



THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE NOTES. IF BENEFICIAL OWNERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL AND LEGAL ADVICE, INCLUDING AS TO ANY TAX CONSEQUENCES, IMMEDIATELY FROM THEIR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISER. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE THE RE-TRANSMITTAL TO BENEFICIAL OWNERS OF THE NOTES IN A TIMELY MANNER.

If you have recently sold or otherwise transferred your entire holding(s) of Notes (as defined below), you should immediately forward this Notice to the purchaser or transferee or the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of the Notes, you should retain a copy of this Notice and consult the stockbroker, bank or other agent through whom the sale or transfer was effected as to the action you should take.

NOTICE TO HOLDERS

YESTAR HEALTHCARE HOLDINGS COMPANY LIMITED (the “Company”)

9.50% Senior Notes due 2026 (the “Notes”)

Rule 144A Notes -- ISIN: **XS2407822357** | Common Code: **240782235**

Regulation S Notes -- ISIN: **XS2407822274** | Common Code: **240782227**

IAI Notes -- ISIN: **XS2407823249** | Common Code: **240782324**

January 19, 2023

Reference is made to the indenture governing the Notes dated December 30, 2021 (as amended or supplemented from time to time, the “**Indenture**”) made between the Company, the subsidiary guarantors listed in schedule I thereto (the “**Subsidiary Guarantors**”), The Bank of New York Mellon, London Branch, as trustee (the “**Trustee**”) and The Bank of New York Mellon, Hong Kong Branch, as security agent. All capitalized terms used but not defined in this Notice shall have the meanings assigned to such terms in the Indenture.

Non-payment of principal and interest

NOTICE IS HEREBY GIVEN to the Holders that the Trustee has been advised that the Paying Agent has not received payment of principal pursuant to Section 3.02(b) of the Indenture for 5% of the Original Principal Amount on the Notes that was due and payable on December 30, 2022 (the first anniversary of the Original Issue Date) by the Company and the Subsidiary Guarantors, jointly and severally.

NOTICE IS HEREBY GIVEN to the Holders that the Trustee has been advised that the Paying Agent has not received payment of interest on the Notes that was due and payable on December 30, 2022 by the Company and the Subsidiary Guarantors, jointly and severally.

Section 6.01 (*Events of Default*) of the Indenture provides that an Event of Default occurs upon a “*default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;*”

Section 6.01(b) (*Events of Default*) of the Indenture provides that an Event of Default occurs upon a “*default in the payment of interest or Additional Amounts on any Note when the same becomes due and payable, and such default continues for a period of 30 days;*”

Section 6.01(c) (*Events of Default*) of the Indenture provides that an Event of Default occurs upon a “(i) *default in the performance or breach of the provisions of Article 5 or Section 4.19(b)*, (ii) *the failure by the Company to redeem or repurchase Notes in the respective amounts and prior to the respective dates required under Section 3.02(b) or (c)*, (iii) *the failure by the Company to make or consummate an Offer to Purchase in the manner described under Section 4.12 or Section 4.13* or (iv) *the failure by the Company or the initial Subsidiary Guarantor Pledgor to create, or cause to create, the First Priority Lien (subject to Permitted Liens) in accordance with the provisions described under Article 10 and the terms of the Security Documents;*”

Company’s stock exchange announcement

A copy of the Company’s stock exchange announcement dated January 3, 2023 is attached as Appendix 1 to this Notice.

Extract from the Indenture

Section 7.02(d) (*Certain Rights of Trustee*) of the Indenture provides, “*The Trustee will be under no obligation to exercise any of the rights or powers vested in it by this Indenture or enforce any term of this Indenture, the Interecreditor [sic] Agreement and/or the Security Documents at the request or direction of any of the Holders, unless the requisite number of Holders have instructed the Trustee in writing and offered to the Trustee security and/or indemnity and/or prefunding satisfactory to it against any loss, action, proceeding, claim, penalty, damages, cost, disbursement, liability or expenses that might be suffered or incurred by it in compliance with such request or direction.*”

No further action by the Trustee

The Trustee has sent a letter to the Company and the Subsidiary Guarantors to follow-up for payment of principal and interest but unless instructed in writing by Holders of at least 25% in aggregate principal amount of Notes outstanding in accordance with the provisions of the Indenture and subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, the Trustee does not presently intend to take any other action pursuant to the Indenture or in relation to the non-payment of principal and interest of the Notes.

Verification of Holdings

Please note that in any correspondence with the Trustee, Holders will be required to submit their proof of holding together with due written authorization. Accordingly, in order to facilitate any communications with Holders and the provision of any information such as transaction documents, the Trustee hereby invites all Holders to make themselves known to the Trustee and to verify their holdings of the Notes to the Trustee by contacting their custodian and directing it to have Euroclear/Clearstream send a SWIFT to The Bank of New York Mellon, London Branch (IRVTGB2XEXC) as Trustee (attention: Default Administration Group – Jeremy Hollingsworth) disclosing:

1. ISIN for the Notes (Rule 144A: **XS2407822357** | Regulation S: **XS2407822274** | IAI: **XS2407823249**)
2. Account no.
3. Participant name
4. Nominal amount
5. Beneficial holder details (including e-mail address)

Trustee's contact details

The Trustee may be contacted using the following details:

Address: The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

with a copy to: The Bank of New York Mellon
Level 5, 360 Collins Street
Melbourne, Victoria 3000
Australia

For the attention of: Jeremy Hollingsworth

Email: jeremy.hollingsworth@bnymellon.com with copy to:
dagemea@bnymellon.com

Note: No delay or forbearance by the Trustee in exercising any right or remedy accruing upon the occurrence of a Default, Event of Default or otherwise under the terms of the Indenture, the Notes and/or the Security Documents, at law or otherwise shall impair any such right or remedy or constitute a waiver thereof or acquiescence thereto.

The above communication is made without prejudice to any and all of the Trustee's rights under the Indenture, all of which are expressly reserved.

The Trustee provides the information above for the information of Holders, but makes no representation as to the accuracy or completeness thereof and cannot accept any liability for any loss caused by any inaccuracy therein. The Trustee expresses no opinion as to the action (if any) that Holders should take in relation to the matters set out above. The Trustee makes no recommendations and gives no legal or investment advice herein or as to the Notes generally. Holders should take and rely on their own independent legal, financial or other professional advice, and may not rely on advice or information provided to the Trustee, statements as to the legal position included in notices issued by the Trustee relating to the Notes or otherwise or the views of the Trustee expressed herein or otherwise.

The Trustee expressly reserves its rights under the Indenture and at law or otherwise, including without limitation, any right to recover in full its fees, costs and expenses (including, without limitation, fees and costs incurred or to be incurred by the Trustee in performing its duties, indemnities owing to or to become owing to the Trustee, compensation for the Trustee's time spent, and reimbursement for the fees and expenses of counsel and other agents it employs in performing its duties or to pursue remedies) and its rights, prior to exercising any rights or powers in connection with the Indenture, the Security Documents and the Notes and at the request and/or direction of any Holder, to receive security, prefunding and/or indemnity satisfactory to it against all costs, expenses and liabilities that might be incurred by the Trustee in complying with such request and/or direction.

ISIN and Common Code numbers appearing herein have been included solely for the convenience of the Holders. The Trustee assumes no responsibility for the selection or use of such number and makes no representation as to the correctness of the numbers listed above.

This Notice is given by
THE BANK OF NEW YORK MELLON, LONDON BRANCH
in its capacity as Trustee

APPENDIX 1

Company's stock exchange announcement dated January 3, 2023

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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.