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)

MAJOR ACQUISITION

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On 9 April 2015, the Purchaser, the Vendors and the Target Companies entered into the Share Transfer Agreement, pursuant to which the Purchaser agreed to acquire, and the Vendors agreed to sell, the Sale Capitals (representing 70% of the entire equity interests in each of the Target Companies) at a consideration of RMB910 million (equivalent to approximately HK$1,155.7 million). The Consideration is to be satisfied by cash by way of internal cash resources, banking facilities and/or possible equity fund raising.

Upon Completion, the Target Companies, which are principally engaged in the sales and distribution of medical in vitro diagnostic industry in the PRC, will become indirect non-wholly-owned subsidiaries of the Company and the financial results thereof will be consolidated into the consolidated financial statements of the Group. Completion 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.

GENERAL

As the applicable aggregate percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are greater than 25% but less than 100%, the Acquisition will constitute a major transaction of the Company under Chapter 14 of the Listing Rules and accordingly, the entering into of the Share Transfer Agreement is subject to the shareholders’ approval requirement under the Listing Rules.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of the Vendors and its ultimate beneficial owners is third party independent of the Company and its connected persons, and does not hold any Shares. Accordingly, no Shareholders are required to abstain from voting at the general meeting to approve the relevant resolution(s) regarding the Share Transfer Agreement and the transactions contemplated thereunder. In lieu of holding a general meeting, shareholders’ written approvals have been obtained on 9 April 2015 from the Controlling Shareholders who, as at the date of this announcement, altogether held approximately 71.06% of total number of Shares then in issue giving the right to attend and vote at that general meeting of the Company (if the Company were to convene one), to approve the Acquisition and the transactions contemplated thereunder.

A circular containing, among other things, further details regarding (i) the Share Transfer Agreement; (ii) the financial information of the Target Companies; (iii) the pro forma financial statements of the Enlarged Group; and (iv) other disclosure requirements under the Listing Rules regarding the transactions contemplated under the Share Transfer Agreement, will be despatched to the Shareholders.

In order to allow sufficient time to prepare the financial information to be included in the circular in connection with the Acquisition, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules, which requires the circular to be despatched to the Shareholders within 15 business days after the publication of this announcement. The circular is expected to be despatched to the Shareholders on or before 31 May 2015.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 8 April 2015 at the request of the Company pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 10 April 2015.

As the Acquisition is subject to the conditions precedent set out in the Share Transfer Agreement being satisfied or waived (as the case may be), and the Acquisition may or may not proceed to Completion, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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THE SHARE TRANSFER AGREEMENT

Date:

9 April 2015

Parties to the Acquisition Agreement:

(i) Mr. Li Bin, Ms. Liu Weiyue, Mr. Jiang Chao, Ms. Yu Liping, Ms. Liu Hong, Mr. Li Changgui and Mr. Li Changkuan, together as the Vendors;

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

(iii) Shanghai Emphasis Investment, which is legally owned as to 28%, 1%, 46% and 25% by Mr. Li Bin, Ms. Liu Weiyue, Mr. Jiang Chao and Mr. Li Changgui respectively and beneficially owned as to 99% by Mr. Li Bin and 1% by Ms. Liu Weiyue before Completion;

(iv) Shanghai Jianchu Medical, which is legally and beneficially owned as to 99% and 1% by Mr. Li Bin and Mr. Li Changkuan respectively before Completion;

(v) Shanghai Chaolian Trading, which is legally and beneficially owned as to 99% and 1% by Mr. Li Bin and Ms. Yu Liping respectively before Completion;

(vi) Shanghai Haole Industrial, which is legally and beneficially owned as to 99% and 1% by Mr. Li Bin and Ms. Liu Weiyue respectively before Completion; and

(vii) Shanghai Dingpei Industrial, which is legally and beneficially owned as to 99% and 1% by Mr. Li Bin and Ms. Liu Hong respectively before Completion.

Interests to be acquired of under the Acquisition

Pursuant to the Share Transfer Agreement, the Purchaser will acquire from the Vendors the Sale Capitals, representing 70% of the entire equity interests of each of the Target Companies. Immediately after Completion, the entire equity interests in each of the Target Companies will be owned as to 70% by the Purchaser. Details of the Sale Capitals are set out below:

	Shanghai Emphasis Investment	**Shanghai Jianchu Medical**	**Shanghai Chaolian Trading**	**Shanghai Haole Industrial**	**Shanghai Dingpei Industrial**
Mr. Li Bin	—	69%	69%	69%	69%
Ms. Liu Weiyue	1%	—	—	1%	—
Mr. Jiang Chao	46%*	—	—	—	—
Ms. Yu Liping	—	—	1%	—	—
Ms. Liu Hong	—	—	—	—	1%
Mr. Li Changgui	23%*	—	—	—	—
Mr. Li Changkuan	—	1%	—	—	—
Sale Capitals	70%	70%	70%	70%	70%

* *Shares held by Mr. Jiang Chao and Mr. Li Changgui in Shanghai Emphasis Investment are held on behalf of Mr. Li Bin.*

Consideration

The Consideration for the Acquisition is RMB910 million (equivalent to approximately HK$1,155.7 million). The payment amount set out below included all relevant taxes and fees to be withheld or paid to the PRC authorities. The approximate payment to each of the Vendors for their respective shareholding (including taxes and fees) in each of the Target Companies will be as follows:

	Shanghai Emphasis Investment *RMB' million*	**Shanghai Jianchu Medical** *RMB' million*	**Shanghai Chaolian Trading** *RMB' million*	**Shanghai Haole Industrial** *RMB' million*	**Shanghai Dingpei Industrial** *RMB' million*	**Total** *RMB' million*
Mr. Li Bin	—	154.1	8.7	207.3	8.7	378.8
Ms. Liu Weiyue	7.5	—	—	3.0	—	10.5
Mr. Jiang Chao	345.5	—	—	—	—	345.5
Ms. Yu Liping	—	—	0.1	—	—	0.1
Ms. Liu Hong	—	—	—	—	0.1	0.1
Mr. Li Changgui	172.8	—	—	—	—	172.8
Mr. Li Changkuan	—	2.2	—	—	—	2.2
Individual consideration	525.8	156.3	8.8	210.3	8.8	910

The Consideration of RMB910 million, subject to relevant taxes (equivalent to approximately HK$1,155.7 million) shall be paid by the Purchaser in the following manner:

(i) as to RMB546 million (equivalent to approximately HK$693.5 million) (being 60% of the Consideration) within 30 days after the CP Completion Date;

(ii) as to RMB182 million (equivalent to approximately HK$231.1 million) (being 20% of the Consideration) within 90 days after the CP Completion Date or within 30 days after the completion of the change in business registration for all of the Target companies (whichever is later); and

(iii) as to RMB182 million (equivalent to approximately HK$231.1 million) (being 20% of the Consideration) within 180 days after the CP Completion Date.

Upon payment of 60% of the Consideration by the Purchaser and the issue of written confirmation by the Purchaser confirming that all conditions precedent have been fulfilled or waived (as the case maybe), the Vendors and the Purchaser shall jointly use their best endeavours to complete the relevant share transfer registration procedures within 30 days after the CP Completion Date. If the share transfer registration procedures are not completed within 60 days after the CP Completion Date, the Purchaser shall have the right to notify the Vendors in writing to terminate the Share Transfer Agreement and all Consideration paid by the Purchaser in full amount, if any, shall be returned by the Vendors to the Purchaser.

The tax expenses in respect of the transfer of the Sale Capitals under the applicable laws of the PRC shall be borne by the Vendors and all professional fees incurred by the each of the parties to the Share Transfer Agreement shall be borne by the each of the respective parties in the Share Transfer Agreement. Associated taxes shall be deducted from each payment of Consideration and the Vendors' net receipt of Consideration shall be subject to the final amount of taxes withheld or paid by the Purchaser on behalf of each of the Vendors.

The Vendors have also guaranteed under the Share Transfer Agreement to recover all outstanding account receivables of the Target Companies as at the date of the Share Transfer Agreement. Such account receivables shall be recovered within 180 days from the date of CP Completion Date and if such account receivables have not been settled within 180 days from the CP Completion Date, the Purchaser shall withhold the any outstanding account receivables balance from the last payment of Consideration payable to the Vendors. The amount of the Consideration withheld by the Purchaser shall be paid to the Vendors within 30 days after the settlement of the account receivables balance.

Non-compete arrangements

- In order to avoid any possible future competition between the Vendors and the Enlarged Group, within 5 days of the signing of the Share Transfer Agreement, the associated companies of Mr. Li Bin, Mr. Li Changgui and their associates (including but not limited to Shanghai Hongjue, Shanghai Zhekai and Shanghai Emphasis Medical Device) shall execute a written undertaking to undertake that they shall not involve in any business in competition with the Target Companies or engage in any connected transactions with the Target Companies, save for the approval of the board of directors of the Target Companies.

- The Vendors also irrevocably and unconditionally undertake that they shall not involve in any business in competition with the Target Companies including acting as directors, supervisors, consultants or any forms of engagement with any entities engaging in similar or same business of the Target Companies.

- When business opportunities which may compete with the business of the Target Companies arise, the Vendors shall notify the Purchaser at once in writing. Even if the Purchaser decides not to proceed with the business opportunities, the Vendors and their associates shall not proceed with the business opportunities declined by the Purchaser.

- The Vendors undertake not to persuade any of the employees of the Target Companies to terminate their employment with the Target Companies or employ employees of the Target Companies via companies directly or indirectly invested by the Vendors.

Distributable profits of the Target Companies

The parties to the Share Transfer Agreement agreed that the Purchaser shall be entitled to all accumulated distributable profits as at 31 December 2014 (which have yet been declared or distributed) after deducting all amount due from the Vendors of the Target Companies for the year ended 31 December 2014 upon Completion. The Vendors and the Target Companies undertook not to by any means declare or distribute any of the aforesaid distributable profits of the Target Companies before the Completion.

The Purchaser, Mr. Li Bin and Mr. Li Changgui shall be entitled to any distributable profits of the Target Companies after 31 December 2014 according to their respective shareholding.

Profit guarantee

Pursuant to the Share Transfer Agreement, Mr. Li Bin irrevocably and unconditionally guarantees that each of the 2015 Net Profit, 2016 Net Profit and 2017 Net Profit shall not be less than RMB156.0 million (equivalent to approximately HK$198.1 million), RMB187.0 million (equivalent to approximately HK$237.5 million) and RMB225.0 million (equivalent to approximately HK$285.8 million) (each the "Annual Guarantee Profit") respectively.

In the event that any of the 2015 Net Profit, 2016 Net Profit and 2017 Net Profit is less than the Annual Guarantee Profit, within ten days upon receipt of the written notice from the Purchaser, Mr. Li Bin shall pay compensation to the Purchaser calculated by the following formula:

(Annual Guarantee Profit – Actual Net Profit) *2

The Annual Guarantee Profit for each of 2015, 2016 and 2017 shall be accounted for and audited in accordance with the IFRS.

The compensation shall be payable in cash by Mr. Li Bin to the Purchaser within 30 days after the issue of the relevant audited report for the corresponding financial year.

Notwithstanding the aforesaid, in the event that the aggregate sum of the 2015 Net Profit, 2016 Net Profit and 2017 Net Profit eventually exceeds the aggregate Annual Guarantee Profit of RMB568.0 million (equivalent to approximately HK$721.4 million), all compensation previously paid by Mr. Li Bin, if any, shall be refunded by the Purchaser.

Post-Completion right and first right of refusal

Mr. Li Bin, Mr. Li Changgui and the Purchaser mutually agreed that should the 2015 Net Profit, 2016 Net Profit and 2017 Net Profit be able to reach the respective Annual Guarantee Profits, the Purchaser, subject to the compliance of relevant rules and regulations (including the Listing Rules), shall acquire the remaining 30% equity interest in each of the Target Companies (the "**Remaining Interests**") at a consideration of RMB675 million (equivalent to approximately HK$857.3 million), calculated according to a 10 times price to earnings multiple based on the Annual Guarantee Profit for the year ending 31 December 2017 (up to a maximum consideration of RMB675 million). The consideration for the Remaining Interests to be acquired shall also be satisfied by way of cash or other means of settlement as mutually agreed by the Purchaser, Mr. Li Bin and Mr. Li Changgui. The acquisition of the Remaining Interests shall also be conducted in a manner to be mutually agreed by the Purchaser, Mr. Li Bin and Mr. Li Changgui and a separate agreement will be entered into for such acquisition, if materialised, subject to the compliance with the then applicable provisions of the Listing Rules.

Mr. Li Bin and Mr. Li Changgui further undertook and agreed that during the three years ending 31 December 2017 and within one year after 31 December 2017, they shall not dispose of and cause any encumbrances to be created over the Remaining Interests to or in favour of any third parties without obtaining prior written consent from the Purchaser. Should Mr. Li Bin and Mr. Li Changgui intend to dispose of the Remaining Interests to any third parties after 31 December 2018, they should first serve a written notice (the "**Written Notice**") to the Purchaser setting out information about the proposed purchaser(s) of the Remaining Interests (the "**Transferees**"), as well as all terms and conditions of the transfer of the Remaining Interests to the Transferees. The Purchaser shall, within 14 business days after receipt of the Written Notice, have the right to serve a written reply to Mr. Li Bin and Mr. Li Changgui (the "**Written Reply**") and acquire the Remaining Interests on the same terms and conditions offered to the Transferees (unless any of such terms and conditions do not comply with all applicable laws and regulations (including but not limited to the Listing Rules) and in such event, the Purchaser, Mr. Li Bin and Mr. Li Changgui shall further negotiate) (the "**Acquisition of the Remaining Interests**"). Subject to all applicable laws and regulations (including but not limited to the Listing Rules) having been complied with, the share transfer agreement in relation to the Acquisition of the Remaining Interests shall be executed within 30 business days after the Written Reply has been served (or on such other date that the Purchaser, Mr. Li Bin and Mr. Changgui shall agree upon).

Conditions Precedent

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

(i) all information disclosed in the due diligence process to the Purchaser by the Vendors and the Target Companies remaining true and accurate in all material respects, and that there being no misleading statements nor material omission;

(ii) the registered capital of the Target Companies having been paid in full;

(iii) there being no change in the principal business of the Target Companies;

(iv) there being no material adverse change in the assets, business, operations, financial position and projections of the Target Companies; and there being no circumstances leading to the discontinuation of the business operations of the Target Companies; or there being no existence of mortgage, pledge, seizure, or freezing order or any other encumbrances or third party claims against the Sale Capitals;

(v) Ms. Liu Weiyue having resigned as supervisor of Shanghai Emphasis Investment and Shanghai Haole Industrial; Mr. Li Bin having resigned as supervisor of Shanghai Jianchu Medical and Shanghai Chaolian Trading; and Ms. Liu Hong having resigned as supervisor of Shanghai Dingpei Industrial;

(vi) the Target Companies and the Vendors having obtained all necessary approvals and consents from third parties regarding the Acquisition including but not limited to debt holders, borrowing banks and any relevant financial institutions and suppliers (including but not limited to Roche and Thermo Fisher);

(vii) all loans advanced by the Target Companies to the Vendors or other borrowers having been fully settled;

(viii) Yestar Medical, Mr. Li Bin and Mr. Li Changgui having executed all the new articles of association of the Target Companies as specified in the Share Transfer Agreement;

(ix) the parties to the Share Transfer Agreement having performed and complied with the representations and warranties as specified in the Share Transfer Agreement in all material respects;

(x) the Vendors not having materially breached any terms and conditions of the Share Transfer Agreement prior to the Completion Date;

(xi) the audit reports of the Target Companies having been approved unanimously by all parties to the Share Transfer Agreement;

(xii) the passing of necessary ordinary resolution(s) by the shareholders of the Target Companies to approve the share transfer and the transactions as contemplated under the Share Transfer Agreement;

(xiii) The associated companies of Mr. Li Bin, Mr. Li Changgui and their associates (including but not limited to Shanghai Hongjue, Shanghai Zhekai and Shanghai Emphasis Medical Device) having executed a written non-compete undertaking;

(xiv) if necessary, the written shareholders' approval having been obtained from the Shareholder (or a closely allied group of Shareholders) who holds more than 50% of all the issued Shares and being accepted in lieu of holding a general meeting in accordance with Rule 14.44 of the Listing Rules; and if not accepted, the passing of necessary resolutions(s) by the Shareholders, except for those who will be required to abstain from voting in accordance with the Listing Rules or other applicable laws and regulations, at a duly convened extraordinary general meeting of the Company to be convened and held to approve the Share Transfer Agreement and the transactions contemplated thereunder; and

(xv) 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 Share Transfer Agreement and the transactions contemplated thereunder.

None of the conditions precedent is capable of being waived, except for conditions (i), (vi) and (ix) which may be waived at any time before Completion by the Purchaser by notice in writing to the Vendors.

Unless mutually agreed by the parties in writing to extend the long stop date for fulfilling the conditions precedent above, the above conditions precedent shall be fulfilled (or waived as the case may be) no later than 120 days after the execution of the Share Transfer Agreement.

If any of the conditions precedent are not fulfilled or otherwise waived on or before noon of the date after 120 days of the execution of the Share Transfer Agreement, or on such later date as mutually agreed by the parties in writing, the Purchaser shall be entitled to terminate the Share Transfer Agreement by notice in writing to the Vendors.

Fulfilment of each of the conditions precedent shall be subject to the Purchaser's review and approval or shall be waived (as the case may be) by the Purchaser by way of written confirmation. The CP Completion Date shall be the date on which a written confirmation has been issued by the Purchaser confirming that all conditions precedent have been fulfilled or otherwise waived.

Completion

The Vendors and the Purchaser shall jointly use their best endeavours to complete the relevant share transfer registration procedures within 30 days after the CP Completion Date. The Completion Date shall be the date on which the following have been duly completed: (i) the change in business registration of the Target Companies and the Purchaser being registered as the registered owner of the Sale Capitals; and (ii) the amendment of the register of shareholders of the Target Companies.

Completion of the acquisition of each of the Target Companies shall take place simultaneously.

Shareholding of the Target Companies before and immediately upon Completion

The shareholding structure of the Target Companies before and after the Completion is set out below:

	Shanghai Emphasis Investment		Shanghai Jianchu Medical		Shanghai Chaolian Trading		Shanghai Haole Industrial		Shanghai Dingpei Industrial	
	As at the date of this Announcement	Upon Completion	As at the date of this Announcement	Upon Completion	As at the date of this Announcement	Upon Completion	As at the date of this Announcement	Upon Completion	As at the date of this Announcement	Upon Completion
	%	%	%	%	%	%	%	%	%	%
Mr. Li Bin	28	28	99	30	99	30	99	30	99	30
Ms. Liu Weiyue	1	—	—	—	—	—	1	—	—	—
Mr. Jiang Chao	46*	—	—	—	—	—	—	—	—	—
Ms. Yu Liping	—	—	—	—	1	—	—	—	—	—
Ms. Liu Hong	—	—	—	—	—	—	—	—	1	—
Mr. Li Changgui	25*	2	—	—	—	—	—	—	—	—
Mr. Li Changkuan	—	—	1	—	—	—	—	—	—	—
Company	—	70	—	70	—	70	—	70	—	70
	100	100	100	100	100	100	100	100	100	100

* *Shares held by Mr. Jiang and Mr. Li in Shanghai Emphasis Investment are held on behalf of Mr. Li Bin.*

BASIS OF CONSIDERATION

The maximum consideration of RMB910 million (equivalent to approximately HK$1,155.7) in respect of the Acquisition was determined following commercial negotiations between the parties on an arm's length basis with reference to various factors, including but not limited to the historical earnings of the Target Companies as well as the business development and future prospects of the Target Companies.

The Directors consider that the Consideration payable to the Vendor is fair and reasonable.

The Group will finance the Acquisition by the Group's internal cash resources, banking facilities and/or possible equity fund raising.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is one of the leading providers of colour photographic paper in the PRC and a provider of a broad range of imaging products in the PRC. The Group processes colour photographic paper, various image printing films and medical imaging films into ready-to-use form by cutting and slitting master rolls into customized sizes and packaging the products under precisely controlled processing conditions.

It has been the Group's strategy to further develop the medical consumable business, so as to diversify the Group's product range. The Group is optimistic about the development of the medical industry in the PRC and considers the medical consumable business to be a core element of the medical industry chain. The Directors consider that with its well-established extensive sales network in the PRC, the Group would be able to leverage the sales network to further enhance the Group's profitability by introducing a wider range of consumable products to the hospitals.

On the other hand, the Target Companies also had a well-established distribution hospital network in which the Group could also leverage to enhance direct sales to hospital for its medical film products.

To diversify the Group's product range, on 10 November 2014, the Group had completed the acquisition of Jiangsu Uno Technology Development Company Limited which principally engaged in the distribution of medical equipment and consumables in the PRC.

The Company's focus is not only on the current profit level of the Target Companies but also their growth prospect. The Board is of the view that the Acquisition represents a valuable business opportunity for the Group to develop in the health industry in the PRC and will, in the long run, broaden the Group's revenue base by further expanding and diversifying the product base of the Group. The Board considers that the acquisition of the Target Companies which hold the distribution right of Roche Products in Shanghai and Thermo Fisher Products in Shanghai 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, Ms. Liu Weiyue, Mr.Jiang Chao, Ms.Yu Liping, Ms. Liu Hong, Mr. Li Changgui and Mr. Li Changkuan, are private investors in the medical equipment industry. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors are third parties independent of the Company and connected persons of the Company.

As at the date of this announcement, Ms. Liu Weiyue is the supervisor of Shanghai Emphasis Investment and Shanghai Haole Industrial; Mr. Li Bin is the supervisor of Shanghai Jianchu Medical and Shanghai Chaolian Trading; and Ms. Liu Hong is the supervisor of Shanghai Dingpei Industrial. It is one of the conditions precedent of the Share Transfer Agreement that the above-named Vendors shall resign from their respective positions in the Target Companies.

INFORMATION OF THE TARGET COMPANIES

The Target 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 of the Target Companies includes the following:

(i) Shanghai Emphasis Investment: provision of investment management advisory services, business management consulting (except brokers), marketing planning, market information consultation and investigation (not including conducting social surveys and research, public surveys and polls); sales of: instruments, computers, software and auxiliary equipment (except specific safety products for computer information systems), office supplies, communication devices, hardware and electronic parts, building and decoration materials, medical devices; and leasing of medical devices, machinery and equipment.

(ii) Shanghai Jianchu Medical: sales 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 (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; provision of consulting services for technology development in the field of medical devices and technology; medical device maintenance; and investment consulting (except brokers).

(iii) Shanghai Chaolian Trading: sales of hardware and electronic parts, paper, cardboard cartons products, handicrafts (except gold jewelry), 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.

(iv) Shanghai Haole Industrial: real estate development; municipal engineering; architectural engineering; investment management; design, production and agent for various types of advertisements; property management; provision of technology development, technology consulting, technology transfer and technology services in the field of Class 1 medical devices; exhibition services; conferencing services; business consulting; sales of Class 3 clinical laboratory analytical instruments (including in vitro diagnostic medical reagents), mechanical and electrical equipment, electronic products, handicrafts, instruments, hardware and electronic parts, building and decoration materials; and 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); Class 2 medical devices (including diagnostic reagents), Class 3 clinical laboratory analytical instruments (including in vitro diagnostic medical reagents).

Shanghai Emphasis Investment currently holds the non-exclusive distribution right of Roche Products in Shanghai and Thermo Fisher Products in Shanghai. Products distributed by Shanghai Emphasis Investment are mainly equipment and consumables used for medical and/or biological testing. Shanghai Emphasis Investment is a non-exclusive distributor for Roche Products in the designated market segment of the territory set forth in the distribution agreements between Shanghai Emphasis Investment and Roche till 31 March 2015 and if no notice of termination was served, the distribution agreement will be automatically extended by one year (i.e. up to 31 March 2016). Shanghai Emphasis Investment also holds a non-exclusive distributorship for Thermo Fisher Products in the designated territory set forth in the distribution agreements between Shanghai Emphasis Investment and Thermo Fisher till 31 December 2015.

Roche is a subsidiary of Roche Holding AG. According to the publicly available information, Roche Holding AG was founded in 1896, headquartered in Basel, Switzerland. Roche Holding AG is a leader in research-focused healthcare with combined strengths in pharmaceuticals and diagnostics. Roche Holding AG is also the world leader in in-vitro diagnostics, tissue-based cancer diagnostics and a pioneer in diabetes management.

Thermo Fisher is a subsidiary of Thermo Fisher Scientific Inc. According to the publicly available information, Thermo Fisher Scientific Inc. is a company listed on the New York Stock Exchange (NYSE: TMO) and has approximately 50,000 employees in 50 countries. The principal business of Thermo Fisher Scientific Inc. include among other things: (i) provision of laboratory products and services; (ii) provision of analytical instruments; and (iii) provision of science solutions.

(i) Financial information

Shanghai Emphasis Investment

Based on Shanghai Emphasis Investment's unaudited financial position for the year ended 31 December 2014, prepared in accordance with IFRS, the unaudited net assets value of Shanghai Emphasis Investment was amounted to RMB187 million as at 31 December 2014.

Set out below is the unaudited financial performance of Shanghai Emphasis Investment for the two years ended 31 December 2014, prepared in accordance with IFRS:

	Financial year ended 31 December	
	2013	**2014**
	(approximately RMB' million)	*(approximately RMB' million)*
Unaudited profit before taxation	87	74
Unaudited profit after taxation	65	55

Upon Completion, Shanghai Emphasis Investment will become an indirect non-wholly-owned subsidiary of the Company and the financial results thereof will be consolidated into the consolidated financial statements of the Group.

Shanghai Jianchu Medical

Based on Shanghai Jianchu Medical's unaudited financial position for the year ended 31 December 2014, prepared in accordance with IFRS, the unaudited net assets value of Shanghai Jianchu Medical was amounted to RMB39 million as at 31 December 2014.

Set out below is the unaudited financial performance of Shanghai Jianchu Medical for the two years ended 31 December 2014, prepared in accordance with IFRS:

	Financial year ended 31 December	
	2013	**2014**
	(approximately RMB' million)	*(approximately RMB' million)*
Unaudited profit before taxation	16	15
Unaudited profit after taxation	12	11

Upon Completion, Shanghai Jianchu Medical will become an indirect non-wholly-owned subsidiary of the Company and the financial results thereof will be consolidated into the consolidated financial statements of the Group.

Shanghai Chaolian Trading

Based on Shanghai Chaolian Trading's unaudited financial position for the year ended 31 December 2014, prepared in accordance with IFRS, the unaudited net assets value of Shanghai Jianchu Medical was amounted to RMB10 million as at 31 December 2014.

Set out below is the unaudited financial performance of Shanghai Chaolian Trading for the two years ended 31 December 2014, prepared in accordance with IFRS:

	Financial year ended 31 December	
	2013	**2014**
	(approximately RMB' million)	*(approximately RMB' million)*
Unaudited profit before taxation	0	13
Unaudited profit after taxation	0	10

Upon Completion, Shanghai Chaolian Trading will become an indirect non-wholly-owned subsidiary of the Company and the financial results thereof will be consolidated into the consolidated financial statements of the Group.

Shanghai Haole International

Based on Shanghai Haole International's unaudited financial position for the year ended 31 December 2014, prepared in accordance with IFRS, the unaudited net assets value of Shanghai Jianchu Medical was amounted to RMB41 million as at 31 December 2014.

Set out below is the unaudited financial performance of Shanghai Haole International for the two years ended 31 December 2014, prepared in accordance with IFRS:

	Financial year ended 31 December	
	2013	**2014**
	(approximately RMB' million)	*(approximately RMB' million)*
Unaudited profit before taxation	9	28
Unaudited profit after taxation	7	21

Upon Completion, Shanghai Haole International will become an indirect non-wholly-owned subsidiary of the Company and the financial results thereof will be consolidated into the consolidated financial statements of the Group.

Shanghai Dingpei Industrial

Based on Shanghai Dingpei Industrial's unaudited financial position for the year ended 31 December 2014, prepared in accordance with IFRS, the unaudited net assets value of Shanghai Jianchu Medical was amounted to RMB3 million as at 31 December 2014.

Set out below is the unaudited financial performance of Shanghai Dingpei Industrial for the two years ended 31 December 2014, prepared in accordance with IFRS:

	Financial year ended 31 December	
	2013	**2014**
	(approximately RMB' million)	*(approximately RMB' million)*
Unaudited profit before taxation	0	4
Unaudited profit after taxation	0	3

Upon Completion, Shanghai Dingpei Industrial will become an indirect non-wholly-owned subsidiary of the Company and the financial results thereof will be consolidated into the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS

As the applicable aggregate percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are greater than 25% but less than 100%, the Acquisition will constitute a major transaction of the Company under Chapter 14 of the Listing Rules and accordingly, the entering into of the Share Transfer Agreement is subject to the shareholders' approval requirement under the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of the Vendors and its ultimate beneficial owner is a third party independent of the Company and its connected persons, and does not hold any Shares, accordingly, no Shareholders are required to abstain from voting at the general meeting to approve the relevant resolution(s) regarding the Share Transfer Agreement and the transactions contemplated thereunder. In lieu of holding a general meeting, shareholders' written approvals have been obtained on 9 April 2015 from the Controlling Shareholders who, as at the date of this announcement, altogether held approximately 71.06% of total number of Shares then in issue giving the right to attend and vote at that general meeting of the Company (if the Company were to convene one), to approve the Acquisition and the transactions contemplated thereunder.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 8 April 2015 at the request of the Company pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 10 April 2015.

GENERAL

A circular containing, among other things, further details regarding (i) the Share Transfer Agreement; (ii) the financial information of the Target Companies; (iii) the pro forma financial statements of the Enlarged Group; and (iv) other disclosure requirements under the Listing Rules regarding the transactions contemplated under the Share Transfer Agreement, will be despatched to the Shareholders.

In order to allow sufficient time to prepare the financial information to be included in the circular in connection with the Acquisition, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules, which requires the circular to be despatched to the Shareholders within 15 business days after the publication of this announcement. The circular is expected to be despatched to the Shareholders on or before 31 May 2015.

As the Acquisition is subject to the conditions precedent set out in the Share Transfer Agreement being satisfied or waived (as the case may be), and the Acquisition may or may not proceed to Completion, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

"2015 Net Profit or 2015 Net Loss"	the audited combined net profits or loss of the Target Companies for the financial year ending 31 December 2015, expressed in RMB in respect of the period after Completion up to 31 December 2015
"2016 Net Profit or 2016 Net Loss"	the audited combined net profits or loss of the Target Companies for the financial year ending 31 December 2016, expressed in RMB
"2017 Net Profit or 2017 Net Loss"	the audited combined net profits or loss of the Target Company for the financial year ending 31 December 2017, expressed in RMB
"Acquisition"	the acquisition by the Purchaser from the Vendors of the 70% of the entire equity interest in each of the Target Companies
"Actual Net Profit"	Any of the 2015 Net Profit, 2016 Net Profit and 2017 Net Profit

"associate(s)"	has the meanings given to it under the Listing Rules
"Company"	Yestar International Holdings Company Limited(巨星國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
"Completion"	completion of the Acquisition, being the completion of (i) the change in business registration of the Target Companies; and (ii) the amendment of the register of shareholders of the Target Companies in accordance with the laws of the PRC
"Completion Date"	the date on which Completion takes place
"connected person(s)"	has the meaning given to it in the Listing Rules
"Controlling Shareholders"	Ms. Hartono Jeane, Mr. Hartono James, Mr. Hartono Rico and Ms. Hartono Chen Chen Irene, who were interested and deemed interested in an aggregate of approximately 71.06% of the issued shares of Company as at the date of this announcement
"Consideration"	aggregate consideration of RMB910 million (including taxes and fees) for the Acquisition which shall be paid by the Purchaser pursuant to the Share Transfer Agreement
"CP Completion Date"	the date on which all conditions precedent of the Share Transfer Agreement have been fulfilled or waived (as the case maybe) according to a written confirmation issued by the Purchaser
"Director(s)"	director(s) of the Company
"Enlarged Group"	The Group together with the Target Companies
"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. Jiang Chao"	Mr. Jiang Chao (蔣超), held on behalf of Mr. Li Bin, 46% interested in Shanghai Emphasis Investment as at the date of this announcement, an independent third party of the Company prior to Completion.
"Mr. Li Bin"	Mr. Li Bin (李斌), beneficially interested in 99% of each of Shanghai Emphasis Investment, Shanghai Jianchu Medical, Shanghai Chaolian Trading, Shanghai Haole Industrial and Shanghai Dingpei Industrial respectively as at the date of this announcement, an independent third party of the Company prior to Completion.

"Mr. Li Changgui"	Mr. Li Changgui (李長貴), held on behalf of Mr. Li Bin 25% interest in Shanghai Emphasis Investment as at the date of this announcement, an independent third party of the Company prior to Completion.
"Mr. Li Changkuan"	Mr. Li Changkuan (李長寬), interested in 1% of Shanghai Jianchu Medical as at the date of this announcement, an independent third party of the Company prior to Completion.
"Ms. Liu Hong"	Ms. Liu Hong (劉紅), interested in 1% of Shanghai Dingpei Industrial as at the date of this announcement, an independent third party of the Company prior to Completion.
"Ms. Liu Weiyue"	Ms. Liu Weiyue (劉煒玥), interested in 1% and 1% of Shanghai Emphasis Investment and Shanghai Haole Industrial respectively as at the date of this announcement, an independent third party of the Company prior to Completion.
"Ms. Yu Liping"	Ms. Yu Liping (于莉萍), interested in 1% of Shanghai Chaolian Trading as at the date of this announcement, an independent third party of the Company prior to Completion.
"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
"Roche"	羅氏診斷產品(上海)有限公司 (Roche Diagnostics (Shanghai) Ltd*)
"Roche Products"	the products of Roche
"Sale Capitals"	70% of the entire equity interests in each of the Target Companies
"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 99% by Mr. Li Bin and 1% by Ms. Yu Liping as at the date of this announcement, and one of the Target 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 99% by Mr. Li Bin and 1% by Ms. Liu Hong as at the date of this announcement, and one of the Target Companies
"Shanghai Emphasis Medical Device"	上海安百達醫療器械有限公司(Shanghai Emphasis Medical Devices Co., Ltd*), a company established in the PRC with limited liability on 28 May 2013, whose registered capital is owned as to 90% by Mr. Li Bin and 10% by Shanghai Emphasis Investment.

"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 46% by Mr. Jiang Chao, 28% by Mr. Li Bin, 25% by Mr. Li Changgui and 1% by Ms. Liu Weiyue as at the date of this announcement, and one of the Target 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 99% by Mr. Li Bin and 1% by Ms. Liu Weiyue as at the date of this announcement, and one of the Target Companies
"Shanghai Hongjue"	上海紅爵信息科技發展有限公司 (Shanghai Hongjue Information Technology Development Co., Ltd*), a company established in the PRC with limited liability on 6 September 2006, whose registered capital is owned as to 61.5% by Mr. Li Bin
"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 99% by Mr. Li Bin and 1% by Mr. Li Changkuan as at the date of this announcement, and one of the Target Companies
"Shanghai Zhekai"	上海喆凱實業有限公司(Shanghai Zhekai Industrial Co., Ltd*), a company established in the PRC with limited liability on 12 June 2006, whose registered capital is owned as to 88% by Mr. Li Bin and 1% by Ms. Liu Weiyue
"Share(s)"	ordinary share(s) of HK$0.10 each in the issued share capital of the Company
"Share Transfer Agreement"	The agreement dated 9 April 2015 entered into between the Purchaser and the Vendors to acquire the Sale Capitals for an aggregate consideration of RMB910 million
"Shareholder(s)"	holder(s) of the issued Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Companies"	collectively, Shanghai Emphasis Investment, Shanghai Jianchu Medical, Shanghai Chaolian Trading, Shanghai Haole Industrial and Shanghai Dingpei Industrial
"Thermo Fisher"	塞默飛世爾科技(中國)有限公司(Thermo Fisher Technology (PRC) Limited*)
"Thermo Fisher Products"	the products of Thermo Fisher
"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 "Vendor"

"Yestar Medical" or "Purchaser"	廣西巨星醫療設備有限公司 (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 only*

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, 10 April 2015

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

For ease of reference and unless otherwise specified in this announcement, sum in HK$ and RMB in this announcement is translated at the rate of RMB1.0 = HK$1.27. This does not mean that HK$ could be converted into RMB, or vice versa, based on such exchange rate.

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