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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 SHENZHEN DE RUN LI JIA COMPANY LTD**

Reference is made to (i) the announcement of Yestar Healthcare Holdings Company Limited (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; (ii) the annual report of the Company for the year ended 31 December 2019; and (iii) the announcements of the Company (the “**Announcements**”) dated 27 March 2020 and 24 April 2020, respectively in relation to, among others, the non-fulfilment of the annual guarantee profit of Derunlijia for the year ended 31 December 2019. Unless otherwise stated herein, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, as the actual net profit after taxation of 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 within 30 days from the issuance of debit note on 27 March 2020 pursuant to the share transfer agreement.

However, the Group has not received any Compensation Amount from the Vendors up to the date of this announcement despite repeated requests through internal communication and meeting with the Vendors of Derunlijia.

Nevertheless, the Group has considered and intend to settle the Compensation Amount through the deduction of accumulated dividend payable or to be paid to the Vendors of Derunlijia. Taking into account the business and financial impact of Derunlijia caused by the outbreak of COVID-19, the Group decided to postpone the settlement of Compensation Amount so as to maintain strong cash flow and liquidity of Derunlijia to face the unforeseeable challenges ahead. The Group will arrange for the settlement of Compensation Amount in full through the retained earnings in Derunlijia once the business operation in Derunlijia resumes to normal with healthy cash flow maintained.

The Company will keep the shareholders and potential investors of the Company informed of any further significant development as and when appropriate.

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

Shanghai, 26 August 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; the independent non-executive Directors are Dr. Hu Yiming, Mr. Karsono Tirtamarta (Kwee Yoe Chiang) and Mr. Sutikno Liky.*