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**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 51% EQUITY INTEREST OF THE TARGET COMPANY**

**THE ACQUISITION**

The Board is pleased to announce that on 16 December 2024, the Purchaser, a direct wholly-owned subsidiary of the Company, and the Seller entered into the Sale and Purchase Agreement, pursuant to which the Seller agreed to sell, and the Purchaser agreed to purchase, the Sale Shares, representing 51% of the total issued shares of the Target Company, for a consideration of US\$1,515,000 (equivalent to approximately RMB10.9 million). Completion took place on the same date.

Immediately before the entering into of the Sale and Purchase Agreement, the Target Company was owned as to 51% by the Seller and as to 49% by the Purchaser. Upon Completion, the Target Company is wholly owned by the Purchaser.

**LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition is more than 5% but is less than 25%, the entering into of the Sale and Purchase Agreement constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are subject to notification and announcement requirement under Chapter 14 of the Listing Rules.

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## **THE SALE AND PURCHASE AGREEMENT**

Set out below is the summary of the principal terms of the Sale and Purchase Agreement:

### **Date**

16 December 2024

### **Parties**

- (1) The Seller as the seller; and
- (2) The Purchaser, a direct wholly-owned subsidiary of the Company, as the purchaser.

### **The Acquisition**

Pursuant to the Sale and Purchase Agreement, the Seller agreed to sell, and the Purchaser agreed to purchase, the Sale Shares, representing 51% of the total issued shares of the Target Company, for a consideration of US\$1,515,000 (equivalent to approximately RMB10.9 million).

The Parties acknowledge that there are a number of difficulties to be faced by the Target Company. In order to enhance the market competitiveness of the Target Company, the Group decided to acquire the Seller's entire stake in the Target Company through the Acquisition and to overcome the existing and upcoming challenges, especially price competitiveness, cost structure improvements must be made to sustain the success stories of the Group's cooperation with STERIS for the last 18 years and to augment the economic benefits brought by the Target Company to the Group's financial performance through the Acquisition, including but not limited to (i) within the Group's structure, resources can be shared among other entities and the Target Company; and (ii) operational efficiency can be significantly enhanced, thereby substantially reducing costs and increasing the Group's competitiveness. The consideration was arrived at after arm's length negotiations between the Parties with reference to, among others, the following factors:

1. the unaudited financial information of the Target Company as of 31 October 2024; and
2. the new co-operation model between the Group and STERIS under which royalties will be paid by the Group to STERIS.

The consideration was paid at Completion in cash and funded by the internal resources of the Group.

### **Completion**

Completion took place on 16 December 2024 immediately after the signing of the Sale and Purchase Agreement.

## INFORMATION ON THE TARGET COMPANY

As at the date of this announcement, the Target Company is principally engaged in the business of investment holding, and wholly owns the Target WFOE, a wholly foreign owned enterprise established in the PRC and principally engaged in the business of manufacturing and selling of pharmaceutical water and steam equipment and providing related technical services.

The consolidated financial information of the Target Company for the two years ended 31 December 2023 is as follows:

	<b>For the year ended 31 December 2022</b>	<b>For the year ended 31 December 2023</b>
	audited	audited
	<i>RMB '000</i>	<i>RMB '000</i>
Net profit before taxation	20,998	7,525
Net profit after taxation	14,360	4,466

According to the consolidated financial statements of the Target Company, the unaudited net asset value of the Target Company as at 31 October 2024 was approximately RMB35,300,000.

Immediately before the entering into of the Sale and Purchase Agreement, the Target Company was owned as to 51% by the Seller and as to 49% by the Purchaser.

Upon Completion, the Target Company is wholly owned by the Purchaser and the financial results of the Target Company will be consolidated into the consolidated financial statements of the Group.

## INFORMATION ON THE PARTIES

### The Purchaser

The Purchaser is a company established in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company. The Purchaser is principally engaged in the business of investment holding.

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 currently provides its services and products under three business segment groups, namely, (1) Integrated Process and Packaging Systems; (2) Consulting, Digitalization and Construction; and (3) Life Science Equipment and Consumables.

### The Seller

The Seller is an affiliate of STERIS. The Seller and STERIS are subsidiaries of Steris plc, a company whose common stock is listed on the New York Stock Exchange. Steris plc group is principally engaged in medical equipment specializing in sterilization and surgical products.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Seller and its ultimate beneficial owner(s) is an Independent Third Party.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

In the PRC and emerging countries, customers purchasing behaviour has changed significantly, gradually inclining to choose more affordable PRC domestic brands as substitutes. The existing cost-structure of the Target Company (the Group's then joint venture) has brought challenges to the present product competitiveness and the possible future expansion of its business. In order to enhance the market competitiveness of the Target Company while maintaining the brand image and technical value, the Group and STERIS have decided to change the cooperation model after in-depth discussions.

The Group decided to acquire the Seller's entire stake in the Target Company through the Acquisition. In connection with the Acquisition, the Group has also entered into a technology and trademark license agreement with STERIS, whereby the Group has been authorised to produce Finn-Aqua related products owned by STERIS and continue to provide high-quality products to customers in the PRC market, on an exclusive basis, and some other non-restricted regions, on a non-exclusive basis, under the STERIS brand. This would be a positive response to the current market situation, with the aim of fully utilising the technical advantages and market recognition of the Target Company and STERIS in the industry. It would strengthen the market competitiveness of the Group and bring about vitality to the Group's future development, making an important step for the Group's strategic development.

Having considered the business strategies of the Group, the Directors believe that through the Acquisition, the Group will be able to integrate resources and improve efficiency, thereby improving the overall market coverage and enhancing the Group's market penetration capabilities in various regions worldwide in partnering with STERIS, while better leveraging the competitive advantages and financial performance of the Target Company for the Group's medium- to long-term development.

The Directors considered that the Acquisition and the terms of the Sale and Purchase Agreement are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition is more than 5% but is less than 25%, the entering into of the Sale and Purchase Agreement constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are subject to notification and announcement requirement under Chapter 14 of the Listing Rules.

## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser pursuant to the Sale and Purchase Agreement
“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
“Completion”	completion of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a party independent of the Company and the connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the Seller and the Purchaser
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Purchaser”	Austar Equipment Limited, a company established in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 16 December 2024 entered into between the Seller and the Purchaser in respect of the Acquisition

“Sale Shares”	51 ordinary shares held by the Seller in the Target Company, representing 51% of the total issued shares of the Target Company
“Seller”	STERIS Mauritius Limited, a company established in the Republic of Mauritius with limited liability
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“STERIS”	STERIS Corporation, a company established under the laws of the State of Ohio, the United States of America, of which the Seller is an affiliate
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	STERIS-AUSTAR Pharmaceutical Systems Hong Kong Limited, a company established in Hong Kong with limited liability
“Target WFOE”	STERIS-AUSTAR Pharmaceutical Systems (Shanghai) Limited* (思泰瑞奧星製藥設備(上海)有限公司), a wholly foreign owned enterprise established in the PRC and a direct wholly owned subsidiary of the Target Company
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

*In this announcement, amounts quoted in US\$ have been converted into RMB at the rate of US\$1 to RMB7.188. Such exchange rate has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at such rate or any other rates or at all.*

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

Hong Kong, 16 December 2024

*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.*

*\* For identification purposes only*