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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)

UPDATE ON PROFIT GUARANTEE IN RELATION TO ACQUISITION OF 70% EQUITY INTEREST IN GUANGZHOU SHENGSHIYUAN TRADING COMPANY LIMITED

Reference is made to the announcement of Yestar Healthcare Holdings Company Limited (the “Company”) dated 11 November 2016 (the “Announcement”) in respect of, amongst other things, the acquisition of 70% equity interests in Guangzhou Shengshiyuan Trading Company Limited (“Shengshiyuan”) and announcement (the “Announcement”) of the Company dated 14 June 2023 in relation to, among others, the fulfilment of the annual guarantee profit of Shengshiyuan for the year ended 31 December 2019 and the non-consensus of the mutual agreement for the acquisition of the Remaining Interest of the Target Company. Unless otherwise stated herein, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, one of the Vendors of the Shengshiyuan holding 6% of Shengshiyuan (the “Applicant”) requested the Company to acquire his related equity interest in the 30% equity interest of Shengshiyuan at a consideration of approximately RMB22,542,000, calculated according to a 10 times price to 2019 Net Profit (being RMB37,570,000), and demanded for liquidated damage from the Company for being not honor the Share Transfer Agreement to acquire the Remaining Interest for RMB9,089,936 (as accrued up to 10 May 2023).

An arbitration procedure in the Arbitration Centre has commenced in November 2023. On 28 February 2024, the arbitration results (the “Arbitration Results”) was concluded and the original written arbitration award was received by the Company on 6 March 2024 concluding the following:

- (1) The Company shall pay the consideration of RMB22,540,473 of the related equity transfer to the Applicant;
- (2) The Company shall pay the legal fee of RMB80,000 to the Applicant;
- (3) The Company shall pay RMB226,827 in respect of the fee of the arbitration; and
- (4) The arbitration centre does not support any other arbitration claims made by the Applicant.

The aforesaid Arbitration Results were final and conclusive. The Company shall fulfil the payment obligations to the Applicant in relation to the above decision within 30 days from the effective date of Arbitration Results.

The Company will consider to apply to the Shanghai Second Intermediate People’s Court for revocation of Arbitration Results concluded on 28 February 2024 and will keep the shareholders and potential investors of the Company informed of any further significant development in relation thereto or any notification obligation by way of announcement in relation to the acquisition of the Remaining Interest of the Target Company as and when appropriate.

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

6 March 2024

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 Mr. Zeng Jinsong, Mr. Zhao Ziwei and Koeswondo Michael David.