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 THE ACQUISITIONS

Reference is made to the announcement of Yestar Healthcare Holdings Company Limited (the "**Company**") dated 27 March 2020 (the "**Announcement**") regarding profit guarantee in relation to the acquisitions of 70% equity interests in each of four companies. Unless otherwise stated herein, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

PROFIT GUARANTEE IN RELATION TO DERUNLIJIA

Pursuant to the share transfer agreement in relation to Derunlijia, the vendors shall pay Compensation Amount to the purchaser within 30 days (that is 25 April 2020) after the issue of the audited report of Derunlijia for the year ended 31 December 2019 on 26 March 2020.

As of the date of this announcement, the Group or the Purchaser has not received any Compensation Amount from the vendors of Derunlijia despite repeated requests upon meeting with the vendors. The Group is currently having internal discussion and also seeking for other alternatives that can be taken towards the vendors for the Compensation Amount, including but not limited to, the holding or deduction of accumulated dividend payable or to be paid to the vendors of Derunlijia.

As such, the Board (including independent non-executive Directors) considers that the obligation of the vendors of Derunlijia in relation to the annual profit guarantee for the year ended 31 December 2019 has yet to be fulfilled.

Further announcement will be made by the Company as and when appropriate on any further significant development in relation to the progress of the payment of the Compensation Amount by the vendors of Derunlijia.

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

Shanghai, 24 April 2020

As at the date of this announcement, the executive Directors are Mr. Hartono James, Ms. Wang Ying, 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.