Yestar International Holdings Company Limited
巨星國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2393)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

FINANCIAL HIGHLIGHTS

Revenue increased by approximately 60.3% to approximately RMB2,454.7 million in 2015 from approximately RMB1,531.4 million in 2014.

Gross profit increased by approximately 96.4% to approximately RMB517.4 million in 2015 from approximately RMB263.5 million in 2014.

Profit attributable to owners of the parent increased by approximately 61.3% to approximately RMB162.8 million in 2015 from approximately RMB100.9 million in 2014.

Earnings per share increased by 50% to RMB8.1 cents in 2015 from RMB5.4 cents in 2014.

The Board recommends the payment of a final dividend of HK3.9 cents (2014: HK3.4 cents) per share.

FINAL RESULTS

The board of directors (the "Board") of Yestar International Holdings Company Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2015 (the "Year").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2015

	Notes	2015 RMB'000	2014 RMB'000
REVENUE	4	**2,454,684**	1,531,353
Cost of sales		**(1,937,276)**	(1,267,888)
Gross profit		**517,408**	263,465
Other income and gains	4	**20,730**	10,719
Selling and distribution expenses		**(83,360)**	(57,005)
Administrative expenses		**(141,875)**	(58,673)
Other expenses		**(7,261)**	(5,733)
Finance costs	5	**(25,716)**	(5,725)
PROFIT BEFORE TAX	6	**279,926**	147,048
Income tax expense	7	**(81,413)**	(43,502)
PROFIT FOR THE YEAR		**198,513**	103,546
Attributable to:			
Owners of the parent		**162,756**	100,900
Non-controlling interests		**35,757**	2,646
		198,513	103,546
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
— For profit of the year	9	**RMB8.1 cents**	RMB5.4 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2015

	2015	2014
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**198,513**	103,546
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent years:		
Exchange differences on translation of foreign operations	**1,104**	206
Net other comprehensive income to be reclassified to profit or loss in subsequent years	**1,104**	206
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**1,104**	206
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**199,617**	103,752
Attributable to:		
Owners of the parent	**163,860**	101,106
Non-controlling interests	**35,757**	2,646
	199,617	103,752

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2015

	Notes	2015 RMB'000	2014 RMB'000 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment		**116,939**	104,009
Prepaid land lease payments		**14,952**	15,279
Intangible assets		**1,028,688**	249,718
Goodwill		**481,718**	87,315
Deferred tax assets		**5,552**	7,477
Total non-current assets		**1,647,849**	463,798
CURRENT ASSETS			
Inventories		**414,767**	327,201
Trade and bills receivables	10	**552,852**	105,197
Prepayments, deposits and other receivables	11	**41,554**	22,899
Pledged deposits		**500**	4,100
Cash and cash equivalents		**505,987**	194,724
Total current assets		**1,515,660**	654,121
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**247,912**	101,713
Trade and bills payables	12	**449,975**	282,778
Other payables and accruals	13	**143,454**	39,815
Tax payable		**118,744**	29,409
Amounts due to non-controlling interests		**182,000**	98,000
Total current liabilities		**1,142,085**	551,715
NET CURRENT ASSETS		**373,575**	102,406
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,021,424**	566,204
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**172,500**	4,500
Deferred tax liabilities		**275,505**	72,370
Other long term payables		**656,022**	164,277
Total non-current liabilities		**1,104,027**	241,147
NET ASSETS		**917,397**	325,057

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
EQUITY		
Equity attributable to owners of the parent:		
Issued capital	**43,116**	37,044
Reserves	**864,298**	278,615
	907,414	315,659
Non-controlling interests	**9,983**	9,398
TOTAL EQUITY	**917,397**	325,057

1. CORPORATE AND GROUP INFORMATION

Yestar International Holdings Company Limited (the "Company") was incorporated in the Cayman Islands on 1 February 2012 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. In the opinion of the directors, the Company's ultimate controlling shareholders are Jeane Hartono, Rico Hartono, James Hartono and Chen Chen Irene Hartono.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 11 October 2013 (the "Listing").

The Company is an investment holding company. During the year, the Company's subsidiaries were involved in the following principal activities:

- manufacture and sale of color photographic paper, industrial NDT x-ray films and PWB films, and trading of imaging equipment; and
- manufacture and sale of medical dry films, medical wet films and dental films, distribution of medical equipment and diagnostic reagents.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board ("IASB"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current year's financial statements.

Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*
Annual Improvements to IFRSs 2010–2012 Cycle
Annual Improvements to IFRSs 2011–2013 Cycle

The nature and the impact of each amendment is described below:

(a) Amendments to IAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.

(b) The *Annual Improvements to IFRSs 2010–2012 Cycle* issued in December 2013 sets out amendments to a number of IFRSs. Details of the amendments that are effective for the current year are as follows:

- IFRS 8 *Operating Segments:* Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

- IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets:* Clarifies the treatment of gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets. The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.

- IAS 24 *Related Party Disclosures:* Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from other entities.

(c) The *Annual Improvements to IFRSs 2011–2013 Cycle* issued in December 2013 sets out amendments to a number of IFRSs. Details of the amendments that are effective for the current year are as follows:

- IFRS 3 *Business Combinations:* Clarifies that joint arrangements but not joint ventures are outside the scope of IFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.

- IFRS 13 *Fair Value Measurement:* Clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 or IAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which IFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in IFRS 13.

- IAS 40 *Investment Property:* Clarifies that IFRS 3, instead of the description of ancillary services in IAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. The amendment has had no impact on the Group as the Group does not have any acquisition of investment properties during the year and so this amendment is not applicable.

In addition, the Company has adopted the amendments to the Listing Rules issued by the Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

IFRS 9	*Financial Instruments*[3]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[6]
Amendments to IFRS 10, IFRS 12 and IAS 28	*Investment Entities: Applying the Consolidation Exception*[1]
Amendments to IFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[1]
IFRS 14	*Regulatory Deferral Accounts*[5]
IFRS 15	*Revenue from Contracts with Customers*[3]
Amendments to IAS 1	*Disclosure Initiative*[1]
Amendments to IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
Amendments to IAS 16 and IAS 41	*Agriculture: Bearer Plants*[1]
Amendments to IAS 27	*Equity Method in Separate Financial Statements*[1]
Annual Improvements 2012–2014 Cycle	Amendments to a number of IFRSs[1]
IFRS 16	*Lease*[4]
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[2]
Amendments to IAS 7	*Statement of Cash Flows*[2]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2017
3 Effective for annual periods beginning on or after 1 January 2018
4 Effective for annual periods beginning on or after 1 January 2019
5 Effective for an entity that first adopts IFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group
6 No mandatory effective date yet determined but is available for adoption

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) Imaging printing products: manufacture and sale of color photographic paper, industrial NDT x-ray films, and trading of imaging equipment; and

(b) Medical products and equipment: manufacture and sale of medical dry films, medical wet films and dental films, sale of medical equipment and reagents.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that corporate and unallocated expenses are excluded from this measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 December 2015

	Imaging printing products *RMB'000*	Medical products and equipment *RMB'000*	Total *RMB'000*
Segment revenue:			
Sales to external customers	**795,651**	**1,659,033**	**2,454,684**
Segment results	**46,085**	**238,845**	**284,930**
Reconciliation:			
Corporate and other unallocated expenses			**(5,004)**
Profit before tax			**279,926**
Segment assets	**676,385**	**2,465,718**	**3,142,103**
Reconciliation:			
Corporate and other unallocated assets			**21,406**
Total assets			**3,163,509**
Segment liabilities	**199,389**	**2,028,495**	**2,227,884**
Reconciliation:			
Corporate and other unallocated liabilities			**18,228**
Total liabilities			**2,246,112**
Other segment information:			
Depreciation of items of property, plant and equipment	**10,252**	**7,772**	**18,024**
Amortisation of prepaid land lease payments	**327**	**—**	**327**
Amortisation of intangible assets	**568**	**39,424**	**39,992**
Gain on disposal of items of property, plant and equipment	**2**	**20**	**22**
Operating lease rentals	**6,488**	**6,077**	**12,565**
Capital expenditure*	**15,556**	**2,989**	**18,545**

Year ended 31 December 2014

	Imaging printing products *RMB'000*	Medical products and equipment *RMB'000*	Total *RMB'000*
Segment revenue:			
Sales to external customers	810,215	721,138	1,531,353
Segment results	66,389	81,529	147,918
Reconciliation:			
Corporate and other unallocated expenses			(870)
Profit before tax			147,048
Segment assets	343,699	742,234	1,085,933
Reconciliation:			
Corporate and other unallocated assets			31,986
Total assets			1,117,919
Segment liabilities	320,441	463,255	783,696
Reconciliation:			
Corporate and other unallocated liabilities			9,166
Total liabilities			792,862
Other segment information:			
Depreciation of items of property, plant and equipment	11,589	2,457	14,046
Amortisation of prepaid land lease payments	327	—	327
Amortisation of intangible assets	661	2,782	3,443
Loss on disposal of items of property, plant and equipment	1	—	1
Operating lease rentals	6,578	1,877	8,455
Capital expenditure*	8,914	2,270	11,184

* Capital expenditure consists of additions to property, plant and equipment, prepaid land lease payments and intangible assets.

Information about major customers

During the year ended 31 December 2015, the Group had one customer from whom the revenue raised by selling medical imaging products and imaging printing products of RMB939,427,000 (2014: RMB801,068,000) accounted for more than 38% (2014: more than 50%) of the Group's total revenue during the year.

Geographical information

Since the Group solely operates business in the People's Republic of China ("PRC") and all of the non-current assets of the Group are located in the PRC, no geographical segment information is presented in accordance with IFRS 8 *Operating Segments*.

Seasonality of operations

The Group's operations are not subject to seasonality.

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold after allowances for returns, trade discounts and various types of government surcharges, where applicable; and gross rental income received during the year.

An analysis of revenue, other income and gains is as follows:

	2015	2014
	RMB'000	*RMB'000*
Revenue		
Sale of goods	**2,451,967**	1,526,331
Gross rental income	**2,717**	5,022
	2,454,684	1,531,353
Other income and gains		
Government grants *(note (a))*	**9,217**	6,191
Interest income	**3,196**	4,335
Foreign exchange gains	**8,021**	—
Others	**296**	193
	20,730	10,719

Note (a): The amount represents grants received from local PRC government authorities by the Group's subsidiaries in connection with certain financial support to local business enterprises for the purpose of encouraging business development. There are no unfulfilled conditions and other contingencies relating to these grants.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2015	2014
	RMB'000	*RMB'000*
Finance costs		
Interest on bank loans, overdrafts and other loans	**19,029**	5,623
Cash discount	**6,637**	—
Interest arising from discounted bills	**50**	102
	25,716	5,725

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2015	2014
	RMB'000	*RMB'000*
Cost of inventories sold	**1,937,276**	1,267,888
Depreciation of items of property, plant and equipment	**18,024**	14,046
Amortisation of prepaid land lease payments	**327**	327
Amortisation of other intangible assets	**39,992**	3,443
Research and development costs	**3,434**	1,988
Minimum lease payments under operating leases	**12,565**	8,455
Auditors' remuneration	**2,267**	1,870
Employee benefit expense (including directors' remuneration):		
— Wages and salaries	**97,964**	70,199
— Pension scheme contributions	**8,841**	6,979
	106,805	77,178
Reversal of impairment of inventories	**(848)**	—
Impairment of trade receivables	**2,715**	—
(Gain)/loss on disposal of items of property, plant and equipment	**(23)**	1

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and BVI.

Hong Kong profits tax is to be provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year.

The provision for Mainland China current income tax is based on the statutory rate of 25% of the assessable profit of the Group as determined in accordance with the PRC Corporation Income Tax Law which was approved and became effective on 1 January 2008.

The major components of income tax charge for the year are as follows:

	2015	2014
	RMB'000	*RMB'000*
Current tax		
— Income tax in the PRC for the year	**82,366**	38,240
— Deferred tax	**(953)**	5,262
Total tax charge for the year	**81,413**	43,502

A reconciliation of the income tax expense applicable to profit before tax at the statutory rate for the countries in which the Company and the majority of its subsidiaries are domiciled (i.e., in their respective countries of incorporation) to the tax expense at the effective tax rate for the year is as follows:

	2015	2014
	RMB'000	*RMB'000*
Profit before tax	**279,926**	147,048
Tax at an applicable tax rate	**69,982**	36,762
Lower tax rate for certain loss making entities in different jurisdictions	**1,251**	218
Adjustments to current tax of previous periods	**50**	(190)
Expenses not deductible for tax	**1,068**	1,860
Effect of withholding tax at 10% on the distributable profits of the Group's PRC subsidiaries	**9,062**	4,852
Tax charge at the Group's effective rate	**81,413**	43,502

8. DIVIDENDS

	2015	2014
	RMB'000	*RMB'000*
Proposed final — HK3.9 cents (2014: HK3.4 cents) per ordinary share	**71,071**	50,450

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,011,710,000 in issue during the year ended 31 December 2015 (2014: 1,867,500,000), upon completion of issuing 113,700,000 shares and 194,000,000 shares to a total of 18 subscribers at the subscription price of HK$3.00 per subscription share, respectively, on 6 July 2015 and 17 July 2015.

The calculation of basic and diluted earnings per share is based on:

	2015	2014
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation:	**162,756**	100,900
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation *(thousands)*	**2,011,710**	1,867,500
Basic and diluted earnings per share *(RMB cents)*	**8.1**	5.4

The diluted earnings per share amount is equal to the basic earnings per share amount for the years ended 31 December 2015 and 2014, as there were no diluting events during the years ended 31 December 2015 and 2014.

10. TRADE AND BILLS RECEIVABLES

	2015	2014
	RMB'000	*RMB'000*
Trade receivables	**533,145**	92,914
Bills receivable	**22,422**	12,283
Impairment	**(2,715)**	—
	552,852	105,197

The Group grants different credit periods to customers. The Group generally requires its customers to make payments at various stages of a sale transaction. The credit period of individual customers is considered on a case-by-case basis and set out in the sales contracts, as appropriate. Certain customers are required to make partial payment before or upon delivery. The Group seeks to maintain strict control over its outstanding receivables and closely monitors them to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are unsecured and non-interest-bearing.

An aged analysis of trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2015	2014
	RMB'000	*RMB'000*
Within 90 days	**391,120**	92,541
91 to 180 days	**94,324**	259
181 to 365 days	**39,797**	114
1 to 2 years	**5,189**	—
	530,430	92,914

The movements in provision for impairment of trade receivables are as follows:

	2015	2014
	RMB'000	*RMB'000*
At beginning of year	**—**	—
Impairment losses recognised	**2,715**	—
	2,715	—

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB2,715,000 (2014: Nil) with a carrying amount before provision of RMB7,444,000 (2014: Nil).

The individually impaired trade receivables relate to customers that were in financial difficulties or were in default in interest and/or principal payments and all of the receivables is expected to be unrecovered.

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	2015	2014
	RMB'000	*RMB'000*
Neither past due nor impaired	**465,751**	92,914
Past due but not impaired:		
Less than 90 days	**45,650**	—
91 to 180 days	**14,300**	—
	525,701	92,914

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2015	2014
	RMB'000	*RMB'000*
Prepayments	**23,970**	4,200
Value added tax input	**8,033**	13,456
Deposits and other receivables	**9,551**	5,243
	41,554	22,899

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

12. TRADE AND BILLS PAYABLES

	2015	2014
	RMB'000	*RMB'000*
Trade payables	**406,706**	218,220
Bills payable	**43,269**	64,558
	449,975	282,778

An aged analysis of outstanding trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2015	2014
	RMB'000	*RMB'000*
Within 90 days	**405,524**	218,137
91 to 180 days	**983**	68
181 to 365 days	**13**	15
1 to 2 years	**186**	—
	406,706	218,220

The trade payables are non-interest-bearing and are normally settled within 180 days.

The outstanding bills payable were issued to FUJIFILM (China) Investment Co., Ltd., a major supplier of the Group, for the purchase of raw materials. Pursuant to the purchase agreement, the outstanding bills payable and certain trade payables were secured by a pledge of certain inventories.

13. OTHER PAYABLES AND ACCRUALS

	2015	2014
	RMB'000	*RMB'000*
Current portion:		
Advances from customers	**19,626**	10,128
Other payables	**89,739**	19,120
Value added tax payable	**18,642**	536
Accrued expenses	**108**	249
Payroll and welfare payable	**15,339**	9,782
	143,454	39,815
Non-current portion:		
Other payables *(Note 1)*	**8,456**	8,644
Put options in relation to non-controlling interests *(Note 2)*	**647,566**	155,633
	656,022	164,277

Note 1: In January 2012, Yestar Imaging received a government grant for the land lease located in Guangxi Province, China. This government grant is conditional upon the payment of a certain amount of tax by Yestar Imaging within 18 months from the commencement of the operation. Yestar Imaging has met the condition and started to recognise the deferred government grant in 2014. As at 31 December 2015, the deferred government grant is included in other payables in the consolidated statement of financial position.

Note 2: Put options in relation to non-controlling interests represent the rights granted to the non-controlling shareholders to dispose the 30% interests in Jiangsu Uno Technology Development Company Limited and Anbaida Group Companies as define below to the Group during the acquisition of 70% interests by the Company in Jiangsu Uno and Anbaida Group Companies. The present value of the amount required to be paid at the time of exercise in the future deducted from non-controlling interests was recognised as a financial liability of the Group. On 31 December 2015, it was measured at its fair value.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW AND MARKET CONDITION

The proportion of total health expenditure in the PRC is much lower than major developed countries and building a "Healthy China" (推進健康中國建設) by improving healthcare system and balancing population in the PRC has become a priority of the Chinese Central Government in the 13th five-year plan (2016–2020).

A report published by "Strategic Report for Health China 2020" (「健康中國2020」戰略研究報告) estimates the overall market value of the healthcare and related service industry in PRC will reach RMB6.2 trillion in 2020. In particular, the demand for fast-moving medical consumables such as medical imaging products and IVD products are expected to experience continuous and higher growth due to the fact that the IVD market in the PRC is outpacing its health expenditure and the demand for health and disease screening have been flourishing with the rising middle-class in the PRC. According to the "Blue Book of China Medical Health (2015 edition)" (中國醫藥健康藍皮書(2015版)) published by China National Pharmaceutical Industry Information Center, the market of IVD products is expected to achieve a CAGR of 18.7% from 2014 to 2019, reaching RMB72.3 billion in 2019. Apparently, there is a substantial room for the growth of the IVD business of the Group.

Benefited from the relaxation one-child policy, the implementation of two-child policy in the PRC, families are allowed to have two children and the expected baby boom contributed to the increase in demand and revenue of our professional color photographic paper business during the Year. The revenue is offset by the strategically reduction of its selling price with an aim to achieve greater market share of that segment during the Year. In addition, the increasing population and aging population in the PRC keep on stimulating our IVD products business during the Year.

Continued changes in Chinese Government Policy on healthcare reforms will certainly affect the development, performance or position of the Company's business. The Group will change its current policies to ensure its compliance with the latest regulations governing the distribution of IVD products, manufacturing and distribution of medical films and imaging products. During the Year, the Group complies all the regulations governing the operation, workforce and environmental in relation to its operating businesses and obtains all the necessary permits for the manufacturing and distribution of its products.

BUSINESS REVIEW

About Yestar

Yestar International Holdings Company Limited ("Yestar" or the "Company"), together with its subsidiaries, the "Group") is the largest distributor of Fujifilm products and have 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, In Vitro Diagnostic ("IVD") products and medical imaging products. Backed by a solid and professional management system and a team of experienced management, the Group has established an extensive sales network in the PRC. Currently, the Group has earned the trust from and formed strategic partnerships with global market leaders, namely Fujifilm, Roche Diagnostic ("Roche"), Becton Dickinson ("BD") and Thermo Fisher Technology ("Thermo Fisher").

Over the years and up to the date of this announcement, the variety and quantity of our products processed and sold by the Group have expanded significantly. Major products of the Group are listed as follows:

1. Medical dry film

2. Medical wet film

3. Dental film

4. Colour photographic papers

5. Industrial non-destructive testing ("NDT") x-ray film

6. Printed wiring board ("PWB") film

7. IVD products

IVD refer to tests which make use of instruments, apparatuses, reagents, calibrators and systems tailor-made for determining health status or diagnosing diseases, thus for the purpose of preventing, curing, mitigating and post-treatment monitoring diseases, infections and their sequelae. IVD products are specifically designed and manufactured for collecting specimens (such as blood samples, body fluid and tissues) derived from the human body and examining them outside the human body. The tests are usually carried out in hospitals, clinics and laboratories but are sometimes applied to personal settings.

Currently, the Group manufactures medical film for Fujifilm and distributes Roche and BD branded IVD products in Shanghai, Jiangsu and Anhui provinces. The Group is also a sole processor and exclusive distributor of Fujifilm color photographic papers and industrial imaging products (including industrial NDT x-ray films and PWB films) in the PRC. In addition, the Group also manufactures and sells colour photographic paper, NDT x-ray films and dental films under the house brand "Yes!Star".

Become One of the Largest Roche IVD Products Distributors in the PRC

During the Year, the Group has successfully extended its sales network into one of the wealthiest and populous cities in the PRC — Shanghai and has become one of the largest Roche IVD product distributor in the PRC.

On 9 April 2015, Yestar (Guangxi) Medical System Co. Ltd., a wholly-owned subsidiary of the Company, entered into a share transfer agreement with independent third parties (the "Vendors") to acquire 70% of the equity interests (the "Acquisition") in each of the 5 medical equipment and consumable companies, namely Shanghai Emphasis Investment Management Consulting Co., Ltd., Shanghai Jianchu Medical Instrument Co., Ltd., Shanghai Chaolian Trading Co., Ltd., Shanghai Haole Industrial Co., Ltd. and Shanghai Dingpei Industrial Co., Ltd. (collectively "Anbaida Group Companies"). The total consideration of the Acquisition amounted to RMB910 million (equivalent to approximately HK$1,155.7 million). Anbaida Group Companies are principally engaged in the sales and distribution of medical IVD consumables, medical equipment and clinical laboratory analytical instruments in Shanghai, the PRC and is one of the largest IVD products distributors of Roche in the PRC with access to 101 hospitals and clinics in Shanghai. Together with the established sales network of Jiangsu Uno Technology Development Company Limited ("江蘇歐諾科技發展有限公司 or Jiangsu Uno"), an indirect non-wholly owned subsidiary of the Company, the Group established connections with over 236 hospitals and clinics in Shanghai, Jiangsu and Anhui provinces as of 31 December 2015, as compared with that of 119 hospitals and clinics as of 31 December 2014. The significant increase in our distribution network has contributed to the outstanding results of the Group for the Year. The Board expects that there will be a stable increase in number of our distribution networks in both hospitals and clinics on year-on-year basis through the integration of Jiangsu Uno and Anbaida Group Companies into the Group.

The Acquisition of Anbaida Group Companies was completed on 10 August 2015 and such completion is a further important strategic step to support Yestar's evolution into a medical consumable business in the PRC. The integration of Anbaida Group Companies is progressing well and their financial performance for the last five months also exceeded our initial expectations.

Profit Guarantee of Anbaida Group Companies

Based on the strong earning track records and the promising prospect of Shanghai's medical consumable and equipment industry, the vendors of Anbaida Group Companies guaranteed to the Group to deliver audited combined net profit taking into account their all gains or losses pursuant to the International Financial Reporting Standards ("IFRS") of not be less than RMB156 million (equivalent to approximately HK$198 million), RMB187 million (equivalent to approximately HK$237 million), and RMB225 million (equivalent to approximately HK$286 million) for the year ended 31 December 2015, for the years ending 31 December 2016 and 2017 respectively pursuant to the share transfer agreement.

The Company wishes to announce that the 2015 audited combined net profit of Anbaida Group Companies was approximately RMB160 million, which exceeded the annual guarantee profit of Anbaida Group Companies of RMB156 million (equivalent to approximately HK$198 million) for the Year pursuant to IFRS.

Upon completion of the Acquisition of Anbaida Group Companies, the financial performance, namely the revenue and the profit, of Anbaida Group Companies had been consolidated to the Group. It has not only contributed to the increase in revenue, but also the improvement on the gross profit margin of the Group as there is a higher profit margin for the medical consumable business, namely IVD products.

Pursuant to the aforesaid share transfer agreement, profit guarantee of Anbaida Group Companies will last till the year ending 31 December 2017. The Board expects that achievable profit guarantee of Anbaida Group Companies will boost the revenue and profit of the Group for the Year onwards.

Profit Guarantee of Jiangsu Uno

Reference was also made to the announcement of the Company dated 12 September 2014 and the circular of the Company dated 24 October 2014 (the "First Circular") in relation to the acquisition of Jiangsu Uno.

Pursuant to the share transfer agreement entered into with Jiangsu Uno and as disclosed in the First Circular, the vendor of Jiangsu Uno guaranteed to the Group that the net profit of Jiangsu Uno for the year ended 31 December 2015 ("2015 net profit of Jiangsu Uno") shall not be less than RMB54 million ("Jiangsu Uno Annual Guarantee Profit") taking into account all gain or losses of Jiangsu Uno pursuant to the IFRS.

The Company also wishes to announce that the 2015 net profit of Jiangsu Uno was approximately RMB55 million, which exceeded the Jiangsu Uno Annual Guarantee Profit of RMB54 million for the Year pursuant to IFRS.

The Board admitted that the acquisitions of Jiangsu Uno in 2014 and Anbaida Group Companies in 2015 enable Yestar to transform itself into a leading medical consumable distributor in the PRC with high profit margin in medical consumable segment for the Year onwards from a colour photographic paper and industrial imaging product manufacturer. Moreover, the profit guarantee undertaken by the vendors of Jiangsu Uno and Anbaida Group Companies also post a promising and solid expected growth on medical consumable segment and boost the revenue and profit of the Group as a whole.

Enhance Shareholder Profile

On 17 July 2015, the Group completed the allotment of 307,700,000 shares (the "Subscription Shares") at HK$3.00 per share to a total of 18 independent subscribers (the "Subscribers"), including a numbers of healthcare specific investors, namely OrbiMed Global Healthcare Master Fund, L.P. and Vivo VII Galaxy Investment Limited. The introduction of the above strategic shareholders is a strong recognition of the Group's development strategies as well as a proof of the Group's leading position in the PRC's medical consumable and equipment market. Through their extensive network, affluent resources and experiences in the medical field, the strategic shareholders will become a reliable assistance for the Group to pursuit greater development in the PRC's healthcare industry.

Use of Proceeds from Subscription

The Subscription Shares represented approximately 16.48% and 14.15% of the issued shares before and after the completion of allotment and issue of the Subscription Shares of the Company. The aggregated gross and net proceeds from the Subscription amounted to approximately HK$923.1 million and approximately HK$904.4 million respectively. The Company intends to utilise the net proceeds from the subscription as planned. As at 31 December 2015, the net proceeds from subscription of the Subscription Shares had been applied as follows:

Use of Proceeds	**Acquisition of a medical device company engaging in medical consumables products** *(HK$' million)*	**Future potential acquisition** *(HK$' million)*	**General working capital** *(HK$' million)*	**Total net proceeds** *(HK$' million)*
To be utilized by the Company	741.6	135.7	27.1	904.4
Utilized by the Company by 31 December 2015	(693.6)	0	0	(693.6)
Unused proceeds as at 31 December 2015	48.0	135.7	27.1	210.8

Use of Proceeds from Global Offering

The net proceeds of the global offering including net proceeds of the exercise of the over-allotment option received by the Company were approximately HK$130.0 million, after deduction of the underwriting fees and commission and expenses.

As at 31 December 2015, the net proceeds from the global offering had been applied as follows:

Use of Proceeds	Acquisition of a medical device company engaging in medical consumables products *(HK$' million)*	Expansion of processing capacity and construction of processing facilities *(HK$' million)*	R&D activities *(HK$' million)*	General working capital *HK$' million)*	Total net proceeds *(HK$' million)*
To be utilized by the Company	84.5	19.5	13.0	13.0	130.0
Utilized by the Company by 31 December 2015	(84.5)	(4.1)	(4.3)	(13.0)	(105.9)
Unused proceeds as at 31 December 2015	0	15.4	8.7	0	24.1

Save for the change of use of proceeds from global offer as disclosed in our 2015 interim report, the Directors are not aware of material change to the planned use of proceeds from global offering and the planned use of proceeds from the subscription as at the date of this announcement. Any net proceeds that were not applied immediately have been placed on the short-term interest bearing deposits with authorized financial institutions in Hong Kong as at the date of this announcement.

Achieve Outstanding Financial Performance

In spite of the turbulent economic environment, the Group once again excelled expectation and achieved excellent financial performance for the Year. With the full year financial contribution from 江蘇歐諾科技發展有限公司 and the five-month financial contribution from the newly acquired Anbaida Group Companies, the total revenue increased by 60.3% year-on-year to approximately RMB2,454.7 million (2014: approximately RMB1,531.4 million). Our gross profit of the Year surged by approximately 96.4% from approximately RMB263.5 million to approximately RMB517.4 million. As the high gross profit margin IVD business has gradually become a dominant profit contributor, the overall gross profit margin of the Group increases from approximately 17.2% in 2014 to approximately 21.1% in 2015. Profit attributable to the owners of the parent achieved approximately 61.3% growth year-on-year, reaching approximately RMB162.8 million for the Year. Net profit margin also increased to approximately 8.1% in 2015 (2014: approximately 6.8%), mainly due to an improvement on net profit margin arising from the acquisition of Anbaida Group Companies. Earnings per share of the Year was RMB8.1 cents (2014: RMB5.4 cents). The Board recommends the payment of a final dividend of HK3.9 cents per share for the year ended 31 December 2015.

MEDICAL CONSUMABLE BUSINESS — 67.6% OF OVERALL REVENUE

The Group distributes IVD products in Shanghai, Jiangsu and Anhui provinces, manufactures medical films (use in X-Ray, Magnetic Resonance Imaging (MRI) and Computer Tomography (CT-scan) etc.) for Fujifilm in the PRC. The Group also manufactures, markets and sells dental film products under the house brand "Yes!Star".

With a population of over 1.3 billion, the PRC remains an extremely attractive medical consumable market. The increase in disposable income and the fast aging population are the propelling factors that drive the growth of the PRC's medical imaging and IVD industry. According to the Blue Book on China Health Industry (2015 edition) (中國醫藥健康藍皮書(2015版)) published by China National

Pharmaceutical Industry Information Center, the market value the medical imaging industry and IVD industry accounted approximately 20% and 16% of the PRC's medical devise and equipment market in 2014. In particular, the market value of IVD reached approximately RMB30.6 billion in 2014 and continued to expand in 2015.

In view of the flourishing market, the Group established a medical division with a team of experienced management to oversee the Group's medical business during the Year. The division reports directly to the directors of the Company and facilitates the integration of Jiangsu Uno and Anbaida Group Companies into our corporate structure. On top of that, the medical division also assists to communicate with Fujifilm, Roche, BD and Thermo Fishers in reinforcing our long-term partnership.

The medical consumable business was the largest revenue contributor and profit generator for the Group in 2015, accounting for approximately 67.6% of the Group's overall income. In the Year, segment revenue recorded a year-on-year growth of approximately 130.1%, reaching approximately RMB1,659.0 million (2014: approximately RMB721.1 million). The outstanding performance was mainly attributed to the full year financial contribution of Jiangsu Uno, the five-month financial contribution of Anbaida Group Companies and the growing demand of the Group's medical imaging products. During the Year, Jiangsu Uno has increased its sales network in terms of number of dealers to 145 and 50 in Jiangsu and Anhui, respectively, contributing a revenue of approximately RMB504.3 million. In addition, Anbaida Group Companies contributed revenue of approximately RMB382.4 million for the five months ended 31 December 2015. During the Year, Fujifilm has actively promoted its radiological examination equipments to hospitals in the PRC and thus driving the demand of the Group's medical film and dental film products. As a result, the revenue of the Group's medical consumable products recorded substantial growth of 130.1% year-on-year to approximately RMB1,659.0 million.

As the IVD business has a higher gross profit margin at approximately 32.2% as compared with the traditional medical imaging business, therefore, the gross profit margin of the medical consumable business increased by approximately 10.0 percentage points year-on-year to approximately 23.3% in 2015.

Revenue of the medical consumable business

For the year ended 31 December	**2015** ***(RMB '000)***	2014 *(RMB '000)*	**Year-on-year change**
Medical consumable business	**1,659,033**	721,138	**+130.1%**

Gross profit margin of the medical consumable business

For the year ended 31 December	**2015**	2014	**Year-on-year change**
Medical consumable business	**23.3%**	13.3%	**+10.0 pp**
Overall	**23.3%**	13.3%	**+10.0 pp**

Distribution network of the IVD business

For the year ended 31 December	2015	2014	Year-on-year change
Shanghai	**258**	—	**+258**
Jiangsu Province	**260**	176	**+84**
Anhui Province	**70**	45	**+25**
Overall	**588**	221	**+367**

OTHER BUSINESSES — 32.4% OF OVERALL REVENUE

Other businesses of the Group mainly consists of the manufacturing, marketing, distribution and sale of Fujifilm color photographic paper (professional and minilab) as well as the industrial imaging products (NDT x-ray films and PWB films) in the PRC. The Group also manufactures, markets and sells colour photographic paper, NDT x-ray film under the house brand "Yes!Star".

With an aim to achieve greater market share, the Group has strategically lowered the average selling price of the color photographic papers and digital imaging products during the Year, resulting a slight drop in revenue and gross profit margin. Consequently, revenue generated from colour photographic paper and others decreased by approximately 1.2% year-on-year from approximately RMB606.6 million to approximately RMB599.4 million, and the gross profit margin decreased by approximately 5.0 percentage points to approximately 16.6%. Revenue generated from industrial imaging products decreased by approximately 3.6% year-on-year from approximately RMB203.6 million to approximately RMB196.3 million, and the gross profit margin decreased by approximately 2.0 percentage points to approximately 15.9%, this is mainly due to the drop of PWB films sales.

Revenue breakdown of core products

For the year ended 31 December	2015 (RMB '000)	2014 (RMB '000)	Year-on-year change
Color photographic paper and others	**599,361**	606,610	**–1.2%**
Industrial imaging products	**196,290**	203,605	**–3.6%**
Overall	**795,651**	810,215	**–1.8%**

Gross profit margins of core products

For the year ended 31 December	2015	2014	Year-on-year change
Color photographic paper and others	**16.6%**	21.6%	**–5.0 pp**
Industrial imaging products	**15.9%**	17.9%	**–2.0 pp**
Overall	**16.4%**	20.7%	**–4.3 pp**

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group continued to have healthy financial position for the Year with cash and cash equivalents of approximately RMB506.0 million as at 31 December 2015 (2014: approximately RMB194.7 million). The significant increase in cash and cash equivalents was attributable to the unused net proceeds from the Subscription of Shares of the Company, the bank borrowing and the net cash generated from our operating business.

As at 31 December 2015, the Group's gearing ratio was approximately 45.8% (2014: approximately 32.7%, calculated as the interest-bearing bank loans and other borrowings divided by total equity as at the end of December 2015. The increase in gearing ratio was mainly attributable to increase in the interest-bearing bank loans and other borrowings of the Group during the Year to ensure the sufficiency of working capital for the lengthy trade receivables of our IVD business segment.

The total interest-bearing loans and other borrowings of the Group as at 31 December 2015 was approximately RMB420.4 million (2014: approximately RMB106.2 million). All borrowings and bank balances of the Group are principally denominated in Chinese Yuan which is also the presentation currency of the Group.

The current ratio as at the end of December 2015 was approximately 1.33 (2014: approximately 1.19), based on current assets of approximately RMB1,515.7 million and current liabilities of approximately RMB1,142.1 million.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by approximately 46.3% from approximately RMB57.0 million in 2014 to approximately RMB83.4 million in 2015, and accounted for about 3.4% and about 3.7%, respectively, of the Group's revenue for the respective reporting years. This was mainly attributable to the increase in distribution expenses for our IVD products during the Year.

Administrative Expenses

The Group's administrative expenses significantly increased by about 141.7% from approximately RMB58.7 million in 2014 to approximately RMB141.9 million in 2015, and accounted for about 3.8% and about 5.8%, respectively, of the Group's revenue for the respective reporting years. This was mainly attributable to the consolidation in administrative expenses of Anbaida Group Companies upon completion of the acquisition of Anbaida Group Companies and amortization of the intangible assets of the Group during the Year.

Finance Costs

The Group's finance costs consisted mainly of interest expenses on bank and other borrowings. The aggregate amount of interest incurred was approximately RMB19.1 million (2014: approximately RMB5.7 million) for the Year. The significant increase in finance costs was mainly due to the significant increase in the interest-bearing bank loans and other borrowings of the Group during the Year.

For the Year, interest rates of the interest-bearing loans ranged from 4.35% to 7.80%, while those for the year ended 31 December 2014 ranged from 2.1% to 7.8%.

Foreign Exchange Exposure

Most of the revenue-generating operations of the Group were transacted in Chinese Yuan which is the presentation currency of the Group. For the Year, the Group was exposed to minimal foreign currency risk arising from the purchasing in US Dollars. The Group will monitor its foreign currency exposure closely to minimize the exchange risk.

Issued Capital and Capital structure

On 17 July 2015, an aggregate of 307,700,000 shares of the Company have been allotted and issued to 18 independent subscribers. Since then, there has been no change to the shares in issue and capital structure of the Company. The capital of the Company comprises ordinary shares and capital reserve. The Group finances its working capital requirements through a combination of funds generated from operations and bank borrowings.

Human Resources and Remuneration Policies

The spirit of Yestar is to "Give priority to our employees" as its philosophy that is naturally tied to the mission of the Group. The Group focuses on the talents of our workforce as our most valuable asset and provides a harmonious and professional working environment with a variety of training programmes to our employees.

As at 31 December 2015, the Group had 973 (2014: 711) employees, including Directors. Total staff costs (including Directors' emoluments) were approximately RMB106.8 million for the Year as compared to approximately RMB77.2 million for the year ended 31 December 2014. Remuneration is determined with reference to market norms and individual employees' performance, qualification and experience. On top of basic salaries, bonuses may be paid by reference to the Group's performance as well as individual's performance. For the Year, bonus was paid to Directors by the Company. Other staff benefits include provision of welfare schemes covering pension insurance, unemployment insurance, maternity insurance, injury insurance and medical insurance, central pension scheme as well as share options.

Significant investments held

Save as disclosed above and except for investment in subsidiaries during the Year, the Group did not hold any significant investment in equity interest in any other company.

Future plans for material investments and capital assets

The Group did not have any other plans for material investments and capital assets.

Material acquisitions and disposals of subsidiaries and affiliated companies

Save as disclosed above in relation to the acquisition of Anbaida Group Companies, the Group did not have any other material acquisitions and disposals of subsidiaries and affiliated companies during the Year.

Charges of assets

As at 31 December 2015, none of the Group's property, plant and equipment was pledged (2014: Nil). In addition, bank loans of approximately RMB252.5 million were secured by the pledge of 70% of equity interests of Jiangsu Uno, 70% of equity interests of Anbaida Group Companies and 100% of equity interests of Yestar (Guangxi) Technology Co., Ltd., all of which are non wholly-owned subsidiaries of the Company. Inventories of the Group with carrying amounts of approximately RMB43.3 million (31 December 2014: approximately RMB64.6 million) were pledged as a security for certain of the Group's trade and bills payables.

Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2015 (2014: Nil).

CORPORATE SOCIAL RESPONSIBILITY

The commitment of the Group to transform into and become a leading medical consumable distributor creates specific responsibilities on Yestar, with our focus on:

Responsibility to the environment, by reducing and controlling the environmental impact of all activities of the Group, to preserve the health of people everywhere;

Responsibility to the workforce, by creating an optimal working environment and professional development opportunities for employees and strengthening their ethical and operating behaviors; and

Responsibility to community, by involving and contributing to our community to arose the importance of public health and health care of people.

During the Year, the Group has complied with all relevant laws and regulations in relation to its operating business including environment, health and safety, workplace conditions and employment. The Group keep on maintaining strong relationships with its employees and stakeholders to ensure its sustainable development.

PROSPECT

The excellent financial results the Group achieved over the past three years is a strong testimony of our global vision, strong execution capability and outstanding management system. The Group will remain its focus on co-operation with Fujifilm and the relationship with Roche and BD who have established the long-term relationship with the Group for over 10 years.

Looking into 2016, the Group will continue to implement its growth strategies by building an IVD business platform, reinforcing partnership with Roche and Fujifilm and enhancing market share in the PRC's medical consumable industry through merge and acquisition.

To further solidify its leading position and capture greater market shares in the eastern China region, the Group will continue to expand its IVD distribution network in Shanghai, Jiangsu and Anhui Provinces.

Our strategic partners have always been the biggest support in the Group's business development and expansion. In 2016, the Group will work closer with Fujifilm, Roche, BD and Thermo Fishers in introducing new products and expanding market shares. Thanks to its advanced technology, Fujifilm's medical imaging devices have already taken up a prominent position in many Grade-3 Hospitals (三甲醫院) across the PRC. As a pairing consumable, the demand of the Group's medical imaging products will continue to rise. Joining hands with Fujifilm, the Group will actively venture untapped markets in the PRC in 2016 to capture greater market share.

Past merger and acquisitions has proven to be a great success for the Group in terms of product extension, sales network expansion and most importantly profit enhancement. Leveraged on the proven track record, sufficient financial resources and as well as our partnership with industry giants, the Group will continue to explore suitable merge and acquisition opportunities. By focusing on the IVD and medical consumable related industry, the Group is actively looking for targets with well-established sales network and products within or out of the PRC. Following such strategy, the Group would endeavor to broaden our market share in the PRC's medical consumable industry.

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

During the Year, the Company did not redeem any of its listed securities, and neither did the Company nor any of its subsidiaries purchase or sell any of the Company's listed securities.

Non-Competition Undertaking from Controlling Shareholders

Each of the controlling shareholders (as defined in the Listing Rules) of the Company gave a non-competition undertaking in favour of the Company. Each of them has confirmed compliance with such non-competition undertaking. The Board comprising all the independent non-executive directors is of the view that all controlling shareholders have been in compliance with the non-competition undertaking in favour of the Company during the Year.

Code of Conduct for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors.

Specific enquiries have been made with all Directors, all Directors confirmed in writing that they have complied with the required standard set out in the Model Code regarding their securities transactions for the Year.

Corporate Governance Practices

Throughout the Year, the Directors consider that the Company has complied with all corporate governance codes ("CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), save for the following:

Under Code Provision A.2.1 of the CG Code, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. The positions of Chairman of the Board and Chief Executive Officer ("CEO") of the Company are both currently carried on by Mr. Hartono James. The Board considers that the structure currently operated by the Company does not undermine the balance of power and authority between the Board and the management. The Board members have considerable experience and qualities which they bring to the Company and the Board believes that it is able to ensure that the balance of power between the Board and the management is not impaired. The Board believes that having the same person performing the roles of both Chairman and CEO does provide the Group with strong and consistent leadership and that, operating in this manner allows for more effective and efficient overall strategic planning of the Group.

REVIEW OF FINAL RESULTS

The audited consolidated financial results of the Group for the Year have been reviewed by the audit committee of the Company and the figures in respect of the consolidated statement of profit or loss, consolidated statement comprehensive income, consolidated statement of financial position of the Group, and the related notes thereto for the Year as set out in this announcement have been agreed by our auditors, Messrs. Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the Year.

Final Dividend

The Board recommends the payment of a final dividend of HK3.9 cents per share for the year ended 31 December 2015 to all shareholders whose names appear on the register of members of the Company on 8 June 2016. Subject to the approval of the shareholders at the forthcoming annual general meeting, the proposed final dividend is expected to be paid on 5 July 2016.

Annual General Meeting

The annual general meeting of the Company (the "AGM") will be held on 16 May 2016 (Monday). The notice of the AGM will be published on the website of the Stock Exchange at http://www.hkexnews.hk and the Company's website at http://www.yestarcorp.com. and sent to the shareholders of the Company, together with the Company's annual report, in due course.

Closure of Register of Members

The Register of Members of the Company will be closed from 12 May 2016 to 16 May 2016 (both days inclusive), during which period no transfers of shares will be registered. To determine the entitlement to attend and vote at the AGM, all transfer document, accompanied by the relevant share certificates, must be lodged with the Company's Branch Share Registrars in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 11 May 2016.

In addition, the Board has resolved to recommend the payment of a final dividend of HK3.9 cents per share to members whose names appear on the Register of Members of the Company on 8 June 2016. The Register of Members of the Company will also be closed between 7 June 2016 and 8 June 2016 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, subject to approval at the AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Branch Share Registrars in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 6 June 2016.

Publication of Final Results Announcement and Annual Report

The Company's final results announcement is published on the website of the Stock Exchange at http://www.hkexnews.hk and the Company's website at http://www.yestarcorp.com.

The annual report of the Company for year ended 31 December 2015 containing the information required by Appendix 16 of the Listing Rules will be dispatched to the shareholders in due course.

APPRECIATION

I would like to thank the Board, the management and all of our staff for their hard work and dedication, as well as our shareholders and customers for their continuous support to the Group.

By Order of the Board
Yestar International Holdings Company Limited
巨星國際控股有限公司
Hartono James
Chairman, CEO and Executive Director

Hong Kong, 14 March 2016

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