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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)

INSIDE INFORMATION

US\$197,864,523 9.5% SENIOR NOTES DUE 2026

This announcement is made by Yestar Healthcare Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 8 November 2021, 3 December 2021, 12 December 2021, 14 December 2021, 29 December 2021 and 31 December 2021 relating to the 9.5% senior notes due 2026 (the “**New Senior Notes**”) issued by the Company in the principal amount of US\$197,864,523.

Since the COVID-19 pandemic in 2020, the Group’s business performance has been severely impacted due to rounds of regional lock-downs and continuous quarantine measures in the PRC, especially the large-scale lock down in Shanghai in the first half of 2022, which seriously hindered the regular services of hospitals and medical clinics. The Group continues to be faced with major liquidity constraints due to its disrupted operation and cashflow generation.

THE NEW SENIOR NOTES

Under the indenture governing the New Senior Notes, the Company is due to redeem 5% of the original principal amount of the New Senior Notes by 30 December 2022. The Company did not redeem any of the New Senior Notes as at the date of this announcement.

In addition, the interest on the New Senior Notes became due and payable on 30 December 2022. Under the indenture governing the New Senior Notes, the Company has a grace period of 30 days to make the interest payment. As at the date of this announcement, the Company does not expect that it would have the liquidity to make such interest payment prior to the end of the grace period.

RECENT UPDATES

The Company is in the process of assessing its liquidity position, its overall business operation and operating environment, and actively exploring potential resolutions in easing its liquidity concerns. The Company is proactively engaged in dialogues with major holders of its New Senior Notes with a view to exploring and implementing potential ways to address its liquidity issue, and to reach a consensual solution to best protect the interests of all its stakeholders.

Further announcement will be made by the Company in relation to the progress of any significant business updates as and when appropriate.

Shareholders of the Company, Noteholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

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

3 January 2023

As at the date of this announcement, the executive Directors are Ms. Wang Hong, Ms. Liao Changxiang 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.