AUSTAR
奥星

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

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

2026
INTERIM REPORT

LYOCORE
xLYOLAB
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C-True
PURVITA
BIOSYSTEC
AUSMiLL
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Pharma LeanTec
AUSCON
REMOIIS
奥星瑞服

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CORPORATE INFORMATION

PLACE OF LISTING
The Stock Exchange of Hong Kong Limited

STOCK CODE
6118

EXECUTIVE DIRECTORS
Mr. Ho Kwok Keung, Mars
(Chairman & Chief Executive Officer)
Mr. Ho Kin Hung
Madam Zhou Ning
Mr. Bian Ce

NON-EXECUTIVE DIRECTOR
Madam Ji Lingling

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr. Cheung Lap Kei
Madam Chiu Hoi Shan
Mr. Leung Oi Kin

AUDIT COMMITTEE
Mr. Cheung Lap Kei *(Chairman)*
Madam Chiu Hoi Shan
Madam Ji Lingling

REMUNERATION COMMITTEE
Madam Chiu Hoi Shan *(Chairlady)*
Mr. Cheung Lap Kei
Madam Zhou Ning

NOMINATION COMMITTEE
Mr. Ho Kwok Keung, Mars *(Chairman)*
Mr. Cheung Lap Kei
Madam Chiu Hoi Shan

CORPORATE GOVERNANCE COMMITTEE
Madam Zhou Ning *(Chairlady)*
Mr. Ho Kwok Keung, Mars
Madam Chiu Hoi Shan

RISK MANAGEMENT COMMITTEE
Madam Zhou Ning (Chairlady)
Madam Ji Lingling
Mr. Bian Ce

COMPANY SECRETARY
Madam Mak Yuk Kiu

AUTHORISED REPRESENTATIVES
(For the purpose of the Listing Rules)
Madam Zhou Ning
Madam Mak Yuk Kiu

PRINCIPAL BANKERS
Bank of China (Hong Kong) Limited
Deutsche Bank AG

REGISTERED OFFICE
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA
Rooms 2010–2013, 20th Floor
No. 1018 Changning Road
Changning District
Shanghai, the People's Republic of China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Workshop 6 on 1/F.
New Trade Plaza
No. 6 On Ping Street
Shatin New Territories
Hong Kong

LEGAL ADVISOR AS TO HONG KONG LAWS

LCH Lawyers LLP
Room 2402, 24/F.
Admiralty Centre Tower Two
18 Harcourt Road, Admiralty
Hong Kong

AUDITOR

Moore CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
1001–1010, North Tower, World Finance Centre
Harbour City, 19 Canton Road
Tsim Sha Tsui, Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

COMPANY WEBSITE

www.austar.com.hk

FINANCIAL HIGHLIGHTS

The board ("**Board**") of directors ("**Directors**") of Austar Lifesciences Limited ("**Company**" or "**AUSTAR**", together with its subsidiaries, the "**Group**") presents the unaudited interim condensed consolidated results of the Group for the six months ended 30 June 2026 ("**Period under Review**"), together with the comparative figures for the corresponding period in 2025 and the relevant explanatory notes as set out in this report. The interim condensed consolidated financial information set out on pages 35 to 76 is unaudited, but has been reviewed by the audit committee of the Board ("**Audit Committee**").

GROUP FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	**744,484**	661,905
Gross profit	**138,147**	139,143
Profit before income tax	**17,662**	30,303
Profit attributable to the owners of the Company	**8,463**	24,999
Gross profit margin	**18.6%**	21.0%
Basic earnings per share (Note)	**RMB0.02**	RMB0.05
Diluted earnings per share (Note)	**RMB0.02**	RMB0.05

	As at	As at
	30 June	31 December
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Total assets	**2,139,682**	2,128,003
Net assets	**833,316**	824,085
Gearing ratio	**24.4%**	29.4%

Note: The calculation of earnings per share is based on the profit attributable to the owners of the Company for each of the six months ended 30 June 2026 and 2025 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 2026 and 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

The global pharmaceutical industry is entering a structural growth phase driven by biologics, cell and gene therapies, specialty medicines, oncology products, artificial intelligence ("**AI**")-enabled drug development, and increasing healthcare demand from aging populations. These trends are creating significant demand for technological and clinical breakthroughs which converge to transform global healthcare. Regulatory requirements, particularly the revised EU GMP Annex 1 standards and increasing expectations from the Food and Drug Administration (FDA), are accelerating the transition toward highly controlled manufacturing environments with stringent contamination control and traceability requirements.

In China, the Outline of the 15th Five-Year Plan identifies biomedicine as an emerging pillar industry, calls for the forward-looking development of future industries such as biomanufacturing, and accelerates the cultivation of new growth areas including cell and gene therapy drugs, novel antibodies, nucleic acid medicines and radiopharmaceuticals. Life sciences and biotechnology, along with the prevention and treatment of major diseases and the research and development of innovative drugs, have been identified as national major science and technology special projects targeting breakthroughs in cutting-edge technologies.

Relevant authorities will optimize the review and approval procedures for innovative drugs and clinically urgently needed medicines, refine the catalogue of innovative drugs, and encourage commercial insurance to expand the coverage of innovative drugs. Efforts will be made to strengthen food and drug safety supervision, and elevate the quality and efficiency of the consistency evaluation of generic drugs in terms of quality and therapeutic effects. Meanwhile, China will advance the upgrading of the entire pharmaceutical industrial chain, enabled by AI.

The accelerated global expansion of Chinese pharmaceutical enterprises and rising investment by multinational pharmaceutical corporations in China stand out as the two dominant trends shaping today's pharmaceutical industry. These dynamics generate abundant business opportunities for AUSTAR. On the one hand, Chinese enterprises venturing overseas are required to comply with regulatory standards set by the National Medical Products Administration (NMPA), European Medicines Agency (EMA), Food and Drug Administration (FDA) and Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme (PIC/S). On the other hand, multinational pharmaceutical corporations continue to build and expand production bases for sterile pharmaceuticals, biologic drugs and high-end Active Pharmaceutical Ingredients ("**APIs**") in China. Together, these two factors fuel surging market demand for AUSTAR's specialized equipment and professional technical services.

The obesity and metabolic disease market continues its explosive trajectory, and the global obesity drug market is forecast to expand strongly. The Glucagon-like peptide-1 (GLP-1) receptor agonist revolution is entering a new phase of maturation and diversification. Far beyond replicating the existing GLP-1 therapies, the next generation of metabolic therapies promise improved adherence and deliver superior weight loss and expanded therapeutic applications spanning from renal disease to brain health.

Cell and Gene Therapy (CGT), a groundbreaking and cutting-edge technology in the biopharmaceutical sector, has now been officially included in the fast-track review pathway for innovative drugs. The accelerated launch of CGT therapeutics is prominent. Following the approval of four products in 2025, the world's first Chimeric Antigen Receptor T-Cell (CAR-T) therapy for solid tumors secured marketing authorization in China in June 2026. All currently commercialized products are autologous CAR-T therapies, which face constraints on commercial scalability and result in underutilized production capacity at some small and mid-sized manufacturers. Meanwhile, there exists a substantial supply gap in scalable suspension production capacity for allogeneic cell therapies and in vivo gene therapy vectors. Moving forward, enterprises equipped with core technology platforms encompassing allogeneic CAR-T, Adeno-Associated Virus (AAV) vectors and gene editing will have greater commercialization potential.

BUSINESS REVIEW

Revenue recognized for the Period under Review has recorded a double-digit increase compared to that for the corresponding period in 2025. Net cash flows from operating activities have increased by approximately 126.6%. However, order-in-take for the Period under Review has decreased due to management's decision to be more selective in taking on projects with higher profit margin and better payment terms, so as to avoid unnecessary exposure to intensified competition, especially in China.

With 35 years of growth and dedicated development, AUSTAR has evolved its core businesses from agency distribution and equipment system engineering integration into a key industry player manufacturing critical consumables and process equipment. The Group is advancing its Five-Year Strategic Plan centered on intelligent growth, targeting comprehensive digital and AI-driven transformation in project management and group operations.

Several core product lines and service solutions have undergone digital upgrades. For smart factory development, digital transformation and quality management, by continuously deepening our understanding of international regulations and advanced processes and strengthening the application capabilities of digital-intelligence tools and self-developed software, we embed intelligent design concepts into front-end consulting and engineering design and integrate quality management software and operational intelligence platforms into day-to-day management to address clients' diverse needs with more forward-looking and systematic solutions.

Business and product portfolio expansion together with global business expansion have highlighted the Group's major achievements in the first half of the year. Leveraging the long-term technical accumulation in pharmaceutical cleanroom engineering, full-cycle good manufacturing practice (GMP) validation capabilities and global project delivery system, the Group has secured a number of benchmark projects outside China. The award of a general contracting project for a pharmaceutical cleanroom in Southeast Asia and the successful delivery of the cleanroom supporting works for a comprehensive hospital in Libya fully demonstrate the Group's cross-regional construction capability in complying with diverse national building codes and medical compliance standards.

In June 2026, AUSTAR entered into a strategic cooperation with ATEC Pharmatechnik GmbH and officially launched the ATEC Blue Line Component Processing System. As a fully integrated solution, this system enables safe, efficient and compliant processing of pharmaceutical sealing components such as rubber stoppers and aluminum caps. Designed specifically for aseptic environments, it allows fully enclosed processing, storage and transfer while maximizing product integrity, serving as a highly valuable complement to the filling line product portfolio.

Against the prevalent challenges surrounding the inspection of complex liquid formulations across the industry, leveraging the technical strengths of the C-True series products, the Group has replaced traditional inspection solutions in multiple key projects and established a sound reputation in the niche field of visual inspection for complex formulations. Benefiting from the Group's capability to deliver customized solutions that outperform standard equipment, we address clients' compliance challenges and have built solid credibility for complex inspection scenarios such as dark-colored liquids and suspensions, further enhancing the brand reputation of AUSTAR's visual inspection machines.

The Group has launched an integrated turnkey solution combining formulation processes, powder handling technologies and an intelligent manufacturing process control system (iMPC). It enables fully automatic material transfer within workshops, connects data chains spanning processes, equipment, personnel, materials, tooling and various information systems, and delivers interconnection of all production elements to meet clients' demands for intelligent and low-manpower plant construction.

Targeting research and development ("**R&D**") institutions and high-end formulation clients, the Group's Oral Solid Dosage (OSD) Innovative Process Service Center ("**Center**") undertook process technical services for multiple leading enterprises in the first half of 2026. The service scope covers Process Analytical Technology modeling and application, technical problem analysis and troubleshooting, process iterative optimization, and golden batch parameter development. In addition to chemical drug projects, the Center has assisted a number of traditional Chinese medicine enterprises in adopting advanced Process Analytical Technologies, supporting clients in process scale-up from laboratory research to commercial production.

The Group has successfully secured a commercial OSD continuous manufacturing production line project for a Chinese enterprise. The project covers three core process routes, namely direct compression, continuous wet granulation and continuous dry granulation, enabling full-line continuous operation and integrated intelligent manufacturing from raw materials to finished products. Upon completion, this project will be the first commercial solid dosage continuous manufacturing production line built by a technology service provider in China, and it is expected to be among the first in Asia to be integrated by a single company on one platform.

Production, Execution and Organization

In the first half of 2026, the Group continued to consolidate its manufacturing systems and upgrade operational management efficiency under the guidance of AUSTAR Production System (APS). This is intended to build manufacturing capacity aligned with the Group's global expansion strategy and to steadily improve customer satisfaction.

The Group's five global manufacturing bases have reached mature production status and each facility is required, as part of an ongoing strategic initiative, to carry out continuous improvement tailored to its actual conditions. Meanwhile, they provide mutual support and share best practices with one another.

Specific improvements focus on manufacturing center layout optimization and capacity expansion, project delivery and workforce competency enhancement, supply chain collaboration and after-sales support, facility upgrading and cost control, efficiency improvement and working hour management, quality control, as well as lean operations.

As a key component of AUSTAR's long-term global expansion plans, the manufacturing centers in Europe serve collectively as a center of excellence for knowledge transfer and technical capability development, supporting the continuous improvement of manufacturing and project delivery standards across the organization. Through this ongoing cooperation, our teams continuously strengthen alignment, ensuring AUSTAR is well positioned to meet the evolving requirements of international clients and regulated markets.

During the Period under Review, with a core focus on end-to-end full-lifecycle project delivery covering plant-derived recombinant albumin, bioprocess upstream and downstream chains, antibody-drug conjugates (ADCs), small nucleic acids, peptides, oral solid dosage, APIs, vaccines, medical devices and cosmetics, the Project Execution Center (PEC) executed 460 projects and successfully delivered 136 of them in China, India, Southeast Asia, the Middle East and other regions.

Continuous iteration in equipment and process design drives technological R&D breakthroughs and innovation upgrades. Our digital project management system interconnects all workflow control links to steadily boost product quality and system reliability.

Our digital transformation service integrates automatic control, AI and Internet of Things technologies to deliver predictive equipment fault diagnosis, early alerts for quality variations and autonomous process regulation. By integrating the Manufacturing Execution System (MES) with automated guided vehicles (AGVs), collaborative robots, hybrid robots and humanoid robots, the team has established an all-in-one digital and intelligent interconnected central control platform for application in clients' projects. This system overcomes the limitations of conventional production management software, enables fully intelligent unmanned operation across production lines, and elevates our comprehensive digital competitiveness to a new level.

In terms of project management, drawing on extensive practical experience accumulated, the Project Execution Center (PEC) delivers highly efficient and refined project management. Tailored to local regulatory standards, environmental conditions and regional characteristics, supporting mechanisms including remote monitoring, internal and external collaboration and full English-language delivery workflows have been formulated. These measures effectively mitigate risks associated with cross-border construction, logistics and communications, ensuring compliant and efficient project handover.

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 in offering more relevant solutions to our clients. This model is facilitated by a sophisticated business intelligent information system for customer relationship management to ensure our clients are properly taken care of and our sales team is working cost-effectively.

In China, through years of sales talent cultivation and organization development, the Company's sales process is relatively mature, covering the areas 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 subject matter experts and technology application team are supporting regional sales through technical support, proposal preparation and presentation.

The Group has continued to forge partnerships and develop collaborations with sales agents. In the first half of the year, we signed cooperation agreements with nine new sales agents covering South Korea, Malaysia, Saudi Arabia, Egypt, Pakistan, Italy, Greece, France and the United States. Several of these partners have rolled out localized marketing campaigns and developed region-specific marketing materials.

In the first half of 2026, the Group steadily enhanced its global brand visibility via a full spectrum of marketing campaigns. Through participation in flagship industry expositions including Germany's Interpack Processing & Packaging, CPHI & PMEC China, South Korea's COPHEX and Brazil's FCE Pharma, the team reinforced AUSTAR's footprint across core international markets and broadened connections with clients and industry partners around the globe. Meanwhile, customer-focused activities such as Open Days and Factory Tours allowed global partners to experience AUSTAR's integrated solutions, manufacturing strengths and technical expertise first-hand, which further boosted stakeholders' trust in the AUSTAR brand.

Moving forward, preparations are well underway for a new round of marketing events scheduled for the second half of the year. The lineup includes Pharma Pro&Pack Expo, PMEC India, CIPM (China International Pharmaceutical Machinery Exposition), Pharmtech & Ingredients Moscow, Germany's POWTECH TECHNOPHARM, CPHI & P-MEC Worldwide (Milan), and CPHI Middle East etc. We are confident that these promotional efforts will deliver tangible value to the Group's global business expansion, as the rising volume of overseas project inquiries serves as compelling evidence.

Following the official launch of the Group's corporate website, we have witnessed clear positive feedback as seen from a dramatic surge in website traffic. Compared with the same period in 2025, visits to the Group's English website jumped by 260%, while traffic to the Chinese website rose by 52%, bringing total visits to more than 220,000. These metrics offer further proof of the Group's remarkable strides in global business expansion and demonstrate growing recognition of the AUSTAR brand among international customers. To keep pace with the Group's rapid global expansion, we are in the process of launching additional language versions for the corporate website, enabling global audiences to develop a deeper understanding of AUSTAR.

The Group published more than 770 news articles across its official social media accounts, accumulating over 250,000 views. More than 50 promotional videos were produced, which have proven to be an effective content format for social platforms including YouTube and LinkedIn, owing to their powerful and direct visual impact.

To align with the continuous expansion of the Group's product lines, two new sub-brands were launched in the first half of 2026, namely Powtec, a professional dry granulator brand, and AUSTAR EMEI, which specializes in the R&D and manufacturing of high-precision tablet press punches and dies, as well as blister packaging tooling.

Research and Development

As at 30 June 2026, the Group owned 419 patents. During the Period under Review, the Group obtained 10 newly registered patents, and applications for 69 patents are currently in progress.

Adhering to the principle of driving high-quality business growth via technological innovation, the Group keeps advancing R&D across all its product lines. The development of solid preparation visual inspection machines marks the full expansion of our visual inspection machine business from sterile injectables to oral solid formulations. This equipment is capable of inspecting tablets, capsules and soft capsules. Our technical expertise in the inspection of ferric saccharate injections has been fully validated with the development of dedicated visual inspection machines, featuring exceptional inspection accuracy and reliable performance and these machines now occupy a leading position in China and set a new benchmark for this niche market.

An automated push rod type loading/unloading system for freeze-drying membrane cassettes was developed, filling the gap in our APIs lyophilization product offerings. APIs packaging formats are highly diverse – including freeze-drying trays, membrane frames, membrane cassettes, flap-type freeze-drying containers, mold nests etc. A common demand is to minimize friction during material loading and unloading, making friction-free transfer a core technical focus. Conventional glass-reinforced plastic (GRP) trolleys are incompatible with full-spectrum operating scenarios and unable to satisfy explosion-proof specifications for special pharmaceutical liquids. The newly developed system fully resolves such challenges. It reduces friction and is also compatible with lyophilization trays. This technological development complements and extends existing lyophilization technologies, broadening the applicable scope of our product portfolio.

Against the backdrop of new industry regulatory mandates requiring Pre-Use Post-Sterilization Integrity Test (PUPSIT) compliance upgrades for sterile preparation production, the Group has completed technical retrofitting, standardized design and modular construction of PUPSIT systems to deliver standardized, replicable compliance solutions. Beyond conducting compliance retrofits for our proprietary liquid formulation preparation systems, the Group provides professional upgrading, revamping and optimization services for legacy systems from other industry manufacturers. This has further expanded our scope of technical services, improved industry-wide compatibility, and strengthened our overall service competitiveness.

To address the demand for low-shear mixing processes in material preparation and other workflows within biopharmaceutical and biotechnology sectors, the Group has developed bottom-mounted low-shear magnetic stirrers as core components for fluid processing systems. Meanwhile, catering to the core production requirements of precise temperature control, high-efficiency heat exchange and sterile cleanliness in biomanufacturing, the Group has conducted dedicated R&D into high-performance heat exchangers fully suited for temperature control throughout the entire bioprocess chain.

Leveraging technology transfer, the Group has completed the R&D and manufacturing of tablet coating equipment. This coating technology delivers flexible capacity scalability, uniform coating layers, and significant savings in coating powder and energy consumption. In response to commercial order demand, the industrial rollout of continuous coating technology will substantially resolve capacity bottlenecks in coating processes. When integrated with upstream continuous manufacturing systems, it delivers a more energy-efficient and high-throughput production setup, providing robust support for technological innovation in OSD processes and the industrial upgrading of smart manufacturing.

The Group upgrades applications by integrating AI into its existing business scenarios. In utility engineering, AI algorithms are adopted to study energy conservation optimization and operational guidance, improving energy management and the efficiency of auxiliary systems. For APIs-related projects, the Group combines AI with automatic process control to stabilize manufacturing through process optimization and intelligent regulation. In addition, the Group conducted R&D on robotics for life sciences and developed automated robotic liquid-handling platforms. Projects have been secured, offering innovative solutions for automated and intelligent laboratories.

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 Group:

Order-in-take by Business Group	For the six months ended 30 June				
	2026		2025		**Change**
	RMB'000	**%**	RMB'000	%	%
Integrated Process and Packaging Equipment & Systems	**449,493**	**53.9%**	569,608	54.6%	-21.1%
Consulting, Digitalization and Construction	**195,457**	**23.4%**	302,710	29.1%	-35.4%
Life Science Equipment and Consumables	**189,466**	**22.7%**	169,487	16.3%	11.8%
Total	**834,416**	**100.0%**	1,041,805	100.0%	-19.9%

During the Period under Review, the total order-in-take amounted to approximately RMB834.4 million, representing a decrease of approximately RMB207.4 million, or 19.9%, from approximately RMB1,041.8 million for the six months ended 30 June 2025. The Business Group of Integrated Process and Packaging Equipment & Systems ("**IPS Business Group**") and the Business Group of Consulting, Digitalization and Construction ("**CDC Business Group**") experienced a decrease of 21.1% and 35.4% respectively, while the Business Group of Life Science Equipment and Consumables ("**SIC Business Group**") recorded an increase of 11.8%.

Integrated Process and Packaging Equipment & Systems

The IPS Business Group recorded an order-in-take of approximately RMB449.5 million during the Period under Review, showing a decrease of approximately RMB120.1 million, or 21.1%, compared to approximately RMB569.6 million for the six months ended 30 June 2025.

During the Period under Review, the overall demand in the pharmaceutical industry remained sluggish. Faced with intense domestic market competition, the IPS Business Group has proactively expanded into overseas markets and achieved certain breakthroughs in contract wins across industries including food and nuclear power. Despite the growth in the product of Oral Solid Dosage, the overall order-in-take of the IPS Business Group recorded a decline due to the decrease in the product of Liquid and Bioprocess System. As overseas market expansion progresses further in the second half of the year and with breakthroughs in ongoing MNC projects, the IPS Business Group anticipates positive dynamics for order-in-take.

Consulting, Digitalization and Construction

The CDC Business Group recorded an order-in-take of approximately RMB195.5 million during the Period under Review, representing a decrease of approximately RMB107.3 million, or 35.4%, from approximately RMB302.7 million recorded for the six months ended 30 June 2025.

During the Period under Review, new-build projects in the pharmaceutical compliance consulting industry contracted amid intensified homogeneous competition. Large-value orders and labour-intensive projects came under pressure in terms of bid-winning outcomes. Downstream pharmaceutical enterprises exercised cost control and reduced non-essential renovation and maintenance projects, resulting in a phased slowdown in demand within the biomedicine segment. The Company proactively screened projects and turned down low-quality and low-price orders. The release of the draft GMP for medical devices has tightened industry supervision and brought new opportunities for compliance consulting services covering medical device and medical aesthetics sectors. The Company has strengthened its high-end Pharmaceutical Quality System (PQS) consulting capabilities, expanded group-wide quality system services, third-party audit services and integrated delivery of Quality Management System (QMS) information systems, so as to tap growth potential in niche markets. Multinational corporations (MNCs) have continued to ramp up investments in China, driving demand for high-quality pharmaceutical engineering consulting and front-end integrated services. Such clients set high thresholds for team professionalism, multi-party collaboration and practical implementation of advanced technologies. Driven by large-scale MNC projects, together with active expansion into overseas markets as well as other sectors including medical aesthetics and the chemical industry, the CDC Business Group will strive to seize the aforesaid business opportunities and keep focusing on business growth.

Life Science Equipment and Consumables

Driven by the shift in procurement strategies of China's pharmaceutical industry toward diversification and localization, coupled with the commercial breakthrough of in-house manufactured own brand products ("**OBP**"), the SIC Business Group recorded a notable increase in order-in-take by approximately RMB20.0 million, or 11.8%, from approximately RMB169.5 million for the six months ended 30 June 2025 to approximately RMB189.5 million for the Period under Review.

In terms of product strategy, the SIC Business Group will continue to optimize its diversified product portfolio, gradually increase the proportion of OBP, further advance the transformation toward the "Agency + OBP + In-house Manufacturing" portfolio model, and build a digitally-enabled, self-controllable supply chain system.

Furthermore, on the basis of continued cultivation in the domestic market, the SIC Business Group will deepen channel partnerships across South America, Southeast Asia, Australia, the Middle East and North Africa, proactively tap into emerging overseas markets, and foster a new landscape for sustained global business 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 Group as at 30 June 2026:

	As at 30 June 2026			
Backlogs by Business Group	**Number of contracts**	**%**	**Closing value RMB'000**	**%**
Integrated Process and Packaging Equipment & Systems	**562**	**34.6%**	**615,490**	**53.0%**
Consulting, Digitalization and Construction	**900**	**55.5%**	**514,625**	**44.3%**
Life Science Equipment and Consumables	**161**	**9.9%**	**31,812**	**2.7%**
Total	**1,623**	**100.0%**	**1,161,927**	**100.0%**

PROSPECTS

Building on the continued enhancement of its technological capabilities and the growing maturity of its product and service portfolios, the Group has established differentiated growth drivers through its three Business Groups, namely Consulting, Digitalization and Construction (CDC), Integrated Process and Packaging Equipment & Systems (IPS), and Life Science Equipment and Consumables (SIC). While traditional markets remain challenging, the Group believes that global expansion, a broader portfolio of self-developed products and services, and selective opportunities in adjacent life-science and non-pharmaceutical applications can support its medium- to long-term development.

Consulting, Digitalization and Construction

As a service-based business group, the CDC Business Group provides end-to-end solutions across the life-sciences project lifecycle, including front-end engineering consulting, conceptual and detailed design, digitalization, automation and information systems, GMP compliance and quality systems, facility construction, operation and maintenance, and turnkey facility solutions. Its integrated "Front-End Consulting – Intelligent Design – Compliance Integration" model focuses on process integration, data continuity and delivery enhancement, enabling the CDC Business Group to address the increasingly complex requirements of multinational and other technically demanding clients.

Under its strategy of deepening its presence in Mainland China while pursuing breakthroughs in international markets, the CDC Business Group continues to strengthen project management, execution and global delivery capabilities. The extensive experience accumulated through pharmaceutical engineering projects in China, together with its expertise in digitalization, automation and regulatory compliance, provides a foundation for delivering flexible, high-value turnkey solutions in overseas markets.

The CDC Business Group is also refining its technical service offering beyond conventional repair and maintenance. Its capabilities include automation-system upgrades, facility management, EU GMP Annex 1 compliance retrofits, computerised system validation and energy-efficiency renovation. A dedicated international service team supports overseas clients with spare parts, equipment maintenance and retrofitting. The Group expects these lifecycle services to deepen client relationships, generate recurring opportunities and strengthen the ability of the CDC Business Group to secure larger integrated projects over time.

Integrated Process and Packaging Equipment & Systems

The IPS Business Group focuses on core process-equipment research and development, process-system engineering and professional process-technology services. Its solutions cover liquid-process and clean-utility systems; liquid preparation and complex formulation; bioprocess systems; aseptic filling and freeze-drying; visual inspection and secondary packaging; and powder-handling, active pharmaceutical ingredient, peptide, small nucleic acid and oral solid dosage applications.

Following the strategic direction of "Driving differentiation through technology", the IPS Business Group intends to deepen its presence in the mid- to high-end pharmaceutical market, particularly in innovative drugs and specialised complex formulations. Its transition from a predominantly project-based model toward "Product in Project" and "Product + Project" models is designed to increase the contribution of self-developed core equipment, reinforce process-service capabilities and improve the competitiveness and profitability of its integrated solutions.

Drawing on its accumulated capabilities in algorithms and optical technologies, the C-True visual-inspection product line targets technically demanding applications for complex formulations. In aseptic processing, growing client emphasis on process stability, compliance and delivery efficiency is supporting demand for integrated solutions spanning isolators, aseptic filling, lyophilisation and downstream packaging. By combining equipment with process development, GMP validation and compliance consulting, the IPS Business Group seeks to provide more complete formulation and packaging solutions.

The Group has also continued to broaden its pharmaceutical packaging capabilities. Its investments in ROTA Verpackungstechnik GmbH & Co. KG ("**ROTA KG**") and technology plus ancillary business in Nanjing Bojian Technology Co., Ltd. established a foundation in primary packaging machinery, while the development of visual-inspection and leak-detection equipment and the AUSTAR-Gaoger joint-branding partnership formed in 2025 extended the Group's offering into secondary packaging. The Group expects a more complete packaging portfolio to create additional opportunities among existing clients and international partners.

Continuous manufacturing remains an important area of long-term technology development. As pharmaceutical companies increasingly assess pilot projects and potential commercial applications, the Group continues to refine its oral solid dosage continuous-manufacturing platform through client trials, process feedback and investment in pharmaceutical formulation, process analytical technology, digitalization and data processing. Although market adoption is expected to be gradual, the Group believes that these capabilities may create future opportunities in both equipment and technical services.

Life Science Equipment and Consumables

The SIC Business Group integrates global industry insights and supplier resources to provide specialised equipment consumables, sterility assurance solutions, containment-transfer products and quality-assurance services. Drawing on more than 20 years of experience in contamination control, the SIC Business Group is able to develop contamination-control strategies that balance regulatory compliance, operational reliability and efficiency for pharmaceutical and life-science clients.

The SIC Business Group continues to optimise its "Agency + OBP + In-house Manufacturing" portfolio and to increase the contribution of in-house manufactured and own-brand products. The intended shift towards an "In-house Manufacturing & OBP Synergy" model, supported by a more digitalised and controllable supply chain, is expected to improve product differentiation, supply stability and margin quality.

Against the backdrop of increasingly stringent global aseptic requirements and the formal implementation of the relevant requirements of the National Medical Products Administration (NMPA) for sterile medicinal products in 2026, demand for compliant, cost-effective and reliable aseptic-transfer and containment products is expected to grow. The SIC Business Group is accelerating the commercialisation of products including microbial-barrier goggles, protective equipment for core aseptic zones and intelligent cleaning robots. Through the combination of compliant consumables, OBP and smart solutions, the SIC Business Group aims to strengthen its professional reputation in aseptic assurance in China and overseas markets.

Global Expansion and Strategic Partnerships

Global expansion remains one of the Group's key development priorities. Although business outside Mainland China currently represents a relatively modest proportion of the Group's overall operations, overseas activities – particularly in equipment and process systems – have continued to develop. The Group plans to strengthen local capabilities in selected markets through direct recruitment, dedicated service resources and closer coordination across its business groups.

Partnerships with local industry participants and agents remain an important route to market. Combining the Group's technology and delivery capabilities with partners' local relationships, industry knowledge and service coverage can accelerate market entry and improve the conversion of business opportunities. The Group will continue to develop and manage partnerships in key target countries and regions, supported by an expanding portfolio of self-manufactured and own-brand products that can be offered through regional channels.

Industry Opportunities and Portfolio Development

The life-science industry remains resilient and encompasses pharmaceuticals, medical devices, medical aesthetics, nutraceuticals and animal health. Continued scientific and technological advances are generating new therapies and more complex manufacturing requirements, creating demand for advanced equipment, systems, consumables and lifecycle services. A broader exposure across life-science subsectors and geographic markets can also help the Group mitigate fluctuations in any single market.

The Group has developed experience in complex and large-scale projects for drug modalities including antibody-drug conjugates, peptides and oligonucleotides, in certain cases as a turnkey solution provider. It intends to further apply its process knowledge, core equipment and integrated-delivery capabilities to innovative drugs, complex formulations, cell and gene therapies and other high-value applications where regulatory and technical barriers are relatively high.

The Group will remain selective in pursuing adjacent sectors. Priority will be given to opportunities that can leverage existing technology platforms, client relationships and manufacturing capabilities without requiring disproportionate commercial investment. These include medical aesthetics, where pharmaceutical production and packaging technologies are increasingly relevant, and selected powder-material handling and processing applications that draw on the Group's strengths in containment, formulation and powder and solid processes. Through disciplined portfolio development, the Group aims to diversify its revenue base while maintaining its strategic focus on life sciences and related high-value applications.

RESULTS OF OPERATIONS

Revenue

The Group provides its services and products under three Business Groups, namely, (1) Integrated Process and Packaging Equipment & Systems (IPS), the major product types of which include liquid process system and powder and solid system; (2) Consulting, Digitalization and Construction (CDC), the major product types of which include design consulting, compliance services system, and cleanroom/automation control system; and (3) Life Science Equipment and Consumables (SIC) 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 RMB744.5 million, representing an increase of approximately 12.5% over that for the six months ended 30 June 2025. The three Business Groups of Integrated Process and Packaging Equipment & Systems, Consulting, Digitalization and Construction and Life Science Equipment and Consumables, achieved varying levels of revenue growth.

The following table sets forth the breakdown of the Group's revenue by Business Group for the six months ended 30 June 2026 and 2025:

Revenue by Business Group	For the six months ended 30 June 2026		2025		Change
	RMB'000	**%**	RMB'000	%	%
Integrated Process and Packaging Equipment & Systems	**383,758**	**51.5%**	318,110	48.1%	20.6%
Consulting, Digitalization and Construction	**201,504**	**27.1%**	190,134	28.7%	6.0%
Life Science Equipment and Consumables	**159,222**	**21.4%**	153,661	23.2%	3.6%
Total	**744,484**	**100.0%**	661,905	100.0%	12.5%

Integrated Process and Packaging Equipment & Systems

The Group's revenue from the IPS Business Group increased significantly by approximately RMB65.6 million or 20.6% from approximately RMB318.1 million for the six months ended 30 June 2025 to approximately RMB383.8 million for the Period under Review. The increase was mainly attributable to the increase in opening backlog and the improvement in project execution efficiency for the Period under Review.

Consulting, Digitalization and Construction

The Group's revenue from the CDC Business Group increased slightly by approximately RMB11.4 million or 6.0% from approximately RMB190.1 million for the six months ended 30 June 2025 to approximately RMB201.5 million for the Period under Review. The increase was mainly attributable to the increase in opening backlog for the Period under Review.

Life Science Equipment and Consumables

The Group's revenue from the SIC Business Group increased slightly by approximately RMB5.6 million or 3.6% from approximately RMB153.7 million for the six months ended 30 June 2025 to approximately RMB159.2 million for the Period under Review. The increase was mainly attributable to the increase in order-in-take for the Period under Review, especially stronger order momentum for the in-house manufactured OBP consumables.

The following table sets forth the breakdown of the Group's revenue by geographical regions for the six months ended 30 June 2026 and 2025:

	For the six months ended 30 June				
Revenue by geographical region	**2026**		2025		**Change**
	RMB'000	**%**	RMB'000	%	**%**
Mainland China	**575,199**	**77.3%**	596,869	90.2%	-3.6%
Asia (excluding Mainland China)	**100,829**	**13.5%**	34,617	5.2%	191.3%
Others	**68,456**	**9.2%**	30,419	4.6%	125.0%
Total	**744,484**	**100.0%**	661,905	100.0%	12.5%

The Group derived its revenue mainly from customers in Mainland China, which accounted for approximately 77.3% of the total revenue for the Period under Review (the six months ended 30 June 2025 accounted for approximately 90.2%).

Cost of sales

The Group's cost of sales increased by approximately RMB83.6 million or 16.0% from approximately RMB522.8 million for the six months ended 30 June 2025 to approximately RMB606.3 million for the Period under Review. The increase was in line with the increase in revenue.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately RMB1.0 million or 0.7% from approximately RMB139.1 million for the six months ended 30 June 2025 to approximately RMB138.1 million for the Period under Review, which was mainly due to the decrease in gross profit from the CDC Business Group and the SIC Business Group, and partially offset by the increase in gross profit from the IPS Business Group. The total gross profit margin decreased from approximately 21.0% for the six months ended 30 June 2025 to approximately 18.6% for the Period under Review.

The following table sets forth the breakdown of the Group's gross profit and gross profit margin by Business Group for the six months ended 30 June 2026 and 2025:

	For the six months ended 30 June					
	2026			2025		
Gross profit and gross profit margin by Business Group	**Gross profit RMB'000**	**%**	**Gross profit margin %**	Gross profit RMB'000	%	Gross profit margin %
Integrated Process and Packaging Equipment & Systems	**40,250**	**29.1%**	**10.5%**	34,756	25.0%	10.9%
Consulting, Digitalization and Construction	**34,131**	**24.7%**	**16.9%**	38,525	27.7%	20.3%
Life Science Equipment and Consumables	**63,766**	**46.2%**	**40.1%**	65,862	47.3%	42.9%
Total	**138,147**	**100.0%**	**18.6%**	139,143	100.0%	21.0%

Notes:

1. Gross profit margin by Business Group represents gross profit divided by revenue of the respective Business Group for the relevant period.

2. Total gross profit margin represents total gross profit divided by total revenue for the relevant period.

Integrated Process and Packaging Equipment & Systems

The gross profit from the IPS Business Group increased by approximately RMB5.5 million or 15.8% from approximately RMB34.8 million for the six months ended 30 June 2025 to approximately RMB40.3 million for the Period under Review. The gross profit margin of the IPS Business Group decreased slightly from approximately 10.9% for the six months ended 30 June 2025 to approximately 10.5% for the Period under Review.

The revenue of the IPS Business Group maintained year-on-year growth, but the market competition has led to modestly lower gross profit margins for acquired projects. Looking ahead to the second half of the year, through sustained refined internal control over gross profit margins during project execution period, the gross profit margin is expected to show a moderate recovery trend.

Consulting, Digitalization and Construction

The gross profit from the CDC Business Group decreased by approximately RMB4.4 million or 11.4% from approximately RMB38.5 million for the six months ended 30 June 2025 to approximately RMB34.1 million for the Period under Review. The gross profit margin of the CDC Business Group decreased from approximately 20.3% for the six months ended 30 June 2025 to approximately 16.9% for the Period under Review.

For the Period under Review, the intense competition in the domestic market led to the decrease in the gross profit margin. The Group attaches great importance to the management of gross profit margins during project execution. Meanwhile, through multiple initiatives including expanding overseas markets, tapping into sub-industries such as medical devices and medical aesthetics, focusing on high-margin new domestic businesses represented by digital-intelligent solutions, and developing high-margin large-scale projects from MNC clients, the Group will continue to focus on improving gross profit margins.

Life Science Equipment and Consumables

The gross profit from the SIC Business Group recorded a slight decrease by approximately RMB2.1 million or 3.2% from approximately RMB65.9 million for the six months ended 30 June 2025 to approximately RMB63.8 million for the Period under Review.

During the Period under Review, the gross profit margin from the SIC Business Group decreased compared to that for the same period last year, which was mainly due to the US tariff-hike policy against China which was implemented in the second half of 2025, and china adopted corresponding responsive tariff policies. Higher procurement costs for US imported products led to a drop in gross profit margin. Through optimizing its diversified product portfolio, gradually increasing the proportion of OBP products, and building a digitally-enabled, self-controllable supply chain system, the SIC Business Group will gradually strengthen its bargaining power and improve gross profit margin.

Selling and marketing expenses

Selling and marketing expenses increased by approximately RMB4.7 million or 6.5% to approximately RMB77.4 million for the Period under Review from approximately RMB72.7 million for the six months ended 30 June 2025. The increase was mainly attributable to an increase in operating expenses for market promotion by approximately RMB1.8 million, travel expenses by approximately RMB1.1 million, and staff cost for sales and marketing personnel by approximately RMB0.7 million.

Administrative expenses

Administrative expenses decreased by approximately RMB1.5 million or 3.6% to approximately RMB39.9 million for the Period under Review from approximately RMB41.4 million for the six months ended 30 June 2025. The decrease was mainly the result of a decrease in the staff cost for administrative personnel, depreciation, and amortization.

Research and development expenses

The Group's research and development expenses increased by approximately RMB0.9 million or 5.4% to approximately RMB17.4 million for the Period under Review from approximately RMB16.5 million for the six months ended 30 June 2025. The increase was mainly the result of an increase in the staff cost for R&D personnel and raw material expenses.

Other income

Other income increased by approximately RMB1.9 million, or 29.1%, to approximately RMB8.3 million for the Period under Review from approximately RMB6.5 million for the six months ended 30 June 2025. This increase was mainly attributable to the increase by approximately RMB2.0 million in subsidies granted by local government authorities of the People's Republic of China ("**PRC**"), which was slightly offset by the decrease in rental income during the Period under Review.

Other gains – net

The Group recorded net other gains of approximately RMB3.6 million for the Period under Review, compared to net other gains of approximately RMB16.4 million for the six months ended 30 June 2025. The decrease was mainly due to the net exchange gains of approximately RMB11.4 million recorded for the six months ended 30 June 2025, compared to net exchange losses of approximately RMB0.7 million recorded for the Period under Review.

Finance costs – net

The net finance costs decreased from approximately RMB5.9 million for the six months ended 30 June 2025 to approximately RMB4.3 million for the Period under Review, mainly due to the decrease in bank borrowings during the Period under Review.

Share of net profit of investments accounted for using the equity method

The Group's share of net profit of investments accounted for using the equity method increased by approximately RMB1.2 million, from a share of net profit of approximately RMB1.5 million for the six months ended 30 June 2025 to a share of net profit of approximately RMB2.7 million for the Period under Review, attributable to the increase in profit contribution from the Group's investment in the joint venture ROTA KG by approximately RMB0.1 million and Noozle Fluid Technology (Shanghai) Co., Ltd. by approximately RMB1.1 million.

Profit before income tax

The Group recorded profit before income tax of approximately RMB17.7 million for the Period under Review, as compared with the profit before income tax of approximately RMB30.3 million for the six months ended 30 June 2025. The decrease in the profit before income tax was due to the combined effect of the factors as described above in this section.

Income tax expense

The income tax expense increased by approximately RMB2.1 million from approximately RMB6.7 million for the six months ended 30 June 2025 to approximately RMB8.8 million for the Period under Review, which was mainly due to the increase in deferred tax expenses by approximately RMB2.4 million, which was partially offset by the decrease in current income tax expenses by approximately RMB0.3 million.

Profit for the period

The Group recorded a profit for the Period under Review of approximately RMB8.9 million compared to a profit of approximately RMB23.6 million for the six months ended 30 June 2025, which was primarily attributable to the combined effect of 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	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	**88,310**	38,966
Net cash used in investing activities	**(22,956)**	(2,757)
Net cash used in financing activities	**(80,336)**	(38,205)
Net decrease in cash and cash equivalents	**(14,982)**	(1,996)

For the Period under Review, the Group had net cash generated from operating activities of approximately RMB88.3 million, which was mainly attributable to:

i. the profit before income tax for the Period under Review of approximately RMB17.7 million, adjusted for the depreciation of property, plant, and equipment and right-of-use assets of approximately RMB19.9 million, amortization of intangible assets of approximately RMB4.1 million, interest expense of approximately RMB4.8 million, write-down of inventory of approximately RMB1.8 million, provision for impairment loss on trade receivables of approximately RMB1.8 million, and minus reversal of impairment loss on contract assets of approximately RMB5.5 million, and share of net profit of investments accounted for using the equity method of approximately RMB2.7 million; and

ii. the increase in trade and other payables of approximately RMB103.7 million and the decrease in contract assets of approximately RMB18.6 million, and the decrease in pledged bank deposits of approximately RMB3.4 million, but partially offset by the increase in trade and note receivables of approximately RMB20.8 million, other receivables of approximately RMB15.7 million and inventories of approximately RMB11.0 million, the decrease in contract liabilities of approximately RMB23.7 million and the income tax paid of approximately RMB5.9 million.

For the Period under Review, the Group had net cash used in investing activities of approximately RMB23.0 million, which was mainly attributable to payment for property, plant and equipment of approximately RMB21.8 million, and the payments for intangible assets of approximately RMB1.2 million.

For the Period under Review, the Group had net cash used in financing activities of approximately RMB80.3 million, which was mainly attributable to repayments of borrowings of approximately RMB165.9 million, interest paid of approximately RMB4.7 million, and principal elements of lease payments of approximately RMB4.8 million, which was partially offset by proceeds from bank borrowings of approximately RMB95.1 million.

As at 30 June 2026, the Group had cash and cash equivalents of approximately RMB209.7 million which was mainly denominated in RMB and the United States Dollar ("**US$**"). Some of the cash and cash equivalents of the Group were denominated in Euro ("**EUR**") and Hong Kong Dollar ("**HK$**").

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 increased by approximately RMB2.0 million from approximately RMB425.6 million as at 31 December 2025 to approximately RMB427.6 million as at 30 June 2026.

As at 30 June 2026, the Group's total current assets amounted to approximately RMB1,626.0 million, which represents an increase of approximately RMB12.3 million as compared with approximately RMB1,613.7 million as at 31 December 2025. The increase was primarily attributable to the factors set out below:

i. the increase in trade and notes receivables by approximately RMB20.8 million, prepayments, deposits and other receivables by approximately RMB13.9 million, and inventory by approximately RMB8.9 million; and

ii. partially offset by the decrease in cash and cash equivalents by approximately RMB17.7 million, the decrease in contract assets by approximately RMB10.1 million, and the decrease in the current portion of pledged bank deposits by approximately RMB3.4 million.

The Group's total current liabilities as at 30 June 2026 amounted to approximately RMB1,198.4 million, which represents an increase of approximately RMB10.4 million as compared with approximately RMB1,188.1 million as at 31 December 2025. The increase was primarily attributable to:

i. the increase in trade, notes and other payables by approximately RMB100.4 million and the current portion of long-term borrowings by approximately RMB22.2 million; and

ii. partially offset by the decrease in short-term borrowings by approximately RMB87.1 million, contract liabilities by approximately RMB22.4 million, and lease liabilities by approximately RMB2.3 million.

Borrowings and gearing ratio

As at 30 June 2026, the total short-term interest-bearing bank borrowings amounted to RMB150.5 million and bore interest rates ranging from 2.40% to 2.90% per annum (31 December 2025: from 1.20% to 3.00% per annum).

The long-term bank borrowings and current portion of long-term borrowings amounted to RMB57.2 million and RMB43.0 million respectively and bore interest rates ranging from 2.50% to 3.70% per annum (31 December 2025: 2.65% to 3.70% per annum).

The Group's gearing ratio decreased to approximately 24.4% as at 30 June 2026 from approximately 29.4% as at 31 December 2025. The ratio is calculated based on the gross debts as of the respective dates divided by total capital as of the respective dates and multiplied by 100%.

Pledged assets

As at 30 June 2026, in addition to pledged bank deposits of approximately RMB46.0 million, the Group had buildings and right-of-use assets having a total carrying amount of approximately RMB202.0 million and approximately RMB60.6 million respectively (31 December 2025: buildings and right-of-use assets having a total carrying amount of approximately RMB207.6 million and approximately RMB61.7 million respectively) which were pledged as collateral for certain notes payables and bank borrowings of the Group.

INTERIM DIVIDEND

The Directors did not declare any interim dividend for the six months ended 30 June 2026 (2025: nil).

CAPITAL STRUCTURE

As at 30 June 2026, the Group had shareholders' equity of approximately RMB833.3 million (31 December 2025: approximately RMB824.1 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

The Group has been named in a number of lawsuits and other legal proceedings arising in the ordinary course of business. Provision will be made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits based on management's judgments and legal advice. No provision will be made for pending lawsuits if the outcome of the lawsuits cannot be reasonably estimated or management believes the outflow of resources is not probable.

Other than the matters mentioned above, management of the Group considered that there were no other contingent liabilities as at 30 June 2026 (31 December 2025: none).

HUMAN RESOURCES

As at 30 June 2026, the Group had 1,490 full-time employees for R&D, sales and marketing, administration, project management and execution and manufacturing as compared with 1,468 full-time employees as at 31 December 2025. During the Period under Review, the total staff costs (including the Directors' remuneration) were approximately RMB198.1 million, which represented an increase of approximately 11.3% as compared with approximately RMB178.0 million for the six months ended 30 June 2025.

The increase in the Group's total staff costs (including the Directors' remuneration) was mainly driven by the 12.5% revenue growth, which led to correspondingly higher labor costs within cost of sales. This was partially offset by a reduction in staff costs within administrative expenses for the Period under Review compared with the six months ended 30 June 2025. In accordance with the personnel assessment and incentive mechanism, optimization adjustments were implemented for management positions following performance appraisals, dedicated to incentivise better performance.

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 on property, plant and equipment which has been contracted for but not yet incurred as of 30 June 2026 amounted to approximately RMB18.2 million (31 December 2025: approximately RMB15.3 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 EUR, Pound Sterling ("**GBP**"), US$ and HK$. 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 utilize 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 2026 and up to the date of this report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("**SFO**")), which had been notified to the Company and The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers ("**Model Code**") set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**"), were as follows:

Long position

Name of Director	The Company/Name of associated corporations	Capacity/Nature of interest	Number and class of shares held/ interested in the Company/associated corporations	Approximate percentage of interest
Mr. Ho Kwok Keung, Mars ("**Mr. Mars Ho**")	The Company	Interest of a controlled corporation	335,929,000 Shares (Note 1)	65.54%
	The Company	Interest of spouse	3,750,000 Shares (Note 2)	0.73%
	Standard Fortune Holdings Limited ("**SFH**") (Note 3)	Beneficial owner	1 ordinary share of US$1	100%
Mr. Ho Kin Hung ("**Mr. KH Ho**")	The Company	Interest of a controlled corporation	37,271,000 Shares (Note 4)	7.27%

Notes:

(1) Such Shares were registered in the name of SFH, a company wholly-owned by Mr. Mars Ho. By virtue of the provisions of Part XV of the SFO, Mr. Mars Ho is deemed to be interested in all the Shares held by SFH. Mr. Mars Ho is a director of SFH.

(2) Such Shares were registered in the name of Honour Choice Ventures Limited ("**HCV**"), a company wholly-owned by Madam Gu Xun ("**Madam Gu**"), the spouse of Mr. Mars Ho. By virtue of the provisions of Part XV of the SFO, Mr. Mars Ho is deemed to be interested in all the Shares in which Madam Gu is interested or deemed to be interested.

(3) As at 30 June 2026, SFH was the holding company of the Company and thus an associated corporation of the Company.

(4) Such Shares were registered in the name of True Worth Global Limited ("**TWG**"), a company wholly-owned by Mr. KH Ho. By virtue of the provisions of Part XV of the SFO, Mr. KH Ho is deemed to be interested in all the Shares held by TWG.

Save as disclosed above, as at 30 June 2026, none of the other Directors and/or chief executive of the Company nor their respective associates had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them has taken or deemed to have taken under the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Period under Review was the Company, its holding company, any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors or the chief executives of the Company or their associates to acquire benefits by means of acquisitions of Shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, to the best knowledge of the Directors and the senior management of the Company, the table below listed out the persons (other than the Directors or chief executive(s) of the Company), who had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to provision of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register of interests and short positions required to be kept by the Company pursuant to Section 336 of the SFO:

Long position

Name of shareholder	Capacity/Nature of interest	Number of Shares held/interested in	Approximate percentage of interest
(i) Substantial Shareholders			
Madam Gu	Interest of a controlled corporation	3,750,000 (Note 1)	0.73%
	Interest of spouse	335,929,000 (Note 2)	65.54%
SFH (Note 3)	Beneficial owner	335,929,000	65.54%
(ii) Other Persons			
Madam Cheung Chau Ping ("**Madam Cheung**")	Interest of spouse	37,271,000 (Note 4)	7.27%
TWG	Beneficial owner	37,271,000	7.27%

Notes:

(1) Such Shares were registered in the name of HCV, a company wholly-owned by Madam Gu. By virtue of the provisions of Part XV of the SFO, Madam Gu is deemed to be interested in all the Shares in which HCV is interested or deemed to be interested.

(2) Such Shares were registered in the name of SFH, a company wholly-owned by Mr. Mars Ho. Madam Gu is the spouse of Mr. Mars Ho. By virtue of the provisions of Part XV of the SFO, Madam Gu is deemed to be interested in all the Shares in which Mr. Mars Ho is interested or deemed to be interested.

(3) SFH is wholly-owned by Mr. Mars Ho.

(4) Such Shares were registered in the name of TWG, a company wholly-owned by Mr. KH Ho, an executive Director and the spouse of Madam Cheung. By virtue of the provisions of Part XV of the SFO, Madam Cheung is deemed to be interested in all the Shares in which Mr. KH Ho is interested or deemed to be interested.

Save as disclosed above, as at 30 June 2026, the Directors and the senior management of the Company were not aware of any other persons who had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to provision of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

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 Listing Rules.

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 separated 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 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.

REVIEW BY AUDIT COMMITTEE

The Board established the 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 (Chairman) and Madam Chiu Hoi Shan and one non-executive Director, namely, Madam Ji Lingling. None of them is a member of the former or existing auditor of the Company. The terms of reference of the Audit Committee are published on the websites of the Company and 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 compliance 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.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float during the Period under Review as required under the Listing Rules.

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

Ho Kwok Keung, Mars
Chairman

25 August 2026

REPORT ON REVIEW OF UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MOORE

Moore CPA Limited
1001-1010, North Tower, World Finance Centre,
Harbour City, 19 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong

大華馬施雲會計師事務所有限公司
香港九龍尖沙咀廣東道19號
海港城環球金融中心北座1001-1010室

T +852 2375 3180
F +852 2375 3828

www.moore.hk

TO THE BOARD OF DIRECTORS OF AUSTAR LIFESCIENCES LIMITED
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Austar Lifesciences Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 35 to 76, which comprise the interim condensed consolidated statement of financial position of the Group as of 30 June 2026 and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("**ISRE 2410**") issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Moore CPA Limited
Certified Public Accountants

Hong Kong, 25 August 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	For the six months ended 30 June **2026** **RMB'000** **(Unaudited)**	 2025 RMB'000 (Unaudited)
Revenue	4	**744,484**	661,905
Cost of sales	5	**(606,337)**	(522,762)
Gross profit		**138,147**	139,143
Selling and marketing expenses	5	**(77,418)**	(72,724)
Administrative expenses	5	**(39,886)**	(41,392)
Net reversal of impairment losses on financial assets and contract assets		**3,883**	3,315
Research and development expenses	5	**(17,362)**	(16,480)
Other income	6	**8,327**	6,450
Other gains – net	7	**3,560**	16,441
Operating profit		**19,251**	34,753
Finance income	8	**552**	839
Finance costs	8	**(4,837)**	(6,743)
Finance costs – net		**(4,285)**	(5,904)
Share of net profit of investments accounted for using the equity method	15	**2,696**	1,454
Profit before income tax		**17,662**	30,303
Income tax expense	9	**(8,804)**	(6,689)
Profit for the period		**8,858**	23,614

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the six months ended 30 June	
	Note	**2026** **RMB'000** **(Unaudited)**	2025 RMB'000 (Unaudited)
Profit for the period attributable to owners of the Company		**8,463**	24,999
Profit/(loss) for the period attributable to non-controlling interests		**395**	(1,385)
Profit for the period		**8,858**	23,614
EARNINGS PER SHARE	11		
– Basic and diluted (RMB)		**0.02**	0.05

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

	Note	For the six months ended 30 June **2026** **RMB'000** **(Unaudited)**	 2025 RMB'000 (Unaudited)
Profit for the period		**8,858**	23,614
Other comprehensive income/(expense)			
Item that will not be reclassified to profit or loss:			
Exchange differences on translation from functional currency to presentation currency		**(16,786)**	(6,490)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**18,420**	(1,678)
Share of other comprehensive (expense)/income of investments accounted for using the equity method	15	**(1,261)**	1,453
Other comprehensive income/(expense) for the period, net of tax		**373**	(6,715)
Total comprehensive income for the period		**9,231**	16,899
Total comprehensive income/(expense) attributable to:			
– owners of the Company		**8,836**	17,943
– non-controlling interests		**395**	(1,044)
		9,231	16,899

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	12	**312,862**	305,214
Right-of-use assets	13	**82,192**	87,608
Intangible assets	14	**37,329**	40,392
Deferred tax assets	23	**11,110**	12,382
Investments accounted for using the equity method	15	**68,724**	66,585
Pledged bank deposits		**296**	311
Rental deposits	18	**1,122**	1,801
Total non-current assets		**513,635**	514,293
Current assets			
Inventories		**288,530**	279,653
Contract assets	16	**618,034**	628,180
Trade and notes receivables	17	**372,411**	351,646
Prepayments, deposits and other receivables	18	**91,707**	77,760
Pledged bank deposits		**45,675**	49,077
Cash and cash equivalents		**209,690**	227,394
Total current assets		**1,626,047**	1,613,710
Total assets		**2,139,682**	2,128,003
EQUITY			
Equity attributable to owners of the Company			
Share capital	19	**4,071**	4,071
Reserves		**453,536**	451,887
Retained earnings		**373,774**	366,587
		831,381	822,545
Non-controlling interests		**1,935**	1,540
Total equity		**833,316**	824,085

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities	13	**8,115**	10,259
Long-term borrowings	22	**57,162**	63,225
Deferred income		**259**	470
Deferred tax liabilities	23	**42,382**	41,890
Total non-current liabilities		**107,918**	115,844
Current liabilities			
Trade, notes and other payables	20	**754,225**	653,841
Contract liabilities	16	**237,921**	260,343
Current income tax liabilities		**3,335**	3,699
Short-term borrowings	21	**150,500**	237,618
Current portion of long-term borrowings	22	**42,999**	20,781
Lease liabilities	13	**9,468**	11,792
Total current liabilities		**1,198,448**	1,188,074
Total liabilities		**1,306,366**	1,303,918
Total equity and liabilities		**2,139,682**	2,128,003

The interim condensed consolidated financial information on pages 35 to 76 were approved and authorised for issue by the board of directors on 25 August 2026 and were signed on its behalf by:

Mr. Ho Kwok Keung, Mars
Executive Director

Madam Zhou Ning
Executive Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to owners of the Company								
		Share capital RMB'000	Share premium RMB'000	Capital surplus RMB'000	Statutory reserve RMB'000	Retained earnings RMB'000	Currency translation differences RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
For the six months ended 30 June 2026 (Unaudited)										
Balance at 1 January 2026 (Audited)		4,071	314,009	28,667	68,591	366,587	40,620	822,545	1,540	824,085
Comprehensive income										
Profit for the period		–	–	–	–	8,463	–	8,463	395	8,858
Other comprehensive (expense)/income										
Exchange differences on translation from functional currency to presentation currency		–	–	–	–	–	(16,786)	(16,786)	–	(16,786)
Exchange differences arising on translation of foreign operations		–	–	–	–	–	18,420	18,420	–	18,420
Share of other comprehensive expense of investments accounted for using the equity method	15	–	–	–	–	–	(1,261)	(1,261)	–	(1,261)
Total comprehensive income/(expense)		–	–	–	–	8,463	373	8,836	395	9,231
Transfer		–	–	–	1,276	(1,276)	–	–	–	–
Balance at 30 June 2026 (Unaudited)		4,071	314,009	28,667	69,867	373,774	40,993	831,381	1,935	833,316

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to owners of the Company								
		Share capital RMB'000	Share premium RMB'000	Capital surplus RMB'000	Statutory reserve RMB'000	Retained earnings RMB'000	Currency translation differences RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
For the six months ended 30 June 2025 (Unaudited)										
Balance at 1 January 2025 (Audited)		4,071	314,009	25,545	62,481	338,892	46,411	791,409	2,059	793,468
Comprehensive income										
Profit/(loss) for the period		–	–	–	–	24,999	–	24,999	(1,385)	23,614
Other comprehensive (expense)/income										
Exchange differences on translation from functional currency to presentation currency		–	–	–	–	–	(6,490)	(6,490)	–	(6,490)
Exchange differences arising on translation of foreign operations		–	–	–	–	–	(2,019)	(2,019)	341	(1,678)
Share of other comprehensive income of investments accounted for using the equity method	15	–	–	–	–	–	1,453	1,453	–	1,453
Total comprehensive income/(expense)		–	–	–	–	24,999	(7,056)	17,943	(1,044)	16,899
Transfer		–	–	–	3,838	(3,838)	–	–	–	–
Balance at 30 June 2025 (Unaudited)		4,071	314,009	25,545	66,319	360,053	39,355	809,352	1,015	810,367

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the six months ended 30 June **2026** **RMB'000** **(Unaudited)**	 2025 RMB'000 (Unaudited)
Cash flows from operating activities			
Cash generated from operations		**93,686**	42,183
Income taxes paid		**(5,928)**	(4,056)
Interest received	8	**552**	839
Net cash from operating activities		**88,310**	38,966
Cash flows from investing activities			
Proceeds from disposal of land use right classified as right-of-use assets		**–**	14,522
Dividend received from an associate		**–**	500
Payments for land use right classified as right-of-use assets		**–**	(6,158)
Payments for property, plant and equipment		**(21,756)**	(11,283)
Payments for intangible assets		**(1,200)**	(338)
Net cash used in investing activities		**(22,956)**	(2,757)
Cash flows from financing activities			
Principal elements of lease payments		**(4,849)**	(8,186)
New borrowings raised		**95,083**	157,696
Repayments of borrowings		**(165,905)**	(180,991)
Interest paid		**(4,665)**	(6,724)
Net cash used in financing activities		**(80,336)**	(38,205)
Net decrease in cash and cash equivalents		**(14,982)**	(1,996)
Cash and cash equivalents at beginning of period		**227,394**	166,805
Exchange losses on cash and cash equivalents		**(2,722)**	(146)
Cash and cash equivalents at end of period		**209,690**	164,663

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 ("**Mr. Mars Ho**", also the "**Controlling Shareholder**"), 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 25 August 2026.

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 interim report does not include all the notes of the type normally included in an annual financial report. The interim condensed consolidated financial information should be read in conjunction with the annual report of the Group for the year ended 31 December 2025, and any public announcements made by the Company during the interim reporting period.

The accounting policies and methods of computation used in the interim condensed consolidated financial information for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's interim condensed consolidated financial information:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

The application of the amendments to IFRS Accounting Standards 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. MATERIAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2025.

4. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	For the six months ended 30 June 2026 (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	310,933	179,091	–	490,024
Revenue from sale of goods	18,014	11,093	151,702	180,809
Revenue from services rendered	54,811	11,320	7,520	73,651
Total	383,758	201,504	159,222	744,484
Timing of revenue recognition				
Recognised at a point in time	72,825	22,413	159,222	254,460
Recognised over time	310,933	179,091	–	490,024
Total	383,758	201,504	159,222	744,484

4. REVENUE AND SEGMENT INFORMATION (Continued)

Disaggregation of revenue from contracts with customers (Continued)

	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

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.

4. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

The CODMs evaluate the performance of the reportable segments based on gross profit. The segment results for the six months ended 30 June 2026 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 2026 (Unaudited)				
Segment revenue and results				
Segment revenue	494,903	251,678	171,942	918,523
Inter-segment revenue	(111,145)	(50,174)	(12,720)	(174,039)
Revenue	383,758	201,504	159,222	744,484
Cost of sales	(343,508)	(167,373)	(95,456)	(606,337)
Segment results				
Gross profit	40,250	34,131	63,766	138,147
Other segment items				
Amortisation	1,733	1,489	876	4,098
Depreciation	11,958	3,725	4,264	19,947
(Reversal of)/provision for impairment losses on financial assets and contract assets	(3,814)	(1,181)	1,112	(3,883)
Write-down of inventories	596	175	991	1,762
Share of net profit of investments accounted for using the equity method	(2,696)	–	–	(2,696)

4. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

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)

4. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

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

	For the six months ended 30 June	
	2026 **RMB'000** **(Unaudited)**	2025 RMB'000 (Unaudited)
Integrated Process and Packaging Equipment & Systems	**40,250**	34,756
Consulting, Digitalization and Construction	**34,131**	38,525
Life Science Equipment and Consumables	**63,766**	65,862
Total gross profit for reportable segments	**138,147**	139,143
Selling and marketing expenses	**(77,418)**	(72,724)
Administrative expenses	**(39,886)**	(41,392)
Net reversal of impairment losses on financial assets and contract assets	**3,883**	3,315
Research and development expenses	**(17,362)**	(16,480)
Other income	**8,327**	6,450
Other gains – net	**3,560**	16,441
Finance costs – net	**(4,285)**	(5,904)
Share of net profit of investments accounted for using the equity method	**2,696**	1,454
Profit before income tax	**17,662**	30,303

4. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

The segment assets as at 30 June 2026 and 31 December 2025 are as follows:

	As at 30 June 2026		As at 31 December 2025	
	Total assets RMB'000 (Unaudited)	**Investments accounted for using the equity method RMB'000 (Unaudited)**	Total assets RMB'000 (Audited)	Investments accounted for using the equity method RMB'000 (Audited)
Integrated Process and Packaging Equipment & Systems	**1,197,738**	**68,724**	1,185,891	66,585
Consulting, Digitalization and Construction	**528,115**	**–**	513,831	–
Life Science Equipment and Consumables	**263,290**	**–**	247,646	–
Total segment assets	**1,989,143**	**68,724**	1,947,368	66,585
Unallocated:				
Deferred tax assets	**11,110**		12,382	
Headquarter assets	**139,429**		168,253	
Total assets	**2,139,682**		2,128,003	

4. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

The segment liabilities as at 30 June 2026 and 31 December 2025 are as follows:

	As at 30 June 2026 Total liabilities RMB'000 (Unaudited)	As at 31 December 2025 Total liabilities RMB'000 (Audited)
Integrated Process and Packaging Equipment & Systems	**516,848**	479,357
Consulting, Digitalization and Construction	**347,272**	322,628
Life Science Equipment and Consumables	**121,947**	108,899
Total segment liabilities	**986,067**	910,884
Unallocated:		
Deferred tax liabilities	**42,382**	41,890
Short-term borrowings	**150,500**	237,618
Long-term borrowings	**57,162**	63,225
Current portion of long-term borrowings	**42,999**	20,781
Headquarter liabilities	**27,256**	29,520
Total liabilities	**1,306,366**	1,303,918

4. REVENUE AND SEGMENT INFORMATION (Continued)

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	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue		
Mainland China	**575,199**	596,869
Asia (excluding Mainland China)	**100,829**	34,617
Others	**68,456**	30,419
	744,484	661,905

	As at	As at
	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Non-current assets *(Note)*		
Mainland China	**476,047**	473,679
Others	**25,060**	26,120
	501,107	499,799

Note: Non-current assets exclude deferred tax assets, pledged bank deposits and rental deposits.

5. EXPENSES BY NATURE

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Raw materials	**343,772**	332,187
Staff costs, including directors' emoluments	**198,144**	177,984
On-site subcontract cost	**78,520**	39,123
Depreciation		
– Property, plant and equipment (Note 12)	**14,141**	13,827
– Right-of-use assets (Note 13)	**5,806**	7,518
Amortisation of intangible assets (Note 14)	**4,098**	3,921
Write-down of inventories	**1,762**	2,741
Technical service fee	**15,521**	8,857
Travel expenses	**20,953**	16,806
Freight and port charges	**14,405**	11,374
Warranty provision	**327**	2,059
Sales tax and surcharges	**4,729**	5,991
Office expenses	**4,993**	3,461
Promotion expenses	**4,033**	2,638
Business entertainment expenses	**4,550**	3,564
Professional fees	**2,811**	2,434
Auditor's remuneration	**2,040**	1,791
Renovation expenses	**1,458**	320
Repair and maintenance	**1,365**	846
Human resources management expenses	**1,459**	778
Labour insurance premiums	**796**	476
Bank charges	**632**	1,046
Property management fee	**577**	88
Communication expenses	**371**	389
Convention service expenses	**71**	43
Other operating expenses	**13,669**	13,096
	741,003	653,358

6. OTHER INCOME

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government grants (Note)	**7,231**	5,210
Rental income	**1,096**	1,240
	8,327	6,450

Note: During the six months ended 30 June 2026, the Group recognised government grants from the local government of the PRC in relation to their business development and subsidies of social security. In the opinion of the directors of the Company, the Group has fulfilled all conditions attached to the grants.

7. OTHER GAINS – NET

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Exchange (losses)/gains, net	**(720)**	11,433
Loss on disposal of property, plant and equipment	**(8)**	(91)
Loss on disposal of intangible assets	**–**	(300)
Gain on early termination of lease contracts	**–**	3,070
Others	**4,288**	2,329
	3,560	16,441

8. FINANCE COSTS – NET

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance costs		
Interest expenses		
– Bank borrowings	**(4,488)**	(5,774)
– Lease liabilities	**(349)**	(873)
– Other financial liabilities	**–**	(96)
	(4,837)	(6,743)
Finance income		
– Bank deposits	**552**	839
	(4,285)	(5,904)

9. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax expense	**5,403**	5,728
Deferred tax expense (Note 23)	**3,401**	961
	8,804	6,689

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and, accordingly, is exempted from local income tax.

9. INCOME TAX EXPENSE (Continued)

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 2026 (2025: 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 2025.

10. DIVIDENDS

No dividend has been paid, declared or proposed by the Company during the six months ended 30 June 2026 (2025: nil).

11. 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	
	2026	2025
	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	**8,463**	24,999

	For the six months ended 30 June	
	2026	2025
	'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 2026 and 2025, diluted earnings per share for the six months ended 30 June 2026 and 2025 are the same as basic earnings per share.

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Machinery RMB'000	Vehicles RMB'000	Construction in progress RMB'000	Others RMB'000	Total RMB'000
For the six months ended 30 June 2026 (Unaudited)						
Opening net book value (Audited)	**212,758**	**36,043**	**805**	**15,777**	**39,831**	**305,214**
Additions	**–**	**1,468**	**143**	**17,497**	**2,648**	**21,756**
Transfer from inventories	**–**	**9**	**–**	**–**	**32**	**41**
Disposal	**–**	**–**	**–**	**–**	**(8)**	**(8)**
Depreciation charge (Note 5)	**(5,640)**	**(2,280)**	**(89)**	**–**	**(6,132)**	**(14,141)**
Closing net book value (Unaudited)	**207,118**	**35,240**	**859**	**33,274**	**36,371**	**312,862**
For the six months ended 30 June 2025 (Unaudited)						
Opening net book value (Audited)	224,188	39,347	1,054	5,033	40,463	310,085
Additions	230	473	–	6,050	4,530	11,283
Transfer from inventories	–	–	–	3,238	2,677	5,915
Transfer upon completion of construction	–	–	–	(668)	668	–
Disposal	–	–	–	–	(91)	(91)
Depreciation charge (Note 5)	(5,800)	(2,633)	(133)	–	(5,261)	(13,827)
Closing net book value (Unaudited)	218,618	37,187	921	13,653	42,986	313,365

Note: As at 30 June 2026, certain buildings of the Group with net book value of approximately RMB201,963,000 (31 December 2025: RMB207,559,000) were pledged as collateral for certain notes payables and bank borrowings (31 December 2025: bank borrowings) of the Group (Notes 20, 21 and 22).

13. LEASES

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the unaudited interim condensed consolidated statement of financial position

The unaudited interim condensed consolidated statement of financial position shows the following amounts relating to leases:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Right-of-use assets		
Land use right	**66,558**	67,785
Buildings (Note)	**15,634**	19,823
	82,192	87,608
Lease liabilities		
Within one year	**9,468**	11,792
Within a period of more than one year but not exceeding two years	**5,490**	5,572
Within a period of more than two years but not exceeding five years	**2,625**	4,687
	17,583	22,051
Less: amount due for settlement within 12 months shown under current liabilities	**(9,468)**	(11,792)
Amount due for settlement after 12 months shown under non-current liabilities	**8,115**	10,259

Note: During the current interim period, the Group renewed several lease agreements and entered into several new lease agreements, all with lease terms of 2 years (six months ended 30 June 2025: ranging from 2 to 4 years). On the date of lease commencement, the Group recognised right-of-use assets of RMB412,000 (six months ended 30 June 2025: RMB18,111,000) and lease liabilities of RMB412,000 (six months ended 30 June 2025: RMB18,111,000). The Group is required to make fixed monthly payments during the contract period.

13. LEASES (Continued)

(b) Amounts recognised in the unaudited interim condensed consolidated statement of profit or loss

The unaudited interim condensed consolidated statement of profit or loss shows the following amounts relating to leases:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation charge of right-of-use assets (Note 5)		
Land use right	**1,226**	1,173
Buildings	**4,580**	6,345
	5,806	7,518
Interest expense (included in finance costs) (Note 8)	**349**	873

(c) As at 30 June 2026, certain right-of-use assets of the Group with net book value of approximately RMB60,564,000 (31 December 2025: RMB61,729,000) were pledged as collateral for certain notes payables and bank borrowings (31 December 2025: bank borrowings) of the Group (Notes 20, 21 and 22).

14. INTANGIBLE ASSETS

	Software and others RMB'000	Unpatented technologies RMB'000	Patents RMB'000	Total RMB'000
For the six months ended 30 June 2026 (Unaudited)				
Opening net book value (Audited)	**17,464**	**17,867**	**5,061**	**40,392**
Additions	**1,172**	**–**	**28**	**1,200**
Exchange differences	**(165)**	**–**	**–**	**(165)**
Amortisation charge (Note 5)	**(3,022)**	**(800)**	**(276)**	**(4,098)**
Closing net book value (Unaudited)	**15,449**	**17,067**	**4,813**	**37,329**
For the six months ended 30 June 2025 (Unaudited)				
Opening net book value (Audited)	22,831	19,467	–	42,298
Additions	338	–	–	338
Disposal	(300)	–	–	(300)
Exchange differences	385	–	–	385
Amortisation charge (Note 5)	(3,121)	(800)	–	(3,921)
Closing net book value (Unaudited)	20,133	18,667	–	38,800

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the unaudited interim condensed consolidated statement of financial position are as follows:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Opening balance at 1 January (Audited)	**66,585**	60,281
Share of net profit	**2,696**	1,454
Share of other comprehensive (expense)/income	**(1,261)**	1,453
Exchange differences	**704**	2,123
Closing balance at 30 June (Unaudited)	**68,724**	65,311

16. ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

The Group has recognised the following assets and liabilities related to contracts with customers:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Contract assets		
– Unbilled revenue	**553,445**	572,390
– Retention receivables	**74,048**	77,278
	627,493	649,668
Less: loss allowance	**(9,459)**	(21,488)
End of the period/year	**618,034**	628,180
Contract liabilities	**(237,921)**	(260,343)

As at 1 January 2025, contract assets amounted to RMB562,477,000 and contract liabilities amounted to RMB202,263,000.

Movement in contract assets (net of loss allowance):

	For the six months ended 30 June 2026 RMB'000 (Unaudited)
At the beginning of the period (audited)	**628,180**
Revenue recognised from integrated engineering solutions contracts	**490,024**
Progress billing during the period	**(505,667)**
Reversal of impairment losses on contract assets	**5,497**
At the end of the period (unaudited)	**618,034**

17. TRADE AND NOTES RECEIVABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade receivables (Note (a))	**391,490**	361,736
Notes receivables (Note (b))	**25,401**	34,648
	416,891	396,384
Less: loss allowance	**(44,480)**	(44,738)
	372,411	351,646

As at 1 January 2025, trade receivables from contracts with customers amounted to RMB381,364,000, net of loss allowance.

Notes:

(a) 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 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 6 months	**246,715**	213,350
6 months to 1 year	**36,804**	28,789
1 to 2 years	**53,463**	57,826
2 to 3 years	**24,278**	24,910
Over 3 years	**30,230**	36,861
	391,490	361,736

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

(b) The notes receivables are bank acceptance with maturity dates within six months (31 December 2025: within six months).

As at 30 June 2026 and 31 December 2025, the carrying amounts of trade and notes receivables approximate their fair values.

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Prepayments to suppliers	**58,722**	57,532
Staff advance	**990**	437
Rental and other deposits	**3,323**	3,159
Indirect taxes recoverables	**11,270**	2,593
Others	**7,357**	4,605
	81,662	68,326
Less: provision for impairment	**(1,080)**	(1,080)
	80,582	67,246
Deposits as guarantee for bidding	**12,434**	12,752
Dividend receivable	**2,825**	2,825
	15,259	15,577
Less: loss allowance	**(3,012)**	(3,262)
	12,247	12,315
Total	**92,829**	79,561
Less: rental deposits shown under non-current assets	**(1,122)**	(1,801)
Amount shown under current assets	**91,707**	77,760

Note: As at 30 June 2026 and 31 December 2025, the carrying amounts of prepayments, deposits and other receivables approximate their fair values.

19. SHARE CAPITAL OF THE COMPANY

	Number of ordinary shares Thousands	Nominal value of ordinary shares HK$'000
Authorised, HK$0.01 each:		
At 1 January 2025 (audited), 30 June 2025 (unaudited), 31 December 2025 (audited) and **30 June 2026 (unaudited)**	10,000,000	100,000

	Number of ordinary shares Thousands	Nominal value of ordinary shares HK$'000	Equivalent nominal value of ordinary shares RMB'000
Issued and fully paid, HK$0.01 each:			
At 1 January 2025 (audited), 30 June 2025 (unaudited), 31 December 2025 (audited) and **30 June 2026 (unaudited)**	512,582	5,126	4,071

20. TRADE, NOTES AND OTHER PAYABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade payables (Note (a))	**445,773**	460,347
Notes payables (Note (b))	**94,475**	–
Payable to vendors of project cost and construction	**97,614**	78,580
Payroll and welfare payable	**47,765**	49,165
Accrued expenses	**35,486**	27,881
Warranty provision	**7,618**	8,517
Indirect taxes payable	**4,004**	7,859
Employee payable	**2,245**	2,570
Others	**19,245**	18,922
	754,225	653,841

20. TRADE, NOTES AND OTHER PAYABLES (Continued)

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 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 6 months	**223,817**	342,227
6 months to 1 year	**158,677**	54,427
1 to 2 years	**35,832**	37,035
2 to 3 years	**11,761**	11,636
Over 3 years	**15,686**	15,022
	445,773	460,347

(b) Notes payables relate to trade payables in which the Group has issued bills to the relevant suppliers for settlement of trade payables. The suppliers can obtain the invoice amounts from the bank on the maturity date of the bills. The Group continues to recognise these trade payables as the Group is obliged to make payments to the relevant banks on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the interim condensed consolidated statement of cash flows, settlements of these bills by the Group are included within operating cash flows based on the nature of the arrangements.

As at 30 June 2026, notes payables carry interest rates ranging from 0.00% to 2.40% per annum and are secured by the Group's buildings (Note 12), right-of-use assets (Note 13), and pledged bank deposits. The average maturity date of notes payables is 180 days.

As at 30 June 2026, all notes payables of RMB94,475,000 are aged within 6 months based on the invoice date.

(c) As at 30 June 2026 and 31 December 2025, the carrying amounts of trade, notes and other payables approximate their fair values.

21. SHORT-TERM BORROWINGS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Short-term bank borrowings, secured (Note (a))	**20,000**	97,630
Short-term bank borrowings, unsecured (Note (b))	**130,500**	139,988
	150,500	237,618

Notes:

(a) As at 30 June 2026, the secured short-term bank borrowings were denominated in RMB (31 December 2025: RMB and New Taiwan Dollar) and secured by the Group's buildings (Note 12) and right-of-use assets (Note 13) (31 December 2025: buildings, right-of-use assets and pledged bank deposits). For the six months ended 30 June 2026, the secured short-term bank borrowings bore interest at 2.80% (31 December 2025: 1.20% to 3.00%) per annum and were repayable within one year.

(b) As at 30 June 2026, the unsecured short-term bank borrowings are denominated in RMB (31 December 2025: RMB) and bore interest rates ranging from 2.40% to 2.90% (31 December 2025: 2.40% to 3.00%) per annum and were repayable within one year. As at 30 June 2026 and 31 December 2025, certain bank borrowings were guaranteed by certain subsidiaries of the Company.

21. SHORT-TERM BORROWINGS (Continued)

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

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Fixed-rate bank borrowings	**105,880**	172,383
Variable-rate bank borrowings	**44,620**	65,235
	150,500	237,618

As at 30 June 2026, the Group's variable-rate short-term bank borrowings carry interest at the People's Bank of China Loan Prime Rate, subject to a spread ranging from -0.60% to -0.10% per annum (31 December 2025: People's Bank of China Loan Prime Rate, subject to a spread ranging from -0.30% to -0.10% 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 2026 (Unaudited)	As at 31 December 2025 (Audited)
Effective interest rate:		
Fixed-rate bank borrowings	**2.40% to 2.90%**	1.20% to 3.00%
Variable-rate bank borrowings	**2.60% to 2.80%**	2.70% to 3.00%

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.

22. LONG-TERM BORROWINGS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Long-term bank borrowings, secured (Note (a))	**27,483**	10,000
Long-term bank borrowings, unsecured (Note (b))	**72,678**	74,006
	100,161	84,006
Less: long-term borrowings due within one year	**(42,999)**	(20,781)
	57,162	63,225
The carrying amounts of the above borrowings are repayable*:		
Within one year	**42,999**	20,781
Within a period more than one year but not exceeding two years	**57,162**	63,225
	100,161	84,006
Less: amounts due within one year shown under current liabilities	**(42,999)**	(20,781)
Amounts shown under non-current liabilities	**57,162**	63,225

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

Notes:

(a) As at 30 June 2026, the secured long-term bank borrowings were denominated in RMB and secured by the Group's buildings (Note 12) and right-of-use assets (Note 13) (31 December 2025: buildings and right-of-use assets). For the six months ended 30 June 2026, the secured long-term bank borrowings bore interest rates ranging from 2.65% to 3.10% (31 December 2025: 2.65%) per annum.

(b) As at 30 June 2026, the unsecured long-term bank borrowings were denominated in RMB and bore interest rates ranging from 2.50% to 3.70% (31 December 2025: 2.65% to 3.70%) per annum. As at 30 June 2026 and 31 December 2025, certain bank borrowings were guaranteed by certain subsidiaries of the Company.

As at 30 June 2026 and 31 December 2025, the fair value of the long-term borrowings (including long-term borrowings due within one year) was not materially different from their carrying amounts, since the interest payable on those borrowings was close to current market rates.

22. LONG-TERM BORROWINGS (Continued)

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

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Fixed-rate bank borrowings	**3,557**	19,341
Variable-rate bank borrowings	**96,604**	64,665
	100,161	84,006

As at 30 June 2026, the Group's variable-rate long-term bank borrowings carry interest at the People's Bank of China Loan Prime Rate, subject to a spread ranging from -0.50% to +0.10% (31 December 2025: -0.35% to +0.30%) 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 2026 (Unaudited)	As at 31 December 2025 (Audited)
Effective interest rate:		
Fixed-rate bank borrowings	**3.70%**	3.65% to 3.70%
Variable-rate bank borrowings	**2.50% to 3.40%**	2.65% to 3.40%

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

23. DEFERRED TAX

For the purpose of presentation in the unaudited interim condensed consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Deferred tax assets	**11,110**	12,382
Deferred tax liabilities	**(42,382)**	(41,890)
	(31,272)	(29,508)

The following are the major deferred tax assets/(liabilities) recognised and movements thereon during the six months ended 30 June 2026:

	Deferred tax assets			Deferred tax liabilities		
	Impairment provision of receivables and inventories RMB'000	Warranty provision, accrued payroll and others RMB'000	Lease liabilities RMB'000	Withholding tax RMB'000	Right-of-use assets RMB'000	Total RMB'000
As at 1 January 2026 (Audited)	10,894	1,209	3,429	(41,890)	(3,150)	(29,508)
Credited/(charged) to profit or loss (Note 9)	(1,009)	(237)	(1,219)	(2,129)	1,193	(3,401)
Exchange differences	–	–	–	1,637	–	1,637
As at 30 June 2026 (Unaudited)	9,885	972	2,210	(42,382)	(1,957)	(31,272)

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

As at 30 June 2026, the Group did not recognise deferred tax assets of RMB60,104,000 (31 December 2025: RMB55,971,000) in respect of losses amounting to approximately RMB318,476,000 (31 December 2025: RMB299,343,000) as utilisation of such tax losses before expiry is uncertain.

24. CONTINGENT LIABILITIES

The Group has been named in a number of lawsuits and other legal proceedings arising in the ordinary course of business. Provision will be made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits based on management's judgments and legal advice. No provision will be made for pending lawsuits when the outcome of the lawsuits cannot be reasonably estimated or management believes the outflow of resources is not probable.

Other than the matters mentioned above, management of the Group considered that there are no other contingent liabilities as at 30 June 2026 (31 December 2025: none).

25. 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 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Property, plant and equipment	**18,230**	15,276

26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

In estimating the fair value, the Group uses market-observable data to the extent it is available. The fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

At 30 June 2026 (Unaudited)	**Level 1 RMB'000**	**Level 2 RMB'000**	**Level 3 RMB'000**
Financial assets			
Fair value through other comprehensive income			
– Notes receivables	**–**	**22,085**	**–**
Total financial assets	**–**	**22,085**	**–**

At 31 December 2025 (Audited)	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Financial assets			
Fair value through other comprehensive income			
– Notes receivables	–	25,516	–
Total financial assets	–	25,516	–

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments; and
- discounted cash flow analysis – future cash flows are estimated based on contractual terms of the notes receivables and discounted at a rate that reflects the credit risk of the counterparties.

There were no transfers between Level 1 and 2 during the period.

26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets and liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the interim condensed consolidated financial information approximate their fair values.

The fair values of the financial assets and financial liabilities have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

27. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Members of key management of the Group and their close family members are also considered as related parties.

(a) The following companies and persons are related parties that have transactions with the Group during the six months ended 30 June 2026 and 2025:

Names of the related parties	Nature of relationship
Austar Limited	Under common control of the Controlling Shareholder
ROTA Verpackungstechnik GmbH & Co. KG ("**ROTA KG**")	An associate of the Group
Noozle Fluid Technology (Shanghai) Co., Ltd ("**Noozle**")	An associate of the Group

27. RELATED PARTY TRANSACTIONS (Continued)

(b) Significant transactions with related parties

During the six months ended 30 June 2026 and 2025, the Group had the following significant transactions with related parties:

Names of the related parties	Nature of transactions	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Noozle	Purchase of goods and services	**120**	116
Noozle	Sales of goods and services	**152**	48
Austar Limited	Rental expenses	**80**	100

27. RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties

Names of the related parties	Nature of balances	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Noozle	Receivables due from the related party	**971**	2,337
ROTA KG	Receivables due from the related party	**2,804**	1,046
		3,775	3,383
Noozle	Prepayments to the related party	**1,180**	1,180
ROTA KG	Prepayments to the related party	**658**	124
		1,838	1,304
Noozle	Payables due to the related party	**1,131**	1,044
ROTA KG	Payables due to the related party	**480**	381
		1,611	1,425
Noozle	Receipts in advance from the related party	**–**	108

(d) Key management compensation

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Salaries and bonuses	**3,827**	3,523
Pension and others	**370**	362
	4,197	3,885