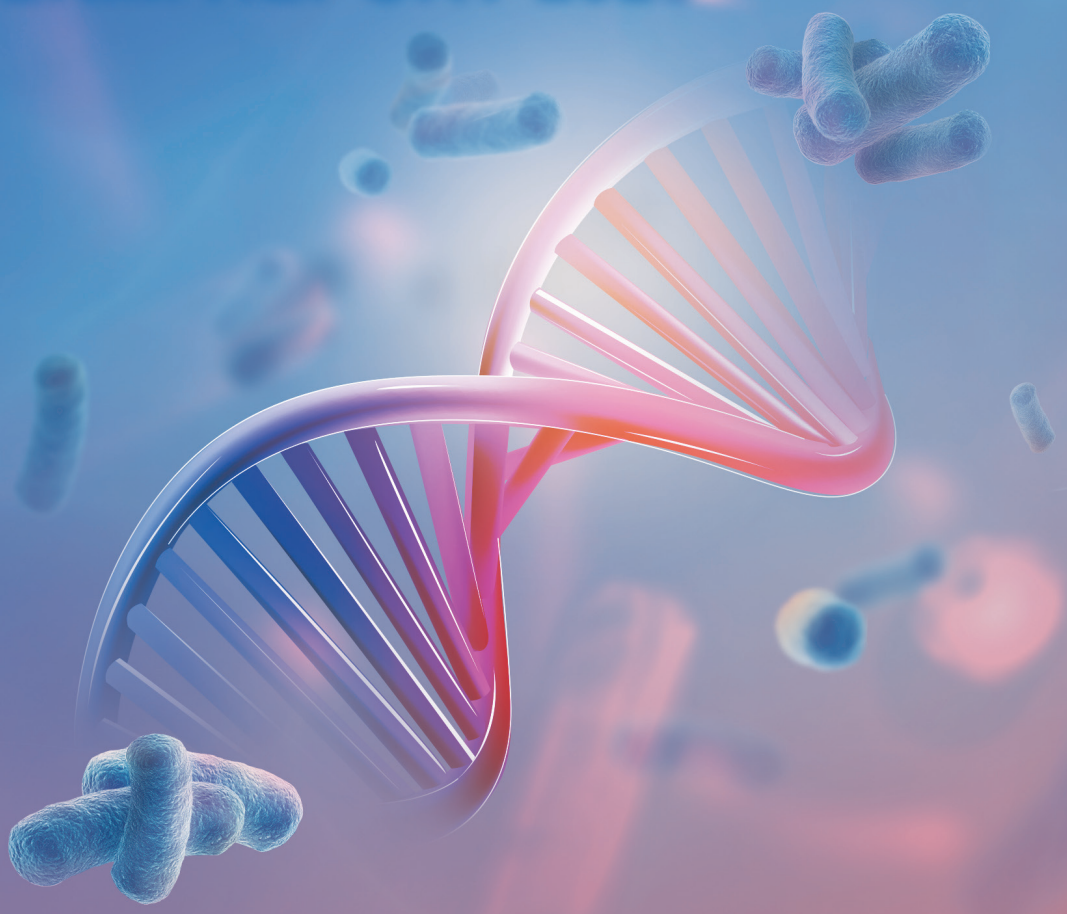
华昊中天
Biostar

北京華昊中天生物醫藥股份有限公司
Beijing Biostar Pharmaceuticals Co., Ltd.

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

Stock Code: 2563

INTERIM REPORT 2025



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Corporate Information

BOARD

Executive Directors

Dr. Tang Li *(Chairperson, Executive Director, Chief Scientific Officer and Chief Marketing Officer)*
Dr. Qiu Rongguo
Mr. Zhang Cheng
Dr. Guan Jin

Non-executive Directors

Mr. Tang Jin
Ms. Dai Xuefen *(appointed on May 23, 2025)*

Independent Non-executive Directors

Dr. Meng Songdong
Mr. Shiu Shu Ming *(appointed on May 23, 2025)*
Dr. Ye Chengang *(appointed on May 23, 2025)*

AUDIT COMMITTEE

Mr. Shiu Shu Ming *(Chairperson)*
Dr. Meng Songdong
Mr. Tang Jin

NOMINATION COMMITTEE

Dr. Meng Songdong *(Chairperson)*
Mr. Shiu Shu Ming
Dr. Tang Li

REMUNERATION AND ASSESSMENT COMMITTEE

Dr. Ye Chengang *(Chairperson)*
Dr. Meng Songdong
Dr. Qiu Rongguo

STRATEGY COMMITTEE

Dr. Tang Li *(Chairperson)*
Dr. Qiu Rongguo
Dr. Guan Jin

JOINT COMPANY SECRETARIES

Mr. Liu Kailin
Mr. Chan Yik Pun

AUTHORISED REPRESENTATIVES

Dr. Tang Li
Mr. Chan Yik Pun

AUDITOR

WUYIGE Certified Public Accountants LLP
Room 2206, 22/F, 1 Zhichun Road, Haidian District, Beijing
Gong Ronghua, Zhong Quanbing

LEGAL ADVISER

Tian Yuan Law Firm LLP
Suites 3304–3309, 33/F
Jardine House, One Connaught Place, Central
Hong Kong

PRINCIPAL BANKERS

In Hong Kong:
China Construction Bank (Asia) Corporation Limited

In Mainland China:
Bank of China Limited (Beijing East Highland Sub-branch)
China Construction Bank Corporation (Chengdu Gaoxin West branch)

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Beijing Economic-Technological Development Area
Beijing
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

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Wanchai, Hong Kong

STOCK CODE

2563

COMPANY'S WEBSITE

www.biostar-pharm.com

LISTING DATE

October 31, 2024

Financial Highlights

UNAUDITED FINANCIAL HIGHLIGHTS

	For the six months ended June 30,		
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	**Period-over period change**
Revenue	**14,787**	33,123	(55.4%)
Gross profit	**13,747**	28,330	(51.5%)
Net profit	**(54,041)**	(70,560)	(23.4%)
Loss per share	**(0.15)**	(0.20)	(26.5%)
R&D expenses	**41,343**	54,645	(24.3%)

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	**Period-over period change**
Monetary funds	**468,565**	466,636	0.4%

Notes:

(1) According to the Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong (《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計準則以及聘用內地會計師事務所的諮詢總結》) published by the Stock Exchange in December 2010, China incorporated issuers listed in Hong Kong are allowed to prepare their financial statements under the China Accounting Standards for Business Enterprises ("**CASBE**") and China audit firms approved by the Ministry of Finance of the China and the China Securities Regulatory Commission are allowed to adopt the China Standards on Auditing in providing services to such issuers. In order to improve the work efficiency and reduce the cost of disclosure and audit expenses, the Board approved on July 16, 2025 to disclose overseas financial reports for the Company under the CASBE instead of the Hong Kong Financial Reporting Standards. For details, please refer to the announcements of the Company dated July 16, 2025 and July 18, 2025. From 2025 onwards, the Group will disclose its financial reports in accordance with the CASBE and related regulations. The Group's financial statements and interim results for the six months ended June 30, 2025 have been prepared in accordance with CASBE, and the comparative figures for 2024 have been appropriately adjusted in accordance with CASBE. The figures for the same period in 2024 used in the "Management Discussion and Analysis" section of this report are all restated.

(2) Certain amounts and percentage figures included in this report have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

BUSINESS REVIEW

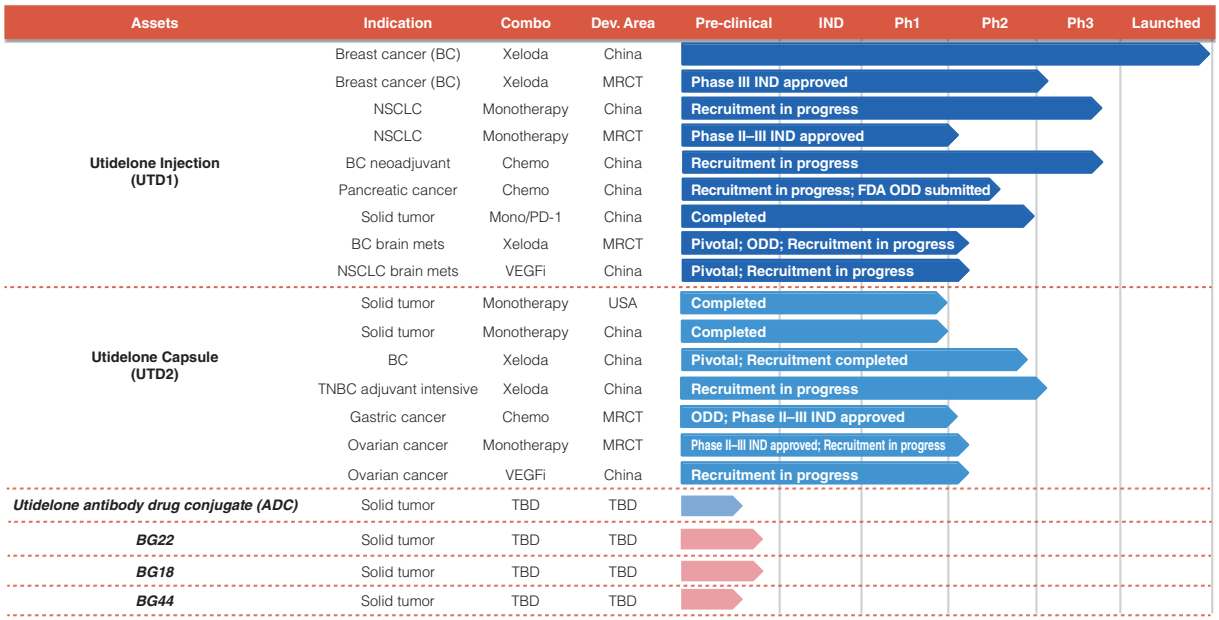
As of the date of this report, the Company continued to make significant progress in various areas, including advancement of R&D pipeline, marketing strategic cooperation, publication of academic results, and intellectual property layout, and reached major milestones and made achievements as follows:

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 being started and enrolled. 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 cancer, 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).

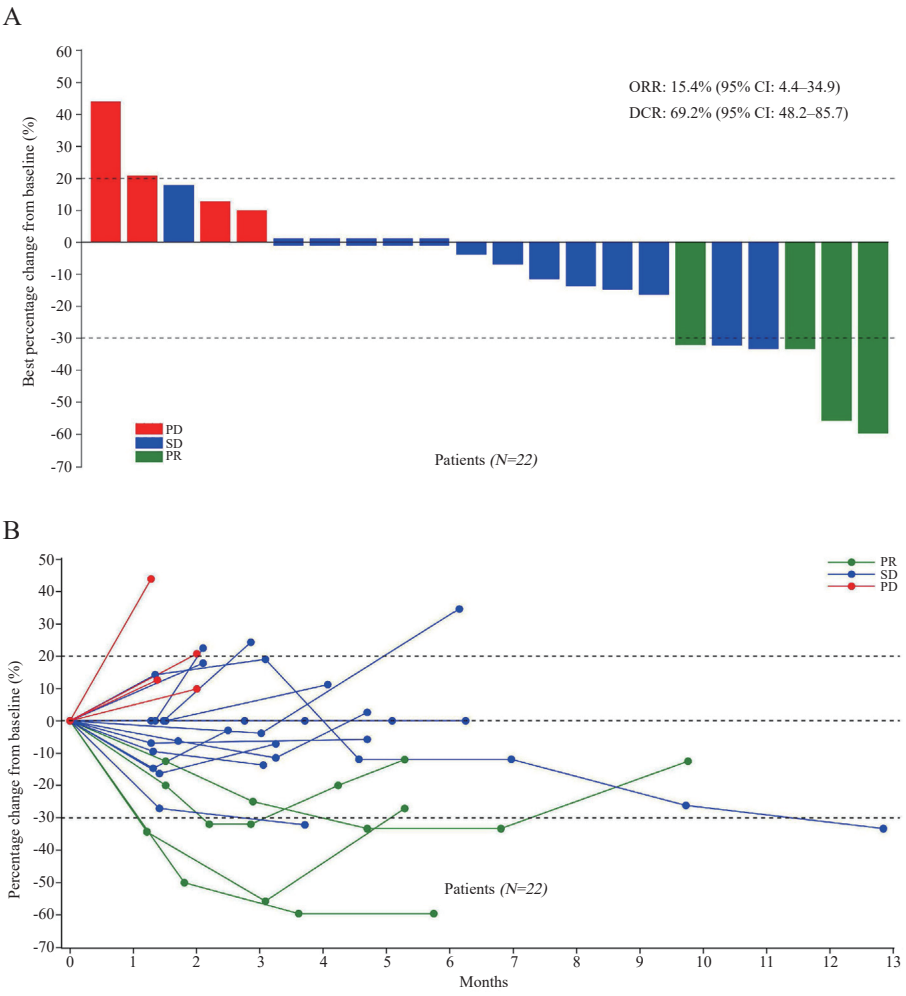


Figure: Efficacy of Utidelone for patients with NSCLC in the ITT cohort. Waterfall plot of the best percentage change in the investigator-assessed size of target tumor lesions from base line in the ITT cohort (A), spider plot of the change in the investigator-assessed tumor size over time in the ITT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

- ***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.

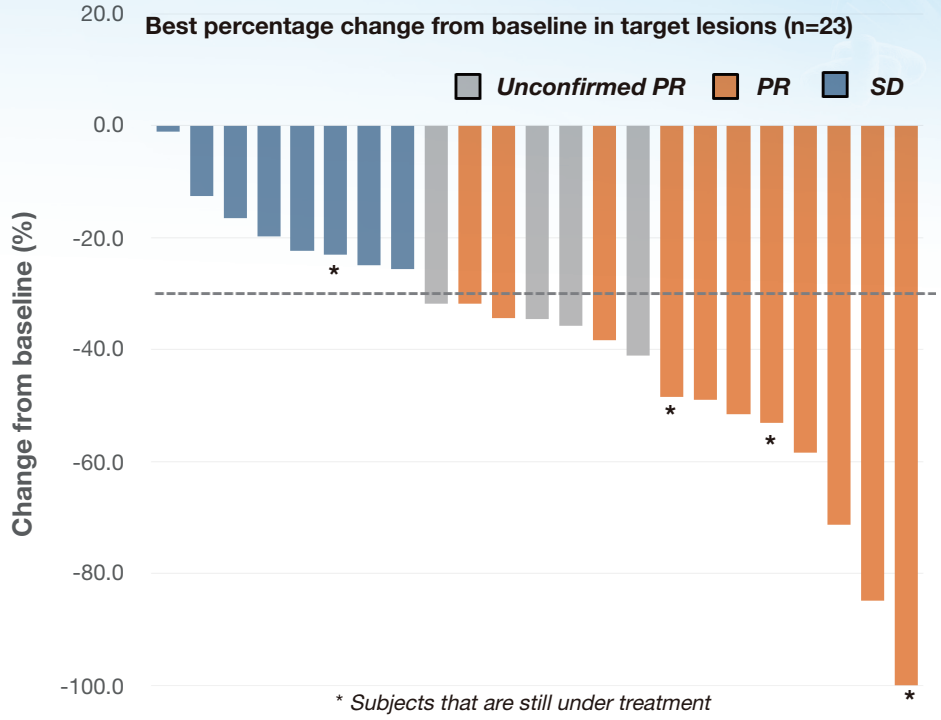


Figure: Second-stage gastric cancer cohort:
Waterfall plot of percentage of best change from baseline (PPS)

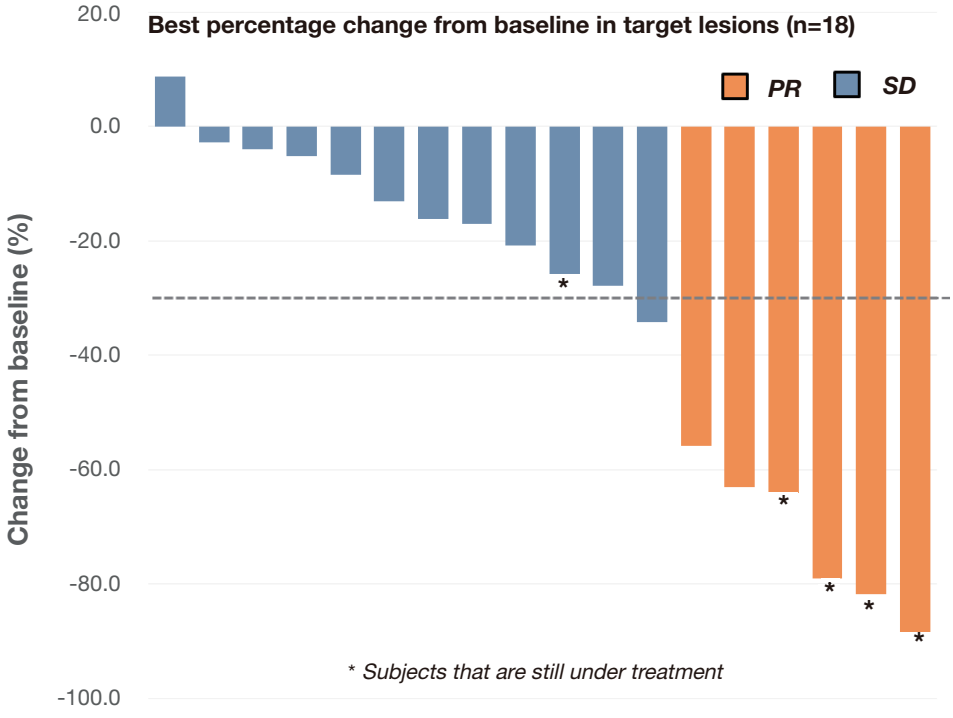


Figure: Second-stage esophageal cancer cohort:
Waterfall plot of percentage of best change from baseline (PPS)

- ***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.

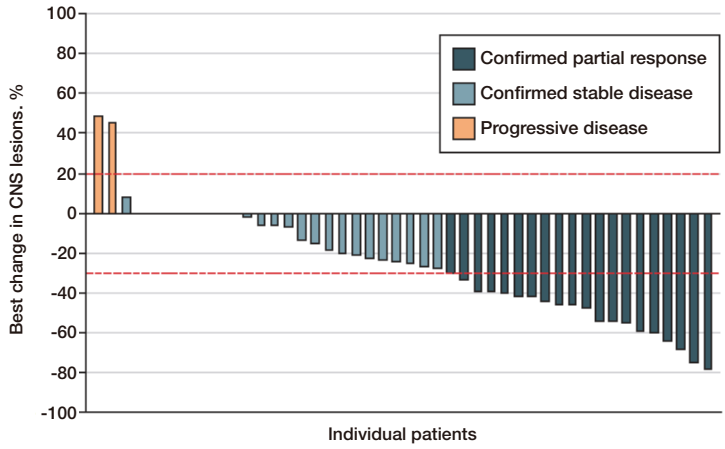


Figure: Radiographic mitigation of intracranial lesions (n=46)

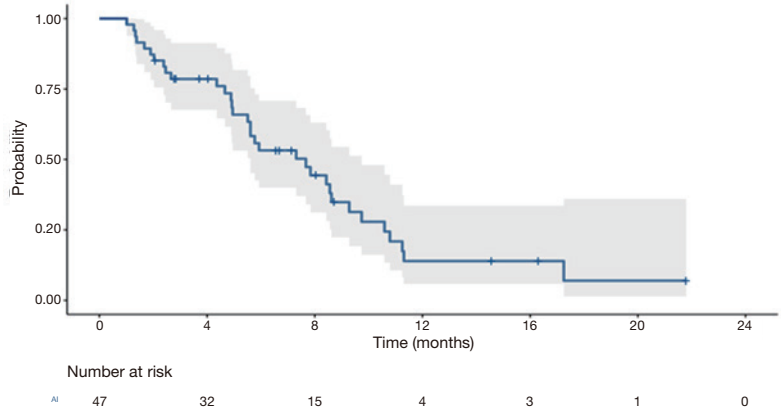


Figure: Kaplan-Meier curve of progression-free survival

- ***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.

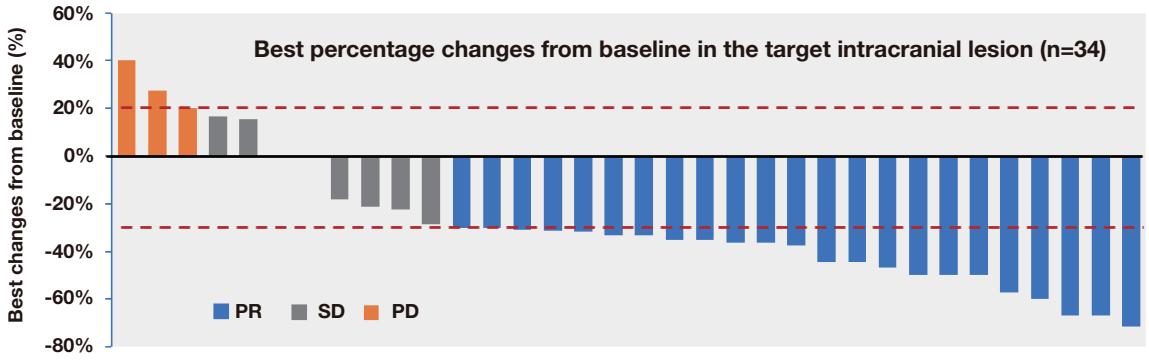


Figure: Best percentage changes from baseline in the target intracranial lesion

- ***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 completed the first patient enrollment in the United States. 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 date of this report, 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. 25 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 27 PR and 12 SD. The ORR was greater than 61.4% (CBR was 88.6%). The results may be better than the results of the phase III study of Utidelone injection (49.8% ORR, 65.8% CBR, orally reported at ASCO 2018). The most common TEAEs included diarrhoea and neutropenia which recovered with supportive treatment, with excellent safety. 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. 31 patients were evaluated for efficacy with 17 PR and 9 SD. The ORR was greater than 54.8% (CBR was 83.9%). The efficacy and safety results of this IIT study are similar to those of pivotal registered clinical studies.

- *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. 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.

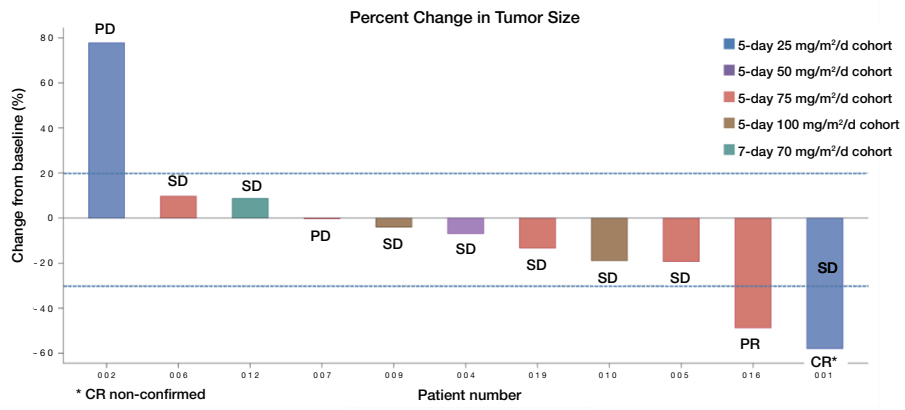


Figure: Waterfall plot of maximum percentage of tumor reduction

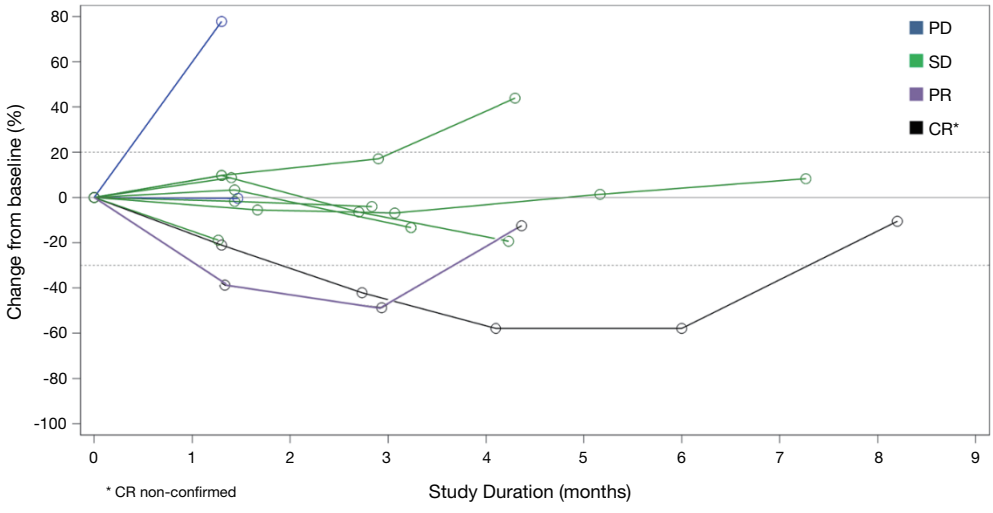


Figure: Spider plot of maximum percentage of tumor reduction

- ***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 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 scheduled to be completed in the third quarter of 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 completed in China.

- ***Phase II clinical study of Utidelone capsules combined with Fruquintinib capsules in the treatment of platinum-resistant recurrent ovarian cancer***

  This study was conducted at the Affiliated Cancer Hospital of Fudan University, and it is planned to enroll about 35 patients, with the main purpose of exploring the effectiveness and objective response rate of Utidelone capsules combined with Fruquintinib capsules in the treatment of patients with platinum-resistant recurrent ovarian cancer, fallopian tube cancer and peritoneal cancer. Currently, nearly half of the patients have been enrolled in the study, and 6 patients have completed the efficacy evaluation, including 4 PR and 2 SD, with an objective response rate of more than 60% and good safety.

- ***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 program has entered the patient enrolment stage.

- ***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. During the Reporting Period, we successively obtained PCT authorization for Utidelone oral preparation-related patents in Canada and Utidelone liposome-related patents in Europe. We have also vigorously deployed new patent applications, including PCT patents related to Utidelone cyclodextrin inclusion complex, PCT patents related to Utidelone for the treatment of various solid tumor indications, and albumin-bound Utidelone nanoparticles related PCT patents entered China.

4. 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

Operating Income

During the Reporting Period, the operating income of the Group was RMB14.8 million, representing a decrease of 55.4% from RMB33.1 million for the six months ended June 30, 2024. Such change was mainly due to sales fluctuations caused by the adjustment of the marketing strategy of our product **Utidelone Injection**.

Operating Costs

During the Reporting Period, the cost of sales of the Group was RMB1 million, representing a decrease of 78.3% from RMB4.8 million for the six months ended June 30, 2024. 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** and the sales fluctuations caused by the adjustment of the marketing strategy.

Gross Profit and Gross Margin

As a result of the foregoing factors, the gross profit of the Group decreased by 51.5% from RMB28.3 million for the six months ended June 30, 2024 to RMB13.7 million for the six months ended June 30, 2025, mainly due to the decrease in operating income and operating costs. The gross profit margin of the Group was 93% for the six months ended June 30, 2025 as compared to 85.5% for the six months ended June 30, 2024. The increase in gross profit margin is attributable to the decrease in cost of sales as a result of the optimization of the production process of the products.

Taxes and Surcharges

During the Reporting Period, our taxes and surcharges remained relatively stable, totaling RMB548,000 for the six months ended June 30, 2025, compared to RMB527,000 for the six months ended June 30, 2024.

Sales Expenses

Our sales expenses decreased by 44.6% from RMB35.2 million for the six months ended June 30, 2024 to RMB19.5 million for the six months ended June 30, 2025, mainly due to the decrease in sales expenses as the results of our strict control of selling expenses.

Administrative Expenses

Our administrative expenses decreased by 35.6% from RMB22.1 million for the six months ended June 30, 2024 to RMB14.2 million for the six months ended June 30, 2025, mainly due to the decrease in our professional services fees.

R&D Expenses

Our R&D expenses decreased by 24.3% from RMB54.6 million for the six months ended June 30, 2024 to RMB41.3 million for the six months ended June 30, 2025, mainly due to the decrease in clinical expenditure and technical services expenditure as major clinical programs entered different payment stages.

Financial Costs

Our financial costs remained relatively stable, was RMB8,038,000 for the six months ended June 30, 2025 and RMB7,952,000 for the six months ended June 30, 2024, respectively.

Exchange Gains

Our exchange gains decreased from RMB1.8 million for the six months ended June 30, 2024 to a loss of RMB2.5 million for the six months ended June 30, 2025, mainly due to exchange losses caused by fluctuations in foreign exchange rates.

Non-operating Income

Our non-operating income increased by 1,830% from RMB0.1 million for the six months ended June 30, 2024 to RMB1.7 million for the six months ended June 30, 2025, mainly due to an increase in margin income from the marketing service provider business.

Income Tax Expenses

For the six months ended June 30, 2024 and June 30, 2025, we recognized that no income tax expense was incurred.

Net Profit

Due to the above reasons, our loss decreased by RMB16.5 million from RMB70.6 million for the six months ended June 30, 2024 to RMB54.0 million for the six months ended June 30, 2025.

Key Financial Ratios

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

	As at June 30, 2025 (Unaudited)	As at December 31, 2024 (Audited)
Current ratio (times)	**9.8**	8.8
Quick ratio (times)	**9.2**	8.4
Gearing ratio (%)	**12.7%**	13.4%

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 decreased by 6.8% from RMB620.1 million as of December 31, 2024 to RMB578.1 million as of June 30, 2025, which was due to the provision of cash to finance our research and development activities, construction of our research and development and production facilities, purchase of equipment and machinery, and day-to-day operations.

As of June 30, 2025, our current assets amounted to RMB644 million, including monetary funds of RMB468.6 million, financial assets measured at fair value through profit or loss of RMB65.8 million, trade receivables of RMB12.5 million, prepayments of RMB14.5 million, other receivables of RMB36.7 million, inventories of RMB40.6 million and other current assets of RMB5.4 million. As of June 30, 2025, our current liabilities amounted to RMB65.9 million, including trade payables of RMB53 million, advance receipts of RMB0.1 million, contract liabilities of RMB0.3 million, payroll payable of RMB2.9 million, taxes and fees payable of RMB0.1 million, other payables of RMB8.9 million and non-current liabilities due within one year of RMB0.6 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 June 30, 2025, our monetary funds (mainly denominated in U.S. dollars and RMB), financial assets measured at fair value through profit or loss and other non-current financial assets amounted to RMB569.4 million, representing a decrease of 6.3% from RMB607.6 million as at December 31, 2024. The decrease was mainly due to (i) the provision of cash to finance our research and development activities; (ii) construction of our research and development and production facilities; (iii) purchase of equipment and machinery; and (iv) day-to-day operations during the Reporting Period.

SIGNIFICANT INVESTMENTS HELD

As of June 30, 2025, 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 June 30, 2025).

CONTINGENT LIABILITIES

As at June 30, 2025, we did not have any contingent liabilities.

CHARGE ON ASSETS

As at June 30, 2025, 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 June 30, 2025, the Group had a total of 131 employees. Total remuneration costs incurred by the Group amounted to RMB31.76 million for the six months ended June 30, 2025, compared with RMB42.18 million for the six months ended June 30, 2024.

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.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Reporting Period, the Group did not make any significant investments, materials acquisitions or disposals of subsidiaries, associates and joint ventures.

Corporate Governance and Other Supplementary Information

DISCLOSURE OF INTERESTS

A. Directors', Supervisors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or its Associated Corporations

As at June 30, 2025, the interests and short positions of our Directors, Supervisors and the chief executive in the Shares, underlying Shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) were required to be entered in the register referred to therein pursuant to Section 352 of the SFO, or (iii) were required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Listing Rules were as follows:

Name of Director/ Supervisor/Chief Executive	Description of the Shares	Personal Interest	Spousal Interest	Corporate Interest	Number of Shares Held or Interested	Approximate percentage of shareholding in the total share capital of the Company (%)
Tang Li (Chairperson of the Board, executive Director, chief scientific officer and chief marketing officer)	H Shares	1,437,173	82,234	43,785,108	45,304,515	15.86
	Unlisted Shares	2,155,759	123,351	55,551,189	57,830,299	12.43
Qiu Rongguo (Vice-chairperson, executive Director and chief executive officer)	H Shares	—	45,222,281	82,234	45,304,515	15.86
	Unlisted Shares	—	57,706,948	123,351	57,830,299	12.43

Long Positions in Shares of Associated Corporations of the Company

Save as disclosed above, as of June 30, 2025, none of the Directors, Supervisors or chief executives of the Company had interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

B. Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company

As of June 30, 2025, after making reasonable enquiries, as far as the Company and Directors are aware, the following parties have interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, and which were required to be recorded in the register required to be kept by the Company under Section 336 of the SFO:

So far as the Directors are aware, immediately following the completion of the Global Offering and the conversion of the Unlisted Shares into H Shares, the following parties will have interests and/or short positions in the Shares or underlying Shares which are required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 5% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at the general meetings of our Company:

Name of Shareholder	Capacity/ Nature of interest	Number and description of the Shares	Approximate percentage of interest in the Company (%)	Number and description of the Shares	Approximate percentage of interest in the Company[1] (%)	Approximate percentage of interest in the Unlisted Shares/H Shares (as appropriate)[1][6] (%)
Dr. Tang Li[2][3][5]	Beneficial owner; interest of spouse; interest in controlled corporations	103,134,814 Unlisted Shares	29.47	57,830,299 Unlisted Shares	15.86	39.11
				45,304,515 H Shares	12.43	20.90
Dr. Qiu Rongguo [2][3][5]	Interest of spouse; interest in controlled corporation	103,134,814 Unlisted Shares	29.47	57,830,299 Unlisted Shares	15.86	39.11
				45,304,515 H Shares	12.43	20.90
Kevin Zhang[5]	Interest in controlled corporation	40,505,885 Unlisted Shares	11.57	20,252,942 Unlisted Shares	5.56	13.70
				20,252,943 H Shares	5.56	9.35
Hannah Qiu[5]	Interest in controlled corporation	40,505,885 Unlisted Shares	11.57	20,252,942 Unlisted Shares	5.56	13.70
				20,252,943 H Shares	5.56	9.35
Baygen QT Inc.[5]	Beneficial owner	40,505,885 Unlisted Shares	11.57	20,252,942 Unlisted Shares	5.56	13.70
				20,252,943 H Shares	5.56	9.35
Shanghai Xinsheng	Beneficial owner	34,798,296 Unlisted Shares	9.94	6,798,296 Unlisted Shares	1.86	4.60
				28,000,000 H Shares	7.68	12.92
SDIC VC	Beneficial owner	29,426,685 Unlisted Shares	8.41	29,426,685 Unlisted Shares	8.07	19.90

Name of Shareholder	Capacity/ Nature of interest	Number and description of the Shares	Approximate percentage of interest in the Company (%)	Number and description of the Shares	Approximate percentage of interest in the Company[1] (%)	Approximate percentage of interest in the Unlisted Shares/H Shares (as appropriate)[1][6] (%)
Shanghai Haidai	Beneficial owner	24,475,926 Unlisted Shares	6.99	12,237,963 Unlisted Shares	3.36	8.28
				12,237,963 H Shares	3.36	5.65
Efung Investment[6]	Interest in controlled corporation	21,827,261 Unlisted Shares	6.24	21,827,261 H Shares	5.99	10.07
Zhuhai Jingrong[3]	Beneficial owner	20,392,815 Unlisted Shares	5.83	12,235,689 Unlisted Shares	3.36	8.27
				8,157,126 H Shares	2.24	3.76
Zhuhai Huajin[4]	Beneficial owner	19,220,863 Unlisted Shares	5.49	11,532,518 Unlisted Shares	3.16	7.80
				7,688,345 H Shares	2.11	3.55

Notes:

(1) The calculation is based on the total number of 147,867,143 Unlisted Shares and 216,720,857 H Shares in issue upon Listing comprising (i) an aggregate of 202,132,857 Share to be converted from the Unlisted Shares and (ii) 14,588,000 to be issued pursuant to the Global Offering.

(2) Dr. Tang Li is the spouse of Dr. Qiu Rongguo. Accordingly, Dr. Tang Li is deemed to be interested in any Shares Dr. Qiu Rongguo is interested and Dr. Qiu Rongguo is deemed to be interested in any Shares Dr. Tang Li is interested for the purpose of the SFO.

(3) As of the date of this report, Dr. Tang Li is the general partner of and Dr. Qiu Rongguo is a limited partner of Zhuhai Jingrong, which owns 5.59% of the total issued Shares. As of the date of this report, Zhuhai Jingrong is owned as to 51% by Dr. Tang Li and 49% by Dr. Qiu Rongguo. Accordingly, Dr. Tang Li is deemed to be interested in such Shares held by Zhuhai Jingrong for the purpose of the SFO. As the general partner of Zhuhai Jingrong, Dr. Tang Li is deemed to have de facto control in Zhuhai Jingrong and hence is a controller of Zhuhai Jingrong. As of the date of this report, Beijing Baygen owns 0.12% of the total issued Shares, and is owned as to 51% by Dr. Tang Li and 49% by Dr. Qiu Rongguo. Accordingly, Dr. Tang Li and Dr. Qiu Rongguo are deemed to be interested in such Shares for the purpose of the SFO.

(4) As of the date of this report, Dr. Tang Li is the general partner of Zhuhai Huajin, being one of our Employee Incentive Platforms, which owns 5.27% of the total issued Shares. Accordingly, Dr. Tang Li is deemed to be interested in such Shares held by Zhuhai Huajin for the purpose of the SFO. As the general partner of Zhuhai Huajin, Dr. Tang Li is deemed to have de facto control in Zhuhai Huajin and hence is a controller of Zhuhai Huajin.

(5) As of the date of this report, Baygen QT Inc. is owned as to 43.5%, 43.5%, 6.5% and 6.5% by Kevin Zhang, Hannah Qiu, Dr. Tang Li and Dr. Qiu Rongguo respectively. Kevin Zhang and Hannah Qiu are Dr. Tang Li's son and daughter. Based on an irrevocable proxy dated August 21, 2021 made among Dr. Tang Li, Dr. Qiu Rongguo, Kevin Zhang and Hannah Qiu, Kevin Zhang and Hannah Qiu had granted an irrevocable proxy vesting all voting power in the issued and outstanding shares of Baygen QT Inc. to Tang Li. Accordingly, Baygen QT Inc. is a corporation controlled by Dr. Tang Li, and Dr. Tang Li is deemed to be interest in such Shares for the purpose of the SFO. For further details on the control and power over Baygen QT Inc., please refer to the paragraph headed "History, Development and Corporate Structure — Corporate Structure — Corporate Structure Immediately before Completion of the Global Offering" in the Prospectus.

(6) As of the date of this report, Efung Investment Management Limited Partnership Enterprise* (深圳市倚鋒投資管理企業(有限合夥)) ("**Efung Investment**") is the general partner of Efung Ruihua and Efung XIV, each owns 4.49% and 1.50% of the total issued Shares.

(7) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of the Company, and are considered as one class of Shares.

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 the Listing Date. 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 June 30, 2025:

Proposed use	Percentage of total net proceeds	Allocation of net proceeds (HK$ million)	Utilized amount as of December 31, 2024 (HK$ million)	Utilized amount as of June 30, 2025 (HK$ million)	Unutilized amount as of June 30, 2025 (HK$ million)	Expected timeframe for utilizing the remaining unutilized net proceeds
(i) To fund our Core Product, Utidelone Injection	44.9%	87.95	0	16.57	71.38	
For funding the phase III clinical trial of Utidelone Injection for breast cancer neoadjuvant in China	9.8%	19.20	0	9.24	9.96	By mid of 2026
For funding the phase III clinical trials of Utidelone Injection for advanced NSCLC in China	11.8%	23.12	0	1.91	21.21	By the end of 2026
For funding the phase II (pivotal) clinical trial of Utidelone Injection for lung cancer brain metastasis in China	4.6%	9.01	0	1.12	7.89	By the end of 2027
For funding the phase II-III international multicenter clinical trial of Utidelone Injection for advanced NSCLC	5.3%	10.38	0	0	10.38	By the end of 2027
For funding the phase III international multi-center clinical trial of Utidelone Injection for advanced breast cancer	3.5%	6.86	0	0	6.86	By the end of 2027
For funding the phase II (pivotal) study of Utidelone Injection for breast cancer brain metastasis in the United States	9.9%	19.39	0	4.3	15.08	By the end of 2027
(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	1.49	74.71	
For funding the phase II-III MRCT of Utidelone Capsule for advanced gastric and esophageal cancers	35.8%	70.13	0	0.29	69.84	By mid of 2028
For funding Utidelone Capsule solid tumor and advanced breast cancer pivotal study in China	1.2%	2.35	0	1.2	1.15	By mid of 2026
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	0	3.72	By end of 2026
(iii) To strengthen our domestic commercialization capabilities and construct our global marketing network	3.0%	5.88	0	2.78	3.1	By the end of 2026
(iv) To expand our production capacity	3.2%	6.27	0	3.67	2.6	By the end of 2026
(v) For working capital and for general corporate purposes	10.0%	19.59	0	5.87	13.72	By the end of 2026
Total	100.0%	195.89	0	30.38	165.51	

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. (the "**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 intragroup 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, have 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, consulted with compliance advisor and the PRC legal advisor of the Company, and disclosure obligations regarding changes to the use of the IPO proceeds in accordance with the requirements of the Listing Rules and the Articles of Association to ensure the compliant use of IPO proceeds.

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. The internal control consultant has completed the enterprise risk assessment, review and testing of the internal control procedures for the Company's procurement-to-payment cycle and expense-to-payment cycle, among other processes, for the year 2024, and has issued a "2024 Annual Internal Control Review Report" with no material or significant findings, in order to enhance the Company's internal control systems to prevent re-occurrence of similar incidents in the future.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Qi Jingyao and Mr. Ran Dong resigned as independent non-executive directors on March 26, 2025 and April 10, 2025, respectively. The Company convened an extraordinary general meeting on May 23, 2025 to consider and approve the "Resolution on the Consideration and Approval of the Proposed By-election of Independent Non-executive Directors", at which, Mr. Shiu Shu Ming and Dr. Ye Chengang were by-elected as independent non-executive Directors.

The Company held an extraordinary general meeting on May 23, 2025 to consider and approve the "Resolution on the Consideration and Approval of the Proposed By-election of Non-executive Director", at which, Ms. Dai Xuefen was by-elected as a non-executive Director. Mr. Zhu Pai resigned as a non-executive Director of the Company on May 23, 2025.

From January 1, 2025 to the date of this report, save as disclosed in this report, there is no other changes in the information of Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE PRACTICES

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 in the year 2024 were inadvertent and such deviations have been fully recovered during the Reporting Period and did not impact the subsequently normal use of the proceeds from the initial public offering for its intended purposes as disclosed in the Prospectus or the normal operations of the Company. For details, please refer to the paragraph headed "Use of Net Proceeds from the Global Offering" in this section.

The Directors believe that the Company has complied with all applicable code provisions set out in the Corporate Governance Code (the "**CG Code**") during the Report Period.

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

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding dealings in the securities of the Company by the Directors, the Supervisors and the Group's employees who, because of his/her office or employment, are likely to possess inside information in relation to the Group or the Company's securities, on terms no less exacting than the required standards set out in the Model Code as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made to all the Directors, Supervisors and senior management and they have confirmed that they have complied with the Model Code for the six months ended June 30, 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

For the purpose of this report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of any interim dividend for the six months ended June 30, 2025 (For the six months ended June 30, 2024: nil).

As of June 30, 2025, there was no arrangement under which a shareholder has waived or agreed to waive any dividend.

AUDIT COMMITTEE

The Company have established an Audit Committee and defined its terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Audit Committee comprises Mr. Shiu Shu Ming, an independent non-executive director, Dr. Meng Songdong, an independent non-executive director and Mr. Tang Jin, a non-executive director. Mr. Shiu Shu Ming, an independent non-executive director, is the chairperson of the Audit Committee and is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee has held relevant discussions with the Company's management, and reviewed the unaudited interim financial statements of the Group for the Reporting Period. The Audit Committee considered that the interim results of the Group for the Reporting Period are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, the Group is not aware of any material subsequent events that have occurred after the Reporting Period.

On behalf of the Board
Beijing Biostar Pharmaceuticals Co., Ltd.
Dr. Tang Li
Chairperson of the Board, executive Director, chief scientific officer and chief marketing officer

Beijing, the PRC, August 28, 2025

Consolidated Balance Sheets

(All amounts in RMB thousand unless otherwise stated)

Items	Notes	**June 30, 2025 (Unaudited)**	December 31, 2024 (Audited)
Assets			
Current assets:			
Monetary funds	V	**468,565**	466,636
Settlement deposits			
Placements with banks and other financial institutions			
Financial assets held for trading	VI	**65,796**	105,989
Derivative financial assets			
Notes receivable			
Accounts receivable	VII	**12,463**	23,152
Receivables financing			
Advances to suppliers	VIII	**14,453**	67,075
Premium receivable			
Reinsurance accounts receivable			
Provision for reinsurance contract receivable			
Other receivables	IX	**36,717**	852
Financial assets purchased for resale			
Inventories	X	**40,586**	31,419
Including: data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	XI	**5,406**	4,135
Total current assets		**643,986**	699,258

Items	Notes	**June 30, 2025 (Unaudited)**	December 31, 2024 (Audited)
Non-current assets:			
Granted loans and advances			
Debt investments			
Other debt investments			
Long-term accounts receivable			
Long-term equity investments			
Investment in other equity instruments			
Other non-current financial assets	XII	**35,000**	35,000
Investment properties			
Fixed assets	XIII	**66,922**	66,235
Construction in progress	XIV	**95,030**	97,489
Productive biological assets			
Oil and gas assets			
Right-of-use assets	XV	**783**	1,348
Intangible assets	XVI	**12,702**	12,960
Including: data resources			
Development expenditure			
Including: data resources			
Goodwill			
Long-term prepaid expenses			
Deferred tax assets			
Other non-current assets	XVII	**955**	953
Total non-current assets		**211,392**	213,985
TOTAL ASSETS		**855,378**	913,243

Consolidated Balance Sheets (Continued)

(All amounts in RMB thousand unless otherwise stated)

Items	Notes	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings			
Borrowings from central bank			
Placements from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable	XVIII	**52,950**	48,331
Receipts in advance		**137**	
Contract liabilities	XIX	**270**	4,717
Financial assets sold under repurchase agreements			
Receipt of deposits and deposits from other banks			
Funds received as agent of stock exchange			
Funds received as stock underwriter			
Employee benefits payable	XX	**2,875**	8,380
Taxes payable	XXI	**70**	382
Other payables	XXII	**8,936**	16,686
Fees and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	XXIII	**639**	665
Other current liabilities			
Total current liabilities		**65,877**	79,161
Non-current liabilities:			
Provision for insurance contracts			
Long-term borrowings			
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	XXIV	**258**	517
Long-term payables			
Long-term employee benefits payables			
Estimated liabilities			
Deferred income	XXV	**225**	366
Deferred tax liabilities			
Other non-current liabilities	XXVI	**42,453**	42,453
Total non-current liabilities		**42,936**	43,336
Total liabilities		**108,813**	122,497

Items	Notes	**June 30, 2025 (Unaudited)**	December 31, 2024 (Audited)
Shareholders' equity:			
Share capital	XXVII	**364,588**	364,588
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital surplus	XXVIII	**1,308,382**	1,298,262
Less: Treasury stock			
Other comprehensive income	XXIX	**(246)**	14
Special reserves			
Surplus reserve			
Provision for general risks			
Retained earnings		**(926,159)**	(872,118)
Total equity attributable to shareholders of the parent company		**746,565**	790,746
Non-controlling interests			
Total shareholders' equity		**746,565**	790,746
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**855,378**	913,243

Consolidated Income Statement

(All amounts in RMB thousand unless otherwise stated)

Items	Notes	For the six months ended June 30 2025 (Unaudited)	2024 (Unaudited)
I. Total revenue	XXX	**14,787**	33,123
Including: Revenue		**14,787**	33,123
Interest income			
Premium income			
Fees and commissions income			
II. Total cost of sales	XXX	**1,040**	4,793
Including: Cost of sales		**1,040**	4,793
Interest expenses			
Fees and commissions expenses			
Surrenders			
Net claims expenses			
Net provisions for insurance Contracts reserve			
Insurance policy dividend paid			
Reinsurance costs			
Taxes and surcharges		**548**	527
Selling and distribution expenses	XXXI	**19,537**	35,236
General and administrative expenses	XXXII	**14,234**	22,118
Research and development expenses	XXXIII	**41,343**	54,645
Financial expenses	XXXIV	**(8,038)**	(7,952)
Including: Interest expenses		**16**	31
Interest income		**8,078**	8,004
Add: Other income		**407**	1,589
Investment income (losses represented with "()" signs)		**75**	1,600
Including: Investment income from associates and joint ventures			
Derecognition income of financial assets measured at the amortized cost			
Foreign exchange gains (losses represented with "()" signs)		**(2,527)**	1,766
Gains from net exposure hedges (losses represented with "()" signs)			
Gains from changes in fair value (losses represented with "()" signs)		**(45)**	636
Credit impairment losses (losses represented with "()" signs)	XXXV	**234**	81
Asset impairment losses (losses represented with "()" signs)			15
Gains from disposal of assets (losses represented with "()" signs)			
III. Operating profit (losses represented with "()" signs)		**(55,733)**	(70,557)
Add: Non-operating income	XXXVI	**1,737**	90
Less: Non-operating expenses		**45**	93
IV. Total profit (losses represented with "()" signs)		**(54,041)**	(70,560)
Less: Income tax expenses			

Items	Notes	For the six months ended June 30 2025 (Unaudited)	2024 (Unaudited)
V. Net profit (net losses represented with "()" signs)		**(54,041)**	(70,560)
(I) Classified by continuity of operations			
1. Classified by continuity of operations (losses represented with "()" signs)		**(54,041)**	(70,560)
2. Net profit from discontinued operations (losses represented with "()" signs)			
(II) Classified by ownership of the equity			
1. Net profit attributable to shareholders of the parent company (losses represented with "()" signs)		**(54,041)**	(70,560)
2. Non-controlling interests (losses represented with "()" signs)			
VI. Other comprehensive income, net of tax			
Other comprehensive income attributable to shareholders of the parent company, net of tax			
(I) Other comprehensive income that cannot be reclassified to profit and loss			
1. Changes arising from remeasurement of defined benefit plan			
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value due to the enterprise's own credit risk			
(II) Other comprehensive income that can be reclassified to profit and loss			
1. Other comprehensive income that can be reclassified to profit or loss under the equity method			
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Credit impairment provisions for other debt investments			
5. Reserves for cash flow hedges			
6. Exchange difference on translation of financial statements in foreign currencies		**(260)**	180
7. Other comprehensive income attributable to non-controlling interests, net of tax			
VII. Total comprehensive income			
Attributable to shareholders of the parent company		**(54,301)**	(70,380)
Attributable to non-controlling interests			
VIII. Earnings per share:			
(I) Basic (RMB per share)	XXXVII	**(0.15)**	(0.20)
(II) Diluted (RMB per share)			

Consolidated Statement of Changes in Owners' Equity

(All amounts in RMB thousand unless otherwise stated)

Items	Equity attributable to owners of the parent company January to June 2025 (Unaudited)												
		Other equity instruments											
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risk	Retained earnings	Subtotal	Non-controlling interests	Total owners' equity
I. Balance as at the end of the previous year	364,588				1,298,262		14				(872,118)	790,746		790,746
Plus: Changes in accounting policies														
Correction of accounting														
Business combinations under common control														
Others														
II. Balance as at the beginning of the current year	364,588				1,298,262		14				(872,118)	790,746	–	790,746
III. Increases/decreases in the current period ("–" for decreases)														
(I) Total comprehensive income							(260)				(54,041)	(54,301)		(54,301)
(II) Owner contribution and capital decrease					10,120							10,120		10,120
1. Common stock contributed by owners														
2. Capital invested by holders of other equity instruments														
3. Amounts of share-based payments recognized in owners' equity					10,120							10,120		10,120
4. Others												–		–
(III) Distribution of profits														
1. Withdrawal of surplus reserves														
2. Withdrawal of provision for general risk														
3. Profit distributed to owners (or shareholders)														
4. Others														
(IV) Internal carry-forward of owners' equity														
1. Conversion of capital reserves into paid-in capital (or share capital)														
2. Conversion of surplus reserves into paid-in capital (or share capital)														
3. Surplus reserves offsetting losses														
4. Carry-forward of changes in the defined benefit plan for retained earnings														
5. Carry-forward of other comprehensive income for retained earnings														
6. Others														
(V) Special reserves														
1. Withdrawal for the period														
2. Usage for the period														
(VI) Others														
IV. Balance as at the end of the period	364,588	–	–	–	1,308,382	–	(246)	–	–	–	(926,159)	746,565	–	746,565

Consolidated Statement of Changes in Owners' Equity (Continued)

(All amounts in RMB thousand unless otherwise stated)

Items	Equity attributable to owners of the parent company January to June 2024 (Unaudited)												
		Other equity instruments											
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risk	Retained earnings	Subtotal	Non-controlling interests	Total owners' equity
I. Balance as at the end of the previous year	350,000				1,101,853		(350)				(728,342)	723,161		723,161
Plus: Changes in accounting policies														
Correction of accounting														
Business combinations under common control														
Others														
II. Balance as at the beginning of the current year	350,000	–	–	–	1,101,853	–	(350)	–	–	–	(728,342)	723,161	–	723,161
III. Increases/decreases in the current period ("–" for decreases)														
(I) Total comprehensive income							180				(70,560)	(70,380)		(70,380)
(II) Owner contribution and capital decrease					5,723							5,723		5,723
1. Common stock contributed by owners														
2. Capital invested by holders of other equity instruments														
3. Amounts of share-based payments recognized in owners' equity					5,723							5,723		5,723
4. Others												–		–
(III) Distribution of profits														
1. Withdrawal of surplus reserves														
2. Withdrawal of provision for general risk														
3. Profit distributed to owners (or shareholders)														
4. Others														
(IV) Internal carry-forward of owners' equity														
1. Conversion of capital reserves into paid-in capital (or share capital)														
2. Conversion of surplus reserves into paid-in capital (or share capital)														
3. Surplus reserves offsetting losses														
4. Carry-forward of changes in the defined benefit plan for retained earnings														
5. Carry-forward of other comprehensive income for retained earnings														
6. Others												–		–
(V) Special reserves														
1. Withdrawal for the period														
2. Usage for the period														
(VI) Others														
IV. Balance as at the end of the period	350,000				1,107,576		(170)				(798,902)	658,504		658,504

Consolidated Statements of Cash Flows

(All amounts in RMB thousand unless otherwise stated)

Items	Notes	For the six months ended June 30 2025 (Unaudited)	2024 (Unaudited)
I. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		**22,709**	35,121
Net increase in customer deposits and interbank deposits			
Net increase in borrowings from central bank			
Net increase in placements from other financial institutions			
Cash received from original insurance contract premium			
Net cash received from reinsurance business			
Net increase in deposits and investments from policyholders			
Cash received from interests, fees and commissions			
Net increase in placements from banks and other financial institutions			
Net increase in cash from repurchase business			
Net cash received from securities brokerage services			
Refund of taxes and levies			
Cash received relating to other operating activities		**1,246**	3,380
Sub-total of cash inflows of operating activities		**23,955**	38,501
Cash paid for goods and services		**40,489**	42,844
Net increase in customer loans and advances			
Net increase in deposits with central bank and other banks			
Cash paid for compensation under original insurance contract			
Net increase in placements with banks and other financial institutions			
Cash paid for interests, fees and commissions			
Cash paid for policyholders' dividends			
Cash paid to and on behalf of employees		**27,616**	39,749
Payments of taxes and surcharges		**5,015**	1,252
Cash paid relating to other operating activities		**50,043**	24,118
Sub-total of cash outflows of operating activities		**123,163**	107,963
Net cash flows from operating activities		**(99,208)**	(69,462)

Consolidated Statements of Cash Flows (Continued)

(All amounts in RMB thousand unless otherwise stated)

Items	Notes	For the six months ended June 30 2025 (Unaudited)	2024 (Unaudited)
II. Cash flows from investing activities			
Cash received from disposal of investments		**347,746**	595,282
Cash received from returns on investments		**6,590**	13,716
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			
Net cash received from disposal of subsidiaries and other business units			
Cash received relating to other investing activities			
Sub-total of cash inflows of investing activities		**354,336**	608,998
Cash paid to acquire fixed assets, intangible assets and other long-term assets		**2,599**	27,947
Cash paid to acquire investments		**250,099**	480,014
Net increase in pledged loans			
Net cash paid to acquire subsidiaries. and other business units			
Cash paid relating to other investing activities			
Sub-total of cash outflows of investing activities		**252,698**	507,960
Net cash flows from investing activities		**101,638**	101,038
III. Cash flows from financing activities			
Cash received from capital contributions			
Including: Cash received from capital contributions by non-controlling shareholders of subsidiaries			
Cash received from borrowings			
Cash received relating to other financing activities			
Sub-total of cash inflows of financing activities			
Cash repayments of borrowings			
Cash payments for distribution of dividends, profit or interest expenses			
Including: Cash payments for distribution of dividends and profit by subsidiaries to non-controlling shareholders			
Cash paid relating to other financing activities			
Sub-total of cash outflows of financing activities			
Net cash flows from financing activities			
IV. Effect of foreign exchange rate changes on cash and cash equivalents		**(3,594)**	3,390
V. Net increase in cash and cash equivalents		**(1,164)**	34,966
Add: Cash and cash equivalents at the beginning of the period		**458,452**	340,404
VI. Cash and cash equivalents at the end of the period	XXXVII	**457,288**	375,370

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2025
(All amounts in RMB thousand unless otherwise stated)

I. BASIC INFORMATION OF THE COMPANY

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

Unified social credit code of the Company: 9111010874157874XP.

The address of the Company's registered office and the Company's head office and principal place of business are all located at 1202B, 12/F, Building 3, No. 22 Ronghua Middle Road, 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.

This interim condensed consolidated financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand.

This interim condensed consolidated financial information has not been audited.

II. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

(1) Basis of preparation

The Group prepares financial statements on a going concern basis, based on actual transactions and events, in accordance with the relevant provisions of China Accounting Standard for Business Enterprises No.32 — Interim Financial Reports issued by the Ministry of Finance , as well as the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

The notes to the interim financial statements are appropriately simplified relative to the notes to the annual financial statements and do not include all information and disclosures presented in the annual financial statements. These interim financial statements should be read in conjunction with the financial statements for the year 2024 prepared by the Group.

(2) Going concern

There are no material matters affecting the Group's ability to continue as a going concern, and there are no material concerns about the Group's ability to continue as a going concern in the next 12 months.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(1) Adoption of the China Accounting Standards for Business Enterprises

The financial statements comply with the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and truly and completely reflect the consolidated and the parent company's financial position of the Company as at June 30, 2025, and the consolidated and the parent company's operating results and cash flows from January to June 2025.

The Group has been preparing its financial statements in accordance with both China Accounting Standards for Business Enterprises and Hong Kong Financial Reporting Standards since the date on which the H Shares became listed on the Stock Exchange. According to the "Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong (《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計準則以及聘用內地會計師事務所的諮詢總結》)" issued by the Stock Exchange in December 2010, Mainland China incorporated issuers listed in Hong Kong are allowed to prepare their financial statements using CASBE, and accounting firms in Mainland China recognized by the Ministry of Finance of the People's Republic of China (the "**PRC**") and the China Securities Regulatory Commission (the "**CSRC**") are permitted to provide services using the PRC Certified Public Accountants Auditing Standards for those issuers. In order to unify the financial disclosure standards for the Group between the PRC and Hong Kong two markets, subject to the approval by the Directors, the Company will prepare its financial statements in accordance with the CASBE and related regulations promulgated by the Ministry of Finance of the PRC with effect from January 1 2025.

(2) Accounting period

The accounting period of the Group is from January 1 to December 31 of each calendar year. The interim financial statements cover the period from January 1 to June 30.

(3) Operating cycle

The Group's operating cycle is 12 months.

(4) Reporting currency

The Group adopts RMB as the reporting currency.

(5) Major accounting estimates and judgments

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the presentation of the amounts of assets, liabilities and gains and losses. According to the definition, accounting estimates will very rarely be equivalent to the relevant actual results. In the preparation of the interim financial statements, the major sources of significant judgment and estimated uncertainties made by management in the application of the Group's accounting policies are consistent with those applied in the 2024 annual financial statements.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(6) Changes in significant accounting policies and accounting estimates

1. Changes in significant accounting policies

(1) Changes in pricing method of inventories

In order to reflect the cost fluctuations of inventory more objectively and timely and better align with the current business operation model, enhance the accuracy and comparability of cost accounting, thereby facilitating the management decision-making, subject to the approval by the Directors, the pricing method for issue of inventories of the Company was amended from the original method of first-in-first-out to weighted average method with effect from January 1, 2025 (the change applies to inventories rather than raw materials).

2. Changes in significant accounting estimates

None.

IV. REVENUE AND SEGMENT REPORTING

(1) Revenue

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

1. Disaggregation of revenue

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

	For the six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from sales of goods:	**10,070**	33,123
Utidelone Injection	**10,070**	33,123
Revenue from exclusive promotion rights	**4,717**	—
	14,787	33,123

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

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

For the six months ended June 30, 2024 and June 30, 2025, there is no performance obligation remaining under the Group's existing contracts.

IV. REVENUE AND SEGMENT REPORTING (Continued)

(2) Segment reporting

1. 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.

2. 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.

3. Information from major customers

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

	For the six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Customer A	**4,717**	—
Customer B	**1,777**	—
Customer C	**—**	3,243
Total	**6,494**	3,243

V. TAXATION

(1) Major types of taxes and rates

1. Value-added tax and tax surcharges

Type	Tax basis	Tax rate
Value-added tax	The VAT payable is the difference between output tax (calculated based on sales of goods, taxable service income and real estate leasing business income under the tax laws) and the deductible input tax of the period	6%,13%
Urban maintenance and construction tax	Levied based on the actual VAT paid	7%
Education surcharge	Levied based on the actual VAT paid	3%
Local education surcharge	Levied based on the actual VAT paid	2%

Note: According to the Notice of the Ministry of Finance and the State Administration of Taxation on Value-Added Tax Policies Concerning the Subsequent Free Use of Innovative Drugs (Cai Shui [2015] No. 4), it is clarified that the sales revenue of self-produced innovative drugs by pharmaceutical manufacturers shall include the total price and additional charges collected from buyers. The subsequent free provision of the same innovative drugs to patients shall not be treated as deemed sales for VAT purposes.

2. Income tax

The statutory tax rate for the Company and its subsidiaries in PRC is 25%, a preferential tax rate of 15% was applied during the Reporting Period.

The Group's U.S. subsidiaries apply to a U.S. federal corporate income tax rate of 21% and a state tax rate of 8.84%.

The Group's subsidiaries in Hong Kong are subject to the two-tiered profits tax rates regime, whereby the first HK$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%.

V. TAXATION (Continued)

(2) Tax incentives

(1) 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 October 19, 2024, with a validity period of three years. The Company is entitled to a preferential income tax rate of 15% during the six months ended June 30, 2024 and 2025.

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 six months ended June 30, 2024 and 2025.

(2) 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 during the six months ended June 30, 2024 and 2025. The Group's subsidiary in the US did not have assessable profits during the six months ended June 30, 2024 and 2025.

(3) 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 six months ended June 30, 2024 and 2025.

VI. MONETARY FUNDS

Items	**June 30, 2025 RMB'000 (Unaudited)**	December 31, 2024 RMB'000 (Audited)
Cash on hand		
Bank deposits	**187,004**	189,714
Other monetary funds	**281,561**	276,922
Total	**468,565**	466,636
Including: restricted bank balances	**11,277**	8,184

Note: Restricted bank balances represent bank deposits restricted in use by regulators in relation to the construction of the Group's manufacturing facility.

VII. FINANCIAL ASSETS HELD FOR TRADING

Items	**June 30, 2025 RMB'000 (Unaudited)**	December 31, 2024 RMB'000 (Audited)
Financial assets measured at FVPL		
Including: Wealth management products and structured deposits	**30,003**	70,047
Unlisted fund	**35,793**	35,942
Total	**65,796**	105,989

Notes:

(i) 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 classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

(ii) 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, converted at the spot exchange rate as of June 30, 2025), at June 30, 2025.

VIII. ACCOUNTS RECEIVABLES

1. Disclosure of accounts receivable by aging

Items	**June 30, 2025 RMB'000 (Unaudited)**	December 31, 2024 RMB'000 (Audited)
Within 3 months (inclusive)	**8,112**	17,611
Over 3 months and less than one year	**4,351**	5,541
Total	**12,463**	23,152

2. Accounts receivable shown by classification of bad debt provisions

	June 30, 2025 (Unaudited)					December 31, 2024 (Audited)				
	Balance of carrying amount		**Provision for bad debts**			Balance of carrying amount		Provision for bad debts		
Type	**Amount**	**Proportion (%)**	**Amount**	**Percent of provision (%)**	**Book value**	Amount	Proportion (%)	Amount	Percent of provision (%)	Book value
Bad debt provision based on credit risk characteristics	**12,830**	**100%**	**367**	**2.9%**	**12,463**	23,754	100%	602	2.5%	23,152
Including: expected credit loss portfolio	**12,830**	**100%**	**367**	**2.9%**	**12,463**	23,754	100%	602	2.5%	23,152
Total	**12,830**	**100%**	**367**	**2.9%**	**12,463**	23,754	100%	602	2.5%	23,152

Notes:

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

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

IX. PREPAYMENTS

Prepayments based on nature of the payments

Items	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Subscription of unlisted funds		55,623
Research and development service	**9,976**	7,626
Purchase of raw materials	**2,696**	2,696
Others	**1,781**	1,130
Total	**14,453**	67,075

Note: 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.

X. OTHER RECEIVABLES

Items	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Interest receivable		
Dividend receivable		
Other receivables	**36,717**	852
Total	**36,717**	852

X. OTHER RECEIVABLES (Continued)

Disclosure of other receivable by aging

Items	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Within 1 year	**36,715**	852
1–2 years	**2**	
2–3 years		
3–4 years		
4–5 years		
More than 5 years		
Total	**36,717**	852

XI. INVENTORIES

Classification of inventories

Items	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Raw materials	**6,469**	4,571
Goods in progress	**27,984**	24,192
Finished goods	**6,133**	2,656
Total	**40,586**	31,419

XII. OTHER CURRENT ASSETS

Item	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Input tax to be deducted	**5,406**	4,135
Total	**5,406**	4,135

XIII. OTHER NON-CURRENT FINANCIAL ASSETS

Item	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Unlisted equity investments	**35,000**	35,000
Total	**35,000**	35,000

Note: On December 20, 2024, the Group acquired 4.7619% of an unlisted corporate entity, which was incorporated in the PRC as a limited liability company and 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. Accordingly, the equity investment was recognised as a non-current financial asset on June 30, 2025.

XIV. FIXED ASSETS

1. Fixed assets and disposal of fixed assets

Items	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Fixed assets	**66,922**	66,235
Disposal of fixed assets		
Total	**66,922**	66,235

XIV. FIXED ASSETS (Continued)

2. Details of fixed assets

Items	Buildings RMB'000	Machinery and equipment RMB'000	Furniture, fixtures and others RMB'000	Vehicles RMB'000	Total RMB'000
1. Original book value					
(1) December 31, 2024 (Audited)	75,416	20,488	20,525	1,348	117,777
(2) Increase during the period	—	—	4,559	—	4,559
— Purchase			1,681		1,681
— Transfer-in from Construction in progress			2,878		2,878
(3) Decrease during the period					
— Disposal or scrapping					
(4) June 30, 2025 (Unaudited)	**75,416**	**20,488**	**25,084**	**1,348**	**122,336**
2. Accumulated depreciation					
(1) December 31, 2024 (Audited)	21,512	13,513	15,285	1,232	51,542
(2) Increase during the period	1,810	901	1,161	—	3,872
— Provision	1,810	901	1,161		3,872
(3) Decrease during the period					
— Disposal or scrapping					
(4) June 30, 2025 (Unaudited)	**23,322**	**14,414**	**16,446**	**1,232**	**55,414**
3. Provision for impairment					
(1) December 31, 2024 (Audited)					
(2) Increase during the period					
— Provision					
(3) Decrease during the period					
— Disposal or scrapping					
(4) June 30, 2025 (Unaudited)					
4. Book value	**52,094**	**6,074**	**8,638**	**116**	**66,922**
(1) Book value at June 30, 2025 (Unaudited)	**52,094**	**6,074**	**8,638**	**116**	**66,922**
(2) Book value at December 31, 2024 (Audited)	53,904	6,975	5,240	116	66,235

XV. CONSTRUCTION IN PROGRESS

Items	December 31, 2024 RMB'000 (Audited)	Increase during the period RMB'000	Transfer to fixed assets during the period RMB'000	June 30, 2025 RMB'000 (Unaudited)
— **Phase I Supplementary Project New Anti-tumour Drug Production Conversion Base Project**	1,191			1,191
— **Phase II Project**	73,878	256		74,134
Solid Formulation Project	22,420	163	2,878	19,705
Total	97,489	419	2,878	95,030

XVI.RIGHT-OF-USE ASSETS

Item	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Other properties leased for own use	**783**	1,348
Total	**783**	1,348

XVII. INTANGIBLE ASSETS

Items	Land use rights RMB'000	Intellectual properties RMB'000	Softwares RMB'000	Total RMB'000
1. Original book value				
(1) December 31, 2024 (Audited)	14,983	3,951	490	19,424
(2) Increase during the period				
— Purchase				
(3) Decrease during the period				
— Disposal				
(4) June 30, 2025 (Unaudited)	**14,983**	**3,951**	**490**	**19,424**
2. Accumulated depreciation				
(1) December 31, 2024 (Audited)	2,775	3,466	223	6,464
(2) Increase during the period	150	76	32	258
— Provision	150	76	32	258
(3) Decrease during the period				
— Disposal				
(4) June 30, 2025 (Unaudited)	**2,925**	**3,542**	**255**	**6,722**
3. Provision for impairment				
(1) December 31, 2024 (Audited)				
(2) Increase during the period				
— Provision				
(3) Decrease during the period				
— Disposal				
(4) June 30, 2025 (Unaudited)	**12,058**	**409**	**235**	**12,702**
4. Book value				
(1) Book value at June 30, 2025 (Unaudited)	**12,058**	**409**	**235**	**12,702**
(2) Book value at December 31, 2024 (Audited)	12,208	485	267	12,960

XVIII. IMPAIRMENT OF OTHER NON-CURRENT ASSETS

Item	**June 30, 2025 RMB'000 (Unaudited)**	December 31, 2024 RMB'000 (Audited)
Deposits and margin	**955**	953
Total	**955**	953

XIX. ACCOUNTS PAYABLE

Accounts payable presented by aging

Items	**June 30, 2025 RMB'000 (Unaudited)**	December 31, 2024 RMB'000 (Audited)
Within 1 year	**38,544**	46,223
1–2 years	**13,989**	1,707
2–3 years	**41**	33
More than 3 years	**376**	368
Total	**52,950**	48,331

Note: Accounts payables are primarily related to the construction of the phase II manufacturing facility and R&D expenses payable to suppliers. The credit period generally granted by third party suppliers to the Group ranges from 15 to 30 days during the six months ended June 30, 2024 and 2025.

XX. CONTRACT LIABILITIES

Items	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Within 1 year	**270**	4,717
1–2 years		
2–3 years		
More than 3 years		
Total	**270**	4,717

XXI. EMPLOYEE BENEFITS PAYABLES

Items	December 31, 2024 RMB'000 (Audited)	Increase during the period RMB'000	Decrease during the period RMB'000	June 30, 2025 RMB'000 (Unaudited)
Salaries, bonuses, allowances and subsidies	7,398	18,072	22,730	2,740
Staff welfare	688	123	781	30
Social insurances and housing provident fund	294	3,958	4,147	105
Labor union fund and employee education fund				
Termination benefits		1,079	1,079	
Total	8,380	23,232	28,737	2,875

XXII. TAXES PAYABLE

Items	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Individual income tax	**66**	372
Stamp duty	**4**	10
Total	**70**	382

XXIII. OTHER PAYABLES

Items	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Interest payable		
Dividend payable		
Other payables	**8,936**	16,686
Total	**8,936**	16,686

XXIII. OTHER PAYABLES (Continued)

Other payables

Presented by nature of payment

Items	**June 30, 2025 RMB'000 (Unaudited)**	December 31, 2024 RMB'000 (Audited)
Reimbursement payable to employees	**47**	539
Government grants refundable	**1,000**	1,000
Amount due to related parties		863
Promotional deposit payable	**6,239**	8,004
Audit fees payable	**1,650**	3,450
Value-added tax payable on exclusive promotional rights		2,830
Total	**8,936**	16,686

XXIV. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

Item	**June 30, 2025 RMB'000 (Unaudited)**	December 31, 2024 RMB'000 (Audited)
Lease liabilities due within one year	**639**	665
Total	**639**	665

XXV. LEASE LIABILITIES

Item	**June 30, 2025 RMB'000 (Unaudited)**	December 31, 2024 RMB'000 (Audited)
Lease liabilities due after one year but within two years	**258**	517
Total	**258**	517

XXVI. DEFERRED INCOME

Item	**December 31, 2024** RMB'000 (Audited)	**Increase during the period** RMB'000	**Decrease during the period** RMB'000	**June 30, 2025** RMB'000 (Unaudited)
Government grants	366		141	225
Total	366		141	225

XXVII. OTHER NON-CURRENT LIABILITIES

Item	**June 30, 2025 RMB'000 (Unaudited)**	December 12, 2024 RMB'000 (Audited)
Contract Liabilities — advance from the customers for exclusive promotion rights	**42,453**	42,453
Total	**42,453**	42,453

Note:

(i) On November 4, 2024, the Group newly entered into an exclusive promotion service agreement with an independent third party pursuant to which the Group is entitled to receive an upfront payment and additional milestone payments, while the counterparty receives the exclusive rights to commercialise the Group's pharmaceutical products in the PRC and receives tiered service fee based on the net sales. On November 6, 2024, the Group received a non-refundable upfront payment amounting to RMB50,000,000 in accordance with the terms of agreement. The amount recognised after deducting value-added tax amounted to RMB47,170,000, of which RMB42,453,000 was recognised as other non-current liabilities and will be amortised over the agreed exclusive promotion rights period, with RMB4,717,000 recognised as exclusive promotion rights income during the Reporting Period.

XXVIII. SHARE CAPITAL

Item	December 12, 2024 RMB'000 (Audited)	Issue new shares RMB'000	Bonus issue RMB'000	Convert housing provident fund into shares RMB'000	Others RMB'000	Subtotal RMB'000	June 30, 2025 RMB'000 (Unaudited)
Total share capital	364,588						364,588
Total	364,588						364,588

XXIX. CAPITAL RESERVE FUND

Item	December 12, 2024 RMB'000 (Audited)	Increase in the current period RMB'000	Decrease in the current period RMB'000	June 30, 2025 RMB'000 (Unaudited)
Capital reserve fund	1,298,262	10,120		1,308,382
Total	1,298,262	10,120		1,308,382

XXX. OTHER COMPREHENSIVE INCOME

Item	December 12, 2024 RMB'000 (Audited)	Increase in the current period RMB'000	Decrease in the current period RMB'000	June 30, 2025 RMB'000 (Unaudited)
Translation difference in foreign currency statements	14		260	(246)
Total	14		260	(246)

XXXI. OPERATING REVENUE AND OPERATING COSTS

	For the six months ended June 30, (unaudited)			
	2025		2024	
Items	**Revenue**	**Costs**	Revenue	Costs
Main business	**14,787**	**1,040**	33,123	4,793
Other businesses				
Total	**14,787**	**1,040**	33,123	4,793

By product

	For the six months ended June 30, (unaudited)			
	2025		2024	
Items	**Revenue**	**Costs**	Revenue	Costs
By product:				
Utidelone Injection	**10,070**	**1,040**	33,123	4,793
Exclusive promotion rights income	**4,717**			
Total	**14,787**	**1,040**	33,123	4,793

XXXII. SALES EXPENSES

	For the six months ended June 30,	
	2025	2024
Items	**(Unaudited)**	(Unaudited)
Marketing expenses	**10,501**	15,159
Share-based payment	**6,247**	1,431
Labor cost	**2,433**	14,312
Others	**356**	4,334
Total	**19,536**	35,237

XXXIII. ADMINISTRATIVE EXPENSES

Items	For the six months ended June 30, 2025 (Unaudited)	2024 (Unaudited)
Labor cost	**7,307**	6,217
Share-based payment	**2,032**	2,218
Professional service fee	**2,141**	11,132
Depreciation and amortization	**901**	916
Office expenses	**469**	1,010
Travel and transportation expenses	**439**	154
Others	**945**	471
Total	**14,234**	22,118

XXXIV. R&D EXPENSES

Items	For the six months ended June 30, 2025 (Unaudited)	2024 (Unaudited)
Clinical expenses	**14,497**	18,202
Technical service fee	**13,169**	19,610
Labor cost	**10,037**	10,919
Share-based payment	**1,816**	1,795
Depreciation and amortization	**1,329**	1,593
Raw materials and energy consumption	**292**	668
Others	**203**	1,858
Total	**41,343**	54,645

XXXV. FINANCIAL COSTS

Items	For the six months ended June 30, 2025 (Unaudited)	2024 (Unaudited)
Interest expense	**16**	31
Where: lease liabilities	**16**	31
Interest expense		
Less: Interest income	**8,078**	8,004
Handling fee expense	**24**	21
Total	**(8,038)**	(7,952)

XXXVI. CREDIT IMPAIRMENT LOSSES

Item	For the six months ended June 30, 2025 (Unaudited)	2024 (Unaudited)
Losses on bad debts of accounts receivable	**234**	81
Total	**234**	81

XXXVII. NON-OPERATING INCOME

Items	For the six months ended June 30, 2025 (Unaudited)	2024 (Unaudited)
Income from deposits for market promotion activities	**1,724**	90
Insurance compensation	**13**	
Total	**1,737**	90

XXXVIII. INFORMATION ON CASH AND CASH EQUIVALENTS, CASH IN FIXED-TERM BANK DEPOSITS

Cash and cash equivalents comprise:

Items	**June 30, 2025 RMB'000 (Unaudited)**	December 31, 2024 RMB'000 (Audited)
Monetary funds	**468,565**	466,636
Less: Restricted bank balances	**(11,277)**	(8,184)
Cash and cash equivalents	**457,288**	458,452
Where: Bank deposit	**187,004**	189,714
Fixed deposit	**270,284**	268,738

(i) Restricted bank balances

Restricted bank balances represent bank deposits restricted in use by regulators in relation to the construction of the Group's manufacturing facility.

(ii) Fixed deposits with banks

As June 30, 2025, fixed deposits with banks held by the Group include fixed deposits intended to be held at maturity exceeding three months from the date of acquisition, and accrued interest receivable based on the effective interest rate method. Fixed deposits carry fixed interest rates ranging from 1.1% to 5.0% per annum.

XXXIX. EARNINGS PER SHARE

1. Basic earnings per share

Basic earnings per share are calculated by dividing the consolidated net profit attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares issued by the company and outstanding in the market:

Items	For the six months ended June 30, 2025 (Unaudited)	2024 (Unaudited)
Consolidated net profit attributable to ordinary shareholders of the parent company	**(54,041)**	(70,560)
The weighted average number of outstanding ordinary shares by the Company	**364,588**	350,000
Basic earnings per share	**(0.15)**	(0.20)
Where: Basic earnings per share from continuing operations	**(0.15)**	(0.20)
Basic earnings per share from discontinued operations		

2. Diluted earnings per share

As there were no potentially dilutive ordinary shares outstanding for the six month ended June 30 in both 2024 and 2025, the diluted earnings per share are the same as the basic earnings per share.

XXXX. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, other material related party transactions entered by the Group during the six month ended June 30, 2025 are as follows:

(a) Identity of related parties

During the year, transactions with the following parties are considered as related party transactions:

Name of related party	Relationship with the Group
Dr. Tang Li (唐莉)	ultimate controlling shareholder and executive director
Dr. Qiu Rongguo (邱榮國)	ultimate controlling shareholder and executive director
Zhang Cheng (張成)	executive director
珠海華欣昊緣商業管理合夥企業(有限合夥) ("**Zhuhai Huaxin**")	company controlled by ultimate controlling shareholder
北京北進緣科技有限公司("**Beijing Beijinyuan**")	company controlled by ultimate controlling shareholder

XXXX. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and certain of the highest paid employees as disclosed in note 10, is as follows:

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Salaries, allowances and benefits in kind	**5,803**	9,330
Retirement scheme contributions	**236**	319
Share-based payment	**4,811**	9,193
Total	**10,850**	18,842

(c) Significant related party transactions

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Trade related:		
— Purchasing materials from Beijing Beijinyuan		
Non-trade related:		
— Advances from/(repayment to)		
Dr. Tang Li		144
Dr. Qiu Rongguo	**(68)**	719
Total	**(68)**	863

XXXX. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(d) Balances with related parties

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Prepayments for purchase of raw materials:		
— Trade related:		
Beijing Beijinyuan	**2,696**	2,696
Accounts receivable from:		
— Trade related:		
Beijing Beijinyuan		
— Non-trade related:		
Dr. Tang Li		
Dr. Qiu Rongguo	**68**	
	68	
Amounts due to:		
— Trade related:		
Beijing Beijinyuan		
— Non-trade related:		
Dr. Tang Li		144
Dr. Qiu Rongguo		719
		863

XXXXI. FAIR VALUES MEASUREMENT OF FINANCIAL INSTRUMENTS

(i) Financial assets measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the Reporting Period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 "Fair value measurement". The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

— Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

— Level 2 valuations: Fair value measured using Level 2 inputs i.e., observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

— Level 3 valuations: Fair value measured using significant unobservable inputs

Fair value hierarchy

The following table presents the Group's financial assets that are measured at fair value at the end of the Reporting Period:

	June 30, 2025 RMB'000 (Unaudited)	December 12, 2024 RMB'000 (Audited)
Recurring fair value measurements:		
Level 2		
Financial assets measured at FVPL	**30,003**	70,047
— Wealth management products and structured deposits issued by banks		
Level 3		
Financial assets measured at FVPL		
— Unlisted equity investment	**35,000**	35,000
— Unlisted fund	**35,793**	35,942
	100,796	140,989

XXXI. FAIR VALUES MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(i) Financial assets measured at fair value (Continued)

Information about Level 2 fair value measurements

For bank wealth management products held at the end of each Reporting Period, the Group measures them at the second level fair value. Among them, the fair value of wealth management products is determined with reference to the quotation published by the issuing bank; the fair value of structured deposits is determined by the expected return rate listed in the bank's announcement or the product prospectus.

Information about Level 3 fair value measurements

Financial assets	Fair value at June 30, 2025 RMB'000 (Unaudited)	December 12, 2024 RMB'000 (Audited)	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Unlisted equity investment	**35,000**	35,000	Income approach with using discounted cash flow	Discount rate: 13.16%	The higher the discount rate, the lower the value
Unlisted fund	**35,793**	35,942	Historical cost approach	n/a	n/a

(ii) Fair values

The carrying amounts of the Group's financial assets and financial liabilities carried at cost or amortised cost as reflected in the consolidated statement of financial position approximate their respective fair values.

Definitions

In this report, unless the context requires otherwise, the following expressions shall have the following meanings.

"ASCO"	American Society of Clinical Oncology
"Audit Committee"	the audit committee of our Board
"Board" or "Board of Directors"	the board of Directors of the Company
"CDE"	Center for Drug Evaluation of the National Medical Products Administration
"China" or "PRC"	the People's Republic of China excluding, for the purpose of this report, Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company" or "the Company"	Beijing Biostar Pharmaceuticals Co., Ltd. (北京華昊中天生物醫藥股份有限公司), a joint stock company established in the PRC on May 8, 2021, or, where the context requires (as the case may be), its predecessor, Beijing Biostar Biotechnology Co., Ltd.* (北京華昊中天生物技術有限公司), a limited liability company established in the PRC on July 11, 2002
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Core Product"	has the meaning ascribed to it in Chapter 18A of the Listing Rules, and for the purpose of this report, our core product refers to Utidelone Injection, with Utidelone being its active ingredient
"Corporate Governance Code"	the "Corporate Governance Code" set out in Appendix C1 (formerly known as Appendix 14) to the Listing Rules
"Director(s)" or "our Director(s)"	the director(s) of the Company
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for and paid up in Renminbi and are unlisted Shares which are currently not listed or traded on any stock exchange
"EIT Law"	Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time
"EIT"	enterprise income tax
"FDA"	the Food and Drug Administration of the United States

Definitions (Continued)

"Global Offering"	the Hong Kong Public Offering and the International Offering
"GMP"	good manufacturing practice
"Group", "our", "our Group", "we" or "us"	the Company and all of its subsidiaries, or any one of them as the context may require
"H Share(s)"	ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and for which an application has been made for the granting of listing and permission to deal in on the Stock Exchange
"HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRSs"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China or clinical trial notification in Australia
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Ministry of Finance" or "MOF"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 (formerly known as Appendix 10) to the Listing Rules
"NDA"	new drug application
"NMPA"	the National Medical Products Administration of the PRC (國家藥品監督管理局) (formerly known as the China National Drug Administration and the China Food and Drug Administration)
"Nomination Committee"	the nomination committee of our Board
"non-small cell lung cancer"	non-small cell lung cancer, any carcinoma (as an adenocarcinoma or squamous cell carcinoma) of the lungs that is not a small-cell lung carcinoma

"PCT"	the Patent Cooperation Treaty
"PRC Company Law"	the Company Law of the PRC (《中華人民共和國公司法》), as amended and adopted by the Standing Committee of the Eighth National People's Congress on December 29, 1993 and effective on July 1, 1994, which was last amended on December 29, 2023 and became effective on July 1, 2024, as amended, supplemented or otherwise modified from time to time
"PRC Legal Advisor"	Beijing DeHeng Law Offices, our legal advisor as to PRC law
"Prospectus"	the prospectus of the Company dated October 23, 2024
"Province"	each being a province or, where the context requires, a provincial-level autonomous region or municipality under the direct supervision of the central government of the PRC
"R&D"	research and development
"Reporting Period"	for the six months ended June 30, 2025
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"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
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Supervisor(s)"	Member of the Supervisory Committee
"Supervisory Committee"	the supervisory committee of the Company
"U.S. dollar" or "US$"	United States dollar, the lawful currency of the United States
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction

"Unlisted Foreign Shares"	ordinary share(s) issued by the Company with a nominal value of RMB1.0 each which is/are held by foreign investors and not listed on any stock exchange
"Unlisted Shares"	Domestic Shares and Unlisted Foreign Shares
"%"	per cent

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this report in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

Certain amounts and percentage figures included in this report have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

Glossary of Technical Terms

This glossary contains definitions of certain technical terms used in this report in connection with us and our business. These may not correspond to standard industry definitions and may not be comparable to similar terms adopted by other companies.

"AC"	anthracycline and cyclophosphamide. Anthracycline is a class of chemotherapy drugs derived from streptomyces peucetius var. caesius. Cyclophosphamide is also a type of chemotherapy drug
"advanced breast cancer"	locally advanced and relapsed or metastatic breast cancers, encompassing stage IIIB and IIIC breast cancers that are initially inoperable without distant metastasis, as well as all stage IV breast cancers
"advanced esophageal cancer"	all stage IV esophageal cancers
"advanced gastric cancer"	all pathological stage IV gastric cancers, namely, metastatic gastric cancers
"advanced liver cancer"	all stage III and all stage IV liver cancers
"advanced non-small cell lung cancer"	stage IIIB, stage IIIC, and all stage IV non-small cell lung cancers, which normally cannot be cured through local therapies
"advanced ovarian cancer"	stage IIIB and IIIC and all stage IV ovarian cancers
"AKT"	a serine/threonine protein kinase with 3 isoforms (AKT1, AKT2 and AKT3) that participate in multiple pathways regulating several cellular processes, including survival, proliferation, tissue invasion, and metabolism
"Annals of Oncology"	an official Journal of the European Society for Medical Oncology and the official journal of the Japanese Society of Medical Oncology
"API"	active pharmaceutical ingredient, the substance in a pharmaceutical drug that is biologically active
"ASCO"	American Society of Clinical Oncology
"AUC"	area under curve, a parameter of systemic exposure
"BA"	bioavailability, the extent and rate at which the active moiety (drug or metabolite) enterssystemic circulation, thereby accessing the site of action
"Bcl-2"	B-cell lymphoma 2, the founding member of the Bcl-2 family of regulator proteins that regulate cell death (apoptosis), by either inhibiting (anti-apoptotic) or inducing (pro-apoptotic) apoptosis
"BLA"	biologics license application
"capsule"	a solid dosage form created by encapsulating drugs in hollow hard capsules or sealing them in elastic soft capsules

Glossary of Technical Terms (Continued)

"CD"	chemically-defined
"cGMP"	current good manufacturing practice, containing minimum requirements for the methods, facilities, and controls used in manufacturing, processing, and packing of a drug product. The regulations make sure that a product is safe for use, and that it has the ingredients and strength it claims to have
"chemical drug"	the active pharmaceutical ingredient and formulation that have a low molecular weight
"chemotherapeutic drug"	a drug for treating tumors that can target cancer cells throughout the patient's body, inhibiting or killing tumor cells at various stages of growth and reproduction
"CI"	Confidential Interval
"Class 1"	innovative drugs that have not been previously marketed in China or overseas, which refer to drugs that contain new compounds with clear structures and produce desired and expected pharmacological effects, and have clinical values
"Class 2"	modified new drugs that have not been marketed in China or overseas, which refer to drugs that have their structure, dosage form, formulation and process, route of administration and indications optimized on the basis of known active ingredients and have significant clinical advantages
"clinical trial"	a research study for validating or finding the therapeutic effects and side effects of test drugs in order to determine the therapeutic value and safety of such drugs
"Cmax"	maximum plasma concentration, a pharmacokinetic parameter that measures the highest concentration of a drug in the blood, cerebrospinal fluid, or target organ after a dose is given
"CMC"	chemistry, manufacture and control, also commonly referred to as process development, which covers the various procedures used to assess the physical and chemical characteristics of drug products, and to ensure their quality and consistency during manufacturing
"CNS"	central nervous system
"COVID-19"	Coronavirus Disease 2019
"CR"	complete response, the disappearance of all signs of cancer in response to treatment
"CRO"	contract research organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis
"CSCO"	The Chinese Society of Clinical Oncology

"CTCAE"	Common Terminology Criteria for Adverse Events, a set of criteria for the standardized classification of adverse effects of drugs used in cancer therapy
"CTN"	Clinical Trial Notification
"CBR/DCR"	Clinical Benefit Rate/Disease Control Rate, the percentage of patients whose disease shrinks or remains stable over a certain time period
"DLT"	dose-limiting toxicity, side effects of a drug or other treatment that are serious enough to prevent an increase in dose of that treatment in clinical trial
"dosage form" or "formulations"	the physical form of a dose used as a drug or medication intended for administration or consumption
"Drug Approval Number"	the approval number listed in the legal document issued by the State Drug Administration to authorize a drug manufacturer to be able to produce a certain variety of drugs
"EMA"	European Medicines Agency
"epothilone"	a class of macrocyclic lactone compounds first reported by G. Höfle and colleagues at the German National Biotechnology Center in 1993. The mechanism of action is akin to taxane drugs like paclitaxel, as they can bind to microtubule proteins, preventing smooth mitosis in cancer cells and inducing apoptosis in these cells
"ERK1/2"	extracellular signal-regulated protein kinase 1/2
"FAS"	Full Analysis Set
"first-line" or "1L"	with respect to any disease, the first line treatment, which is the treatment regimen or regimens that are generally accepted by the medical establishment for initial treatment. It is also called primary treatment or therapy
"FPI"	first patient in
"GC"	gastric cancer
"GCP"	good clinical practice
"generic drug"	a medication created to be the same as an already marketed brand-name drug in dosage form, safety, strength, route of administration, quality, performance characteristics, and intended use

Glossary of Technical Terms (Continued)

"GLP"	good laboratory practice
"GMP"	good manufacturing practice, the practices required in order to conform to the guidelines recommended by agencies that control the authorization and licensing of the manufacture and sale of products
"GSP"	good supply practice
"HER2-negative"	the IHC (Immunohistochemistry) test results for HER2 biomarker in tumor tissue samples show a result of IHC (-) or 1+
"HR"	hazard ratio, the ratio of the hazard rates corresponding to the conditions characterised by two distinct levels of a treatment variable of interest
"IC50"	concentration at half maximal inhibition, a measure of the potency of a substance in inhibiting a specific biological or biochemical function
"IND"	investigational new drug application
"injection"	sterile preparations for injection into the body, consisting of a solution, emulsion, or suspension of drugs in suitable solvents or dispersing media, and either ready for immediate use or in the form of powders or concentrated solutions to be reconstituted or diluted before administration
"innovative drug"	a medicine that contains an active substance or combination of active substances that has not been marketed in China and overseas
"in vivo"	Latin for "within the living", studies in vivo are those in which the effects of various biological or chemical substances are tested on whole, living organisms including animals, humans and plants, as opposed to a partial or dead organism, or those done in vitro
"in vitro"	Latin for "within the glass", studies using components of an organism that has been isolated from their usual biological surroundings
"KOL"	key opinion leaders, influencers and trusted persons who have expert product knowledge and influence in a respective field and are an important part of burgeoning industries and businesses in China, including biotech/pharmaceutical industries
"LD50"	the amount of an ingested substance that kills 50 percent of a test sample
"MAH"	the drug R&D institutions and scientific research personnel may file drug clinical trial applications and drug marketing applications as drug registration applicants (hereinafter referred to as "**applicants**"), and the applicants that obtain drug marketing licenses and drug approval numbers are eligible as the holders of drug marketing licenses (hereinafter referred to as "**holders**")

"MDR"	Multidrug Resistance
"medicine"	a drug used to diagnose, cure, treat, or prevent disease
"microbial small molecule"	a molecule from microorganisms with a low molecular weight (≤ 1,000 daltons)
"microtubule inhibitors"	a class of compounds that inhibit the function of cellular microtubules
"MRCT"	multi-regional clinical trial
"MTD"	maximum tolerated dose, the highest dose of a drug or treatment that does not cause unacceptable side effects
"myelosuppression"	a decrease in bone marrow activity, manifesting as neutropenia, leukopenia, and eosinopenia
"neoadjuvant"	a medical term typically used to describe the treatment given to patients before primary therapy. In the field of cancer treatment, neoadjuvant therapy/neoadjuvant treatment means a therapy administered before a main treatment to reduce the size of tumor to enhance the ease of tumor removal
"NACT"	neoadjuvant chemotherapy, a systemic therapy used before curative surgical treatment
"NCCN"	the National Comprehensive Cancer Network
"NDA"	new drug application
"NSCLC"	non-small cell lung cancer
"OC"	ovarian cancer
"ODD"	orphan drug designation
"original drugs"	drugs that have been firstly approved to be marketed in China and overseas
"ORR"	overall response rate, the proportion of patients who have a partial or complete response to therapy
"OS"	overall survival, defined as the time from treatment to death, regardless of disease recurrence

Glossary of Technical Terms (Continued)

"OTC"	over-the-counter, a kind of drug that may be sold over the counter upon receiving the competent authority's approval at dispensers, pharmacies or retail outlets without requiring a prescription by a medical practitioner
"PD"	progressive disease, refers to a at least 20% increase in the size of a tumor or in the extent of cancer in the body in response to treatment, according to RECIST
"PD–1"	programmed death–1, an immune checkpoint receptor expressed on T cells, B cells and macrophages, acting to turn off the T cell mediated immune response as part of the process that stops a healthy immune system from attacking other pathogenic cells in the body
"PFS"	progression-free survival, which is defined as the time from assignment in a clinical trial to disease progression or death from any cause
"P-glycoprotein"	the most well-known of the ABC transporters in which it plays a critical role in drug resistance in the treatment of cancers
"Pharmaceutical Product License"	a legal license issued by the State Drug Administration to authorize a drug manufacturer to produce a certain variety of drugs
"phase I clinical trial(s)"	a study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its effectiveness
"phase II clinical trial(s)"	a study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases, and to determine dosage tolerance and optimal dosage
"phase III clinical trial(s)"	a study in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the labeling of the product
"phase IV clinical trial(s)"	a new drug post-marketing study. The purposes are to assess therapeutic effectiveness and adverse reactions when a drug is widely used, to evaluate overall benefit-risk relationships of the drug when used among general population or specific groups, and to adjust the administration dose, etc.
"PPS"	Per-Protocol Set
"PR"	100% partial response, referring to an at least 30% but below 100% decrease in the size of a target tumor lesion or in the extent of cancer in the body in response to treatment, according to RECIST 1.1
"prescription drug"	a drug which may only be prescribed by qualified medical practitioners

"Re-registration"	the valid term of a drug approval number, import drug license and pharmaceutical product license issued by the drug regulatory department under the state council is five years. To continue its drug production or importation, the applicant shall submit a reregistration application six months prior to the expiry date
"Rx"	the symbol for a medical prescription; it is derived from the Latin word recipe or "recipere" that means "to take"
"R&D"	research and development
"SAE"	serious adverse events, any medical occurrence in human drug trials that at any dose: results in death; is life-threatening; requires inpatient hospitalization or causes prolongation of existing hospitalization; results in persistent or significant disability/ incapacity; may have caused a congenital anomaly/birth defect, or requires intervention to prevent permanent impairment or damage
"SD"	stable disease, in oncology, indicating a cancer that is neither decreasing at least 30% nor increasing at least 20% in the size of a target tumor lesion or in the extent of cancer in the body in response to treatment
"second-line" or "2L"	with respect to any disease, the therapy or therapies that are given when initial treatments (first-line therapy) do not work, or stop working
"sequential therapy"	a method initially uses a specific drug in a particular manner, and then switches to another specific drug and method of administration when there are changes in the control of the disease
"SS"	Safety Analysis Set
"T cell"	a lymphocyte of a type produced or processed by the thymus gland and actively participating in the immune response, which plays a central role in cell-mediated immunity. T cells can be distinguished from other lymphocytes, such as B cells and NK cells, by the presence of a T cell receptor on the cell surface
"tablet"	solid dosage forms made by blending and compressing powdered drugs with suitable excipients or using other appropriate methods, resulting in round or irregular-shaped tablets
"targeted drugs"	intervening with drugs targeting relatively specific points in tumors to inhibit their growth and proliferation
"The Lancet Oncology"	the world-leading clinical oncology journal publishing high-quality, peer reviewed original research (especially reports from clinical trials), reviews, comment and opinion
"third-line" or "3L"	with respect to any disease, the therapy or therapies that are given when both initial treatment (first-line therapy) and subsequent treatment (second-line therapy) do not work, or stop working

Glossary of Technical Terms (Continued)

"toxicological evaluation"	a method of identifying and elucidating the toxicity and potential hazards of a substance through in vitro experiments, animal testing, and population observation
"TRAE"	treatment-related adverse event, undesirable events not present prior to medical treatment or an already present event that worsens in intensity or frequency following the treatment
"treatment naïve"	treatment-naïve patients, individuals who have received no prior cancer therapy for specific cancers
"TTP"	time to tumor progression, the length of time from the date of diagnosis of the tumor or the start of treatment until the disease starts to get worse or spread to other parts of the body. In a clinical trial, measuring the TTP is one way to see how well a new treatment works
"two-invoice system"	an important policy implemented in the circulation of medicines in China since 2016, which means that the production enterprises will issue invoices to the circulation enterprises once, and the circulation enterprises will issue invoices to the medical institutions once
"VBP"	a procurement method in which the State organizes centralized procurement of medicines, determines the winning price of the medicines and the supplying enterprises through bidding and competitive bidding, and concludes the procurement contract