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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)

DISCLOSEABLE AND CONNECTED TRANSACTION

ACQUISITION OF 30% EQUITY INTERESTS IN SHANGHAI ANBAIDA GROUP COMPANIES

DISCLOSEABLE TRANSACTION

Reference is made to the announcement of the Company dated 10 April 2015 and circular of the Company dated 30 June 2015 in relation to the acquisition of 70% equity interests in Shanghai Anbaida Group Companies. The aforesaid acquisition was completed in August 2015.

Pursuant to Previous Share Transfer Agreement, which stated that should the combined net profit of Shanghai Anbaida Group Companies for the three years ended 31 December 2017 be able to reach the annual guarantee profit as specified in the Previous Share Transfer Agreement, the Purchaser shall acquire the remaining 30% equity interests in each of Shanghai Anbaida Group Companies at a consideration with reference to the fair value of the Shanghai Anbaida Group Companies, representing 30% of a price earnings ratio of 10 times to the total combined net profit of Shanghai Anbaida Group Companies for the year ended 31 December 2017 audited by the auditor appointed by the Purchaser up to a maximum consideration of RMB675,000,000.

The combined net profits of Shanghai Anbaida Group Companies in accordance with the IFRS for the three years ended 31 December 2017 reached the annual guarantee profits as specified in the Previous Share Transfer Agreement and after long discussion on the mutual terms of the Share Transfer Agreement, the Purchaser entered into a new separate Share Transfer Agreement to acquire the remaining 30% equity interests in Shanghai Anbaida Group Companies. The terms in relation to the Acquisition as stated in the Previous Share Transfer Agreement shall remain in valid upon execution of the Share Transfer Agreement. In case of inconsistency in any terms regarding the acquisition of the remaining 30% equity interests in each of Shanghai Anbaida Group Companies, the Share Transfer Agreement shall prevail.

On 7 August 2020 (after trading hours of the Stock Exchange), the Purchaser, the Vendors and Shanghai Anbaida Group Companies entered into the Share Transfer Agreement, pursuant to which the Purchaser conditionally agreed to acquire, and the Vendors conditionally agreed to sell the remaining 30% equity interests in each of Shanghai Anbaida Group Companies in 3 phases by 31 August 2021 at a consideration of RMB675,000,000.

As at the date of this announcement, Shanghai Anbaida Group Companies is a 70% indirect non wholly-owned subsidiary of the Company. Upon Completion of the Acquisition, Shanghai Anbaida Group Companies will be an indirect wholly-owned subsidiary of the Company. Completion of the Acquisition is subject to the fulfillment or waiver (as the case may be) of certain conditions precedent as set out in the paragraph headed "Conditions Precedent" below.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to notification and announcement requirements but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

CONNECTED TRANSACTION

As at the date of this announcement, Shanghai Anbaida Group Companies is an indirect non wholly-owned subsidiary of the Company. Mr. Li Bin, being a substantial shareholder holding 30% equity interests in each of Shanghai Anbaida Group Companies (except Shanghai Emphasis Investment which is owned as to 28% by Mr. Li Bin and 2% by Mr. Li Changgui), is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Mr. Li Bin and Mr. Li Changgui are not substantial shareholders of the Company (as defined under the Listing Rules) as at the date of this announcement.

Since the Acquisition has been entered into between the Purchaser, a wholly owned subsidiary of the Company, and the Vendors, namely Mr. Li Bin, who is a connected person of the Company at the subsidiary level on normal commercial terms or better, the Company is required to comply with the reporting and announcement requirements but is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

The Board of Directors (including the independent non-executive Directors) have approved the Share Transfer Agreement, also confirmed and considered that the Acquisition contemplated under the Share Transfer Agreement (including the consideration as agreed in Previous Share Transfer Agreement) have been subject to arm's length negotiation, and have been entered into by the Purchaser on normal commercial terms or better and which are no less favourable to the Purchaser than those available to or from independent third parties and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Pursuant to Previous Share Transfer Agreement, which stated that should the combined net profit of Shanghai Anbaida Group Companies for the three years ended 31 December 2017 be able to reach the annual guarantee profit as specified in the Previous Share Transfer Agreement, the Purchaser shall acquire the remaining 30% equity interests under a separate agreement in each of Shanghai Anbaida Group Companies at a consideration with reference to the fair value of the Shanghai Anbaida Group Companies, representing 30% of a price earnings ratio of 10 times to the total combined net profit of Shanghai Anbaida Group Companies for the year ended 31 December 2017 audited by the auditor appointed by the Purchaser up to a maximum consideration of RMB675,000,000.

The combined net profits of Shanghai Anbaida Group Companies in accordance with the IFRS for the three years ended 31 December 2017 reached the annual guarantee profits as specified in the Previous Share Transfer Agreement and after long discussion on the mutual terms of the Share Transfer Agreement, the Purchaser entered into a new separate Share Transfer Agreement to acquire the remaining 30% equity interests in Shanghai Anbaida Group Companies. The terms in relation to the Acquisition as stated in the Previous Share Transfer Agreement shall remain in valid upon execution of the Share Transfer Agreement. In case of inconsistency in any terms regarding the acquisition of the remaining 30% equity interests in each of Shanghai Anbaida Group Companies, the Share Transfer Agreement shall prevail.

On 7 August 2020 (after trading hours of the Stock Exchange), the Purchaser, the Vendors and Shanghai Anbaida Group Companies entered into the Share Transfer Agreement, pursuant to which the Purchaser conditionally agreed to acquire, and the Vendors conditionally agreed to sell the remaining 30% equity interests in Shanghai Anbaida Group Companies in 3 phases by 31 August 2021 at a consideration of RMB675,000,000.

THE SHARE TRANSFER AGREEMENT

Date:

7 August 2020 (after trading hours of the Stock Exchange)

Parties to the Acquisition Agreement

(i) Mr. Li Bin and Mr. Li Changgui, together as the Vendors;

(ii) Yestar Medical, a wholly-owned subsidiary of the Company, as the Purchaser;

(iii) Shanghai Chaolian Trading, which is legally and beneficially owned as to 30% by Mr. Li Bin as at the date of this announcement;

(iv) Shanghai Dingpei Industrial, which is legally and beneficially owned as to 30% by Mr. Li Bin as at the date of this announcement;

(v) Shanghai Emphasis Investment, which is legally and beneficially owned as to 28% and 2% by Mr. Li Bin and Mr. Li Changgui respectively as at the date of this announcement;

(vi) Shanghai Haole Industrial, which is legally and beneficially owned as to 30% by Mr. Li Bin as at the date of this announcement; and

(vii) Shanghai Jianchu Medical, which is legally and beneficially owned as to 30% by Mr. Li Bin as at the date of this announcement.

Interests to be Acquired of under the Acquisition

Pursuant to the Share Transfer Agreement, the Purchaser conditionally agreed to acquire and the Vendors conditionally agreed to sell the remaining 30% equity interests in each of Shanghai Anbaida Group Companies in 3 phases by 31 August 2021. Upon Completion of the Acquisition, Shanghai Anbaida Group Companies will be an indirect wholly-owned subsidiary of the Company.

Consideration

The consideration (with reference to the Previous Share Transfer Agreement) of the Acquisition before all relevant taxes to be withheld or paid to the PRC authorities is RMB675,000,000, which will be paid in cash by the Purchaser to the Vendors in 3 phases as detailed below. The Consideration is to be settled by way of internal cash resources, dividend payable and to be paid by subsidiaries of the Company and banking facilities.

First payment

(1) First payment of the Consideration

The Purchaser or the relevant party shall pay RMB202,500,000 of the Consideration to the Vendors within 5 days from the execution the Share Transfer Agreement, on the condition that the Purchaser has received RMB172,500,000 by way of dividend from Shanghai Anbaida Group Companies.

(2) Obligations after first payment

The Vendors shall submit all required information in relation to the change of business registration particulars to the relevant administration for industry and commerce in order to transfer 9% equity interests for each of Shanghai Anbaida Group Companies to the Purchaser or any third party designated by the Purchaser within 5 days from the receipt of the first payment of the Consideration from the Purchaser or the relevant party and shall complete all the registration and filing procedures for the change of business registration particulars within 15 days from the receipt of the first payment of the Consideration from the Purchaser or the relevant party.

Second payment

(1) Second payment of the Consideration

The Purchaser or the relevant party shall pay RMB236,250,000 of the Consideration to the Vendors by 31 March 2021 or within 30 days from the completion of all of the registration and filing procedures of the change of business registration particulars in relation to the 9% equity interests, whichever is later.

(2) Obligations after second payment

The Vendors shall submit all required information in relation to the change of business registration particulars to the relevant administration for industry and commerce in order to transfer 10.5% equity interests for each of Shanghai Anbaida Group Companies to the Purchaser or any third party designated by the Purchaser within 5 days from the receipt of the second payment of the Consideration from the Purchaser or the relevant party, and shall complete all the registration and filing procedures for the change of business registration particulars within 15 days from the receipt of the second payment of the Consideration from the Purchaser or the relevant party.

Third payment:

(1) Third payment of the Consideration

The Purchaser or the relevant party shall pay RMB236,250,000 of the Consideration to the Vendors by 31 August 2021 or within 30 days from the completion of all of the registration and filing procedures of the change of business registration particulars in relation to the 10.5% equity interests, whichever is later.

(2) Obligations after third payment

The Vendors shall submit all required information in relation to the change of business registration particulars to the relevant administration for industry and commerce in order to transfer 10.5% equity interests for each of Shanghai Anbaida Group Companies to the Purchaser or any third party designated by the Purchaser within 5 days from the receipt of the third payment of the Consideration from the Purchaser or the relevant party, and shall complete all the registration and filing procedures for the change of business registration particulars within 15 days from the receipt of the third payment of the Consideration from the Purchaser or the relevant party.

The parties to the Share Transfer Agreement unanimously agreed that notwithstanding any indication or expression made by the Vendors during the performance of the Share Transfer Agreement, the Purchaser shall be deemed to have fulfilled its corresponding payment obligation under the Share Transfer Agreement after the payment of the corresponding Consideration by the Purchaser, and the Vendors shall not claim that the Purchaser has not fulfilled its payment obligation for whatever reason. Subsequent to the actual payment by the Purchaser, the Vendors shall be obliged to repay the amount paid under the instruction of the Vendors to the Purchaser as and when the Vendors shall refund the consideration when the Share Transfer Agreement is rescinded or terminated (including but not limited to any provision in accordance with the Share Transfer Agreement).

Conditions Precedent

Completion of the Acquisition is subject to the following conditions precedent being fulfilled or waived (as the case may be):

(i) the Purchaser or the relevant party being able to pay the Consideration in full under the Share Transfer Agreement;

(ii) there being no change in the principal business of Shanghai Anbaida Group Companies;

(iii) there being no material adverse change in the composition and positions of the assets in each of Shanghai Anbaida Group Companies, no event that may have material adverse impact on the trading and financial positions, prospects, assets or obligations of Shanghai Anbaida Group Companies, no circumstances that may lead to the termination of the operation of Shanghai Anbaida Group Companies, and no charge, pledge, sequestration, seizure or other encumbrance or third-party interest or claim over the remaining equity interests in Shanghai Anbaida Group Companies;

(iv) the representations and warranties under the Share Transfer Agreement having been performed and complied with in all material aspects by the parties to the Share Transfer Agreement;

(v) a resolution approving the transfer of equity interests having been duly passed by the general meeting in each of Shanghai Anbaida Group Companies;

(vi) if necessary, the written shareholders' approval having been obtained by the Company from the Shareholders (or a closely allied group of Shareholders) who holds more than 50% of all issued Shares and being accepted in lieu of holding a general meeting in accordance with the Listing Rules; and

(vii) all necessary approvals and consents required under applicable laws and regulations (including the Listing Rules) having been obtained by the Company in respect of the transactions contemplated under the Share Transfer Agreement.

Fulfillment of each of the above conditions precedent shall be subject to the Purchaser's review and approval or shall be waived by the Purchaser in writing. The completion date of the conditions precedent shall be the date on which all the conditions precedent are fulfilled (the "**Effective Date**").

Completion

As agreed by the parties in relation to the payment terms and obligations of the Vendors after each payment, 9%, 10.5% and 10.5%, respectively, of the relevant equity interests shall be settled on the dates of the completion or satisfaction of all of the following procedures and matters in respect of the corresponding portion of the equity interests (the "**Completion Date**"):

(i) the change of business registration particulars of Shanghai Anbaida Group Companies for the transfer of related equity interests;

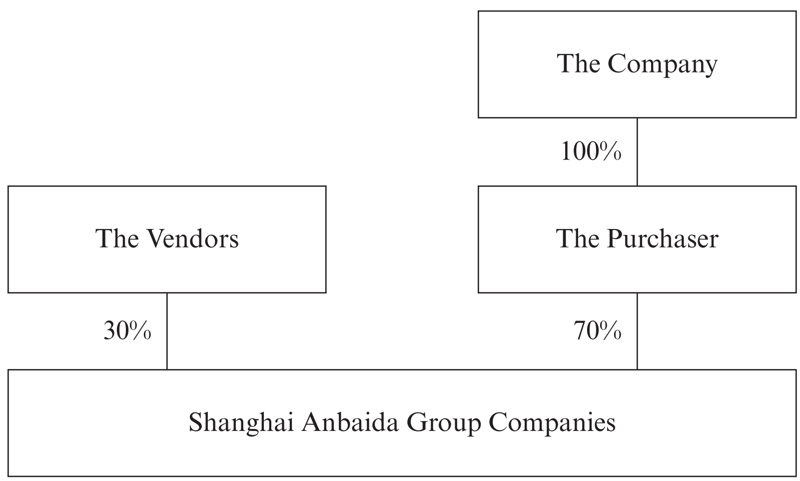
(ii) the amendment of the register of shareholders and articles of association of Shanghai Anbaida Group Companies; and

(iii) the filing and payment of individual tax as required in respect of the transfer of the related equity interests in Shanghai Anbaida Group Companies by the Vendors to the competent tax authorities in accordance with the laws and regulations relating to individual income tax, and the delivery of a copy of their tax receipts to the Purchaser after the payment.

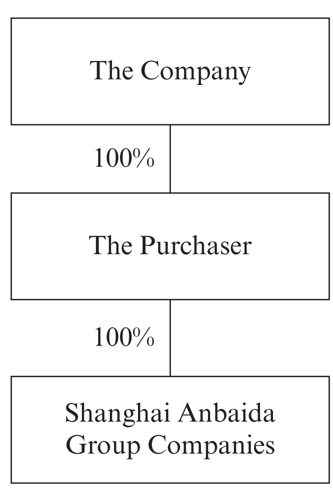
The parties unanimously agreed that on or before the Completion Date, Shanghai Anbaida Group Companies shall have completed the registration of the change of business registration particulars in relation to the change of its authorised representatives to those designated by the Purchaser; and that on or after the Completion Date, Shanghai Anbaida Group Companies shall have completed the filing of the change of its board members to those designated by the Purchaser within 15 days after receiving the Purchaser's notice.

Shareholding of Shanghai Anbaida Group Companies before and immediately upon Completion of the Acquisition

Before completion



After completion



Undistributed profit

The parties unanimously agreed that the accumulated undistributed profit of Shanghai Anbaida Group Companies up to 30 June 2020 shall be shared by the Purchaser and the Vendors as to 70% and 30%, respectively; the accumulated undistributed profit of Shanghai Anbaida Group Companies from 1 July 2020 to 31 December 2020 shall be shared by the Purchaser and the Vendors as to 79% and 21%, respectively; the accumulated undistributed profit of Shanghai Anbaida Group Companies from 1 January 2021 to 30 June 2021 shall be shared by the Purchaser and the Vendors as to 89.5% and 10.5%, respectively; and all the undistributed profit of Shanghai Anbaida Group Companies starting from 1 July 2021 shall belong to the Purchaser. The accumulated undistributed profits from 1 January 2015 to 30 June 2021 (except the profits distributed pursuant to the shareholders' resolutions dated 7 August 2020) shall be distributed in cash by Shanghai Anbaida Group Companies within 5 years (2021 — 2025) after the approval of the relevant shareholders' resolution at general meeting according to the aforementioned proportions. Such distributions shall be made by 31 December each year and the amount of each distribution shall not be less than 20% of the total distributable amount. For avoidance of doubt, the above-mentioned accumulated undistributed profits audited by Ernst & Young shall be conclusive. The accumulated undistributed profits from 1 January 2015 to 31 December 2019 shall be RMB843,354,755, and the Purchaser and the Vendors shall be entitled to share RMB590,348,329 and RMB253,006,426, being 70% and 30%, respectively.

Non-competition restrictions

The Vendors undertakes that the Vendors and their associates shall not engage in any business which may directly or indirectly result in a loss to Shanghai Anbaida Group Companies (including but not limited to having any shareholding in any entity that competes with Shanghai Anbaida Group Companies, engaging in any business or undertaking that competes with Shanghai Anbaida Group Companies or acting as director, supervisor, consultant or any form of engagement with any enterprise engaging in the same or similar business), unless agreed by the Purchaser in writing.

The Vendors further undertakes and agrees that should the Vendors or their associates are aware of any business opportunity which may compete with the business of the Purchaser or the Shanghai Anbaida Group Companies, they shall notify the Purchaser of the major terms and details of such opportunity at once in writing (i.e. by electronic mail, facsimile or other means). Even if the Purchaser decides not to proceed with the business opportunities, the Vendors and their associates shall not engage in or proceed with such opportunities declined by the Purchaser.

BASIS OF CONSIDERATION

The consideration of RMB675,000,000 in respect of the Acquisition was determined based on the formula/capped amount as set out in the Previous Share Transfer Agreement (which was approved by way of written shareholders' resolutions dated 9

April 2015) following the commercial negotiations between the parties on an arm's length basis with reference to various factors, including but not limited to the earnings of Shanghai Anbaida Group Companies as well as the business development and future prospects of Shanghai Anbaida Group Companies as at the date of signing of the Previous Share Transfer Agreement and also the earning of Shanghai Anbaida Group Companies for the year ended 31 December 2019.

INFORMATION OF THE GROUP AND REASONS FOR AND BENEFITS OF THE ACQUISITION

1. The Group is the largest distributor of Fujifilm products and one of the largest distributors of Roche Diagnostics in the PRC. The Group has been transformed itself into a high margin medical consumables manufacturer and distributor in the PRC since 2014. Targeting the booming domestic healthcare industry, the core business of the Group focuses on high margin and fast-moving healthcare consumables namely, IVD products and medical imaging products.

2. The Group is under contractual obligation to acquire all the remaining 30% equity interests in the Target Company at a maximum consideration up to RMB675 million pursuant to the Previous Share Transfer Agreement since the audited net profit of the Shanghai Anbaida Group Companies for the three years ended 31 December 2017 reach the annual guarantee profit as specified in the Previous Share Transfer Agreement. The execution of the Share Transfer Agreement shall release and fulfill the legal obligation of the Company to purchase the remaining 30% equity interest at the agreed price.

3. It has been the Group's strategy to further develop and consolidate its medical consumable business by allocating more resources to medical IVD products so as to consolidate the Group's product range on the one hand, and formula its operating and distribution platform through all comparative advantage of subsidiaries of the Company on the other hand.

4. The Acquisition would certainly increase the market share of the Company in medical IVD products in the PRC.

The Board is of the view that the Acquisition represents a contractual obligation and also business opportunity for the Group to develop and consolidate itself in the health industry in the PRC and will, in the long run, broaden the Group's revenue base by diversifying the product base of the Group. The Board considers that the Acquisition of Shanghai Anbaida Group Companies will enable the Group to broaden its market share in the PRC medical equipment and consumable product market as well as the Group's product portfolio.

In light of the above, the Directors consider that the terms of the Share Transfer Agreement are fair and reasonable and the Acquisition is in the interest of the Company and Shareholders as a whole.

INFORMATION OF THE PURCHASER

The Purchaser is a wholly-owned subsidiary of the Company, established in the PRC with limited liability on 24 December 2009. The Purchaser principally engages in the manufacturing and sales of medical X-ray films (including medical dry films, dental films, mammary gland films, medical thermal imaging film, etc.), X-ray film's developer and fixer and medical imaging printers.

INFORMATION OF THE VENDORS

The Vendors, namely Mr. Li Bin and Mr. Li Changgui, are private investors in the medical equipment industry. As at the date of this announcement, each of Shanghai Anbaida Group Companies is an indirect non-wholly owned subsidiary of the Company. Mr. Li Bin, being substantial shareholder (as defined under the Listing Rules), is a connected person of the Company at the subsidiary level. Mr. Li Changgui, holding 2% equity interests in Shanghai Emphasis Investment, does not maintain any positions in the Group.

INFORMATION OF SHANGHAI ANBAIDA GROUP COMPANIES

The Shanghai Anbaida Group Companies are companies established in the PRC with limited liability, which are principally engaged in the sales and distribution of medical in vitro diagnostic industry in the PRC. The scope of business in each of Shanghai Anbaida Group Companies includes the following:

(i) Shanghai Emphasis Investment: provision of investment management advisory services, business management consulting, marketing planning, market information consultation and investigation (not including conducting social surveys and research, public surveys and polls); sale of: instruments, computers, software and auxiliary equipment, office supplies, communication devices, hardware and electronic parts, building and decoration materials, medical devices; and leasing of medical devices, machinery and equipment, dangerous chemicals, wholesale (no storage facilities), technological development, consulting and services in respect of professional medical device technology (except for projects in which foreign investment is prohibited or restricted).

(ii) Shanghai Jianchu Medical: sale of Class 3 and Class 2 injection and puncture devices, clinical laboratory analytical instruments (including in vitro diagnostic medical reagents), medical polymer materials and products, Class 2 medical laboratory and infrastructure equipment and appliance, Class 1 medical devices, instruments, computers, software and auxiliary equipment, office supplies, communication devices, auto parts, hardware and electronic parts, labour protection supplies, building and decoration materials; provision of consulting services for technology development in the field of medical devices and technology;

medical device maintenance; and investment consulting (except brokers); and leasing of machinery and equipment (except finance leasing) (except for projects in which foreign investment is prohibited or restricted).

(iii) Shanghai Chaolian Trading: sale of hardware and electronic parts, paper, cardboard cartons products, handicrafts, mechanical and electrical products, glass products, office supplies, packaging materials, printing equipment, hotel supplies, electronic equipment, electronic control panel, mechanical equipment, refrigeration equipment; installation and maintenance of home appliances; sales of medical devices; and leasing of self-owned medical devices; leasing of machineries and equipment, technological development, consulting and services in respect of professional medical device technology, wholesale of drugs (drug-type in vitro diagnostic reagents) (except for projects in which foreign investment is prohibited or restricted).

(iv) Shanghai Haole Industrial: Permitted projects: real estate development and operation; construction work design; class 3 medical device operation (projects which are subject to approval by law shall only commence operation upon approval by relevant departments and the particulars of the scope of operation shall be listed in the approval documents or permits from relevant departments); general projects: internal decoration and refurbishment; investment management; advertisement design and agency; advertisement production; property management, technological services, technological consulting, technological exchange, technological transfer, technological promotion; convention and exhibition services; information consulting services (excluding permitted information consulting services); sale of class 2 medical devices; wholesale of machineries and equipment; wholesale of electronic components; wholesale of handicrafts, art pieces and collectibles (excluding ivory and its products); sale of instruments; wholesale of hardware; sale of construction materials; leasing of medical devices.

(v) Shanghai Dingpei Industrial: wholesale and retail of Class 1 medical devices, instrument, computer hardware and software and auxiliary equipment (except specific safety products for computer information systems), office supplies, communication devices, auto parts, hardware and electronic parts, labour protection supplies, building and decoration materials (except dangerous goods); provision of consulting services for technology development in the field of medical devices and technology; investment consulting; leasing of self-owned equipment (not including finance leasing), leasing of machinery and equipment; Class 2 medical devices (including diagnostic reagents), Class 3 clinical laboratory analytical instruments (including in vitro diagnostic medical reagents).

FINANCIAL INFORMATION

(i) Shanghai Chaolian Trading

Set out below is the unaudited financial information of Shanghai Chaolian Trading for the two years ended 31 December 2019:

	Financial year ended 31 December	
	2019	**2018**
	(approximately RMB' million)	*(approximately RMB' million)*
Net assets	91.1	65.0
Profit before taxation	34.8	35.9
Profit after taxation	26.1	27.0

(ii) Shanghai Dingpei Industrial

Set out below is the unaudited financial information of Shanghai Dingpei Industrial for the two years ended 31 December 2019:

	Financial year ended 31 December	
	2019	**2018**
	(approximately RMB' million)	*(approximately RMB' million)*
Net assets	363.4	355.0
Profit before taxation	144.4	157.7
Profit after taxation	108.4	118.3

(iii) Shanghai Emphasis Investment

Set out below is the unaudited financial information of Shanghai Emphasis Investment for the two years ended 31 December 2019:

	Financial year ended 31 December	
	2019	**2018**
	(approximately RMB' million)	*(approximately RMB' million)*
Net assets	309.8	278.6
Profit before taxation	48.5	83.7
Profit after taxation	31.2	60.4

(iv) Shanghai Haole International

Set out below is the unaudited financial information of Shanghai Haole International for the two years ended 31 December 2019:

	Financial year ended 31 December	
	2019	**2018**
	(approximately RMB' million)	*(approximately RMB' million)*
Net assets	53.2	54.4
Loss/profit before taxation	(1.3)	0.8
Loss/profit after taxation	(1.3)	0.6

(v) Shanghai Jianchu Medical

Set out below is the unaudited financial information of Shanghai Jianchu Medical for the two years ended 31 December 2019:

	Financial year ended 31 December	
	2019	**2018**
	(approximately RMB' million)	*(approximately RMB' million)*
Net assets	82.5	61.2
Profit before taxation	28.6	31.5
Profit after taxation	21.3	23.6

CONNECTED TRANSACTION

As at the date of this announcement, Shanghai Anbaida Group Companies is an indirect non-wholly-owned subsidiary of the Company. Mr. Li Bin, being a substantial shareholder holding 30% equity interests in each of Shanghai Anbaida Group Companies (except Shanghai Emphasis Investment which is owned as to 28% by Mr. Li Bin and 2% by Mr. Li Changgui), is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Mr. Li Bin and Mr. Li Changgui are not substantial shareholders of the Company (as defined under the Listing Rules) as at the date of this announcement.

Since the Acquisition has been entered into between the Vendors and the Purchaser at the subsidiary level under the Listing Rules and accordingly, the Acquisition constitutes a connected transaction of the Company under Rule 14A of the Listing Rules.

No Director of the Company has a material interest in the Acquisition and thus none of them is required to abstain from voting on the board resolution approving the Acquisition.

LISTING RULES IMPLICATIONS

As the applicable aggregate percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to notification and announcement requirements but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

Since the Acquisition has been entered into between the Purchaser, a wholly owned subsidiary of the Company, and the Vendors, namely Mr. Li Bin, who is a connected person of the Company at the subsidiary level on normal commercial terms or better, the Company is required to comply with the reporting and announcement requirements but is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

The Board of Directors (including the independent non-executive Directors) have approved the Share Transfer Agreement, also confirmed and considered that the Acquisition contemplated under the Share Transfer Agreement (including the consideration as agreed in Previous Share Transfer Agreement) have been subject to arm's length negotiation, and have been entered into by the Purchaser on normal commercial terms or better and which are no less favourable to the Purchaser than those available to or from independent third parties and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Acquisition"	the acquisition by the Purchaser from the Vendors the 30% equity interests in each of Shanghai Anbaida Group Companies
"Company"	Yestar Healthcare Holdings Company Limited (巨星醫療控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
"Connected Person(s)"	has the meaning given to it in the Listing Rules
"Consideration"	consideration of RMB675,000,000 (before all relevant taxes) for the Acquisition
"Director(s)"	director(s) of the Company
"Effective Date"	the date on which all conditions precedent are being fulfilled or waived

"Group"	collectively, the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Li Bin"	Mr. Li Bin (李斌), beneficially interested in 28% of Shanghai Emphasis Investment and 30% in each of Shanghai Jianchu Medical, Shanghai Chaolian Trading, Shanghai Haole Industrial and Shanghai Dingpei Industrial respectively as at the date of this announcement
"Mr. Li Changgui"	Mr. Li Changgui (李長貴), beneficially interested in 2% of Shanghai Emphasis Investment as at the date of this announcement
"PRC"	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Previous Share Transfer Agreement"	the agreement dated 9 April 2015 entered into among the Purchaser, the Previous Vendors and Shanghai Anbaida Group Companies in relation to the acquisition of 70% equity interests in Shanghai Anbaida Group Companies
"Previous Vendors"	collectively, Mr. Li Bin, Ms. Liu Weiyue, Mr. Jiang Chao, Ms. Yu Liping, Ms. Liu Hong, Mr. Li Changgui and Mr. Li Changkuan, and each a "Previous Vendor"
"Roche"	羅氏診斷產品(上海)有限公司 (Roche Diagnostics (Shanghai) Ltd.*), a company established in the PRC with limited liability
"Roche Diagnostics Products"	The diagnostics products of Roche
"Shanghai Anbaida Group Companies"	collectively, Shanghai Chaolian Trading, Shanghai Dingpei Industrial, Shanghai Emphasis Investment, Shanghai Haole Industrial and Shanghai Jianchu Medical

"Shanghai Chaolian Trading"	上海超聯商貿有限公司 (Shanghai Chaolian Trading Co., Ltd*), a company established in the PRC with limited liability on 26 February 2002 whose registered capital is owned as to 70% by the Purchaser and 30% by Mr. Li Bin as at the date of this announcement, and one of Shanghai Anbaida Group Companies
"Shanghai Dingpei Industrial"	上海定佩實業有限公司 (Shanghai Dingpei Industrial Co., Ltd*), a company established in the PRC with limited liability on 4 April 2014 whose registered capital is owned as to 70% by the Purchaser and 30% by Mr. Li Bin as at the date of this announcement and one of Shanghai Anbaida Group Companies
"Shanghai Emphasis Investment"	上海安百達投資管理顧問有限公司 (Shanghai Emphasis Investment Management Consulting Co., Ltd*), a company established in the PRC with limited liability on 4 April 2005, whose registered capital is owned as to 70% by the Purchaser, 28% by Mr. Li Bin and 2% by Mr. Li Changgui respectively as at the date of this announcement, and one of the Shanghai Anbaida Group Companies
"Shanghai Haole Industrial"	上海顥樂實業有限公司 (Shanghai Haole Industrial Co., Ltd*), a company established in the PRC with limited liability on 1 June 2010, whose registered capital is owned as to 70% by the Purchaser and 30% by Mr. Li Bin as at the date of this announcement, and one of the Shanghai Anbaida Group Companies
"Shanghai Jianchu Medical"	上海建儲醫療器械有限公司 (Shanghai Jianchu Medical Instrument Co., Ltd*), a company established in the PRC with limited liability on 26 August 2011, whose registered capital is owned as to 70% by the Purchaser and 30% by Mr. Li Bin as at the date of this announcement, and one of the Shanghai Anbaida Group Companies
"Share(s)"	ordinary share(s) of HK$0.025 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of the issued Share(s)
"Share Transfer Agreement"	the agreement dated 7 August 2020 entered into among the Purchaser, the Vendors and Shanghai Anbaida Group Companies in relation to the acquisition of the remaining 30% equity interests in each of Shanghai Anbaida Group Companies for a consideration of RMB675,000,000
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Vendors"	collectively, Mr. Li Bin and Mr. Li Changgui and each a "Vendor"
"Yestar Medical" or "Purchaser"	廣西巨星醫療器械有限公司 (Guangxi Yestar Medical Equipment Co., Ltd*), a company established in the PRC with limited liability on 24 December 2009 and a wholly-owned subsidiary of the Company
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent.

* *For identification purpose*

By Order of the Board
Yestar Healthcare Holdings Company Limited
巨星醫療控股有限公司
Hartono James
Chairman, CEO and Executive Director

Shanghai 10 August 2020

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

In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.