NOT FOR DISTRIBUTION IN THE UNITED STATES

Yes!Star

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)

ISSUANCE OF US$200 MILLION 6.9% SENIOR NOTES DUE 2021

On 8 September 2016, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with BofA Merrill Lynch, Credit Suisse, Deutsche Bank and Haitong International in connection with the issue of US$200 million 6.9% senior notes due 2021.

The estimated net proceeds of the Proposed Notes Issue, after deduction of underwriting commissions and other estimated expenses, will amount to approximately US$195.7 million. The Company currently intends to use the proceeds of the Notes to refinance existing indebtedness, fund capital expenditure of the Group and/or finance further acquisitions and for general corporate purposes. The Company may adjust the foregoing plans in response to changing market conditions and reallocate the use of proceeds from the Proposed Notes Issue.

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility of the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

Reference is made to the announcement of the Company dated 7 September 2016 in respect of the Proposed Notes Issue. The Board is pleased to announce that on 8 September 2016, the Company, together with the Subsidiary Guarantors, entered into the Purchase Agreement with BofA Merrill Lynch, Credit Suisse, Deutsche Bank and Haitong International in connection with the issue of the Notes in the aggregate principal amount of US$200 million.

THE PURCHASE AGREEMENT

Date

8 September 2016

Parties

(a) the Company as the issuer;

(b) Yestar BVI and Yestar Hong Kong as the Subsidiary Guarantors of the Company's obligations under the Notes; and

(c) BofA Merrill Lynch, Credit Suisse, Deutsche Bank and Haitong International as the initial purchasers.

BofA Merrill Lynch is the sole global coordinator in respect of the offer and sale of the Notes. BofA Merrill Lynch, Credit Suisse, Deutsche Bank and Haitong International are the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes. They are also the initial purchasers of the Notes. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of BofA Merrill Lynch, Credit Suisse, Deutsche Bank and Haitong International is an independent third party and not a connected person of the Company.

The Notes will be offered outside the United States in compliance with Regulation S under the Securities Act. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed to any connected persons of the Company.

Principal terms of the Notes

Notes Offered

The Company will issue the Notes in the aggregate principal amount of US$200 million which will mature on 2021, unless earlier redeemed pursuant to the terms thereof.

Offer Price

The offer price of the Notes will be 100% of the principal amount of the Notes.

Interest

The Notes will bear interest at a rate of 6.9% per annum, payable semi-annually in arrears on 15 March and 15 September of each year, beginning 15 March 2017.

Ranking of the Notes

The Notes have been duly authorized by the Company and, when executed and authenticated in accordance with the terms of the Indenture and issued and delivered pursuant to the Purchase Agreement, will constitute general obligations of the Company, senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes and will rank at least *pari passu* in right of payment with all unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law), guaranteed by the Subsidiary Guarantors on a senior basis, effectively subordinated to the other secured obligations (if any) of the Company and the Subsidiary Guarantors to the extent of the value of the assets serving as security therefor and effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries, in each case subject, as to enforceability, bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

Events of Default

The events of default under the Notes include, among others:

(a) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;

(b) default in the payment of interest or certain additional amounts on any Note when the same becomes due and payable, and such default continues for a period of 30 days;

(c) default in the performance or breach of the provisions of certain covenants or the failure by the Company to make or consummate an offer to purchase;

(d) the Company or any restricted subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in (a), (b) or (c) above) and such default or breach continues for a period of 30 consecutive business days after written notice by the Trustee or the Holders of 25% or more in aggregate principal amount of the Notes;

(e) there occurs with respect to any indebtedness of the Company or any restricted subsidiary having an outstanding principal amount of US$10 million (or the dollar equivalent thereof in excess of amounts which the Company's insurance carriers have unconditionally agreed to pay under applicable policies) or more in the aggregate for all such indebtedness of all such persons, whether such indebtedness now exists or shall hereafter be created, (A) an event of default that has caused the holder thereof to declare such indebtedness to be due and payable prior to its stated maturity and/or (B) a default in payment of principal of, or interest or premium on, or any other amounts in respect of, such indebtedness when the same becomes due and payable or, as the case may be, after any applicable grace period;

(f) any final judgment or order for the payment of money in excess of US$5 million (or the dollar equivalent thereof in excess of amounts which the Company's insurance carriers have unconditionally agreed to pay under applicable policies) in the aggregate for all such final judgments or orders shall be rendered against the Company or any restricted subsidiary and shall not be paid or discharged for a period of 60 days during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;

(g) an involuntary case or other proceeding is commenced against the Company or any restricted subsidiary with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any restricted subsidiary or for all or substantially all of the property and assets of the Company or any restricted subsidiary and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company or any restricted subsidiary under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;

(h) the Company or any restricted subsidiary (A) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (B) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any restricted subsidiary or for all or substantially all of the property and assets of the Company or any restricted subsidiary or (C) effects any general assignment for the benefit of creditors; or

(i) any Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect.

If an event of default occurs and is continuing, the Trustee may, and shall upon request of Holders of at least 25% in aggregate principal amount of outstanding Notes, pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of, premium, if any, and interest on the Notes, to enforce the performance of any provision of the Notes or the Indenture. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. In addition, if an event of default (other than an event of default specified in clause (g) or (h) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes, then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the written request of such Holders shall (subject to receiving indemnity and/or security and/or prefunding to its satisfaction), declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable.

If an event of default specified in clause (g) or (h) above occurs with respect to the Company or any restricted subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the

Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

Covenants

The Notes, the Indenture and the Subsidiary Guarantees will limit the Company's ability and the ability of its restricted subsidiaries to, among other things:

(a) incur or guarantee additional indebtedness or issue disqualified or preferred stock;

(b) declare dividends on its capital stock or purchase or redeem capital stock;

(c) make investments or other specified restricted payments;

(d) issue or sell capital stock of restricted subsidiaries;

(e) guarantee indebtedness of the Company or any restricted subsidiaries;

(f) sell assets;

(g) create liens;

(h) enter into sale and leaseback transactions;

(i) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;

(j) enter into transactions with shareholders or affiliates;

(k) effect a consolidation or merger; and

(l) engage in any business other than businesses permitted by the Indenture.

Redemption

At any time and from time to time on or after 15 September 2019, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve-month period beginning on 15 September of each of the years indicated below.

Period	**Redemption Price**
2019	103.450%
2020	101.725%

At any time prior to 15 September 2019, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to 15 September 2019, the Company may at its option redeem up to 35% of the aggregate principal amount of the Notes originally issued with the net cash proceeds of one or more sales of common stock of the Company in one or more equity offerings at a redemption price of 106.9% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

Information about the Group

The Group is a high-margin medical consumable company with a focus on the *in vitro* diagnostic, or IVD, market. The Group also manufactures and distributes medical imaging products and is the exclusive distributor of Fujifilm color photographic papers in the PRC. It distributes a broad range of IVD products from Roche Diagnostics, Becton Dickinson and Thermo Fisher Scientific which primarily consist of reagent products, for detecting and monitoring various types of diseases, such as cancers, hepatitis and tuberculosis, typically conducted in hospitals, clinics and laboratories. The Group also distributes Fujifilm and Yes!Star branded medical films, color photographic papers and industrial imaging products in the PRC.

Proposed use of proceeds

The estimated net proceeds of the Proposed Notes Issue, after deduction of underwriting commissions and other estimated expenses, will amount to approximately US$195.7 million. The Company intends to use the net proceeds to refinance existing indebtedness, fund capital expenditure of the Group and/or finance further acquisitions and for general corporate purposes.

The Company may adjust the foregoing plans in response to changing market conditions and reallocate the use of proceeds from the Proposed Notes Issue.

Listing and rating

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

The Company has been rated “Ba3” by Moody’s Investors Service, “BB-” by S&P Global Ratings and “BB-” by Fitch Ratings Ltd. The Notes are expected to be rated “Ba3” by Moody’s Investors Service and “BB-” by Fitch Ratings Ltd. The credit ratings accorded to the Notes are not a recommendation to purchase, hold or sell the Notes in as much as such ratings do not comment as to market price or suitability for a particular investor.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context otherwise requires:

"Board"	the board of Directors of the Company
"BofA Merrill Lynch"	Merrill Lynch International, the sole global coordinator and one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issue
"Company"	Yestar International Holdings Company Limited 巨星國際控股有限公司, a company incorporated under the laws of the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange
"connected person"	has the meaning ascribed to it under the Listing Rules
"Credit Suisse"	Credit Suisse (Hong Kong) Limited, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issue
"Deutsche Bank"	Deutsche Bank AG, Singapore Branch, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issue
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"Haitong International"	Haitong International Securities Company Limited, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issue
"Holder"	the person in whose name a Note is registered in the Note register
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Indenture"	the agreement between the Company, the Subsidiary Guarantors and the Trustee which specified the terms of the Notes including the interest rate of the Notes and maturity date
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

"Notes"	the 6.9% guaranteed senior notes due 2021 in the principal amount of US$200 million to be issued by the Company
"Offer Price"	100% of the principal amount of the Notes, the price at which the Notes will be sold
"PRC"	the People's Republic of China
"Proposed Notes Issue"	the proposed issue of the Notes by the Company
"Purchase Agreement"	the agreement dated 8 September 2016 entered into among the Company, the Subsidiary Guarantors, BofA Merrill Lynch, Credit Suisse, Deutsche Bank and Haitong International in relation to the Proposed Notes Issue
"Securities Act"	the United States Securities Act of 1933, as amended
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subsidiary Guarantee"	any guarantee of the obligations of the Company under the Indenture and the Notes by any Subsidiary Guarantor
"Subsidiary Guarantors"	Yestar BVI and Yestar Hong Kong, which on the issue date of the Notes will provide guarantees to secure the Company's obligations under the Indenture and the Notes
"Trustee"	Citicorp International Limited
"United States"	the United States of America
"US$"	United States dollars
"Yestar BVI"	Yestar Asia Company Limited 巨星亞洲有限公司, a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

"Yestar Hong Kong"	Yestar International (HK) Company Limited 巨星國際(香港)集團有限公司, a company incorporated under the laws of the Hong Kong with limited liability and a wholly-owned subsidiary of the Company

By order of the Board
Yestar International Holdings Company Limited
Hartono James
Chairman, CEO and Executive Director

Hong Kong, 9 September 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 Chan Chung Man; the independent non-executive Directors are Dr. Hu Yiming, Mr. Tirtamarta Karsono (Kwee Yoe Chiang) and Mr. Sutikno Liky.