

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Austar Lifesciences Limited

奥星生命科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6118)

**DISCLOSEABLE TRANSACTION -
ACQUISITION OF LAND USE RIGHT IN SHIJIAZHUANG
FOR THE CONSTRUCTION OF
THE SHIJIAZHUANG R&D AND PRODUCTION CENTRE**

The Board is pleased to announce that APTS SJZ, an indirect wholly-owned subsidiary of the Company, has successfully bid and won the public tender for the land use right of the Land. APTS SJZ and Shijiazhuang Public Resource Centre signed the Confirmation Letter confirming the winning of the tender of the land use right of the Land on 18 September 2018. It is intended that the Land to be used for the construction of the Shijiazhuang R&D and Production Centre.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

The Board is pleased to announce that APTS SJZ has successfully bid and won the public tender for the land use right of the Land. APTS SJZ and Shijiazhuang Public Resource Centre signed the Confirmation Letter confirming the winning of the tender of the land use right of the Land on 18 September 2018.

Further particulars of the Confirmation Letter are set out below.

THE CONFIRMATION LETTER

Date : 18 September 2018

Parties : (1) Shijiazhuang Public Resource Centre as the responsible public tender administrator of the government; and
(2) APTS SJZ, as successful bidder.

Shijiazhuang Public Resource Centre is a government authority which is mainly engaged in the management and operation of the state-owned lands in Shijiazhuang. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Shijiazhuang Public Resource Centre and its ultimate beneficial owner(s) is an Independent Third Party.

Purchase price : The successful bidding price for the land use right of the Land is RMB29,700,000, and the total purchase price for the land use right of the Land, including the relevant fees and applicable tax, is estimated to be approximately RMB52.0 million.

The purchase price was arrived at a successful bid by APTS SJZ under the public tender held by Shijiazhuang Public Resource Centre in accordance with the relevant PRC laws and regulations. In determining the bidding price, the Group has considered a number of factors, such as the location and size of the Land and the prevailing market conditions.

The Group has paid Shijiazhuang Public Resource Centre an amount of RMB17,800,000 as security deposit for the bid for the public tender, which will form part of the purchase price. The remaining balance of the purchase price shall be paid by the Group in accordance with the terms and conditions of the Land Use Right Grant Contract.

The Group will fund the purchase price by its internal resources and from the net proceeds of the IPO allocated to the establishment of the Shijiazhuang R&D and Production Centre as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

Subject matter : The land use right of the Land which is situated in the Shijiazhuang Hi-Tech Industrial Development Zone, Shijiazhuang, Hebei Province, PRC with a site area of approximately 39,166.475 sq.m. for industrial use. The term of the land use right of the Land is for 50 years from the date of the completion of the Acquisition.

Land Use Right Grant Contract : APTS SJZ shall sign the Land Use Right Grant Contract for the Land with 石家莊高新技術產業開發區國土規劃住建局 (unofficial English translation being Shijiazhuang Hi-Tech Industrial Development Zone Land Planning and Housing Bureau) on or before 30 September 2018 pursuant to the Confirmation Letter.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of 石家莊高新技術產業開發區國土規劃住建局 (unofficial English translation being Shijiazhuang Hi-Tech Industrial Development Zone Land Planning and Housing Bureau) and its ultimate beneficial owner(s) is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is a leading integrated engineering solutions provider targeting reputable pharmaceutical manufacturers and research institutes in the PRC and the emerging countries. The Group dedicates to provide equipment-engineering-service-consumables turnkey solutions and to promote industry advancement and create value for the pharmaceutical industry in the PRC. The Group provides its services and products under six business segments, namely, (1) Liquid and Bioprocess System; (2) Clean Room and Automation Control and Monitoring System; (3) Powder and Solid System; (4) GMP Compliance Service; (5) Life Science Consumables; and (6) Distribution and Agency of Pharmaceutical Equipment.

As stated in the Prospectus, it is a plan of the Group to construct the Shijiazhuang R&D and Production Centre to consolidate and replace the Group's then existing production workshops for assembling work for integrated engineering solutions in the segments of Liquid and Bioprocess System, Clean Room and Automation Control and Monitoring System, and Powder and Solid System in Shijiazhuang and house the Group's powder and solid process application centre, liquid process application centre, and bioprocess application centre. Details of the development of the Shijiazhuang R&D and Production Centre are also as set out in the section headed "Business – Business Strategies – To establish R&D Centre and consolidate production workshops" in the Prospectus.

The Directors expect the proposed Shijiazhuang R&D and Production Centre could enhance the research and development capabilities for the Group's different business segments in Liquid and Bioprocess System and Powder and Solid System, which is in line with the long term goal of demonstrating and expanding capabilities of the Group and allow the Group to cope with its expanding business and capture future opportunities, and to deliver a better service including conducting testing application to customers. As such, the Directors believe that the establishment of the Shijiazhuang R&D and Production Centre on the Land would enhance the Group's future financial performance as well as its competitiveness in the PRC.

The Directors are of the view that the Acquisition is in the interests of the Company and the terms of the Acquisition are on normal commercial terms and are fair and reasonable and in the interests of the Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the land use right of the Land by APTS SJZ pursuant to the terms of the Confirmation Letter and the Land Use Right Grant Contract
---------------	--

“APTS SJZ”	Austar Pharmaceutical Process Systems (Shijiazhuang) Co., Ltd. (奧星製藥工藝系統(石家莊)有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	Austar Lifesciences Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Confirmation Letter”	the confirmation letter confirming the winning of the tender of the land use right of the Land dated 18 September 2018 and signed by APTS SJZ and Shijiazhuang Public Resource Centre
“connected person”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a party independent of the Company and the connected persons of the Company
“IPO”	the initial public offering of the Company in which the Shares were first listed on the Main Board of the Stock Exchange on 7 November 2014
“Land”	a piece of state-owned land situated in the Shijiazhuang Hi-Tech Industrial Development Zone, Shijiazhuang, Hebei Province, PRC with a site area of approximately 39,166.475 sq.m.

“Land Use Right Grant Contract”	the relevant state-owned land use right assignment contract to be entered into between APTS SJZ and 石家莊高新技術產業開發區國土規劃住建局 (unofficial English translation being Shijiazhuang Hi-Tech Industrial Development Zone Land Planning and Housing Bureau) in respect of the Land
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated 28 October 2014 in relation to the IPO
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Shijiazhuang Public Resource Centre”	石家莊市公共資源交易中心 (unofficial English translation being Shijiazhuang City Public Resource Exchange Centre)
“Shijiazhuang R&D and Production Centre”	a new research and development and production centre to be constructed by the Group in Shijiazhuang, Hebei, the PRC, further details as set out in the section headed “Business – Business Strategies – To establish R&D Centre and consolidate production workshops” in the Prospectus
“sq. m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 18 September 2018

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