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AUSTAR
奥 星

Austar Lifesciences Limited
奧星生命科技有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6118)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

GROUP FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**661,905**	700,919
Gross profit	**139,143**	145,417
Profit before income tax	**30,303**	9,186
Profit attributable to owners of the Company	**24,999**	5,877
Gross profit margin	**21.0%**	20.7%
Basic earnings per share *(Note)*	**RMB0.05**	RMB0.01
Diluted earnings per share *(Note)*	**RMB0.05**	RMB0.01

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Total assets	**2,028,382**	2,083,635
Net assets	**810,367**	793,468
Gearing ratio	**30.9%**	33.9%

Note: The calculation of earnings per share is based on the profit attributable to owners of the Company for each of the six months ended 30 June 2025 and 2024 and the weighted average number of shares during that period. The Company had no dilutive ordinary shares for each of the six months ended 30 June 2025 and 2024.

INTERIM RESULTS

The board ("**Board**") of directors ("**Directors**") of Austar Lifesciences Limited ("**Company**" or "**AUSTAR**", together with its subsidiaries, the "**Group**") announces the unaudited interim condensed consolidated results of the Group for the six months ended 30 June 2025 ("**Period under Review**"), together with the comparative figures for the corresponding period in 2024 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	**For the six months ended 30 June** **2025** ***RMB'000*** **(Unaudited)**	2024 *RMB'000* (Unaudited)
Revenue	*3*	**661,905**	700,919
Cost of sales		**(522,762)**	(555,502)
Gross profit		**139,143**	145,417
Selling and marketing expenses		**(72,724)**	(63,937)
Administrative expenses		**(41,392)**	(51,209)
Net reversal of impairment losses on financial assets and contract assets		**3,315**	2,300
Research and development expenses		**(16,480)**	(23,468)
Other income		**6,450**	8,754
Other gains/(losses) – net	*4*	**16,441**	(603)
Operating profit		**34,753**	17,254
Finance income	*5*	**839**	1,545
Finance costs	*5*	**(6,743)**	(9,294)
Finance costs – net		**(5,904)**	(7,749)
Share of net profit/(loss) of investments accounted for using the equity method		**1,454**	(319)
Profit before income tax		**30,303**	9,186
Income tax expense	*6*	**(6,689)**	(4,997)
Profit for the period		**23,614**	4,189
Profit for the period attributable to owners of the Company		**24,999**	5,877
Loss for the period attributable to non-controlling interests		**(1,385)**	(1,688)
Profit for the period		**23,614**	4,189
EARNINGS PER SHARE	*7*		
– Basic and diluted (RMB)		**0.05**	0.01

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit for the period	**23,614**	4,189
Other comprehensive (expense)/income		
Item that will not be reclassified to profit or loss:		
Exchange differences on translation from functional currency to presentation currency	**(6,490)**	3,148
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(1,678)**	(1,537)
Share of other comprehensive income/(expense) of investments accounted for using the equity method	**1,453**	(893)
Other comprehensive (expense)/income for the period, net of tax	**(6,715)**	718
Total comprehensive income for the period	**16,899**	4,907
Total comprehensive income/(expense) attributable to:		
– owners of the Company	**17,943**	6,708
– non-controlling interests	**(1,044)**	(1,801)
	16,899	4,907

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**As at 30 June 2025** *RMB'000* **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**313,365**	310,085
Right-of-use assets		**94,259**	104,041
Intangible assets		**38,800**	42,298
Deferred tax assets		**14,737**	15,169
Investments accounted for using the equity method		**65,311**	60,281
Pledged bank deposits		**857**	–
Rental deposits		**2,021**	–
Total non-current assets		**529,350**	531,874
Current assets			
Inventories		**229,092**	238,425
Contract assets		**620,948**	562,477
Trade and notes receivables	*9*	**351,788**	424,534
Prepayments and other receivables		**89,191**	119,652
Pledged bank deposits		**42,350**	38,868
Term deposits with initial terms of over three months		**1,000**	1,000
Cash and cash equivalents		**164,663**	166,805
Total current assets		**1,499,032**	1,551,761
Total assets		**2,028,382**	2,083,635
EQUITY			
Equity attributable to owners of the Company			
Share capital		**4,071**	4,071
Reserves		**445,228**	448,446
Retained earnings		**360,053**	338,892
		809,352	791,409
Non-controlling interests		**1,015**	2,059
Total equity		**810,367**	793,468

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(continued)

	Notes	**As at 30 June 2025** ***RMB'000*** **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		**14,708**	31,197
Long-term borrowings	*11*	**61,598**	25,142
Deferred income		**105**	135
Deferred tax liabilities		**40,034**	40,181
Other financial liabilities		**5,474**	4,826
Total non-current liabilities		**121,919**	101,481
Current liabilities			
Trade and other payables	*10*	**601,798**	639,271
Contract liabilities		**210,235**	202,263
Current income tax liabilities		**3,212**	1,540
Short-term borrowings	*12*	**206,045**	229,750
Current portion of long-term borrowings	*11*	**62,838**	98,884
Lease liabilities		**11,968**	16,978
Total current liabilities		**1,096,096**	1,188,686
Total liabilities		**1,218,015**	1,290,167
Total equity and liabilities		**2,028,382**	2,083,635

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

Austar Lifesciences Limited (the "**Company**", and its subsidiaries collectively referred to as the "**Group**") was incorporated in the Cayman Islands on 9 January 2014 as an exempted company with limited liability. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in providing integrated engineering solutions to pharmaceutical manufacturers and research institutes, as well as manufacturing and distribution of pharmaceutical equipment and consumables in the People's Republic of China (the "**PRC**" or "**China**"). The ultimate holding company of the Company is Standard Fortune Holdings Limited, a company incorporated in the British Virgin Islands (the "**BVI**") with limited liability and wholly owned by Mr. Ho Kwok Keung, Mars, Chairman of the Board of Directors and Chief Executive Officer of the Company (the "**Chief Executive Officer**").

Ordinary shares of HK$0.01 each in the share capital of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") since 7 November 2014.

This interim condensed consolidated financial information is presented in thousands of Renminbi Yuan ("**RMB**"), unless otherwise stated, and is approved for issue by the Board of Directors on 26 August 2025.

This interim condensed consolidated financial information has not been audited.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 ("**IAS 34**") "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation used in the interim condensed consolidated financial information for the six months ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to an IFRS Accounting Standard

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's interim condensed consolidated financial information:

Amendments to IAS 21	Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in the interim condensed consolidated financial information.

3. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	For the six months ended 30 June 2025 (unaudited)			
	Integrated Process and Packaging Equipment & Systems *RMB'000*	**Consulting, Digitalization and Construction** *RMB'000*	**Life Science Equipment and Consumables** *RMB'000*	**Total** *RMB'000*
Types of goods or services				
Revenue from integrated engineering solutions contracts	**299,255**	**145,233**	**5,049**	**449,537**
Revenue from sale of goods	**5,303**	**20,246**	**143,166**	**168,715**
Revenue from services rendered	**13,552**	**24,655**	**5,446**	**43,653**
Total	**318,110**	**190,134**	**153,661**	**661,905**
Timing of revenue recognition				
Recognised at a point in time	**18,855**	**44,901**	**148,612**	**212,368**
Recognised over time	**299,255**	**145,233**	**5,049**	**449,537**
Total	**318,110**	**190,134**	**153,661**	**661,905**

	For the six months ended 30 June 2024 (unaudited)			
	Integrated Process and Packaging Equipment & Systems *RMB'000*	Consulting, Digitalization and Construction *RMB'000*	Life Science Equipment and Consumables *RMB'000*	Total *RMB'000*
Types of goods or services				
Revenue from integrated engineering solutions contracts	294,627	184,203	7,316	486,146
Revenue from sale of goods	10,555	26,590	164,582	201,727
Revenue from services rendered	4,091	5,793	3,162	13,046
Total	309,273	216,586	175,060	700,919
Timing of revenue recognition				
Recognised at a point in time	14,646	32,383	167,744	214,773
Recognised over time	294,627	184,203	7,316	486,146
Total	309,273	216,586	175,060	700,919

Segment information

The chief operating decision-makers ("**CODMs**") have been identified as the Chief Executive Officer, the vice presidents and the directors of the Company who review the Group's internal reports in order to assess performance and allocate resources.

The CODMs consider the business primarily from a product and service perspective. The Group has three reportable segments: (1) Integrated Process and Packaging Equipment & Systems; (2) Consulting, Digitalization and Construction; and (3) Life Science Equipment and Consumables.

The CODMs evaluate the performance of the reportable segments based on gross profit. The segment results for the six months ended 30 June 2025 are as follows:

	Integrated Process and Packaging Equipment & Systems *RMB'000*	**Consulting, Digitalization and Construction** *RMB'000*	**Life Science Equipment and Consumables** *RMB'000*	**Total** *RMB'000*
For the six months ended 30 June 2025 (Unaudited)				
Segment revenue and results				
Segment revenue	**384,216**	**231,896**	**168,216**	**784,328**
Inter-segment revenue	**(66,106)**	**(41,762)**	**(14,555)**	**(122,423)**
Revenue	**318,110**	**190,134**	**153,661**	**661,905**
Cost of sales	**(283,354)**	**(151,609)**	**(87,799)**	**(522,762)**
Segment results				
Gross profit	**34,756**	**38,525**	**65,862**	**139,143**
Other segment items				
Amortisation	**1,506**	**1,632**	**783**	**3,921**
Depreciation	**11,475**	**5,289**	**4,581**	**21,345**
(Reversal of)/provision for impairment losses on financial assets and contract assets	**(2,231)**	**(1,393)**	**309**	**(3,315)**
Write-down of inventories	**1,458**	**242**	**1,041**	**2,741**
Share of net profit of investments accounted for using the equity method	**(1,454)**	**–**	**–**	**(1,454)**

The segment results for the six months ended 30 June 2024 are as follows:

	Integrated Process and Packaging Equipment & Systems *RMB'000*	Consulting, Digitalization and Construction *RMB'000*	Life Science Equipment and Consumables *RMB'000*	Total *RMB'000*
For the six months ended 30 June 2024 (Unaudited)				
Segment revenue and results				
Segment revenue	364,500	266,587	180,709	811,796
Inter-segment revenue	(55,227)	(50,001)	(5,649)	(110,877)
Revenue	309,273	216,586	175,060	700,919
Cost of sales	(266,975)	(179,227)	(109,300)	(555,502)
Segment results				
Gross profit	42,298	37,359	65,760	145,417
Other segment items				
Amortisation	1,906	1,069	575	3,550
Depreciation	11,676	5,596	4,390	21,662
(Reversal of)/provision for impairment losses on financial assets and contract assets	(1,705)	(929)	334	(2,300)
Write-down of inventories	59	1,830	589	2,478
Share of net loss of investments accounted for using the equity method	113	206	–	319

A reconciliation of segment gross profit to profit before income tax is provided as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Integrated Process and Packaging Equipment & Systems	**34,756**	42,298
Consulting, Digitalization and Construction	**38,525**	37,359
Life Science Equipment and Consumables	**65,862**	65,760
Total gross profit for reportable segments	**139,143**	145,417
Selling and marketing expenses	**(72,724)**	(63,937)
Administrative expenses	**(41,392)**	(51,209)
Net reversal of impairment losses on financial assets and contract assets	**3,315**	2,300
Research and development expenses	**(16,480)**	(23,468)
Other income	**6,450**	8,754
Other gains/(losses) – net	**16,441**	(603)
Finance costs – net	**(5,904)**	(7,749)
Share of net profit/(loss) of investments accounted for using the equity method	**1,454**	(319)
Profit before income tax	**30,303**	9,186

The segment assets as at 30 June 2025 and 31 December 2024 are as follows:

	As at 30 June 2025		As at 31 December 2024	
	Total assets	**Investments accounted for using the equity method**	Total assets	Investments accounted for using the equity method
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
	(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
Integrated Process and Packaging Equipment & Systems	**1,107,958**	**65,311**	1,143,870	60,281
Consulting, Digitalization and Construction	**516,533**	**–**	502,916	–
Life Science Equipment and Consumables	**219,006**	**–**	218,154	–
Total segment assets	**1,843,497**	**65,311**	1,864,940	60,281
Unallocated:				
Deferred tax assets	**14,737**		15,169	
Headquarter assets	**170,148**		203,526	
Total assets	**2,028,382**		2,083,635	

The segment liabilities as at 30 June 2025 and 31 December 2024 are as follows:

	As at 30 June 2025 Total liabilities	As at 31 December 2024 Total liabilities
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Integrated Process and Packaging Equipment & Systems	**440,443**	471,044
Consulting, Digitalization and Construction	**269,578**	252,807
Life Science Equipment and Consumables	**77,329**	96,529
Total segment liabilities	**787,350**	820,380
Unallocated:		
Deferred tax liabilities	**40,034**	40,181
Short-term borrowings	**206,045**	229,750
Long-term borrowings	**61,598**	25,142
Current portion of long-term borrowings	**62,838**	98,884
Headquarter liabilities	**60,150**	75,830
Total liabilities	**1,218,015**	1,290,167

Geographical information

The following tables present information on revenue and certain assets of the Group by geographical regions.

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
Mainland China	**596,869**	652,139
Other locations	**65,036**	48,780
	661,905	700,919

	As at 30 June 2025 *RMB'000* (Unaudited)	As at 31 December 2024 *RMB'000* (Audited)
Non-current assets *(Note)*		
Mainland China	**482,945**	492,111
Other locations	**28,790**	24,594
	511,735	516,705

Note:

Non-current assets excluded deferred tax assets, pledged bank deposits and rental deposits.

4. OTHER GAINS/(LOSSES) – NET

	For the six months ended 30 June 2025 *RMB'000* (Unaudited)	2024 *RMB'000* (Unaudited)
Loss on disposal of property, plant and equipment	**(91)**	(13)
Loss on disposal of intangible assets	**(300)**	–
Exchange gains/(losses), net	**11,433**	(2,544)
Gain on early termination of lease contracts	**3,070**	–
Others	**2,329**	1,954
	16,441	(603)

5. FINANCE COSTS – NET

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance costs		
Interest expenses		
– Bank borrowings	**(5,774)**	(7,767)
– Lease liabilities	**(873)**	(1,431)
– Other financial liabilities	**(96)**	(96)
	(6,743)	(9,294)
Finance income		
– Bank deposits	**839**	1,545
	(5,904)	(7,749)

6. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax expense	**5,728**	2,800
Deferred tax expense	**961**	2,197
	6,689	4,997

The Group's subsidiaries incorporated in the BVI under the International Business Companies Act or, as the case may be, BVI Business Companies Act, are exempted from local income tax.

The taxation of the Group's subsidiaries in Hong Kong is calculated at 16.5% of the estimated assessable profits for the six months ended 30 June 2025 (2024: 16.5%), except for a subsidiary of the Group in Hong Kong which is a qualifying entity applicable to the two-tiered profits tax rates. Under the two-tiered profits tax rates regime, the profits tax rate for the first HK$2 million of assessable profits will be lowered to 8.25%, and assessable profits above HK$2 million will continue to be subject to the rate of 16.5%.

Corporate income tax in the PRC is calculated based on the statutory profit or loss of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations, after adjusting certain income and expense items, which are not assessable or deductible for income tax purposes. According to the PRC Corporate Income Tax Law promulgated by the PRC government, the tax rate for the Company's PRC subsidiaries is 25%, except for certain subsidiaries which are taxed at preferential tax rates. Shanghai Austar Pharmaceutical Technology Equipment Ltd. ("**Shanghai Austar**"), Austar Pharmaceutical Equipment (Shijiazhuang) Ltd. ("**Austar SJZ**"), and Austar Hansen Lifesciences (Shanghai) Ltd. ("**Austar Hansen**") are high and new technology enterprises certified by relevant local authorities in the PRC. These entities are entitled to preferential corporate income tax rates of 15% upon fulfilment of certain conditions under the tax ruling. Austar SJZ has been enjoying preferential corporate income tax rate since 2015 and renewed its "High and New Technology Enterprise" qualification for another three years in 2024. Shanghai Austar and Austar Hansen have been enjoying preferential corporate income tax rate since 2013 and renewed their respective "High and New Technology Enterprise" qualification for another three years in 2022.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the profit for the period and the weighted average number of ordinary shares in issue during the period.

The calculation of the basic and diluted earnings per share is based on the following:

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit for the period attributable to owners of the Company for the purpose of calculating basic and diluted earnings per share	**24,999**	5,877

	For the six months ended 30 June	
	2025	2024
	'000	*'000*
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares in issue during the period for the purpose of the basic and diluted earnings per share	**512,582**	512,582

As the Company had no potential ordinary shares for each of the six months ended 30 June 2025 and 2024, diluted earnings per share for the six months ended 30 June 2025 and 2024 are the same as basic earnings per share.

8. DIVIDENDS

No dividend has been paid, declared or proposed by the Company during the six months ended 30 June 2025 (2024: nil).

9. TRADE AND NOTES RECEIVABLES

	As at 30 June 2025 *RMB'000* **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Trade receivables *(Note (b))*	**336,830**	431,813
Notes receivables *(Note (a))*	**64,255**	43,170
	401,085	474,983
Less: loss allowance	**(49,297)**	(50,449)
	351,788	424,534

As at 1 January 2024, trade receivables from contracts with customers amounted to RMB299,705,000, net of loss allowance.

Notes:

(a) The notes receivables are bank acceptance with maturity dates within six months (31 December 2024: within six months).

(b) The ageing analysis of gross trade receivables (including amounts due from related parties of trading in nature) based on sales contracts at the respective dates of condensed consolidated statement of financial position is as follows:

	As at 30 June 2025 *RMB'000* **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Within 6 months	**139,010**	266,333
6 months to 1 year	**72,906**	45,967
1 to 2 years	**54,036**	56,252
2 to 3 years	**34,429**	33,524
Over 3 years	**36,449**	29,737
	336,830	431,813

Most of the trade receivables are due within 90 days in accordance with the sales contracts.

As at 30 June 2025 and 31 December 2024, the carrying amounts of trade and notes receivables are approximated at their fair values.

10. TRADE AND OTHER PAYABLES

	As at 30 June 2025 *RMB'000* (Unaudited)	As at 31 December 2024 *RMB'000* (Audited)
Trade payables *(Note (a))*	**412,059**	382,106
Payable to vendors of project cost and construction	**73,918**	108,252
Payroll and welfare payable	**48,990**	65,987
Accrued expenses	**30,283**	37,081
Warranty provision	**13,425**	15,954
Indirect taxes payable	**1,207**	5,525
Employee payable	**1,124**	2,681
Others	**20,792**	21,685
	601,798	639,271

Notes:

(a) The ageing analysis of trade payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

	As at 30 June 2025 *RMB'000* (Unaudited)	As at 31 December 2024 *RMB'000* (Audited)
Within 6 months	**204,605**	269,889
6 months to 1 year	**103,004**	47,041
1 to 2 years	**79,567**	41,792
2 to 3 years	**15,626**	8,235
Over 3 years	**9,257**	15,149
	412,059	382,106

(b) As at 30 June 2025 and 31 December 2024, the carrying amounts of trade and other payables are approximated at their fair values.

11. LONG-TERM BORROWINGS

	As at 30 June 2025 *RMB'000* (Unaudited)	As at 31 December 2024 *RMB'000* (Audited)
Long-term bank borrowings, secured *(Note (a))*	**17,066**	35,869
Long-term bank borrowings, unsecured *(Note (b))*	**107,370**	88,157
	124,436	124,026
Less: long-term borrowings due within one year	**(62,838)**	(98,884)
	61,598	25,142
The carrying amounts of the above borrowings are repayable*:		
Within one year	**62,838**	98,884
Within a period more than one year but not exceeding two years	**61,598**	25,142
	124,436	124,026
Less: amounts due within one year shown under current liabilities	**(62,838)**	(98,884)
Amounts shown under non-current liabilities	**61,598**	25,142

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

Notes:

(a) As at 30 June 2025, the secured long-term bank borrowings were denominated in RMB and secured by the Group's buildings and right-of-use assets (31 December 2024: buildings and right-of-use assets). For the six months ended 30 June 2025, the secured long-term bank borrowings bore interest rates ranging from 3.10% to 3.65% (31 December 2024: 3.65% to 4.25%) per annum.

(b) As at 30 June 2025, the unsecured long-term bank borrowings were denominated in RMB and bore interest rates ranging from 2.65% to 3.70% (31 December 2024: 3.30% to 3.65%) per annum. As at 30 June 2025 and 31 December 2024, certain bank borrowings were guaranteed by certain subsidiaries of the Company.

As at 30 June 2025 and 31 December 2024, the fair value of the long-term borrowings (including long-term borrowings due within one year) was not materially different to their carrying amounts, since the interest payable on those borrowings was close to current market rates.

The exposure of the Group's long-term borrowings is as follows:

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Fixed-rate borrowings	**27,692**	25,880
Variable-rate borrowings	**96,744**	98,146
	124,436	124,026

The Group's variable-rate long-term borrowings carry interest at the People's Bank of China Loan Prime Rate minus 0.05% to plus 0.55% (31 December 2024: minus 0.05% to plus 0.90%) per annum. Interest rate is reset every twelve months.

The ranges of effective interest rates (which are also equal to the contractual interest rates) on the Group's long-term borrowings are as follows:

	As at 30 June 2025	As at 31 December 2024
	(Unaudited)	(Audited)
Effective interest rate:		
Fixed-rate borrowings	**3.65% to 3.70%**	3.65%
Variable-rate borrowings	**2.65% to 3.65%**	3.30% to 4.25%

The Group's long-term bank borrowings are denominated in RMB which is the functional currency of the relevant group entities.

12. SHORT-TERM BORROWINGS

	As at 30 June 2025 *RMB'000* **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Short-term bank borrowings, secured *(Note (a))*	**41,959**	72,579
Short-term bank borrowings, unsecured *(Note (b))*	**164,086**	157,171
	206,045	229,750

Notes:

(a) As at 30 June 2025, the secured short-term bank borrowings were denominated in RMB and New Taiwan Dollar (31 December 2024: RMB) and secured by the Group's buildings, right-of-use assets and pledged bank deposits (31 December 2024: buildings, right-of-use assets and pledged bank deposits). For the six months ended 30 June 2025, the secured short-term bank borrowings bore interest rates from 1.20% to 3.00% (31 December 2024: 1.50% to 3.80%) per annum and were repayable within one year.

(b) As at 30 June 2025, the unsecured short-term bank borrowings were denominated in RMB (31 December 2024: RMB) and bore interest rates ranging from 2.70% to 3.65% (31 December 2024: 2.95% to 3.90%) per annum and were repayable within one year. As at 30 June 2025 and 31 December 2024, certain bank borrowings were guaranteed by certain subsidiaries of the Company.

The exposure of the Group's short-term borrowings is as follows:

	As at 30 June 2025 *RMB'000* **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Fixed-rate borrowings	**162,312**	180,886
Variable-rate borrowings	**43,733**	48,864
	206,045	229,750

The Group's variable-rate short-term borrowings carry interest at the People's Bank of China Loan Prime Rate minus 0.30% to plus 0.20% (31 December 2024: plus 0.35%) per annum or at Taiwan Bank's one-year fixed-term savings deposit flexible interest rate plus 1.28% per annum. Interest is reset every 12 months.

The ranges of effective interest rates (which are also equal to the contractual interest rates) on the Group's short-term borrowings are as follows:

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Effective interest rate:		
Fixed-rate borrowings	**1.20% to 3.65%**	1.50% to 3.90%
Variable-rate borrowings	**2.70% to 3.30%**	3.45% to 3.80%

The Group's short-term bank borrowings are denominated in RMB and New Taiwan Dollar which are the functional currencies of the relevant group entities.

13. COMMITMENTS

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As at 30 June 2025 ***RMB'000*** **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Property, plant and equipment	**1,584**	2,093

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

The global pharmaceutical, life sciences, biotech sectors continue to evolve amid a rapidly shifting global landscape, building on trends observed in 2024 while adapting to new challenges including economic pressures, tariff uncertainties, technological developments, and regulatory changes. Geopolitical uncertainties continue to affect capital expenditure, resulting in further delays and careful arrangement of projects. However, strategic investments have rebounded in targeted areas, particularly advanced therapeutic modalities and digital infrastructure. Cell and gene therapies, alongside mRNA vaccine technologies, remain core to sector growth as driven by ongoing global demand. Artificial intelligence and machine learning applications have notably expanded, improving efficiencies in drug discovery, target identification, and clinical trial acceleration.

During the Period under Review, China's innovative drug license-out deals continued to gain momentum. Chinese leading biopharmaceutical companies entered into a series of licensing agreements across multiple modalities, including monoclonal antibodies, antibody-drug conjugates (ADCs), and cell therapies. Meanwhile, the national policy for innovative drugs has been optimized, demonstrating a full support attitude to its further development. According to the report of the China Drug Evaluation Center (CDE), the innovative drug research and development shows strong potential in terms of quantity and commercialization. Through policy benefits, the industry is undergoing transformation and upgrading, and the competitiveness towards the high-end of the global value chain will create space for pharmaceutical equipment and technologies opportunities.

On April 24, 2025, the Ministry of Industry and Information Technology officially issued the Implementation Plan for the Digital and Intelligent Transformation of the Pharmaceutical Industry (2025-2030), which promotes the application and creation of digital and intelligent technology products and application scenarios for the pharmaceutical industry in the next five years, and aims to foster a group of digitalized pharmaceutical companies with strong competitiveness in global market. Such industry transformation will create project opportunities.

The GLP-1 polypeptide drug market has shown significant growth. As some core patents are approaching expiration, there's a surge in demand for polypeptide active pharmaceutical ingredients (APIs) as reflected in the volume of completed and pending polypeptide projects this year. Currently, as the global obesity prevalence continues to rise, weight-loss drugs, a core indication for GLP-1, are being incorporated into the pipelines of many pharmaceutical companies. Long-acting weight-loss drugs, GLP-1 oral small molecule formulations, multi-target combination, the discovery of new targets, and fat reduction without muscle loss have become new trends in differentiated corporate strategies.

Synthetic biology, with its disruptive technological advantages, has broad application prospects in fields such as healthcare, food, energy, and environmental protection. In the healthcare sector, its short-term industrial achievements are reflected in cell and gene therapies, the synthesis of some APIs, as well as functional small molecules and recombinant collagen technologies.

The radiopharmaceutical sector is undergoing rapid acceleration, with integrated diagnosis and treatment, novel radionuclide applications, and made-in-China products breakthroughs being the key trends in 2025. Diagnostic radiopharmaceuticals are advancing toward AI-assisted interpretation and multi-target simultaneous imaging, while therapeutic radiopharmaceuticals have expanded their indications to include prostate cancer, neuroendocrine tumors, and liver cancer. As of June 2025, China has commenced localized production of key medical isotopes, including Yttrium-90 and Lutetium-177, paving the way for a potential inflection point in the commercial deployment of radiopharmaceuticals in China market. Currently, most pipeline innovations focus on radiopharmaceutical drug conjugates products, which offer integrated diagnosis and treatment capabilities under the principle of "see what you treat and treat what you see." This modality demonstrates promising potential which is comparable to ADCs.

BUSINESS REVIEW

For the Period under Review, the Group recorded a revenue decline of approximately 5.6%. However, order-in-take increased by approximately 15.0% as compared to the same period in 2024 driven by the successful acquisition of key project contracts. Net profit after tax increased significantly as compared to the same period in 2024. Cash flow generated from operations has increased by more than 99% as compared to the same period of 2024. Such achievement is attributed to the management's resilient efforts in tackling the challenges of severe competition in the China market.

At the beginning of 2025, the Group changed its business positioning from "Pharmaceutical engineering solution provider" to emphasize "Better Technology, Better Life Sciences". Such change demonstrates the Group's dedication and determination to expand its business scope.

The Group has made continuous expansion on its product lines through research and development ("**R&D**") and resources integration. In June 2025, the Group entered into a strategic cooperation with Wenzhou GAOGER Machinery Technology Co., Ltd. and established a joint brand "AUSTAR GAOGER". The brand will focus on the R&D and production of core equipment such as blister packaging machines, fully automatic cartoning machines, strapping machines, packing and pelletising machines, and blister packaging production lines. By deeply integrating AUSTAR's leading technologies in freeze-dryers, primary packaging and filling, and visual inspection machines, the collaboration will create an end-to-end service system covering the entire injectable drug production chain, helping clients enhance production efficiency, reduce compliance risks, and meet global market demands for high-quality pharmaceutical packaging.

In the field of core biopharmaceutical processes, AUSTAR has developed R&D-scale products and integrated single-use product lines to enhance the product portfolio. Through a strategic cooperation with Zhejiang JYSS BIO, the two parties will focus on disposable biopharmaceutical consumables, collaborate in the field of upstream and downstream bioprocess systems, and explore more efficient bioprocess solutions to meet the evolving needs of clients in the biopharmaceutical industry.

Global expansion has been our key corporate strategy for years. Our targets are to increase the share of international business relative to China. Following this, efforts were made in reorganising the international business team and strengthening business groups' capability in order to capture more international projects. During the Period under Review, the Group achieved significant milestones along the way with a significant increase in the number of enquiries and orders received, especially from multinational corporate clients. The international business revenue growth rate is expected to rise as the backlog of international business are gradually being converted into revenue.

The Group continues to deepen its practical expertise in complex APIs manufacturing processes, particularly in the areas of peptides and small nucleic acids. Leveraging project implementation experience with multiple pharmaceutical clients, the Group has developed advanced proprietary solutions in key technologies such as continuous flow reactions and high-pressure chromatography.

Pharmaceutical Process Development Support Service Centre has demonstrated strong performance. Strategic collaborations were established with several Chinese pharmaceutical companies and universities in areas including material characterization, process analytical technology (PAT) application and modeling, multivariate analysis software deployment, and continuous manufacturing process development, resulting in expanded engagement with research-driven clients.

In the high-end food additive market, the Group continues to secure contracts for systems covering material unpacking, weighing, contained transfer, and packaging. Meanwhile, its core Nutsche Filter Dryer processing system has also entered this market, creating new commercial opportunities.

The oral solid dosage (OSD) platform remains committed to the localization of high-end processing technologies through technology transfer and patent licensing. Core processing equipment portfolio continues to expand, while the platform's process expertise has enabled its Turnkey (TK) business to achieve initial breakthroughs in non-pharmaceutical projects requiring compliance with European regulations.

ORDER-IN-TAKE

Set out below is a breakdown of the value of the Group's order-in-take (value-added-tax ("**VAT**") included) by business groups:

	For the six months ended 30 June				
Order-in-take by business segment	**2025**		2024		Change
	RMB'000	*%*	*RMB'000*	*%*	*%*
Integrated Process and Packaging Equipment & Systems	**569,608**	**54.6%**	430,657	47.5%	32.3%
Consulting, Digitalization and Construction	**302,710**	**29.1%**	290,495	32.1%	4.2%
Life Science Equipment and Consumables	**169,487**	**16.3%**	184,947	20.4%	-8.4%
Total	**1,041,805**	**100.0%**	906,099	100.0%	15.0%

During the Period under Review, the total order-in-take amounted to approximately RMB1,041.8 million, representing an increase of approximately RMB135.7 million, or 15.0%, from approximately RMB906.1 million for the six months ended 30 June 2024. The business group of Integrated Process and Packaging Equipment & Systems experienced a significant increase of 32.3%. The business group of Consulting, Digitalization and Construction also grew by 4.2%.

Integrated Process and Packaging Equipment & Systems

The business group of Integrated Process and Packaging Equipment & Systems recorded an order-in-take of approximately RMB569.6 million during the Period under Review, showing an increase of approximately RMB138.9 million, or 32.3%, comparing to approximately RMB430.7 million for the six months ended 30 June 2024.

The overall market experienced a stable and moderate rebound with gradual signs of steady recovery emerging across the industry. The domestic market benefited from the increased capital expenditure by pharmaceutical companies along with the gradual release of investment demand. Integrated Process and Packaging Equipment & Systems experienced order-in-take increase compared to the same period last year, and successfully secured multiple strategic orders in the first half of 2025. Integrated Process and Packaging Equipment & Systems will continue to improve competitiveness in both global and domestic markets, and deepen cost control and resource integration to achieve sustainable business development.

Consulting, Digitalization and Construction

The business group of Consulting, Digitalization and Construction recorded an order-in-take of approximately RMB302.7 million during the Period under Review, representing an increase of approximately RMB12.2 million, or 4.2%, from approximately RMB290.5 million recorded for the six months ended 30 June 2024.

This growth was driven by the evolving international and domestic pharmaceutical regulatory standards, such as PIC/S 2025, and by energy-saving and efficiency-enhancing technologies (e.g., automated warehousing, energy management) that align with national smart manufacturing/green manufacturing policies. Through opportunities from PIC/S 2025, EU GMP Annexes 11/22, and new medical device regulations, we are accelerating the upgrade of aseptic facilities as well as the implementation of data integrity validation services, and expanding into new compliance areas in the medical device and aesthetic medicine sectors. In order to actively respond to market changes, the business group of Consulting, Digitalization and Construction continues to focus on differentiated solutions such as energy conservation and efficiency improvement, and expands its comprehensive service capabilities. At the same time, efforts are made in new customers development and the acquisition of core production facility upgrade and renovation projects. Additionally, regulatory environment changes such as reinforcement of medical device regulation, improvement of sterile requirements, and the evolution of data integrity standards have positively affected the related compliance service businesses of the Company. Overall, the business group of Consulting, Digitalization and Construction will prioritize value-driven competitiveness. We will strengthen our advantages in technology and compliance service, expand medical device consulting services and enhance cost control to ensure sustainable business growth via differentiated strategies, global market expansion, resource integration and technological innovation in 2025.

Life Science Equipment and Consumables

The order-in-take amount of the business group of Life Science Equipment and Consumables decreased by approximately RMB15.4 million, or 8.4%, from approximately RMB184.9 million for the six months ended 30 June 2024 to approximately RMB169.5 million for the Period under Review.

Compared with the same period last year, the trade friction between China and the United States has led to the decrease in order-in-take, while the sales of imported products were influenced by the pressure of cost compression faced by domestic customers.

However, Life Science Equipment and Consumables business group has actively developed its business focus on contamination control and containment technology, accelerated the improvement of its own brand products (OBP), constantly improved product quality, and pushed forward the global business layout. The Company will continue to deepen the technological upgrade and global market expansion to achieve medium and long-term performance growth.

BACKLOGS

Set out below is a breakdown of the Group's closing value of backlogs (VAT excluded) and the corresponding number of contracts by business segment as at 30 June 2025:

	As at 30 June 2025			
Backlogs by business segment	**Number of contracts**	**%**	**Closing value *RMB'000***	**%**
Integrated Process and Packaging Equipment & Systems	572	35.4%	708,632	53.4%
Consulting, Digitalization and Construction	912	56.5%	591,199	44.5%
Life Science Equipment and Consumables	130	8.1%	27,812	2.1%
Total	1,614	100.0%	1,327,643	100.0%

PRODUCTION, EXECUTION AND ORGANIZATION

Following the comprehensive upgrading of manufacturing center in recent years, AUSTAR has achieved a significantly enhanced production capability, marked by greater production capacity, improved environment, health and safety (EHS) standards, stronger quality control and seamless production team integration. Currently, AUSTAR has the following 5 manufacturing centers worldwide, cooperating through AUSTAR Production System to serve global clients:

– **AUSTAR UK Limited ("AUSTAR UK"), a wholly-owned subsidiary of the Company, at Huddersfield, West Yorkshire, the United Kingdom.** Focusing on the R&D and production of containment isolators, aseptic isolators, filling line isolators, downflow booths, wet granulating equipment and mills.

– **Shanghai Manufacturing Center, Mainland China.** Spanning over 31,300 square meters, the manufacturing center has advanced intelligent manufacturing capabilities, with core products extending from bioprocessing and liquid processing to lyophilization, filling and inspection. Following the acquisition of the remaining shareholding in STERIS-AUSTAR at the end of 2024, the two production teams have achieved integration.

– **Shijiazhuang Manufacturing Center, Mainland China.** Focusing on the manufacture of pressure vessels, automatic control systems, powder and solid systems, liquid process systems, and clean room systems.

– **Shijiazhuang Consumables Manufacturing Center, Mainland China.** Focusing on the R&D and production of contamination control consumables and sterile transfer consumables. With the increasingly stringent regulations on aseptic transfer and containment, AUSTAR has proactively invested in a series of aseptic transfer and containment products, including sterilizable rapid transfer Beta bags, steam-sterilizable breathing bags, and soft breathing hoods. These products have reached commercial mass production and successfully served several leading biotechnology companies and Contract Development and Manufacturing Organisations (CDMOs).

– **Cape Europe, a joint-venture of the Group, at Saint-Ouen, France.** Focusing on the production of rapid transfer port (RTP) (alpha, beta), RTP reusable solutions, RTP single use solutions, vaporized hydrogen peroxide (VHP) applications, and technical support and services.

The AUSTAR Production System enhances the performance of each manufacturing center through Kaizen activities, Toyota Business Practices (TBP)-A3 improvement projects and various training programs. These initiatives drive measurable improvements in operational efficiency, cost reduction and environmental sustainability.

Following the Group's restructuring adjustment, the Project Execution Center (PEC) has been split into two sub-divisions, each responsible for their respective business groups' project execution to improve execution efficiency. Meanwhile, in order to ensure project quality, cost effectiveness and customer satisfaction, both sub-divisions will continue to operate under the PEC platform with its original project management process and procedure remaining unchanged.

During the Period under Review, PEC executed over 220 projects and delivered more than 130 projects across Mainland China, Taiwan, America and Southeast Asia, covering a wide range of sub-industry sectors, such as traditional Chinese medicine injections, recombinant collagen, biopharmaceutical upstream/downstream processes, ADCs, small nucleic acids, polypeptides, OSD forms, sterile APIs, vaccines, medical devices, cosmetics, nutraceuticals, and diagnostic reagents.

PEC optimizes management potential by leveraging an information-based project management approach to achieve seamless project transitions, integrating AI and Internet of Things (IoT) technologies to help automatically identify equipment hidden dangers, predict quality fluctuations, and intelligently adjust system control strategies, thereby enabling intelligent production.

Responding to the regulatory requirements on sterile pharmaceuticals, PEC has provided sterile validation services for leading enterprises, supporting their compliance with PIC/S standards. Meanwhile, the team continues to deepen its expertise in the Computerized System Validation/ Data Integrity (CSV/DI) field, offering validation services for industry-leading companies.

SALES AND MARKETING

The Group's internal sales cooperation model is designed to encourage sales teams from different sectors and different product lines to support each other to offer a more relevant solution to our clients. This model is facilitated by a sophisticated business intelligence information system of customer relationship management to ensure our clients are properly taken care of and our sales team works cost-effectively.

In China, through years of sales talent and organizational development, the Company's sales process is relatively mature, covering the area of biological and chemical medicine, medical devices, animal health, Chinese medicine, cosmetics, nutraceuticals etc. The China sales team is focusing on the China market, while the subjects matter experts (SMEs 主題專家) and technology application team are supporting regional sales through technical support, proposal preparation and presentation.

For global expansion, we have been building up the team according to execution strategies. In the last few years, European and Southeast Asia teams were recruited to directly take care of the related sales leads and inquiries. After the introduction of the new leadership team in 2023 and subsequent organizational optimization, we have observed significant improvements in sales order in-take, especially in India and Southeast Asia. In 2025, further breakthroughs have been achieved in new territories and more sale agents are under negotiation.

Following our globalization strategy, the Group actively pursued promotion opportunities in new target markets and organized 12 diversified online and offline events during the Period under Review. Notable exhibitions included India PharmaTech Expo & LabTech Expo, Korea COPHEX Exhibition, Maghreb Pharma, Brazil FCE Pharma, CPhI & PMEC China etc. Discussions with global clients and industry peers helped enhance AUSTAR's brand recognition and forge new partnerships. More attractive expos will be held in the second half of the year.

Online seminars sharing new technology and industry good practices attracted great attention. Production site open day continued its sound effects in helping global clients have a better understanding of AUSTAR overall capabilities in leading technology and production.

Social media, with its extensive reach and rapid impact, plays a key role in global business promotion. During the Period under Review, our 300+ company news posts were shared more than 660 times, generating widespread attention and a 23% year-on-year increase in click-through rates as compared to the same period in 2024. The viewing volume of the website and social media revealed consistently growing attention and order inquiries from international markets.

To support the Group's exploration of new markets, the Group has added Spanish-language materials to the existing 4 language promotion material portfolios. During the Period under Review, 67 videos and 18 brochures were produced, covering new technology, products and project case studies.

AUSTAR GAOGER, a secondary packaging solution business brand, has been established, focusing on providing sustainable, efficient, and innovative secondary packaging solutions for industries such as pharmaceuticals, food, and daily chemicals.

RESEARCH AND DEVELOPMENT

As at 30 June 2025, the Group owned 420 patents. During the Period under Review, the Group obtained 12 newly registered patents, and applications for 48 patents are currently in progress.

The ContiPI continuous wet granulation and drying system, suitable for process research in innovative drug development, was officially released. In combination with the ContiFlex10 released in October 2023, a comprehensive process service platform was preliminarily established encompassing process research for innovative drugs, small-scale and pilot-scale amplification services, and feasibility assessment for continuous drug manufacturing. Adding new core process systems to the continuous manufacturing portfolio will further facilitate Chinese and international pharmaceutical clients in advancing their layout and achieving substantive breakthroughs in the field of continuous manufacturing.

Development has been made on microneedle production technology & production line, a complex process that integrates micro-dosing, high-precision mold permeation forming, dry demolding and automated vision inspection. While controlling the dosage, the needle structural integrity also needs to be controlled. The process integrates the application of a six-axis robotic arm, and the entire production line operates fully automatically without human intervention, which significantly enhances the level of sterile control. Depending on different production processes, AUSTAR could provide clients with customized solutions.

The Group has successfully developed a prefilled syringe (PFS) filling line, featuring a fully servo-controlled system for precision motion, a touchscreen interface for adjustable line parameters and variable data management, and below-plane drive mechanisms that enhance maintainability while achieving GMP-compliant cleanliness. Tool-less format part changeovers enable rapid product switching. The successful delivery of this system demonstrates AUSTAR's technical maturity and execution capability in high-precision aseptic filling applications.

Further expansion has been made on visual inspection machine production line. While maintaining full inspection functionality, a new machine platform featuring a more compact structure has been developed. With approximately 30% size volume reduction and enhanced adaptability, it could support visual inspection for both liquid and lyophilized injectable products ranging from 1ml to 100ml, offering broad market potential. In terms of Container Closure Integrity (CCI), the Group has developed a vacuum decay-based leak tester, which is a complete supplement to the container closure integrity testing (CCIT) product portfolio.

Based on the latest regulatory requirements of EU GMP Annex 1, AUSTAR has independently developed a series of sterile contamination control consumables, including sterile disposable gloves, sterilizable microbial barrier goggles, and sterile pre-saturated wipes. These products address clients' dual challenges of compliance and cost reduction upon launch, earning high market recognition.

Focusing on the application scenarios of aseptic transfer and containment, the Group has introduced a series of products to help clients build higher-grade sterile barrier systems. The successful development of the Autoclavable Single Use Beta Bag not only breaks the technological monopoly of international brands in this field but also enables pharmaceutical companies to achieve cost reduction, efficiency improvement, and risk control while maintaining compliance.

The launch of the RTP(Rapid Transfer Port) lifting cart makes aseptic transfer and containment smarter and more automatic. The VHP sterilization protective cover incorporates structural mechanics and sealing simulation analysis in its design, effectively resolving common airtightness risks in Alpha valve applications, such as easily damaged soft covers, aging gaskets, and insecure connections.

PROSPECTS

It has been more than a year since the reorganisation of the Group's business segments into three business groups. Leveraging on the Group's 12 technology applications, which have been continuously developing its competence and knowledge model, the three business groups have established their unique focus on its business strategies, and dedicate to providing equipment-engineering-service-consumables turnkey solutions to clients worldwide. Significant improvements in technical and commercial capabilities through this business organizational restructuring have been observed, gradually reflecting the positive outcomes even though the overall market environment is still tough.

Consulting & Digitalization and Construction

Converging premium global resource, the service-based business segment of Consulting, Digitalization and Construction (CDC) provides integrated solutions including corporate consulting, engineering construction, digitalization, GMP compliance and quality consulting, and operation and maintenance support to the life sciences sector. With a foundation of high-quality and efficient project management and execution capabilities, the business delivers forward-looking and flexible turnkey projects that span the entire lifecycle for global clients.

IT-based project execution processes, profound experience in digitalization, regulatory compliance and professional knowledge accumulated over the years have provided solid foundation for the CDC business group to facilitate global clients in achieving better solutions in the area of operating costs reduction, efficiency improvement and sustainable development.

Due to severe competition in China's local consultancy market, the CDC business group has been aggressively diverting its efforts and resources to serving multinational pharmaceutical companies in China, which requires a higher level of sophisticated and comprehensive industry knowledge and experience, which only very few China local consultancy firms can provide.

Over the past decade, the CDC business group has successfully executed a large number of engineering projects in China, accumulating extensive expertise in addressing various kinds of challenges related to the construction of pharmaceutical and related facilities. Such valuable experience forms a strong foundation for expanding into global market. Through global expansion, the CDC business group is able to maintain reasonable profit margin and is expected to be able to generate substantial profit in medium to long term.

The top management leaders of most clients, especially large pharmaceutical companies in China, have recognized the importance of facility digitalization. How to implement digitalization to lower operation costs has become the concern of our clients. The CDC business group has proven track records of helping clients achieve such goals of digitalization. The further growth for the digitalization consulting and system implementation business requires high-level technical and commercial communications skills to effectively demonstrate the benefits of digitalization to clients. We are actively developing these competencies and it is believed that our digitalization services can help to bring in high-value turnkey projects.

Integrated Process and Packaging Equipment & Systems

The business segment of Integrated Process and Packaging Equipment & Systems (IPS) is focused on the technology direction of advanced manufacturing and process in life sciences industry. With its strong technical capability in core process equipment R&D, process system engineering and process technology services, the business could provide technology solutions in the area of Freeze-drying, Filling, Inspection technology& Packaging; Clean Utility; Liquid Preparation and Complex Formulation Process System; Bioprocess systems; Powder and Solid Intelligent Process System; OSD Process System and Services; Chemical API system integration services.

AUSTAR has been regarded as reputed professional equipment and system engineering solution provider in pharmaceutical industry, especially in emerging region market. In the last few years, AUSTAR has increasingly shifted to developing its core equipment by its own R&D capacities instead of sourcing externally for integration into system solution projects. Such core equipment business is believed to be a significant potential revenue driver for the Group in coming years. This growth opportunity comes from our strategic shift from a project-based business model to a new business model of "Product in Project" and "Product+Project". We are realigning our organisational structure and digital infrastructure to embrace such transformation.

Profound knowledge and experience through project implementation for some specific drug product categories like peptides & oligonucleotides, ADCs, drug delivery systems such as micro-needles and specially weight-loss drug like GLP-1 have been strengthened by leading technical solution highly recognized by reputed clients.

Expanding into adjacent industrial sectors, such as medical aesthetics and specialty medical devices, will further diversify and strengthen our revenue streams within the broader life sciences and pharmaceutical ecosystem.

Life Science Equipment and Consumables

Relying on its expertise in decontamination-washing, disinfection and sterilization, the business segment of Life Science Equipment and Consumables (SIC) provides high quality instruments/ equipments, consumables, and services related to sterile assurance, containment transfer and quality assurance.

To enhance brand recognition and market share, we are building a sustainable and competitive OBP System. Focusing on critical application areas such as sterility assurance, aseptic transfer, containment and isolation technologies, and quality assurance, we aim to build a multi-layered product portfolio ranging from standardized consumables to specialized solutions, thereby enhancing the depth and breadth of our product offerings.

Sterility assurance is the foundational quality requirement for injectable drugs. This industry standard has been codified in the recent EU GMP regulations and upcoming China GMP updated annexes. This business group has been working on preparation for such regulatory evolution by acquiring technology from its European partner CAPE Europe and developing its own products and services apart from continuing distribution of long-term European and US partner products.

After bioprocess and sterile containment consumable manufacturing facility sold out to Danaher-Cytiva in 2021, this business group has established a new strategy of consumable manufacturing, mainly focused on sterile assurance and sterile transfer for isolation technologies. Its products have been gradually launched from the new manufacturing facility. This strategically aligns with market sentiment in China which favours local production over imports due to growing supply chain concerns.

Our expertise in decontamination for life-science sectors, accumulated in the last 20 years through consulting and providing solutions to more than 1,000 clients, holds exceptional value for clients in emerging countries. Such expertise supports the business growth of such clients in highly regulated markets. Especially now and in near future, we can offer cost-effective, self-developed and self-manufactured products to markets beyond China.

Expanding Product Portfolio through Strategic Partnership and Acquisition

Coping with the growing competition and market challenges, the Group has adjusted its business model from project-based to "product & project"-based so as to secure more business opportunities. With clear product line expansion strategies, alongside continuous investments in self-R&D products, market consolidation has proved to be an effective complementary approach. Leveraging on its leading position and reputation, the Group has achieved successful cases, such as C-True visual inspection product line, AUSTAR GAOGER secondary packaging, biopharmaceutical single use products with JYSS BIO, rapid transfer product via joint venture (JV) with Cape Europe, and complex drug research and manufacturing products via JV with Noozle etc., some of which have established specific product or business brand to strengthen market influence. The Group will continue exploring more opportunities to further expand its product portfolio.

Global Expansion

In response to the severe competition in China market, the Group will remain committed to its global expansion strategy. Having built up our sales and execution team, our ultimate goal is to achieve a higher portion of order intake from global market than from China market. We continuously refresh our product and service strategies for international markets to secure client satisfaction and loyalty, with focused efforts on key regions and countries, such as the Middle east, North Africa, Southeast Asia, Europe, South America and North America.

RESULTS OF OPERATIONS

Revenue

The Group provides its services and products under three business groups, namely, (1) Integrated Process and Packaging Equipment & Systems, the major product types of which include liquid process system and powder and solid system; (2) Consulting, Digitalization and Construction, the major product types of which include design consulting, compliance services system, and cleanroom/automation control system; and (3) Life Science Equipment and Consumables which focuses on life science consumables, advanced therapies and advanced bioprocessing technologies.

For the Period under Review, the Group's total revenue amounted to approximately RMB661.9 million, representing a decrease of approximately 5.6% over the six months ended 30 June 2024. The decrease in revenue was primarily attributable to the decrease in revenue from the business groups of Consulting, Digitalization and Construction and Life Science Equipment and Consumables, which was partially offset by the increase in revenue from the business group of Integrated Process and Packaging Equipment & Systems.

The following table sets forth the breakdown of the Group's revenue by business groups for the six months ended 30 June 2025 and 2024:

	For the six months ended 30 June				
	2025		2024		Change
Revenue by business group	***RMB'000***	*%*	*RMB'000*	*%*	*%*
Integrated Process and Packaging Equipment & Systems	**318,110**	**48.1%**	309,273	44.1%	2.9%
Consulting, Digitalization and Construction	**190,134**	**28.7%**	216,586	30.9%	-12.2%
Life Science Equipment and Consumables	**153,661**	**23.2%**	175,060	25.0%	-12.2%
Total	**661,905**	**100%**	700,919	100.0%	-5.6%

Integrated Process and Packaging Equipment & Systems

The Group's revenue from the business group of Integrated Process and Packaging Equipment & Systems increased by approximately RMB8.8 million or 2.9% from approximately RMB309.3 million for the six months ended 30 June 2024 to approximately RMB318.1 million for the Period under Review. The increase was mainly due to the increase in opening backlog for the Period under Review.

Consulting, Digitalization and Construction

The Group's revenue from the business group of Consulting, Digitalization and Construction decreased by approximately RMB26.5 million or 12.2% from approximately RMB216.6 million for the six months ended 30 June 2024 to approximately RMB190.1 million for the Period under Review. The decrease was mainly due to the decrease in opening backlog for the Period under Review.

Life Science Equipment and Consumables

The Group's revenue from the business group of Life Science Equipment and Consumables decreased by approximately RMB21.4 million or 12.2% from approximately RMB175.1 million for the six months ended 30 June 2024 to approximately RMB153.7 million for the Period under Review. The decrease was mainly due to the decrease of order-in-take and the decrease in opening backlog for the Period under Review.

The following table sets forth the breakdown of the Group's revenue by geographical regions for the six months ended 30 June 2025 and 2024:

	For the six months ended 30 June				
	2025		2024		Change
Revenue by geographical region	***RMB'000***	*%*	*RMB'000*	*%*	*%*
Mainland China	**596,869**	**90.2%**	652,139	93.0%	-8.5%
Other locations	**65,036**	**9.8%**	48,780	7.0%	33.3%
Total	**661,905**	**100.0%**	700,919	100%	-5.6%

The Group derived its revenue mainly from customers in Mainland China, which accounted for approximately 90.2% of the total revenue for the Period under Review (the six months ended 30 June 2024 accounted for approximately 93.0%).

Cost of sales

The Group's cost of sales decreased by approximately RMB32.7 million or 5.9% from approximately RMB555.5 million for the six months ended 30 June 2024 to approximately RMB522.8 million for the Period under Review. The decrease was in line with the drop in revenue.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately RMB6.3 million or 4.3% from approximately RMB145.4 million for the six months ended 30 June 2024 to approximately RMB139.1 million for the Period under Review. The gross profit margin increased from approximately 20.7% for the six months ended 30 June 2024 to approximately 21.0% for the Period under Review which was mainly due to the increase in gross profit margin from the business group of Consulting, Digitalization and Construction and Life Science Equipment and Consumables.

The following table sets forth the breakdown of the Group's gross profit and gross profit margin by business groups for the six months ended 30 June 2025 and 2024:

	For the six months ended 30 June					
	2025			2024		
Gross profit and gross profit margin by business group	***RMB'000***	**%**	**Gross profit margin %**	*RMB'000*	%	Gross profit margin %
Integrated Process and Packaging Equipment & Systems	**34,756**	**25.0%**	**10.9%**	42,298	29.1%	13.7%
Consulting, Digitalization and Construction	**38,525**	**27.7%**	**20.3%**	37,359	25.7%	17.2%
Life Science Equipment and Consumables	**65,862**	**47.3%**	**42.9%**	65,760	45.2%	37.6%
Total	**139,143**	**100.0%**	**21.0%**	145,417	100.0%	20.7%

Notes:

1. Gross profit margin by business group represents gross profit divided by revenue of the respective business group for the Period under Review.

2. Total gross profit margin represents total gross profit divided by total revenue for the Period under Review.

Integrated Process and Packaging Equipment & Systems

The gross profit from the business group of Integrated Process and Packaging Equipment & Systems decreased by approximately RMB7.5 million or 17.8% from approximately RMB42.3 million for the six months ended 30 June 2024 to approximately RMB34.8 million for Period under Review. The gross profit margin of the business group of Integrated Process and Packaging Equipment & Systems decreased from approximately 13.7% for the six months ended 30 June 2024 to approximately 10.9% for the Period under Review.

The revenue of Integrated Process and Packaging Equipment & Systems achieved year-on-year growth, but the intensified market competition and customer price suppression have led to lower gross profit margins for acquired projects and decreased gross profit as well. Looking ahead to the second half of the year, with revenue scale expansion, the gross profit margin is expected to show a moderate recovery trend.

Consulting, Digitalization and Construction

The gross profit from the business group of Consulting, Digitalization and Construction increased by approximately RMB1.1 million or 3.1% from approximately RMB37.4 million for the six months ended 30 June 2024 to approximately RMB38.5 million for the Period under Review. The gross profit margin of the business group of Consulting, Digitalization and Construction increased from approximately 17.2% for the six months ended 30 June 2024 to approximately 20.3% for the Period under Review.

The increase in gross profit margin was mainly driven by the product standardization and modularization which reduced costs, business structure optimization which increased the proportion of high-margin products, and enhanced supply chain and refined project management, which improved operational efficiency. At the same time, the business group has implemented strategic pricing for high-quality customers to consolidate long-term cooperation, continuously expanded multinational corporation (MNC) and group customers, and explored overseas markets.

Leveraging its advantages in technology, industry experience, and multi-project resources will support gross profit improvement. The Group will also focus on the development of upgrade and retrofit, annual service, and on-site operation and maintenance businesses, while simultaneously optimizing the layout of regional service centers to enhance operational efficiency, using multiple measures to drive an overall improvement in the gross profit margin.

Life Science Equipment and Consumables

The gross profit from the business group of Life Science Equipment and Consumables increased by approximately RMB0.1 million or 0.2% from approximately RMB65.8 million for the six months ended 30 June 2024 to approximately RMB65.9 million for the Period under Review.

During the Period Under Review, gross profit margin of Life Science Equipment and Consumables increased compared to the same period last year, which was mainly driven by product mix optimization that boosted the share of high-margin consumables revenue, as well as economies of scale from increased sales of self-produced products which reduced unit costs. Despite a year-on-year decline in revenue, these factors jointly maintained gross profit at prior-year level, thereby pushing up the gross profit margin.

Selling and marketing expenses

Selling and marketing expenses increased by approximately RMB8.8 million or 13.7% to approximately RMB72.7 million for the Period under Review from approximately RMB63.9 million for the six months ended 30 June 2024. The increase was a combined result of the increase in the staff cost for sales and marketing personnel by a total amount of approximately RMB12.2 million and decrease of services expenses by a total of approximately RMB4.6 million

Administrative expenses

Administrative expenses decreased by approximately RMB9.8 million or 19.2% to approximately RMB41.4 million for the Period under Review from approximately RMB51.2 million for the six months ended 30 June 2024. The decrease was mainly the result of a decrease in the staff cost for administrative personnel, depreciation, and technical service fee.

Research and development expenses

The Group's research and development expenses decreased by approximately RMB7.0 million or 29.8% to approximately RMB16.5 million for the Period under Review from approximately RMB23.5 million for the six months ended 30 June 2024. The decrease was mainly the result of decrease in the staff cost for R&D personnel and raw material expenses.

Other income

Other income decreased by approximately RMB2.3 million, or 26.3%, to approximately RMB6.5 million for the Period under Review from approximately RMB8.8 million for the six months ended 30 June 2024. This decrease was mainly due to the decrease in subsidies granted by local government authorities of the PRC, which was partially offset by the increase in rental income during the Period under Review.

Other gains/(losses) – net

The Group recorded net other gains of approximately RMB16.4 million for the Period under Review, compared to net other losses of approximately RMB0.6 million for the six months ended 30 June 2024. The reversal was mainly due to the recording of an exchange gain amounted to approximately RMB11.4 million and a gain on early termination of lease contracts amounted to approximately RMB3.1 million for the Period under Review.

Finance costs – net

The net finance costs decreased from approximately RMB7.7 million for the six months ended 30 June 2024 to approximately RMB5.9 million for the Period under Review, mainly due to the decrease in interest expenses primarily as a result of lower loan level during the Period under Review.

Share of net profit/(loss) of investments accounted for using the equity method

The Group's share of net profits of investments accounted for using the equity method increased by approximately RMB1.8 million, from a share of net loss of approximately RMB0.3 million for the six months ended 30 June 2024 to a share of net gain of approximately RMB1.5 million for the Period under Review, due to the increase in profit contribution from the Group's investment in the joint venture ROTA Verpackungstechnik GmbH & Co. KG ("**ROTA KG**") by approximately RMB1.0 million and Noozle Fluid Technology (Shanghai) Co., Ltd. by approximately RMB0.7 million.

Profit before income tax

The Group recorded profit before income tax of approximately RMB30.3 million for the Period under Review, as compared with the profit before income tax of approximately RMB9.2 million for the six months ended 30 June 2024, which was due to the factors as described above in this section.

Income tax expense

The income tax expense increased by approximately RMB1.7 million from approximately RMB5.0 million for the six months ended 30 June 2024 to approximately RMB6.7 million for the Period under Review, which was mainly due to the increase in profit before income tax for the Period under Review.

Profit for the period

The Group recorded a profit for the Period under Review of approximately RMB23.6 million compared to a profit of approximately RMB4.2 million for the six months ended 30 June 2024, which was primarily attributable to the factors as described above in this section.

LIQUIDITY AND FINANCIAL RESOURCES

The following table summarises the Group's unaudited interim condensed consolidated statement of cash flows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	**38,966**	19,539
Net cash (used in)/generated from investing activities	**(2,757)**	12,350
Net cash used in financing activities	**(38,205)**	(56,007)
Net decrease in cash and cash equivalents	**(1,996)**	(24,118)

For the Period under Review, the Group had net cash generated from operating activities of approximately RMB39.0 million mainly attributable to:

i. the profit before income tax for the Period under Review of approximately RMB30.3 million, plus the depreciation of property, plant, and equipment and right-of-use assets of approximately RMB21.3 million, amortization of intangible assets of approximately RMB3.9 million, interest expense of approximately RMB6.7 million, writing down of inventory of approximately RMB2.7 million, and partially offset by the net exchange gain of approximately RMB10.9 million; and

ii. the decrease in trade and other receivables of approximately RMB87.2 million, and the increase in contract liabilities of approximately RMB8.8 million partially offset by the decrease in trade and other payables of approximately RMB38.0 million, and the increase in contract assets of approximately RMB57.7 million.

For the Period under Review, the Group had net cash used in investing activities of approximately RMB2.8 million, which was mainly attributable to payment for property, plant and equipment, and right-of-use assets of approximately RMB17.4 million, which was partially offset by proceeds from disposal of land use right of approximately RMB14.5 million.

For the Period under Review, the Group had net cash used in financing activities of approximately RMB38.2 million which was mainly attributable to repayments of borrowings of approximately RMB181.0 million and interest paid of approximately RMB6.7 million, which was partially offset by the proceeds from bank borrowings of approximately RMB157.7 million.

As at 30 June 2025, the Group had cash and cash equivalents of approximately RMB164.7 million which was mainly denominated in RMB and the United States Dollar. Some of cash and cash equivalents of the Group were denominated in Euro and Hong Kong Dollar.

The Group does not have any financial instruments for hedging purpose.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the investors and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from prior year.

Net current assets

The Group's net current assets had increased by approximately RMB39.8 million from approximately RMB363.1 million as at 31 December 2024 to approximately RMB402.9 million as at 30 June 2025.

As at 30 June 2025, the Group's total current assets amounted to approximately RMB1,499.0 million, which represents a decrease of approximately RMB52.8 million as compared with approximately RMB1,551.8 million as at 31 December 2024. The decrease was primarily due to the factors set out below:

i. the decrease in trade and notes receivables by approximately RMB72.7 million, the decrease in prepayments and other receivabels by approximately RMB30.5 million, and the decrease in inventory by approximately RMB9.3 million; and

ii. offset by the increase in contract assets by approximately RMB58.5 million.

The Group's total current liabilities as at 30 June 2025 amounted to approximately RMB1,096.1 million, which represents a decrease of approximately RMB92.6 million as compared with approximately RMB1,188.7 million as at 31 December 2024. The decrease was primarily due to:

i. the decrease in other payables by approximately RMB67.4 million, the decrease in short-term borrowings and current portion of long-term borrowings by approximately RMB59.8 million, and the decrease in lease liabilities by approximately RMB5.0 million; and

ii. offset by the increase in trade payables in the amount of approximately RMB30.0 million and the increase in contract liabilities in the amount of approximately RMB8.0 million.

Borrowings and gearing ratio

As at 30 June 2025, the total short-term interest-bearing bank borrowings amounted to RMB206.0 million and bore interest rates ranging from 1.20% to 3.65% per annum (31 December 2024: from 1.50% to 3.90% per annum).

The long-term bank borrowings and current portion of long-term borrowings amounted to RMB61.6 million and RMB62.8 million respectively and bore interest rates ranging from 2.65% to 3.70% per annum (31 December 2024: 3.30% to 4.25% per annum).

The Group's gearing ratio decreased to approximately 30.9% as at 30 June 2025 from approximately 33.9% as at 31 December 2024. The ratio is calculated based on the total debts as of the respective dates divided by total capital equity as of the respective dates and multiplied by 100%.

Pledged assets

As at 30 June 2025, in addition to pledged bank deposits of approximately RMB43.2 million, the Group had buildings and right-of-use assets having a total carrying amount of approximately RMB80.9 million and approximately RMB46.6 million respectively (31 December 2024: buildings and right-of-use assets having a total carrying amount of approximately RMB223.6 million and approximately RMB64.1 million respectively) which were pledged as collateral for certain bank borrowings of the Group.

INTERIM DIVIDEND

The Directors did not declare any interim dividend for the six months ended 30 June 2025 (2024: nil).

CAPITAL STRUCTURE

As at 30 June 2025, the Group had shareholders' equity of approximately RMB810.4 million (31 December 2024: approximately RMB793.5 million). The authorised share capital of the Company was HK$100,000,000 divided into 10,000,000,000 shares with par value of HK$0.01 each ("**Shares**") and the issued share capital was HK$5,125,820 divided into 512,582,000 Shares.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group provided guarantee to a bank in respect of one irrevocable letter of credit utilised by ROTA KG totalling EUR600,000 approximated at RMB4,515,000, representing the Group's maximum exposure under such guarantee. Such letter of credit has been withdrawn during the six months ended 30 June 2025.

HUMAN RESOURCES

As at 30 June 2025, the Group had 1,446 full-time employees for R&D, sales and marketing, administration, project management and execution and manufacturing as compared with 1,445 full-time employees as at 31 December 2024. During the Period under Review, the total staff costs (including the Directors' remuneration) were approximately RMB178.0 million, which represented an increase of approximately 2.9% as compared with approximately RMB172.9 million for the six months ended 30 June 2024.

The increase in the Group's total staff costs was mainly driven by strategic investments in upgrading the capability and quality of key positions, which were implemented to enhance human capital efficiency and stimulate organizational vitality.

The Group regularly reviews its remuneration policies and employee benefits with reference to market practices and performance of individual employees. The remuneration of the employees and the Directors are determined by reference to their responsibilities, professional qualification, industry experience and performance. The emolument policy of the Directors is recommended by the remuneration committee of the Board and determined by the Board.

The Group has established various welfare plans including the provision of basic medical insurance, unemployment insurance and other relevant insurance for employees who are employed by the Group pursuant to the PRC rules and regulations and the existing policy requirements of the local government. The Group has also made statutory contributions for its employees in Hong Kong, Taiwan, India, Indonesia, Germany, UK and Malaysia.

The Group has formulated provisions and rules on employees' training, such as the "Training and Development Control Procedures" and the "Training Management Control Procedures", detailing the implementation of training and accountability in training. In addition, in the "Staff Handbook", the Group divides training into orientation, overseas training, management training, professional skills training and corporate culture training.

CAPITAL COMMITMENT

Capital expenditure of property, plant and equipment which has been contracted for but not yet incurred as of 30 June 2025 amounted to approximately RMB1.6 million (31 December 2024: approximately RMB2.1 million).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no significant investments, material acquisition or disposal of subsidiaries, associates and joint ventures by the Group during the Period under Review.

FOREIGN EXCHANGE RISK

The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Euro, Great Britain Pound, United States Dollar and Hong Kong Dollar. Foreign exchange risk arises from internal borrowings among the Group's subsidiaries which operate in different functional currencies, foreign currencies held by the Group's subsidiaries and offices and the sales of the Group's products and services to overseas customers where transactions are settled in foreign currencies. The Directors do not consider the foreign exchange rate risks as material to the Group and therefore, did not carry out any financial instruments such as forward currency exchange contracts to hedge the risks.

EVENT OCCURRING AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Group after 30 June 2025 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the Period under Review, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders of the Company ("**Shareholders**") as a whole. The Company has adopted and committed to a code of corporate governance, containing the code provisions set out in the Corporate Governance Code ("**Corporate Governance Code**") contained in Part 2 of Appendix C1 to the Rules ("**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**").

Save for the deviation from code provision C.2.1 of the Corporate Governance Code as described below, the Board considers that, the Company has complied, to the extent applicable and permissible, with the code provisions as set out in the Corporate Governance Code during the Period under Review and the Directors will use their best endeavours to procure the Company to comply with such code and make disclosure of deviation from such code in accordance with the Listing Rules.

Code provision C.2.1 of the Corporate Governance Code provides that the roles of the chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Ho Kwok Keung, Mars assumes the roles of both the chairman of the Board and the chief executive officer of the Company. The Board believes that vesting both the roles of chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority will not be impaired under the present arrangement and this structure will enable the Company to make and implement decisions promptly and efficiently. In addition, the Board is of the view that its balanced composition of executive and non-executive Directors (including the independent non-executive Directors) provides adequate safeguards to ensure a balance of power and authority. This is further supported by its various committees, which are primarily comprised of independent non-executive Directors and are each responsible for overseeing different aspects of the Company's affairs.

COMPLIANCE WITH THE MODEL CODE BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers ("**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding the Directors' securities transactions. The Directors are reminded of their obligations under the Model Code on a regular basis. Following specific enquiry, all Directors have confirmed that they had complied with the required standards set out in the Model Code throughout the Period under Review.

AUDIT COMMITTEE

The Board established the audit committee ("**Audit Committee**") on 21 October 2014 with written terms of reference in compliance with Rules 3.21 to 3.23 of the Listing Rules and the Corporate Governance Code. The Audit Committee currently comprises two independent non-executive Directors, namely, Mr. Cheung Lap Kei and Madam Chiu Hoi Shan and one non-executive Director, namely, Madam Ji Lingling. Mr. Cheung Lap Kei is the chairman of the Audit Committee. None of them is a member of the former or existing auditors of the Company. The terms of reference of the Audit Committee are published on the Company's website and the website of the Stock Exchange.

The primary duties of the Audit Committee are to review the half-yearly and annual results of the Company and to supervise the Group's financial reporting process and internal control system, and to formulate or review policies relating to anti-bribery compliances by ensuring regular management review of relevant corporate governance measures and its implementation.

The Audit Committee has reviewed the unaudited condensed consolidated interim financial information of the Group for the Period under Review.

The interim condensed consolidated financial statements have been reviewed by Moore CPA Limited, the Company's independent auditor, in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.austar.com.hk). The interim report of the Company for the Period under Review containing all the information required by the Listing Rules will be despatched to the Shareholders (if requested) and published on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Company would like to take this opportunity to thank all of its valued Shareholders and various stakeholders for their continuous support. Also, the Company would like to express its appreciation to all the staff for their efforts and commitments to the Group.

On behalf of the Board
Austar Lifesciences Limited
Ho Kwok Keung, Mars
Chairman and Chief Executive Officer

Hong Kong, 26 August 2025

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Ho Kwok Keung, Mars, Mr. Ho Kin Hung, Madam Zhou Ning and Mr. Bian Ce; one non-executive Director, namely Madam Ji Lingling; and three independent non-executive Directors, namely Mr. Cheung Lap Kei, Madam Chiu Hoi Shan and Mr. Leung Oi Kin.