SUNTAR ECO-CITY LIMITED
(Company Registration No. 200613997H)
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE SGX-ST LISTING MANUAL

Pursuant to Rule 706A of the Listing Manual of Singapore Exchange Securities Trading Limited, the Board of Directors (the "**Board**") of Suntar Eco-City Limited (the "**Company**" or together with its subsidiary, the "**Group**") wishes to announce the following transactions that occurred during the first half year for the period ended 30 June 2020:

A. <u>Subscription of 26% equity interest in HUAWEI, a wholly-owned subsidiary of NCPC</u>

Xi'an Suntar Eco-city Co., Ltd (formerly known as Xi'an Reyphon Pharmaceutical Co., Ltd), a wholly-owned subsidiary of the Company ("**Xi'an Suntar**") have on 22 April 2020 entered into a capital increase agreement ("**Agreement**") with North China Pharmaceutical Company (华北制药股份有限公司) ("**NCPC**") to subscribe 26% of equity interest in 华北制药河北华维健康产业有限公司 ("**Huawei**"), a wholly-owned subsidiary of NCPC.

The investment is part of the Group's strategic plans for the purpose of expanding into the manufacturing and distribution of health and nutrition products.

The Consideration of RMB21.3 million was arrived at after arm's length negotiations and on a willing buyer willing seller basis after taking into account the valuation report on the equity interest issued by 北京中企华资产评估有限责任有限公司 dated 25 September 2019.

Subsequent to the subscription, Huawei become an associate company to Xi'an Suntar and an indirect associate company to the Company.

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the investment, save for their respective shareholdings in the Company.

For more information, please refer to the announcement released on 23 April 2020.

BY ORDER OF THE BOARD

Dr Lan Weiguang
Non-Independent Non-Executive Chairman

14 August 2020