg/m^2/d-5day was recommended as monotherapy dose. 6 patients were evaluable for efficacy with 3 PR (1 for each for cohort) and 3 SD, with DoT of 2–13 cycles. Most TEAEs were Grade 1/2, no AEs lead to death or termination from study. The AUCinf of 30 mg/m^2 Utidelone Injection and 60 mg/m^2 Utidelone Capsule was 3119.708 h*ng/mL and 2188.184 h*ng/mL, respectively, demonstrating a bioavailability F% of 35.1%. This study demonstrated Utidelone Capsule's good bioavailability as a microtubule inhibitor, manageable safety, and promising monotherapy efficacy.

- Pivotal clinical study of Utidelone Capsule combined with capecitabine for advanced breast cancer in China

  The study is a continuation of the phase I clinical study of Utidelone Capsule in China, evaluating the efficacy, safety and pharmacokinetic profile of Utidelone Capsule combined with capecitabine for patients with advanced metastatic breast cancer. The study was in progress, in which 50 advanced breast cancer patients were enrolled, 26 patients are still under treatments. 44 patients were evaluated for efficacy with 25 PR and 14 SD. The ORR was greater than 56.8% (CBR was 88.6%). Results were consistent with UTD1 phase III (49.8%

ORR, 65.8% CBR, orally reported at ASCO 2018). The most common TEAEs included diarrhoea and neutropenia which recovered with supportive treatment. This study demonstrated Utidelone Capsule's promising combination therapy efficacy consistent with the injectable formulation for the treatment of advanced breast cancer. We plan to complete the trial and submit a pre-NDA application to the NMPA for Utidelone Capsule combined with capecitabine for advanced breast cancer in the fourth quarter of 2025.

- IIT clinical trial of Utidelone Capsule in combination with capecitabine for the treatment of advanced breast cancer in China

  This study is ongoing and aims to evaluate the efficacy and safety of Utidelone Capsule in combination with capecitabine for the treatment of patients with advanced metastatic breast cancer. 33 advanced breast cancer patients were enrolled, 15 patients are still under treatments. 27 patients were evaluated for efficacy with 13 PR and 9 SD. The ORR was greater than 48% (CBR was 81.5%).

- Utidelone Capsule phase I clinical trial in the United States

  The primary objective of this study, the first to enter human clinical studies of Utidelone Capsule worldwide, is to examine the safety profile and tolerability of Utidelone Capsule for patients with advanced solid tumors in the United States, and secondary objectives include evaluating the efficacy and PK behavior of Utidelone Capsule. During the Reporting Period, the study has been completed. Patients were treated with Utidelone Capsule monotherapy. The starting dose was 5-day 25 mg/m^2/d for 2 patients, with planned escalation to 5-day 50, 75, 100 mg/m^2/d and 7-day 70 mg/m^2/d for 2, 6, 3 and 2 patients, respectively in a 21-day cycle. All patients had received prior treatment in advanced settings with maximal 9 lines. Two DLTs of Grade 3 and Grade 4 diarrhea occurred, one at 5-day 100 mg/m^2/d and one at 7-day 70 mg/m^2/d. MTD was determined to be 5-day 75 mg/m^2/d. 11 patients were evaluated for efficacy with an outcome of 1 CR (ovarian cancer), 1 PR (ovarian cancer), 7 SD (testicular Sertoli cell tumor, NSCLC*2, pancreatic adenocarcinoma*2, appendiceal adenocarcinoma and soft tissue sarcoma), with the longest DoT of 12 cycles. The ORR was 18.2% and the CBR was 81.8%. The most frequent TEAEs were Grade 1/2, including diarrhea, fatigue, nausea, peripheral sensory neuropathy, vomiting, and decreased appetite (≥20% incidence rate), which recovered with supportive treatments. This study demonstrates encouraging anti-tumor activity with manageable safety of Utidelone Capsule in patients with heavily pre-treated advanced solid tumors. The latest research findings have been presented as a poster at the 2025 ASCO annual meeting.

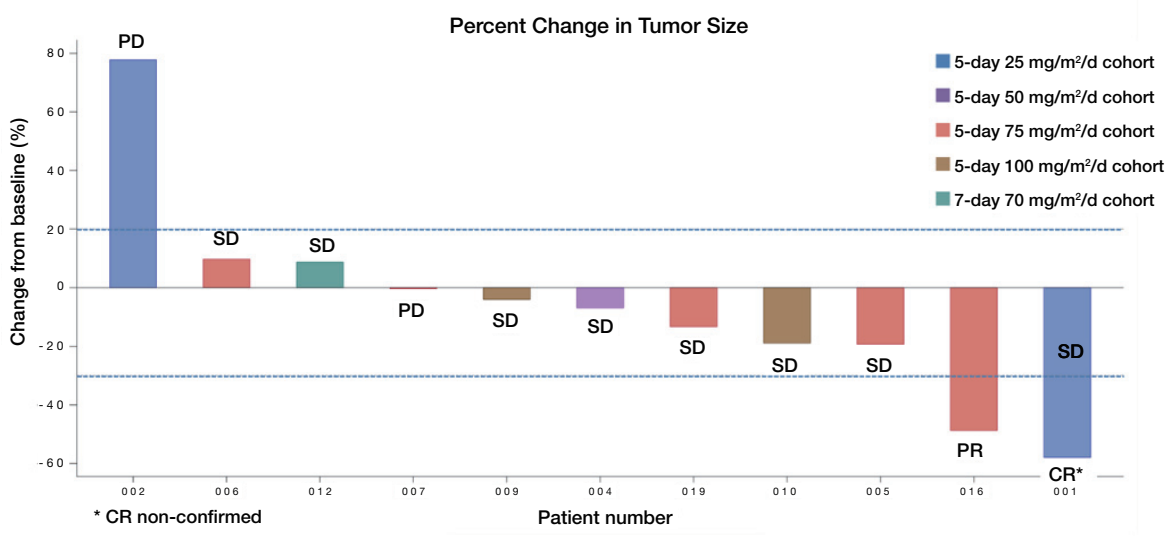


Figure: Waterfall plot of maximum percentage of tumor reduction

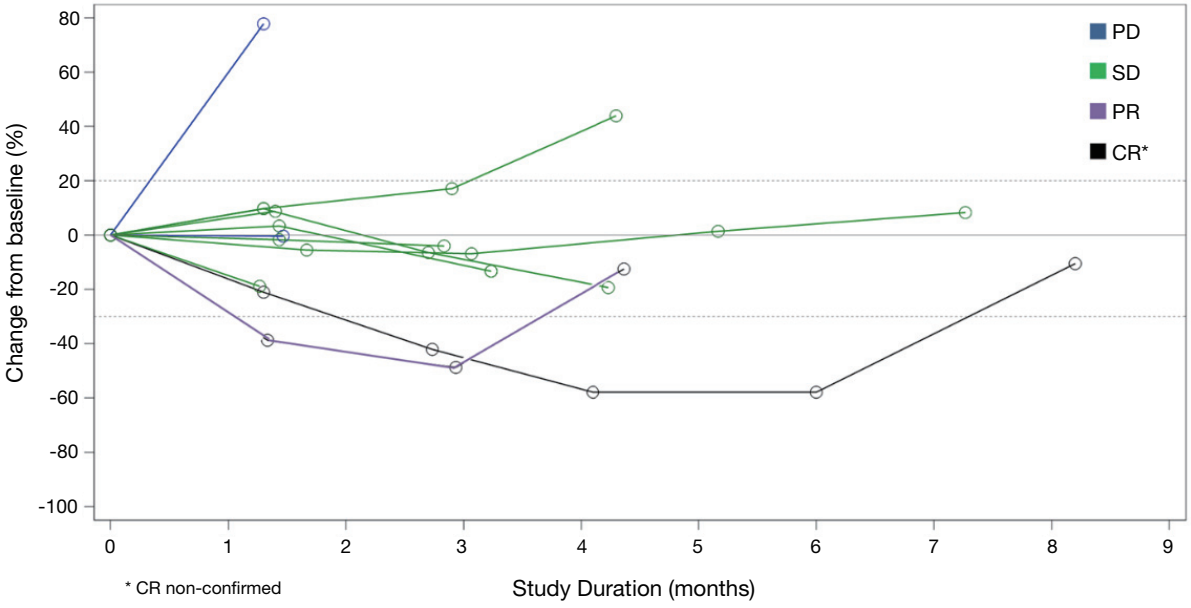


Figure: Spider plot of maximum percentage of tumor reduction

- International multi-center phase II/III clinical study of Utidelone Capsule combined with capecitabine and oxaliplatin for the first-line treatment of locally advanced or metastatic PD-L1 negative gastric or gastroesophageal junction adenocarcinoma

We obtained an ODD approval from the FDA for Utidelone Capsule for the treatment of advanced gastric cancer in March 2024. We held a pre-IND communication exchange and a Type C meeting with NMPA and FDA respectively in the second half of 2024 in respect of the phase II/III MRCT of Utidelone Capsule combined with capecitabine and oxaliplatin for the first-line treatment of advanced gastric cancer, and reached a consensus on the study protocol. The phase II study, which is proposed to enroll 78 subjects, is planned to be

conducted in the United States and Asian countries, with the primary objective of evaluating the safety, efficacy and pharmacokinetic profile of Utidelone Capsule combined with other drugs. The phase III study, which is proposed to enroll 700 subjects, is planned to be conducted in the United States, Asia, Europe, and other countries and regions, with the primary endpoint being the overall survival (OS), and the secondary endpoints including progression-free survival (PFS), ORR and safety. Currently, the phase II/III clinical IND has been approved by the FDA and CDE, and the relevant study center screening is progressing in an orderly manner, with the first patient enrolment in the United States scheduled to be completed in mid-2025.

- International multi-center phase II/III clinical study of Utidelone Capsule monotherapy for patients with platinum-resistant advanced epithelial ovarian cancer, ovarian cancer or primary peritoneal cancer

  The phase II study, which is proposed to enroll 72 subjects, is planned to be conducted in multi-centers in the United States and China, with the primary objective of evaluating the safety profile, efficacy, and pharmacokinetic profile of different dosing regimens of Utidelone Capsule monotherapy in the target patients. The phase III study, which is proposed to enroll 480 subjects, is planned to be conducted in multi-centers in the United States, China, Europe, and other countries and regions, to evaluate the efficacy and safety of Utidelone Capsule compared to the chemotherapy selected by researchers for patients with platinum-resistant advanced epithelial ovarian cancer, ovarian cancer or primary peritoneal cancer. Currently, the phase II/III clinical IND has been approved by the CDE, and an IND application is also to be submitted to the FDA, with the first patient enrolment in China scheduled to be completed in the third quarter of 2025.

  Phase III clinical study of Utidelone Capsule combined with capecitabine in adjuvant intensive treatment for early TNBC that did not achieve complete pathological remission after neoadjuvant treatment

  Adjuvant chemotherapy options for TNBC patients are very limited. Utidelone Capsule can improve medication compliance and reduce patient's hospital stay, which improve the medication convenience and contribute to the long-term treatment of patients, and substantially reduce the cost of clinical treatment for patients. Meanwhile, Utidelone's previous safety data supports its long-term administration, beneficial for long-term adjuvant intensive treatment. The study is planned to enroll 440 patients with early TNBC who had previously received neoadjuvant chemotherapy and had not achieved complete pathological remission after surgery, in order to evaluate the 3-year invasive disease free survival (IDFS) rate, overall survival (OS) rate and safety profile of Utidelone Capsule in combination with capecitabine compared to the capecitabine monotherapy for adjuvant treatment of early TNBC patients that had not achieved complete pathological remission after neoadjuvant treatment. Currently, the ethics review from the leading unit has been approved and the first patient enrolment will be completed soon.

- Utidelone antibody drug conjugate

  Utidelone antibody drug conjugate (ADC) combines the potent effects of chemotherapy drugs with the tumor-targeting advantages of antibody drugs. Given the promising performance of ADCs in indications like breast cancer and the clinical exploration involving microtubule inhibitor drugs as effective payloads, we believe that Utidelone, as an innovative chemotherapy drug with comprehensive clinical advantages, has the potential to be a good payload for ADCs, which will further strengthen our advantage in terms of efficacy and safety profile across multiple indications. The Utidelone ADC project is now in orderly progress.

2. ***Marketing strategic cooperation***

The Company entered into a marketing service agreement (the "**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**") (stock code: 301015.SZ) on November 14, 2024. Pursuant to the Agreement, the Company agreed to grant Baheal Zhihe the exclusive right to provide marketing service for Utidelone Injection (brand name: Youtidi®) in China Mainland from January 1, 2025. Baheal Zhihe paid to the Company a non-refundable down payment of RMB50 million in November 2024; 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. The Company shall pay the marketing service fee to Baheal Zhihe according to the annual end sales on a graded basis.

We are of the opinion that 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.

3. ***Intellectual property***

We adopt a multi-level intellectual property protection strategy to maximize the duration and scope of patent protection. During the early R&D stage, our strict and comprehensive confidentiality system ensures that all R&D activities proceed securely without any confidential data leaks. Prior to product commercialization, we have applied for PCT patents in respect of indications, formulation and process, crystal structure and high-yield engineering bacteria. As a result, 2024 marks a year of concentrated patent grants across our portfolio. During the Reporting Period, we have been granted the PCT patent for Utidelone crystal structure in China and European countries, PCT patent for Utidelone oral formulation in China, Japan, Australia, Europe and India and PCT patent for engineering bacteria used for manufacturing Utidelone in China and Japan. It is particularly worth mentioning that the patent for high-yield engineering bacteria, which is a core patent of Utidelone in the intellectual property protection system and has the expire date of 2041.

Utidelone is produced through microbial fermentation of gene engineering bacteria, with complex molecular structure of the compound, which is difficult to achieve efficient production and industrialization through chemical synthesis or chemical semi-synthesis. Moreover, there is a big gap between the products obtained through chemical synthesis and those produced by microbial fermentation of gene engineering bacteria in terms of quality standards, drug properties, production costs, and clinical safety. Since gene engineered bacteria are the prerequisite and core material for producing Utidelone, its patent will significantly increase the barriers to prevent from the generic.

4. ***Continuous optimization of production, quality control and efficiency***

The Company continued to optimize production processes, quality control and efficiency through various measures, including:

- *Localization efforts to reduce costs and enhance supply chain stability*

  By exploring the localization of substrate, disposable consumables, and auxiliary materials, the Company reduced production costs without compromising product yield and quality, strengthened the stability of supply chain, reduced storage costs, and improved the efficiency of working capital.

- *Increasing production quantity to reduce costs and improve efficiency*

  With the inclusion of Utidelone Injection in the medical insurance system in 2022 and the renewal of inclusion in 2024, market demand has gradually increased. To ensure patient access to the drug, reduce production costs, and improve production efficiency, the Company increased production quantity of Utidelone Injection and completed the filing procedure with the drug regulatory authorities (Filing Number: Chuan Bei 2023024703).

- *Introduction of a new Utidelone Injection specification: 3ml:30mg*

  Taking into account ongoing clinical research and dosage adjustments in the approved drug labeling, the Company developed a new 3ml:30mg specification in addition to the existing 5ml:50mg specification, in order to meet clinical needs, reduce drug waste, lower costs for patients and improve drug accessibility. The approval notice on drug supplementary application of Utidelone Injection 3ml:30mg was obtained in December 2024 (Medical Approval Number: Guo Yao Zhun Zi: H20247320).

- *Optimization of quality control*

  The Company continued to optimize its quality management system by advancing the development of phase-appropriate quality systems and MAH-related quality systems. Efforts were also made to improve the establishment of drug variety archives to ensure product traceability and quality stability.

5. ***Development Strategies and Business Prospects***

Launching our products worldwide by continuously enhancing our R&D activities

We will further strengthen R&D efforts surrounding our product pipeline, and enhance the commercial value of products through in-house R&D as well as external collaboration:

— Clinical trial of Utidelone Injection:

In addition to advanced breast cancer, we will also actively advance the clinical progress in respect of other indications, such as breast cancer neoadjuvant, NSCLC, breast cancer and lung cancer brain metastases, and pancreatic cancer. We will continue to boost more indications of Core Product so as to extend our future market prospect;

— Clinical trial of Utidelone Capsule:

As the oral formulation of Utidelone, Utidelone Capsule provides patients with better convenience and adherence, and alleviates patients' economic burden. Based on the excellent data from the completed clinical studies of Utidelone Capsule in China and the U.S., we have exerted much effort in the subsequent phase II/III clinical pipeline of Utidelone Capsule, for which three large-scale studies including the phase III clinical study for strengthened TNBC adjuvant treatment, the phase II/III international multi-center clinical study for advanced gastric cancer, and the phase II/III international multi-center clinical study for advanced ovarian cancer will soon complete the enrollment of the first patient;

— R&D of ADC products:

Given the potential of Utidelone to become a good payload for ADC drugs and our progress in the preliminary explorations of ADC programs, we will use our best efforts to develop the ADC programs with Utidelone as payload drug program and advance it to the clinical stage as soon as possible, so as to further enrich our product portfolio and continuously increase the diversification and competitiveness of the Company's product pipeline;

— Global activity:

Putting great emphasis on accelerating the application and clinical progress of our pipeline in overseas markets, we will consistently push forward programs that have been approved for clinical trials, as well as introduce more clinical programs globally. In addition, we are actively selecting reliable global partners through out-licensing out of China rights or co-development of Utidelone Injection and Capsule. We believe that our strong capabilities of R&D and manufacturing, coupled with our enriched commercial expertise, make us the preferred partner for global biopharmaceutical companies who share our goal of bringing innovative anti-cancer products to patients around the world.

— Satisfying global needs by optimizing our production quality and capacity

We are committed to consolidating our strengths in terms of production and will continue to invest in high-caliber manufacturing equipment and optimal manufacturing environment so as to better satisfy our R&D and production needs while also achieving economies of scale and cost reduction during production. In anticipation of the rapid progress of our overseas clinical trials and commercialization, we will upgrade and renovate our production facilities in accordance with cGMP standard to serve as groundwork for the future delivering of our products on a global scale.

— Extending brand recognition and market reach

We will further strengthen the in-depth cooperation with our partner Baheal Medical, consolidate both parties' resources in a more efficient way, and formulate a comprehensive, professional and differentiated academic promotion plan and commercialization development strategy to cover medical institutions in key provinces and cities nationwide, with a view to rapidly enhancing the market recognition and penetration of Utidelone Injection.

— Speeding up technological innovation and commercialization by attracting, cultivating, and retaining top-tier talents

We place a high priority on selecting and retaining talents. To sustain our growth, we will continue to recruit top professionals in R&D, clinical development, and commercialization. We are committed to providing our employees with comprehensive career development and learning opportunities, guidance from veterans, clear career development paths, competitive remuneration, and a collaborative and supportive working environment to achieve a corporate culture that attracts and retains like-minded, top-tier talents.

FINANCIAL REVIEW

Revenue

Total revenue of the Group for the Reporting Period was RMB71.9 million, representing an increase of 7.9% from that of RMB66.6 million for the year ended December 31, 2023. Such change was mainly due to the increase in sales revenue as a result of the increase in market penetration of our product Utidelone Injection.

Cost of sales

Cost of sales for the Reporting Period was RMB10.8 million, representing a decrease of 45.6% from RMB19.8 million for the year ended December 31, 2023. Such change was mainly due to the decrease in cost of sales resulting from the optimization of the production process of our product Utidelone Injection.

Gross profit and gross margin

As a result of the foregoing factors, the gross profit of the Group increased by 30.5% from RMB46.8 million for the year ended December 31, 2023 to RMB61.1 million for the year ended December 31, 2024, with gross profit margin calculated by dividing gross profit by revenue and multiplying the result by 100%. The gross profit margin of the Group was 85.0% for the year ended December 31, 2024 as compared to 70.3% for the year ended December 31, 2023. The increase in gross profit and gross profit margin is attributable to the increase in sales revenue as a result of the increase in market penetration of the products, and the decrease in cost of sales as a result of the optimization of the production process of the products.

Other Income and Net Gains

During the Reporting Period, our other income and net gains primarily consisted of (i) interest income from bank deposits; (ii) net foreign exchange gains; (iii) government grants, being grants received to encourage us for talent introduction and innovation; and (iv) net realised and unrealised gains on financial assets mandatorily measured at fair value through profit or loss.

Other income and net gains decreased by 15.6% from RMB31.7 million in 2023 to RMB26.7 million in 2024, mainly due to the decrease in the net realised and unrealised gains on financial assets mandatorily measured at fair value through profit or loss as a result of the redemption of wealth management products.

Selling and Distribution Expenses

Selling and distribution expenses decreased by 35.1% from RMB95.4 million in 2023 to RMB61.9 million in 2024, primarily due to the reduction in selling and distribution expenses brought about by our strict control over selling expenses.

Administrative Expenses

Administrative expenses increased by 19.2% from RMB43.9 million in 2023 to RMB52.3 million in 2024, mainly due to the increase in our listing expenses.

Research and Development Expenses

Research and development expenses decreased by 8.1% from RMB126.5 million in 2023 to RMB116.3 million in 2024, primarily due to the decrease in technical service expenses as some IITs were completed in 2023.

Financial Costs

Our financial costs remained relatively stable, amounting to RMB56,000 in 2024 and RMB57,000 in 2023.

Loss for the Reporting Period

Due to the above reasons, our loss narrowed by RMB45.8 million from RMB189.6 million in 2023 to RMB143.8 million in 2024.

Key Financial Ratios

The table below sets forth our key financial ratios as of the dates indicated:

	As at December 31, 2024	As at December 31, 2023
Current ratio (times)	**8.8**	14.5
Quick ratio (times)	**8.4**	13.9
Gearing ratio (%)	**13.4%**	6.4%

Notes:

1. Current ratio equals current assets divided by current liabilities as of the same date.

2. Quick ratio equals currents assets less inventories and divided by current liabilities as of the same date.

3. Gearing ratio is calculated as dividing total liabilities by total assets as of the same date.

Net Current Assets

Our net current assets increased by 5.1% from RMB589.8 million as of December 31, 2023 to RMB620.1 million as of December 31, 2024, which was due to the cash inflow from the proceeds of our global offering.

As of December 31, 2024, our current assets amounted to RMB699.3 million, including cash and cash equivalents of RMB189.7 million, fixed deposits with banks of RMB268.8 million, financial assets mandatorily measured at fair value through profit or loss of RMB106.0 million, prepayments of RMB67.1 million, inventories of RMB31.4 million, trade and other receivables of RMB28.1 million and restricted bank balances of RMB8.2 million. As of December 31, 2024, our current liabilities amounted to RMB79.2 million, including trade and other payables of RMB72.9 million, contract liabilities of RMB4.7 million, amounts due to related parties of RMB0.9 million and lease liabilities of RMB0.7 million.

CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to maintain the Group's stability and growth, safeguard its normal operations and maximise shareholder value. The Group regularly reviews and manages its capital structure and makes timely adjustments in light of changes in operating and market conditions.

LIQUIDITY AND FINANCIAL RESOURCES

As of December 31, 2024, our cash and cash equivalents (mainly denominated in U.S. dollars and RMB), fixed deposits with banks, restricted bank balances and financial assets mandatorily measured at fair value through profit or loss amounted to RMB607.6 million, representing a increase of 5.5% from RMB576.0 million as at December 31, 2023. The increase was mainly due to (i) cash inflow from proceeds we raised from the Global Offering and (ii) offset by our research and development activities, construction of our research and development and production facilities, purchase of equipment, machinery and intangible assets, provision of cash to finance our day-to-day operations and restricted bank outflows during the Reporting Period.

SIGNIFICANT INVESTMENTS HELD

As of December 31, 2024, the Group did not make or hold any significant investments (including any investments in investee companies amounting to 5% or more of the total assets of the Company as at December 31, 2024).

CONTINGENT LIABILITIES

As at December 31, 2024, we did not have any contingent liabilities.

CHARGE ON ASSETS

As at December 31, 2024, the Group had no charge on assets.

FOREIGN EXCHANGE EXPOSURE

We are exposed to currency risk primarily through bank deposits and intra-group receivables denominated in foreign currencies. The currency giving rise to such risk is primarily the U.S. dollars. During the Reporting Period, our business was not materially affected by fluctuations in exchange rates.

EMPLOYEES AND REMUNERATION POLICY

Currently, our employees are mainly from the mainland China and Hong Kong. As of December 31, 2024, the Group had a total of 147 employees. Total remuneration costs incurred by the Group amounted to RMB80.5 million for the year ended December 31, 2024, compared with RMB120.3 million for the year ended December 31, 2023.

The Group has a comprehensive remuneration system to ensure that employees receive fair and reasonable salaries and rewards. We strictly abide by relevant national and regional laws and regulations and pay "five insurances and one fund" according to law, including pension insurance, medical insurance, unemployment compensation, work injury insurance, maternity insurance and housing provident fund, so as to ensure employees enjoy social insurance benefits. For outstanding employees, all rewards are filed with the human resources department and serve as an important basis for personal salary increases and promotions. In addition to salary and social protection insurance, we also provide paid annual leave, maternity leave, nursing leave, sick leave, personal leave and other holiday benefits to improve the life quality of employees and enhance their sense of belonging.

In recognition of the contributions of our employees and to motivate them to further boost the development of the Company, employee incentive schemes were approved and adopted in November 2020, January 2021 and January 2022 respectively. For further details, please refer to the paragraph headed "APPENDIX VII — STATUTORY AND GENERAL INFORMATION — D. PRE-IPO EMPLOYEE INCENTIVE SCHEMES" in the Prospectus.

CORPORATE GOVERNANCE

Compliance with the Corporate Governance Code

The Board is committed to maintaining high corporate governance standards to safeguard the interests of Shareholders and to enhance corporate value and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as the basis of the Company's corporate governance practices.

Temporary deviations from the proceeds of the Global Offering during the Reporting Period were inadvertent and such deviations have been fully recovered and did not affect the normal use of the IPO proceeds for their intended purposes subsequently as disclosed in the Prospectus or the normal operations of the Company. Details of the temporary deviation from the use of proceeds from the IPO have been disclosed in the Company's announcements dated February 25, 2025, and May 30, 2025.

Save as disclosed above, in the opinion of the Directors, throughout the period from the October 31, 2024 (the "**Listing Date**") up to December 31, 2024 (the "**Relevant Period**"), the Company has complied with all applicable code provisions set out in the Corporate Governance Code (the "**Corporate Governance Code**").

The Board will continue to review and monitor the Company's practices with the aim of maintaining high standards of corporate governance.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules to regulate all dealings by Directors and relevant employees in securities of the Company and other matters covered by the Model Code.

Specific enquiry has been made to all the Directors and they have confirmed that they have complied with the required standards as set out in the Model Code throughout the period from the Listing Date, October 31, 2024 up to December 31, 2024. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company throughout the Reporting Period.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The Company issued 14,588,000 H Shares with a nominal value of RMB1.00 each at HK$16 per Share, which were listed on the Main Board of the Stock Exchange on October 31, 2024. We received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the Global Offering of approximately HK$195.89 million. There has been no change or delay in the proposed use and expected timetable of the net proceeds disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. The following table sets forth the proposed use and the actual use of the net proceeds as at December 31, 2024:

Proposed use	**Percentage of total net proceeds**	**Allocation of net proceeds** *(HK$ million)*	**Utilized amount during the year ended December 31, 2024** *(HK$ million)*	**Unutilized amount as of December 31, 2024** *(HK$ million)*
(i) To fund our Core Product, Utidelone Injection	44.9%	87.95	0	87.95
For funding the phase III clinical trial of Utidelone Injection for breast cancer neoadjuvant in China	9.8%	19.20	0	19.20
For funding the phase III clinical trials of Utidelone Injection for advanced NSCLC in China	11.8%	23.12	0	23.12
For funding the phase II (pivotal) clinical trial of Utidelone Injection for lung cancer brain metastasis in China	4.6%	9.01	0	9.01
For funding the phase II-III international multicenter clinical trial of Utidelone Injection for advanced NSCLC	5.3%	10.38	0	10.38
For funding the phase III international multi-center clinical trial of Utidelone Injection for advanced breast cancer	3.5%	6.86	0	6.86
For funding the phase II (pivotal) study of Utidelone Injection for breast cancer brain metastasis in the United States	9.9%	19.39	0	19.39

Proposed use	Percentage of total net proceeds	Allocation of net proceeds *(HK$ million)*	Utilized amount during the year ended December 31, 2024 *(HK$ million)*	Unutilized amount as of December 31, 2024 *(HK$ million)*
(ii) To fund the ongoing and planned clinical trials and pre-clinical studies of products besides our Core Product and the investigator-initiated trials for our Core Product	38.9%	76.20	0	76.20
For funding the phase II-III MRCT of Utidelone Capsule for advanced gastric and esophageal cancers	35.8%	70.13	0	70.13
For funding Utidelone Capsule solid tumor and advanced breast cancer pivotal study in China	1.2%	2.35	0	2.35
For funding the ongoing and planned pre-clinical studies, such as Utidelone nano-injection, Utidelone ADC, BG22, BG18 and BG44, and investigator-initiated trials for our Core Product	1.9%	3.72	0	3.72
(iii) To strengthen our domestic commercialization capabilities and construct our global marketing network	3.0%	5.88	0	5.88
(iv) To expand our production capacity	3.2%	6.27	0	6.27
(v) For working capital and for general corporate purposes	10.0%	19.59	0	19.59
Total	100.0%	195.89	0	195.89

Up to December 31, 2024, no net proceeds have been utilized. The Company intends to use the net proceeds in the manner consistent with that mentioned in the section head "Future Plans and Use of Proceeds" in the Prospectus. The Company plans to utilize the net proceeds of the Global Offering in 2025. The completion time of using such proceeds will be determined based on the Company's actual business needs and future business development.

Note 1: The Company utilized the proceeds from the Global Offering to subscribe for principal-protected and low-risk fund products from two different fund companies on November 22, 2024 and November 25, 2024 (the "**Two Subscriptions**" or the "**Investments**"), with an investment amount of HK$38.00 million and HK$22.00 million, respectively. 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.

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. The amount allocated for the subscription of the Investments has 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.

Note 2: To improve the efficiency and flexibility of fund usage while ensuring compliance with the Company's fund management regulation and internal control procedures, upon approval by the Company's General Manager's Office (總經理辦公會) on November 20, 2024, Biostar Pharma, Inc. ("**US-Biostar**"), a wholly-owned subsidiary of the Company, subscribed for a principal-and-return-guaranteed fund using its self-owned idle money in the amount of US$5.0 million (the "**Investment**"). During the payment process, US-Biostar's online banking transfer service was temporarily suspended due to bank security reviews, causing the failure of transfer of US$1.5 million among the total Investment amounts. In order to avoid default on such outstanding payment, US-Biostar entered into an agreement with the Company for a temporary bridging loan, with a term not exceeding one month. On November 28, 2024, an amount of US$1.5 million from the IPO proceeds (due to no other USD fund available) was lent to US-Biostar to complete the subscription payment. Upon US-Biostar's representative return to the U.S. on December 23, 2024 and the reactivation of US-Biostar's bank account, the US$1.5 million had been transferred back to the receiving bank account for Company's IPO proceeds in full prior to December 26, 2024.

For the avoidance of doubt, the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) for this Investment does not exceed 5% and therefore does not constitute a notifiable transaction under Chapter 14 of the Listing Rules. Nor does the Investment constitute a connected transaction under Chapter 14A of the Listing Rules.

The above-mentioned temporary deviation in IPO proceeds usage was caused by the inadvertent and genuine misunderstanding on the part of the Company, which misunderstood that the temporary bridging loan was intra-group in nature and could be funded by the IPO proceeds for working capital and general corporate purposes. The Investment, the temporary bridging loan and the full recovery of such loan were conducted and completed in accordance with the Company's internal procedures during the period of November and December 2024.

The Company wishes to emphasize that the temporary deviation from the use of the IPO proceeds was an inadvertent oversight, the fund has been fully recovered in a timely manner, and the arrangement has not caused any adverse impact on the subsequent normal use of the IPO proceeds in accordance with the stated purposes as disclosed in the Prospectus or on the normal operations of the Company.

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

1. Training on Listing Rules: 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. The first training, provided by a Hong Kong solicitors' firm, has been completed on February 20, 2025. The second training on Listing Rules (especially Chapter 13) and Guidelines on Disclosure of Inside Information has been completed on April 1, 2025.

2. The Company will strengthen communication with the compliance advisor to improve its familiarity with the Listing Rules. The Company plans to communicate with the compliance advisor whenever the Company is required to disclose information to the public (including but not limited to monthly returns, announcements, circulars, and financial reports, etc.), and whenever the Company comes across other ad hoc transaction from time to time, to ensure compliance with the

Listing Rules. In case of any uncertain issues (including investment matters and use of the IPO proceeds), the Company will consult with the compliance advisor in a timely manner to satisfy compliance requirements.

3. The Company will strict adherence to the use of IPO Proceeds in the future: The Company will strictly apply the IPO Proceeds in accordance with the purposes set out in the Prospectus. The "Measures for the Administration of Raised Funds" (《募集資金管理辦法》) which is applicable to the Company as a Hong Kong-listed company, has been reviewed and amended by all Directors of the Company, and was approved by the Board and became effective on April 25, 2025. If there is a need to use the IPO Proceeds for other purposes in the future, the Company will perform the necessary approval procedures, consult with compliance advisor and the PRC legal advisor of the Company, and perform 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.

With the trainings received and with the "Measures for the Administration of Raised Funds" (《募集資金管理辦法》) passed by the Board and taking effect, the Company will strictly follow the policies and guidelines set therein when carrying out fund raising activities. The Company will consult with its compliance and legal advisors with respect to compliance issues in a timely matter and on a regular basis; and the Company has also engaged an external internal control consultant to enhance its internal control systems to prevent re-occurrence of similar incidents in the future.

AUDIT COMMITTEE

As of the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Mr. Shiu Shu Ming, Dr. Meng Songdong and Mr. Tang Jin. Mr. Shiu Shu Ming is the chairperson of the Audit Committee and possesses appropriate qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to internal controls, risk management and financial reporting with the management of the Company. The Audit Committee reviewed and considered that the annual financial results for the year ended December 31, 2024 are in compliance with the relevant accounting standards, rules and regulations, and appropriate disclosures have been duly made.

SCOPE OF WORK OF DAXIN GLOBAL (HK) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in this announcement have been agreed by the Group's auditor, Daxin Global (HK) CPA Limited ("**Daxin Global HK**"), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Daxin Global HK in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Daxin Global HK on this announcement.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

Ther following is an extract of the independent auditor's report on the Group's annual consolidated financial statements in respect of qualified opinion for the year ended December 31, 2024:

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

As disclosed in note 16(iii) to the consolidated financial statements, the Group invested in certain non-voting participating redeemable shares of an unlisted fund (the "**Fund**") for a consideration of US$5,000,000 (equivalent to approximately RMB35,942,000) during the year ended December 31, 2024. The Fund is classified by the Company's management as financial assets mandatorily measured at fair value through profit or loss in accordance with HKFRS 9 "Financial Instruments" in the consolidated statement of financial position.

The Fund is engaged in investment in certain listed and private investments ("**Fund Investments**"). In the opinion of the directors of the Company, the fair value of the Group's investment in the Fund was US$5,000,000 (equivalent to approximately RMB35,942,000), being the Group's historical cost of the investment in the Fund, at December 31, 2024 and no fair value gain or loss was recognised in the consolidated statement of profit or loss and other comprehensive income for the year then ended.

However, we were unable to obtain sufficient appropriate audit evidence about the existence, rights and obligations, completeness, accuracy and valuation of the underlying assets, including the Fund Investments, and liabilities of the Fund, which are significant inputs for the measurement of fair value of the Group's investment in the Fund. We were also unable to obtain sufficient appropriate audit evidence to satisfy ourselves that: (i) the fair value of the Group's investment in the Fund of US$5,000,000 (equivalent to approximately RMB35,942,000) at December 31, 2024 was properly determined in accordance with HKFRS 13 "Fair Value Measurement" ("**HKFRS 13**") and there was no fair value gain or loss for such investment for the year then ended; and (ii) whether the relevant information was properly disclosed as required by HKFRS 13 and other applicable HKFRS. Consequently, we were unable to determine whether any adjustments to these amounts and additional disclosures were necessary.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The H Shares of the Company were first listed on the Stock Exchange on October 31, 2024. During the period from the Listing Date to December 31, 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares).

As at December 31, 2024, the Company did not hold any treasury shares (as defined in the Listing Rules).

FINAL DIVIDEND

The Board has resolved not to recommend a final dividend for the year ended December 31, 2024 (2023: Nil).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, our Group is not aware of any material subsequent events after the Reporting Period relating to the Group's business or financial performance.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.biostar-pharm.com). The annual report of the Company for the Reporting Period will be published on the above website and will be dispatched to the Shareholders in due course.

APPRECIATION

The Board would like to express its sincere gratitude to our Shareholders and business partners for their continued trust and support, and to our employees for their diligence, dedication, loyalty and integrity.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2024

	Notes	**2024**	2023
		RMB'000	*RMB'000*
Revenue	*4*	**71,866**	66,635
Cost of sales		**(10,780)**	(19,810)
Gross profit		**61,086**	46,825
Other income and net gains	*5*	**26,736**	31,694
Selling and distribution expenses		**(61,926)**	(95,397)
Administrative expenses		**(52,339)**	(43,900)
Research and development expenses		**(116,292)**	(126,537)
(Impairment loss)/reversal of impairment loss on trade and other receivables		**(294)**	1,284
Other operating expenses		**(691)**	(3,556)
Finance costs	*6*	**(56)**	(57)
Loss before taxation	*6*	**(143,776)**	(189,644)
Income tax	*7*	**—**	—
Loss for the year attributable to equity shareholders of the Company		**(143,776)**	(189,644)
Other comprehensive income for the year (with nil tax effect)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of an overseas subsidiary		**364**	476
Total comprehensive expense for the year attributable to equity shareholders of the Company		**(143,412)**	(189,168)
Loss per share (RMB)			
Basic and diluted	*9*	**(0.41)**	(0.54)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2024

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**163,724**	122,710
Right-of-use assets		**13,556**	13,477
Intangible assets		**752**	1,627
Financial assets mandatorily measured at fair value through profit or loss	*10*	**35,000**	—
Rental and utilities deposits		**953**	1,000
		213,985	138,814
CURRENT ASSETS			
Inventories		**31,419**	27,267
Trade and other receivables	*11*	**28,139**	15,947
Prepayments	*12*	**67,075**	14,300
Financial assets mandatorily measured at fair value through profit or loss	*10*	**105,989**	235,611
Restricted bank balances		**8,184**	—
Fixed deposits with banks		**268,738**	302,318
Cash and cash equivalents		**189,714**	38,087
		699,258	633,530
CURRENT LIABILITIES			
Trade and other payables	*13*	**72,916**	42,987
Contract liabilities		**4,717**	—
Amounts due to related parties		**863**	24
Provision		**—**	—
Lease liabilities		**665**	732
		79,161	43,743
NET CURRENT ASSETS		**620,097**	589,787
TOTAL ASSETS LESS CURRENT LIABILITIES		**834,082**	728,601

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
NON-CURRENT LIABILITIES			
Other payables	*13*	**—**	4,453
Contract liabilities		**42,453**	—
Lease liabilities		**517**	167
Deferred income		**366**	820
		43,336	5,440
NET ASSETS		**790,746**	723,161
CAPITAL AND RESERVES			
Share capital		**364,588**	350,000
Reserves		**426,158**	373,161
TOTAL EQUITY		**790,746**	723,161

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

1. GENERAL INFORMATION

Beijing Biostar Pharmaceuticals Co., Ltd. (the "**Company**") was incorporated in the People's Republic of China (the "**PRC**") as a limited liability company under the Companies Law of the PRC on July 11, 2002 and converted from a limited liability company into a joint stock company with limited liability on May 8, 2021. The address of its registered office is Room 310, 3/F., Building 3, No. 88 Courtyard, Kechuang Sixth Street, Beijing Economic-Technological Development Area, Beijing, PRC and the Company's head office and principal place of business in the PRC is Unit 1202, Tower B, Yicheng Fortune Center, Beijing Economic-Technological Development Area, Beijing, PRC. The Company's shares have been listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since October 31, 2024.

The Company and its subsidiaries (together as the "**Group**") are principally engaged in the research and development ("**R&D**"), manufacturing and sale of innovative drugs.

In the opinion of the directors of the Company, as at December 31, 2024, the immediate and ultimate parent of the Group is BAYGEN QT INC., a company incorporated in the United States, and the ultimate controlling party of the Group to be Dr. Tang Li and Dr. Qiu Rongguo, who are acting in concert of the Company. BAYGEN QT INC. does not produce financial statements available for public.

The consolidated financial statements are presented in Renminbi ("**RMB**"). RMB is the functional currency of the Company's and its subsidiary established in the PRC. The functional currency of the Company's subsidiaries outside the mainland China are Hong Kong dollars ("**HKD**") or United States dollars ("**USD**"). The Group translates the financial statements of the Company's subsidiaries outside mainland China from HKD/USD into RMB.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements has been prepared in accordance with HKFRS Accounting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKAS**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

3. APPLICATION OF NEW OR AMENDMENTS TO HKFRSS

(a) Application of new and amendments to HKFRSs

All of the new and amendments to HKFRSs that are effective on January 1, 2024 have been early applied by the Group for the prior periods.

(b) New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective, in the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeablity[1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Annual Improvements to HKFRSs 2024	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[2]
HKFRS 18 and consequential amendments to other HKFRSs	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosure[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

1 Effective for annual periods beginning on or after January 1, 2025
2 Effective for annual periods beginning on or after January 1, 2026
3 Effective for annual periods beginning on or after January 1, 2027
4 Effective for annual periods beginning on or after a date to be determined

HKFRS 18 and consequential amendments to other HKFRSs are effective for annual reporting periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and disclosures in the future consolidated financial statements. The directors of the Company are in the process of assessing the detailed impact on the consolidated financial statements.

Except for the aforesaid, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

4. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are R&D, manufacturing and sale of innovative drugs.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of goods	**71,866**	66,635

During the year, the Group recognised its revenue from contracts with customers at a point in time.

Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.

At December 31, 2024 and 2023, there is no remaining performance obligation under the Group's existing contracts.

(b) Segment reporting

(i) ***Segment information***

The Group manages its businesses as a whole in a manner consistent with the way in which information is reported internally to the Group's most senior executive management (the chief operating decision maker or "**CODM**") for the purposes of resource allocation and performance assessment.

The Group identifies reportable segments according to the types of products they offer.

The directors of the Company have determined that the Group has only one operating and reportable segment, being R&D, manufacturing and sale of innovative drugs.

Since this is the only one operating segment of the Group, no segment information is presented other than entity-wide disclosures.

(ii) ***Geographic information***

No geographical information is presented as the revenue and loss from operations of the Group are substantially derived from activities in the PRC and all of its non-current assets and capital expenditure are located/incurred in the PRC.

(iii) ***Information from major customers***

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2024	2023
	RMB'000	*RMB'000*
Customer A	**—**	8,047

5. OTHER INCOME AND NET GAINS

	2024	2023
	RMB'000	*RMB'000*
Interest income from bank deposits	**15,623**	13,138
Net foreign exchange gains	**5,542**	4,652
Government grants *(Note (i))*	**2,263**	4,586
Net realised and unrealised gains on financial assets mandatorily measured at fair value through profit or loss	**3,217**	9,097
Compensation from suppliers	**91**	221
	26,736	31,694

Note:

(i) Government grants mainly include rewards received from local governments for the grants received to encourage the Group for talent introduction and innovation. There are no unfulfilled conditions attaching to these government grants.

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs

	2024	2023
	RMB'000	*RMB'000*
Interest expenses on lease liabilities	**56**	57

(b) Employee benefits expenses (including directors' remuneration)*

	2024	2023
	RMB'000	*RMB'000*
Salaries, wages, bonuses and other benefits	**65,044**	69,624
Contributions to retirement benefits scheme	**6,409**	6,291
Equity-settled share-based payment expenses	**9,060**	44,404
	80,513	120,319

* Employee benefits expenses of RMB1,251,000 (2023: RMB2,290,000), RMB27,921,000 (2023: RMB50,804,000), RMB17,769,000 (2023: RMB27,586,000), RMB28,012,000 (2023: RMB33,586,000), and RMB5,560,000 (2023:RMB6,053,000) have been charged to cost of sales, selling and distribution expenses, administrative expenses, research and development expenses, and inventories respectively for the year ended December 31, 2024.

(c) Other items

	2024	2023
	RMB'000	*RMB'000*
Auditor's remuneration		
— current external auditor	**1,650**	—
— former external auditor	**1,800**	—
Depreciation charge		
— property, plant and equipment	**7,505**	8,032
— right-of-use assets	**1,424**	1,385
Amortisation charge of intangible assets	**875**	1,205
Loss on disposal of property, plant and equipment	**243**	—
Listing expenses	**24,433**	5,409
Research and development expenses*	**116,292**	126,537
Cost of inventories#	**9,787**	15,819

* Research and development expenses include RMB36,608,000 (2023: RMB36,705,000) relating to employee benefits expenses, depreciation and amortisation expenses, which are also included in the respective total amounts disclosed separately above or in note 6(b) for each type of these expenses for the year ended December 31, 2024.

\# Cost of inventories includes RMB7,703,000 (2023: RMB13,224,000) relating to employee benefits expenses, depreciation and amortisation expenses, which are also included in the respective total amounts disclosed separately above or in note 6(b) for each type of these expenses for the year ended December 31, 2024.

7. INCOME TAX

PRC Enterprise Income Tax

The basic tax rate of the Company and its PRC subsidiary is 25% under the law of the PRC on Enterprise Income Tax (the "**EIT Law**") and implementation regulations of the EIT Law.

According to the EIT Law and its relevant regulations, entities qualified as a high-technology enterprise ("**HNTE**") are entitled to a preferential income tax rate of 15%. The Company obtained its certificate of HNTE on December 17, 2021, with a validity period of three years. The Company is entitled to a preferential income tax rate of 15% during the years ended December 31, 2024 and 2023.

According to Announcement No. 23 of the Ministry of Finance in 2020, from January 1, 2021 to December 31, 2030, enterprise income tax ("**EIT**") will be levied at a reduced rate of 15% on encouraged industrial enterprises located in the western region ("**Western Development**"). Encouraged industrial enterprises refer to those listed in the Catalogue of Encouraged Industries in the Western Region. The industrial projects specified in the regulations are mainly engaged in business, and their main business income accounts for more than 70% of the total revenue of the enterprise. The Group's subsidiary in the PRC applies a preferential income tax rate of 15% for the Western Development during the years ended December 31, 2024 and 2023.

United States Corporate Income Tax

Pursuant to the income tax rules and regulations of the United States ("**US**"), the Group's subsidiary in the US was liable to US federal income tax determined by income ranges and state income tax for the years ended December 31, 2024 and 2023. The Group's subsidiary in the US did not have assessable profits during the years ended December 31, 2024 and 2023.

Hong Kong Profits Tax

On March 21, 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No.7) Bill 2017 (the "**Bill**") which introduced the two-tiered profits tax rates regime. The Bill was signed into law on March 28, 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of qualifying corporations is taxed at 8.25%, and profits above HK$2 million is taxed at 16.5%. The two-tiered profits tax rates regime is applicable to the Group for the year. No provision for taxation in Hong Kong Profits Tax was made as the Group's subsidiary in Hong Kong did not have assessable profits during the year ended December 31, 2024.

8. DIVIDENDS

No dividend was paid or proposed during the years ended December 31, 2024 and 2023, nor has any dividend been proposed since the end of the Reporting Period (2023: Nil).

9. LOSS PER SHARE

Basic loss per share

The calculation of the basic loss per share for the year is based on the loss for the year attributable to equity shareholders of the Company of approximately RMB143,776,000 (2023: RMB189,644,000) and on the weighted average number of shares in issue during the year of approximately 352,478,000 (2023: 350,000,000).

The calculation of the basic loss per share is based on the following:

	2024	2023
	RMB'000	*RMB'000*
Loss		
Loss attributable to equity shareholders of the Company for the purpose of calculating basic loss per share	**(143,776)**	(189,644)

	2024	2023
	'000	*'000*
Number of shares		
Weighed average number of ordinary shares for the purpose of calculating basic loss per share	**352,478**	350,000

Diluted loss per share

As there were no dilutive potential ordinary shares during the years ended December 31, 2024 and 2023, diluted loss per share for the years ended December 31, 2024 and 2023 are the same as basic loss per share.

10. FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	RMB'000	*RMB'000*
Non-current		
— Unlisted equity investment *(Note (i))*	**35,000**	—
Current		
— Wealth management products and structured deposits *(Note (ii))*	**70,047**	235,611
— Unlisted fund *(Note (iii))*	**35,942**	—
	105,989	235,611
	140,989	235,611

Notes:

(i) Financial assets mandatorily measured at fair value through profit or loss ("**FVPL**") include:

On December 20, 2024, the Group acquired 4.7619% of an unlisted corporate entity, whose quoted market price is not available, Hangzhou Gongchu Biotechnology Co., Ltd* 杭州功楚生物科技有限公司 ("**Hangzhou Gongchu**") at a consideration of RMB35,000,000. Hangzhou Gongchu principally engages in R&D, manufacturing and sale of innovative drugs. Such equity investment was therefore accounted for as FVPL at December 31, 2024.

(ii) Wealth management products and structured deposits issued by various banks in the PRC with a floating return which to be paid together with the principal on the maturity date. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

(iii) The Group invested in Fund SP (the "**Segregated Portfolio**"), a segregated portfolio of Fund C (the "**Fund**"), amounted to US$5,000,000 (equivalent to approximately RMB35,942,000) with a term of one year during November 2024. The Fund is an exempted limited liability company registered as a segregated portfolio company with the Cayman Islands Monetary Authority. The Segregated Portfolio may hold equity and debt securities, currencies, options, futures, options on futures and other derivative instruments in various capital markets. The Fund may also allocate its assets among private investment vehicles, mutual funds or other accounts managed by portfolio managers who invest in a variety of financial markets. The primary objective of the investments is to achieve capital appreciation by primarily investing into shares of the portfolio investment. Pursuant to the subscription agreement and the private placement memorandum in relation to the Segregated Portfolio, the beneficial interests held by the Group in the Segregate Portfolio of the Fund are in the form of non-voting participating redeemable shares which primarily provide the Group with the share of returns from the unlisted investments but not any decision-making power nor any voting right to involve in and control the daily operation. The Fund is newly established. In the opinion of the directors of the Company, the fair value of the Group's investment in the Fund was US$5,000,000 (equivalent to approximately RMB35,942,000), the Group's historical cost of the Fund, at December 31, 2024.

11. TRADE AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**23,754**	11,467
Less: Loss allowance	**(602)**	(308)
	23,152	11,159
Other receivables	**852**	496
Value-added-tax recoverable	**4,135**	4,292
	28,139	15,947

Note:

Trade receivables are primarily related to revenue recognised from sales of innovative drugs.

At January 1, 2023, trade receivables from contract with customers amounted to RMB34,620,000 (net of loss allowance of RMB1,592,000).

At December 31, 2024, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months (inclusive)	**17,611**	7,699
Over 3 months and less than one year	**5,541**	3,460
	23,152	11,159

Unless otherwise approved, trade receivables are generally due within 60 days from the date of billing.

12. PREPAYMENTS

	2024	2023
	RMB'000	*RMB'000*
Prepayments for:		
— subscription of unlisted funds *(Note (i))*	**55,623**	—
— research and development service	**7,626**	12,814
— listing expense	**—**	849
— purchase of raw materials	**2,696**	—
— others	**1,130**	637
	67,075	14,300

Note:

(i) The Company prepaid HK$38,000,000 (equivalent to approximately RMB35,232,000) and HK$22,000,000 (equivalent to approximately RMB20,391,000) for subscription of fund A, which was established in British Virgin Islands, and fund B, which was established in Hong Kong, respectively from November 25, 2024 to November 27, 2024. The Company applied to withdraw the subscription of these two regulated unlisted funds and requested to return the subscription amounts in full on December 20, 2024 since the subscriptions were unsuccessful. All the monies paid for the aforesaid subscriptions were fully returned in February 2025.

13. TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Current		
Trade payables	**48,331**	24,440
Other payables	**16,205**	7,802
Accrued payroll and staff benefits	**8,380**	10,745
	72,916	42,987
Non-current		
Deposits received	**—**	4,453
	72,916	47,440

Except for an amount of RMBnil (2023: RMB4,453,000) at December 31, 2024, all trade and other payables are expected to be settled within one year.

At December 31, 2024, the ageing analysis of trade payables, based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**46,223**	23,736
1 to 2 years	**1,707**	346
2 to 3 years	**33**	357
More than 3 years	**368**	1
	48,331	24,440

14. EVENTS AFTER THE REPORTING PERIOD

Apart from the events as disclosed elsewhere in the consolidated financial statements, the Group did not have other material events after the reporting period and up to the date of this announcement.

"2023" or "Corresponding Period"	the year ended December 31, 2023
"2024" or "Reporting Period"	the year ended December 31, 2024
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"China" or "PRC"	the People's Republic of China, except where the context requires otherwise and only for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"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)
"Corporate Governance Code"	the section headed "Part 2 — Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"Global Offering"	the offering of the Company's Shares as described in the Prospectus
"Group", "our", "our Group", "we" or "us"	The Company and its subsidiaries
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange, which occurred on the Listing Date
"Listing Date"	October 31, 2024, the date on which the Shares are listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time

"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Prospectus"	the prospectus dated October 23, 2024 issued by the Company
"RMB"	Renminbi, the lawful currency of China
"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)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"treasury shares"	has the meaning ascribed thereto in the Listing Rules
"U.S."	the United States of America
"USD" or "US$"	United States dollars, the lawful currency of the United States of America

By order of the Board
Beijing Biostar Pharmaceuticals Co., Ltd.
Dr. Tang Li
Chairperson, Executive Director, Chief Scientific Officer and Chief Marketing Officer

Beijing, the PRC, June 30, 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 Ms. Dai Xuefen as non-executive Directors; and (iii) Dr. Meng Songdong, Mr. Shiu Shu Ming and Dr. Ye Chengang as independent non-executive Directors.