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Yestar Healthcare Holdings Company Limited

巨星醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2393)

FULFILLMENT OF PROFIT GUARANTEE IN RELATION TO ACQUISITION OF 70% EQUITY INTEREST IN SHENZHEN DE RUN LI JIA COMPANY LTD

References are made to (i) the announcement of the Company dated 27 October 2016 in relation to, among others, the acquisition of 70% equity interest in Shenzhen De Run Li Jia Company Ltd (“Derunlijia”); (ii) the annual report of the Company for the years ended 31 December 2019 to 2022; and (iii) the announcements of the Company (collectively, the “Previous Announcements”) dated 27 March 2020, 24 April 2020, 26 August 2020, 7 April 2021, 30 August 2021, 30 March 2022, 24 August 2022, 30 November 2022, 13 February 2023 and 31 March 2023, respectively, in relation to, among others, the non-fulfilment of the annual guarantee profit of Derunlijia for the year ended 31 December 2019 and the related Compensation Amount. Unless otherwise stated herein, capitalized terms used herein shall have the same meanings as those defined in the Previous Announcements.

PROFIT GUARANTEE IN RELATION TO ACQUISITION OF 70% EQUITY INTEREST IN SHENZHEN DE RUN LI JIA COMPANY LTD

As disclosed in the Previous Announcements, as the actual net profit achieved by Derunlijia for the year ended 31 December 2019 was less than the annual guarantee profit, the Vendors of Derunlijia are obliged to compensate and settle the Compensation Amount of approximately RMB9.76 million to the Purchaser pursuant to the share transfer agreement.

On 26 May 2023, the Company has received final compensation from the Vendors of Derunlijia, comprising the following compensation:

- (i) Total sum of compensation payment of RMB9,752,000 for the failure to meet the guarantee profit;

- (ii) Overdue interest accrued from 26 April 2020, calculated based on the formula confirmed by enforcement procedures and deducting all administration and handling charges from Shenzhen Futian People’s Court, for a total sum of RMB1,270,364.15;
- (iii) Legal fee, the preservation fee and the preservation guarantee fee for the arbitration case of RMB180,000, RMB5,000 and RMB9,932 respectively; and
- (iv) Arbitration fee of RMB126,179 that the Group has paid in advance.

The Board is pleased to announce that all compensation amount in relation to the above profit guarantee has been fulfilled as at the date hereof.

The Directors of the Company also confirmed that there is no change to the terms of guarantee as stated in the share transfer agreement of Derunlijia since its execution up to the date hereof.

By Order of the Board
Yestar Healthcare Holdings Company Limited
Liao Changxiang
CEO and executive Director

29 May 2023

As at the date of this announcement, the executive Directors are Ms. Liao Changxiang, Ms. Wang Hong and Mr. Liang Junxiong; the non-executive Director is Mr. Hartono James; and the independent non-executive Directors are Dr. Hu Yiming, Mr. Zeng Jinsong and Mr. Sutikno Liky.