Beijing Biostar Pharmaceuticals Co., Ltd.
北 京 華 昊 中 天 生 物 醫 藥 股 份 有 限 公 司

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

(Stock code: 2563)

INSIDE INFORMATION

This announcement is made by Beijing Biostar Pharmaceuticals Co., Ltd. (the "**Company**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As at the date of this announcement, Biostar Pharma, Inc., (the "**US-Biostar**"), a wholly-owned subsidiary of the Company, subscribed to US$5.0 million in LFM Stable Income Fund SP (the "**Sub-Fund**"), a segregated portfolio of LFM Oversea Investment Fund SPC (the "**Fund**"), using its self-owned idle funds on 29 November 2024. The Fund is an exempted company incorporated under the laws of the Cayman Islands and registered as a segregated portfolio company. The LFM Fund manager is an independent third party to the Company and its connected persons. For further details, please refer to the Company's announcement dated 30 May 2025.

The Company completed the subscription on 28 November 2024 and the Investment is scheduled to mature on 29 November 2025. The Company had submitted a redemption request on 21 January 2025. As advised by LFM Fund manager, the LFM Fund subscribed to a principal amount of US$5.0 million note of Global Peace International Limited (the "**Global Peace**"), which will mature in March 2026, and has transferred the corresponding funds to Global Peace. The Investment could not be redeemed as at the date of this announcement due to these funds have not been recovered from Global Peace.

Previously, the Company had communicated with the LFM Fund multiple times regarding the early redemption of the fund and formally submitted redemption requests; however, these requests were not responded to or handled in a timely manner. In light of this, the Company intended to take legal action to advance the fund redemption process and, in May 2025, engaged Conyers Dill & Pearman LLP as its legal counsel (the "**Legal Counsel**") to advance the winding-up petitions and receivership proceedings of the LFM Fund in accordance with Cayman Islands law.

The Company's Legal Counsel filed a petition in the Grand Court of the Cayman Islands (Financial Services Division) on 12 September 2025, seeking the appointment of receivers over LFM Stable Income Fund SP (the "**Sub-Fund**") pursuant to section 224 of the Cayman Companies Act (2025 Revision). Advertisements regarding the receivership procedure of LFM were published in Cayman, Hong Kong and the PRC on 5 November 2025. The receivership application concerning the LFM Fund was heard on 19 November 2025 in the Cayman Islands, where the court will determine whether the LFM Fund should be liquidated by court-appointed receivers and the judgment is expected to be delivered within two weeks. If receivers are appointed, the existing management or general partner (GP) will no longer control the LFM Fund. US-Biostar, as redeemed investors, will officially become creditors of the LFM Fund, and the receivers will liquidate the fund's assets to pay the redemption price owed to US-Biostar.

Simultaneously, the Company's Legal Counsel delivered a statutory demand to LFM Oversea Investment Limited, the sole shareholder of the LFM Fund manager, on 21 November 2025, requesting that it assume joint and several guaranteed liability for the LFM Fund's redemption in accordance with the terms of the subscription agreement.

The Company will publish further announcement(s) as and when appropriate to inform the Shareholders and potential investors in the event that there are any material updates in relation to the above.

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

Beijing, the PRC, 1 December 2025

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