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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 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 Austar Lifesciences Limited (“**Company**” and together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company and potential investors that, based on information currently available to the Group, the Group is expected to incur a loss attributable to the shareholders of the Company for the year ending 31 December 2016, as compared to a profit attributable to the shareholders of the Company of approximately RMB6,384,000 for the year ended 31 December 2015. The expected loss is primarily attributable to the increase in the operating expenses during the period under review mainly due to (a) the increase in provision for impairment on trade receivables and inventories; (b) the increase in selling and marketing expenses; and (c) the increase in research and development expenses. Moreover, the prolonged execution time for certain projects undertaken by the Group during the period under review has resulted in an increase in budgeted costs and some projects with a relatively lower gross profit margin were undertaken for the purpose of retaining customers. The above factors have had negatively affected the Company’s operating results for the year ending 31 December 2016.

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 2016 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 2016 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, 30 November 2016

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. Raco Ivan Jordanov (alias Racho Jordanov).