



STAR PHARMACEUTICAL LIMITED
(Company Registration No. 200500429W)
(Incorporated in Singapore)

PROPOSED ACQUISITION OF HAINAN SAILIKE PHARMACEUTICAL CO., LTD.

The Board of Directors (“**Board**”) of STAR Pharmaceutical Limited (“**Company**”, and together with its subsidiaries, collectively “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, Hainan STAR Pharmaceutical Co., Ltd. (“**Hainan STAR**”) had on 16 May 2018 entered into a share transfer agreement (“**Agreement**”) with Hainan Selection Pharmaceutical Co., Ltd. (“**Hainan Selection**”) for the acquisition of 84.347% equity interest in Hainan Sailike Zhiyao Co., Ltd. (“**Hainan Sailike**”) for a purchase consideration of RMB1.00 (“**Purchase Consideration**”) (“**Proposed Acquisition**”).

The purpose of the Proposed Acquisition is to enhance the development of the Company and expanding its sales under the two-invoice system implemented by the Chinese Government.

Hainan Sailike is a company incorporated in the People’s Republic of China and its main business activities includes chinese patent drug, chemical raw material medicine and chemical medicine, antibiotic raw material medicine and its preparation, biochemical medicine, medical device sales, and medical technology extension service. The Company Executive Chairman, Mr. Xu Zhi Bin is deemed interested in 84.347% equity interest in Hainan Sailike via his 95% shareholding in Hainan Selection.

All relative figures of the Proposed Acquisition computed pursuant to Rule 1006 of the Singapore Stock Exchange Securities Trading Limited (“**SGX-ST**”), based on the Company’s audited consolidated results for the financial year ended 31 December 2017 are less than 5% and accordingly the Proposed Acquisition constitute as a non-disclosure transaction under Chapter 10 of the Listing Manual of the SGX-ST.

Mr. Xu Zhi Bin deem interest of 84.347% equity interest in Hainan Sailike, would be regarded as an “interested person” within the meaning defined in Chapter 9 of the Listing Manual of the SGX-ST. Hainan STAR is therefore regarded to be an “entity at risk” within the meaning defined in Chapter 9 of the Listing Manual of the SGX-ST.

Accordingly, the Proposed Acquisition would be regarded as an interested person transaction and the requirement under Chapter 9 of the Listing Manual of the SGX-ST are applicable. The Purchase Consideration represents less than 0.001% of the Group’s audited Net tangible assets (“**NTA**”) as at 31 December 2017.

As the aggregate value of the interested person transaction is less than 3% of the Group's NTA, an announcement under Rule 905 and shareholders' approval under Rule 906 of the Listing Manual of the SGX-ST are not required.

The Proposed Acquisition is not expected to have any material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2018.

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

BY ORDER OF THE BOARD

Xu Zhi Bin
Executive Chairman
16 May 2018