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AU STAR

奥星

Austar Lifesciences Limited

奥星生命科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6118)

CHANGE OF AUDITOR

This announcement is made by Austar Lifesciences Limited (“**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).

The board of directors of the Company (“**Board**”) announces that, as the Company and PricewaterhouseCoopers (“**PwC**”) could not reach a consensus on the proposed auditor’s remuneration for the financial year ending 31 December 2023 (“**FY2023**”) which reflects additional time and costs (“**Additional Audit Costs**”) to be incurred for audit procedures considered necessary by PwC consequential to the insolvency filings of the Group’s two German subsidiaries, at the request of the Board, PwC resigned as the auditor of the Company (“**Auditor**”) with effect from 17 November 2023.

The Board further announces that, with the recommendation of the audit committee of the Company (“**Audit Committee**”), Moore CPA Limited (“**Moore**”) has been appointed as the Auditor with effect from 17 November 2023 to fill the casual vacancy arising from the resignation of PwC and to hold office until the conclusion of the next annual general meeting of the Company.

The Audit Committee has obtained and reviewed the audit proposals provided by PwC and other selected audit firms (including Moore) for the audit of the consolidated financial statements of the Group for FY2023 (“**2023 Annual Audit**”). The Audit Committee considered that the audit fee level proposed by PwC may not commensurate with the current operation scale and business complexity of the Group in comparison with the more competitive audit fee proposals provided by other audit firms (including Moore) which also possess appropriate technical and quality capabilities (including technical know-how, industry knowledge and track record, manpower and other resources) to perform quality audits.

After taking into account a number of factors, including but not limited to (i) the competence and calibre of Moore including its experience in handling audit work for companies listed on the Stock Exchange, its familiarity with the requirements under the Listing Rules and the International Financial Reporting Standards; (ii) the audit proposal from Moore, including the proposed auditor's remuneration which also takes into account the Additional Audit Costs; (iii) its independence from the Group and objectivity; (iv) its market reputation and track record; (v) its resources and capabilities, including but not limited to manpower and time; and (vi) the guidelines issued by the Accounting and Financial Reporting Council, the Audit Committee considered Moore to be eligible and suitable to act as the Auditor for the 2023 Annual Audit.

The Company is incorporated under the laws of the Cayman Islands and to the knowledge of the Board, there is no requirement under the laws of the Cayman Islands for the outgoing auditor to confirm whether or not there is any circumstance in connection with its resignation which need to be brought to the attention of the shareholders ("**Shareholders**") and creditors of the Company ("**Creditors**"). Therefore, PwC has not issued such confirmation.

The Board and the Audit Committee confirm that, save as disclosed above, there is no other disagreement or dispute between the Company and PwC and there are no matters or circumstances in respect of the resignation of PwC that need to be brought to the attention of the Shareholders, the Creditors and the Stock Exchange.

As at the date of this announcement, PwC has not commenced any audit work for 2023 Annual Audit. The Board therefore believes that the change of Auditor will not have any material impact on the 2023 Annual Audit and is in the interest of the Company and the Shareholders as a whole.

The Board would like to take this opportunity to express its sincere gratitude to PwC for its professional services rendered to the Company during its tenure as the Auditor and extend its warm welcome to Moore on its appointment as the Auditor.

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

Hong Kong, 17 November 2023

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.