

**AUSTAR LIFESCIENCES LTD:
SO FAR, SO GOOD**

In the first Annual Report of Austar Lifesciences Ltd () (Code: 6118, Main Board, The Stock Exchange of Hongkong Ltd) since its listing on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Company announced an increase, Year-On-Year, of about 21.69 percent with regard to the Net Profit Attributable to Shareholders on a 3.60-percent reduced volume of activity.

In respect of the 2014 Financial Year, ended December 31, the Company logged in a Net Profit Attributable to Shareholders of 65,193,000 renminbi (2013: 53,571,000) on a Turnover of 679,750,000 renminbi (2013: 705,153,000 renminbi).

While the Net Profit Attributable to Shareholders for 2014 was at a record high, it is, also, noted that, for the first time in the previous four Financial Years, the Turnover had been shaved.

The Gross Profit Margin was about 33.63 percent in respect of the 2014-Year, an increase, Year-On-Year, of about 10.30 percentile points.

The Net Profit Margin of the 2014-Year was 9.60 percent, which was an increase, Year-On-Year, of about 26.32 percentile points on the Net Profit Margin of the 2013-Year.

Austar Lifesciences Ltd went public on the Main Board of The Stock Exchange of Hongkong Ltd on November 7, 2014, having enriched itself to the extent of \$HK411.80 million by the sales of 137,582,000, one-cent Shares at the Offer Price Per Share of \$HK3.12.

The net proceeds of this cash-raising exercise has, thus far, not been utilised; and, it is sitting in banks, awaiting the determination of Management as to how best to employ these funds.

The Prospectus of the Company stated that the net proceeds of the **Initial Public Offering (IPO)** would be used as to:

1. Approximately 39.60 percent '*will be used for establishment of the Shijiazhuang R&D and Production Centre*' (Shijiazhuang is located in the Hebei Province of the PRC);
2. Approximately 14.20 percent '*will be used to finance the development of the Songjiang Production Centre*' (Songjiang is part of Shanghai, the PRC);
3. Approximately 6.80 percent '*will be used for expansion of our sales and marketing network, by hiring additional headcount for our sales and marketing team, establishing additional representative offices in order to deepen market penetration, and conducting marketing activities such as organization and attendance of seminars, exhibitions and conferences*';
4. Approximately 9.50 percent '*will be used to fund R&D activities, including cost for increase in headcount of our R&D team, and investment in R&D projects*';

5. Approximately 20 percent *'will be used for potential acquisition of interests in companies possessing critical product technologies in the pharmaceutical equipment, process system and service market, which we may identify in the PRC, North America or Europe in the future. As at the Latest Practicable Date (October 19, 2014), we were not in negotiation with any specific acquisition targets and had not identified any such targets'*; and,
6. Approximately 9.90 percent to be tipped into the Company's Working Capital Account.

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