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)

VOLUNTARY ANNOUNCEMENT GRAND OPENING OF SHANGHAI ZHONGKERUNDA MEDICAL LABORATORY TESTING CO., LTD.

The board (the "Board") of directors (the "Directors") of Yestar Healthcare Holdings Company Limited (the "Company", together with its subsidiaries, the "Group") is pleased to announce that on 8 September 2017, a grand opening ceremony of Shanghai ZhongkeRunda Medical Laboratory Testing Co., Ltd. (the "Laboratory") has been held in Shanghai, the People's Republic of China (the "PRC").

In May 2017, Shanghai Emphasis Investment Management Consulting Co., Ltd. ("Emphasis Investment"), a wholly-owned subsidiary of the Company, Shanghai Runda Medical Technology Co., Ltd. ("Runda Medical") and Chinese Academy of Sciences has established the Laboratory, a medical and clinical laboratory, in Shanghai, the PRC.

The Laboratory is a medical examination centre focusing on precise medical examination and scientific researches. Located in the Hongkou area of the Zhangjiang National Innovation Demonstration Zone in Shanghai, the PRC, the Laboratory principal engages in the operation of a complex comprising an integrated medical laboratory, a quality control management centre and an information technology service centre.

Emphasis Investment has contributed and fully paid the registered capital of the Laboratory of RMB19,500,000 in cash for the establishment the Laboratory, which is funded by the existing internal resources and working capital of the Group. As at the date of this announcement, the Laboratory is held as to 39% by Emphasis Investment.

Runda Medical is an integrated service provider of medical examination listed on the main board of the Shanghai Stock Exchange. As a provider of integrated solutions for medical laboratories, Runda Medical has become one of the leading companies in both domestic and overseas IVD product circulation and service industry.

Chinese Academy of Sciences is the highest academic institute in natural science, the most prestigious science and technology consultancy and an integrated research and development centre for natural science and high technology in the PRC.

To the best of the Board's knowledge, information and belief, and having made all reasonable enquiries, Runda Medical and Research Institute and their respective ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")). Both of Runda Medical and Research Institute are companies incorporated in the PRC with limited liability.

REASONS FOR AND BENEFITS OF THE ESTABLISHMENT OF THE LABORATORY

The Group is principally engaged in the distribution of IVD products in the PRC and will continue to strengthen its existing network and introduce new diagnostic solutions to enhance user's experiences as well as the quality and efficiency of disease screening.

According to Industry Whitepaper and analyst report, IMS analysis, Industry Experts Interview, China Independent Clinical Laboratory (ICL) market forecast will keep its 22% CARG growth from Year 2015 to Year 2025, reaching RMB74 billion, due to further implementation of the PRC's Government's medical reforms initiatives.

As the reform of the medical and hygiene industry in the PRC advances, categorised and centralised diagnosis and testing will be an important initiative to refine the medical service system, lower medical expenses, optimise resource allocation and enhance medical technology and efficiency of regional medical markets, and the market of independent third-party medical examination laboratories is rapidly expanding.

While consolidating the existing foundation in the IVD industry, the Group explores an opportunity to open a new front and establishes the Laboratory for diagnostic purposes. In close collaboration with leading players in the medical examination industry, the Laboratory has adopted high-end quality standards and the state-of-the-art LIMS system from abroad and is equipped with the most advanced automatic testing devices. By accumulating a massive amount of precise medical examination samples and clinical data, it will strive to offer first-rate IVD and health management services for clinical and scientific researches. It will also integrate the Internet and cloud data management technology into the comprehensive monitoring, analysis and evaluation of individual risk factors in order to provide integrated diagnostic data for disease prevention, diagnosis, treatment and prognosis to the entire health management industry with a systematic big data platform.

The Group's investment in the Laboratory will not only mark a milestone in the development of molecular diagnostic centres in Shanghai for precise medical examination, but also provide a precise medical testing service platform for clinical diagnosis in the PRC and across the globe.

As all the applicable percentage ratios under Rule 14.07 of the Listing Rules are below 5%, the acquisition of the 39% equity interest in and the opening of the Laboratory do not constitute any notifiable transaction for the Company under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis.

By Order of the Board
Yestar Healthcare Holdings Company Limited
Hartono James
Chairman, CEO and Executive Director

Hong Kong, 8 September 2017

As at the date of this announcement, the executive Directors are Mr. Hartono James, Ms. Wang Ying, Mr. Chan To Keung, Ms. Wang Hong and Mr. Chan Chung Man; and the independent non-executive Directors are Dr. Hu Yiming, Mr. Karsono Tirtamarta (Kwee Yoe Chiang) and Mr. Sutikno Liky.