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AUSTAR

Austar Lifesciences Limited

奧星生命科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6118)

PROFIT WARNING

This announcement is made by Austar Lifesciences Limited (“**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules).

The board (“**Board**”) of directors (“**Directors**”, each a “**Director**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on information currently available, the Group is expected to record a substantial increase in loss attributable to the shareholders of the Company for the year ending 31 December 2017 as compared to a loss attributable to the shareholders of the Company of approximately RMB18.7 million for the year ended 31 December 2016. Such loss is mainly attributable to (i) an increase in budgeted costs caused by variations in contract works such as specifications or design requested by customers during project execution and a decrease in revenue mainly due to prolonged execution time for certain projects undertaken by the Group, especially in the Liquid and Bioprocess System segment which is the major revenue contributor of the Group in both 2016 and 2017; (ii) certain projects with lower gross profit margin were executed during the year in an attempt to secure orders for increasing the market share of the bioprocess market as well as retaining long term customers; and (iii) the increase in selling and marketing expenses. Nonetheless, the effect of the above mentioned is partially offset by an increase in revenue and gross profit from the Life Science Consumables segment of the Group.

The information contained in this announcement is only based on the preliminary assessment by the management of the Company by information currently available to the Group including the unaudited consolidated management accounts of the Group for the ten months ended 31 October 2017 and is not based on any figure or information which has been audited or reviewed by the Company’s auditors. Details of the Group’s financial information and performance will be disclosed when the Group’s annual results for the year ending 31 December 2017 are announced.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 24 November 2017

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.