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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF 70% EQUITY INTEREST IN GUANGZHOU SHENGSHIYUAN TRADING COMPANY LIMITED*

DISCLOSEABLE TRANSACTION

On 11 November 2016 (at noon time), the Purchaser, the Vendors, Mr. Li Kwai Kong and the Target Company entered into the Share Transfer Agreement, pursuant to which the Purchaser conditionally agreed to acquire, and the Vendors conditionally agreed to sell, the Sale Capitals (representing 70% of the entire equity interest) in the Target Company at a consideration of RMB166,600,000. The Consideration is to be satisfied by cash by way of internal cash resources and/or available banking facilities.

Upon Completion, the Target Company, which is principally engaged in the sales and distribution of medical equipment in vitro diagnostic industry and distribution of Roche Diagnostics Products in Guangdong and Hainan Provinces under the dealership agreements and the authorization letters with Roche, 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. 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.

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

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 Management Team and their respective associates is an Independent Third Party. Accordingly, no Director has a material interest and is required to abstain from voting on the board resolution approving the transactions contemplated under the Share Transfer Agreement.

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.

On 11 November 2016 (at noon time), the Purchaser, the Vendors, Mr. Li Kwai Kong and the Target Company entered into the Share Transfer Agreement, pursuant to which the Purchaser conditionally agreed to acquire, and the Vendors conditionally agreed to sell, the Sale Capitals (representing 70% of the entire equity interests) in the Target Company at a consideration of RMB166,600,000. The Consideration is to be satisfied by cash by way of internal cash resources and/or available banking facilities.

THE SHARE TRANSFER AGREEMENT

Date:

On 11 November 2016

Parties to the Acquisition Agreement:

(i) Ms. Liu Yanling, Ms. Li Xu, Mr. Ai Jiaying, Mr. Zhang Lixiong and Mr. Li Shenglian, together as the Vendors;

(ii) Mr. Li Kwai Kong (president of the Target Company), together with the Vendors, as the Management Team;

(iii) The Purchaser, a wholly-owned subsidiary of the Company, as the Purchaser; and

(iv) The Target Company, which is owned by Ms. Liu Yanling, Ms. Li Xu, Mr. Ai Jiaying, Mr. Zhang Lixiong and Mr. Li Shenglian as to 50%, 20%, 10%, 10% and 10% respectively before the Completion of the Acquisition.

As at the date of this announcement, the 50% equity interest in the Target Company held by Ms. Liu Yanling is held by her as a nominee on behalf of Mr. Li Kwai Kong, the actual beneficial owner, and Mr. Li Kwai Kong has no affiliate relationship with Ms. Liu Yanling. Mr. Li Kwai Kong acknowledged and confirmed that he agreed with the sale of the equity interest by Ms. Liu Yanling to the Purchaser.

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 Management Team and their respective associates is an Independent Third Party. Accordingly, no Director has a material interest and is required to abstain from voting on the board resolution approving the Share Transfer Agreement and the transactions contemplated thereunder.

Interests to be acquired of under the Acquisition

Pursuant to the Share Transfer Agreement, the Purchaser conditionally agreed to acquire and the Vendors conditionally agreed to sell the Sale Capitals, representing 70% of the entire equity interests of the Target Company, of which 35%, 14%, 7%, 7% and 7% shall be acquired from Ms. Liu Yanling, Ms. Li Xu, Mr. Ai Jiaying, Mr. Zhang Lixiong and Mr. Li Shenglian, respectively. Immediately after Completion of the Acquisition, the entire equity interests of the Target Company will be owned as to 70% by the Purchaser, and 15%, 6%, 3%, 3% and 3% by Ms. Liu Yanling, Ms. Li Xu, Mr. Ai Jiaying, Mr. Zhang Lixiong and Mr. Li Shenglian respectively. The Target Company will become an indirectly non-wholly owned subsidiary of the Company upon Completion.

Consideration

The Consideration for the Acquisition is RMB166,600,000, of which RMB83,300,000 will be paid in cash by the Purchaser to Ms. Liu Yanling, RMB33,320,000 will be paid in cash by the Purchaser to Ms. Li Xu, RMB16,660,000 will be paid in cash by the Purchaser to Mr. Ai Jiaying, RMB16,660,000 will be paid in cash by the Purchaser to Mr. Zhang Lixiong and RMB16,660,000 will be paid in cash by the Purchaser to Mr. Li Shenglian. The payment amount shall include all relevant taxes to be withheld or paid to the PRC authorities. The Vendors shall file and pay individual tax to the competent tax authorities in accordance with the relevant laws and regulations, and deliver a copy of their tax receipts to the Purchaser after tax payment as the basis for the Purchaser to pay the after-tax Consideration.

The Consideration of RMB166,600,000, subject to relevant taxes shall be paid by the Purchaser to the Vendors in the following manner:

(i) as to RMB99,960,000, being the first payment (60%) of the Consideration, within 30 days after the Effective Date;

(ii) as to RMB33,320,000, being the second payment (20%) of the Consideration, upon satisfaction of all the following conditions: (1) within 90 days after the Effective Date; (2) the Vendors has filed the application for the changes in the industrial and commercial records for the transfer of the Sale Capitals with the competent registration authority and received a written confirmation therefor within 10 business days after receiving the first payment of the Consideration paid by the Purchaser; (3) all the registration procedures of the changes stipulated in the Share Transfer Agreement have been completed; (4) the Purchaser has received a copy of the receipt of the individual income tax for the first payment of the Consideration after the payment thereof; (5) the Vendors has paid up the registered capital of the Target Company totalling RMB40,000,000 within 5 working days after receiving the first payment of the Consideration by the Purchaser for the transfer of the Sale Capitals; and (6) all the outstanding debts (including but not limited to any borrowings from banks, staff, shareholders and third parties) of the Target Company have been settled as at the date of the Share Transfer Agreement; and

(iii) as to RMB33,320,000, being the third payment (20%) of the Consideration, upon satisfaction of all the following conditions: (1) within 180 days after the Effective Date; and (2) the Purchaser has received a copy of the receipt of the individual income tax for the second payment of the Consideration after the payment thereof.

The Vendors shall provide a copy of the receipt of the individual income tax for the third payment of the Consideration to the Purchaser within 7 business days after receiving the third payment from the Purchaser.

The payment to each of the Vendors for the respective shareholding will be as follows:

	Ms. Liu Yanling *(RMB)*	Ms. Li Xu *(RMB)*	Mr. Ai Jiaying *(RMB)*	Mr. Zhang Lixiong *(RMB)*	Mr. Li Shenglian *(RMB)*	Total *(RMB)*
First payment	49,980,000	19,992,000	9,996,000	9,996,000	9,996,000	99,960,000
Second payment	16,660,000	6,664,000	3,332,000	3,332,000	3,332,000	33,320,000
Third payment	16,660,000	6,664,000	3,332,000	3,332,000	3,332,000	33,320,000
Total	83,300,000	33,320,000	16,660,000	16,660,000	16,660,000	166,600,000

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 Management Team, and the Target Company remaining true and accurate in all material respects, and that there being no misleading statements nor material omission;

(ii) the paid-up registered capital of the Target Company having been changed to RMB40,000,000 and the registration procedures of the changes in the industrial and commercial records having been completed;

(iii) the consent of Roche having been obtained as to the matters relating to the changes in shareholders and management of the Target Company;

(iv) there being no change in the principal businesses of the Target Company;

(v) there being no material adverse change in the composition and positions of the assets of the Target Company upon Completion, no event that may have material adverse impact on the trading and financial positions, prospects, assets or obligations of the Target Company, no circumstances that may lead to the termination of the operation of the Target Company, and no charge, pledge, sequestration, seizure or other encumbrance or third-party interest or claim over the equity interests of the Target Company;

(vi) the general meeting of the Target Company having approved that the composition of the board of directors of the Target Company which shall be comprised of three directors, of which two shall be appointed by the Purchaser and one shall be jointly appointed by the Vendors, and that the chairman shall be appointed by the Purchaser; the general meeting of the Target Company having approved that the Target Company shall not have a board of supervisors while one supervisor shall be appointed by the Purchaser; and the board of directors of the Target Company having approved that the general manager of the Target Company shall be jointly appointed by the Vendors while the financial officer shall be appointed by the Purchaser;

(vii) in respect of the agreement(s) between the Target Company and any third party(ies), in the case of any restrictions or prohibitions on the transfer of the shareholding of the Target Company during the performance of such agreement(s), the approvals and consents from such relevant third parties (which includes but is not limited to the creditors, the lending banks, any relevant financial institutions, the suppliers (including but not limited to Roche)) in respect of the Acquisition having been obtained by the Target Company and the Vendors;

(viii) the constitution of the Target Company as set out in the Share Transfer Agreement having been signed by the Purchaser and the Vendors;

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

(x) there being no material breach of the terms and conditions of the Share Transfer Agreement by the Management Team before Completion;

(xi) a resolution approving the transfer of the Sale Capitals having been passed by the general meeting of the Target Company;

(xii) a written non-competition undertaking having been signed by the Management Team in accordance with the Share Transfer Agreement;

(xiii) the approval having been obtained by the board of directors of the Company in respect of the Share Transfer Agreement and the transactions contemplated thereunder; and

(xiv) 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 including but not limited to the approval from the Shareholders, if applicable.

None of the conditions precedent above are waivable, except for conditions (i), (vii) and (x) which may be waived at any time before Completion by the Purchaser 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 Effective 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. If the conditions precedent are not fulfilled or waived in writing by the Purchaser in full within 120 days after the execution of the Share Transfer Agreement or on such later date as mutually agreed by parties in writing (the "**Long Stop Date**"), the parties shall mutually discuss whether to extend the Long Stop Date or to amend or terminate the Share Transfer Agreement.

Completion

The Completion Date shall be the date of fulfilment on which the following have been duly completed:

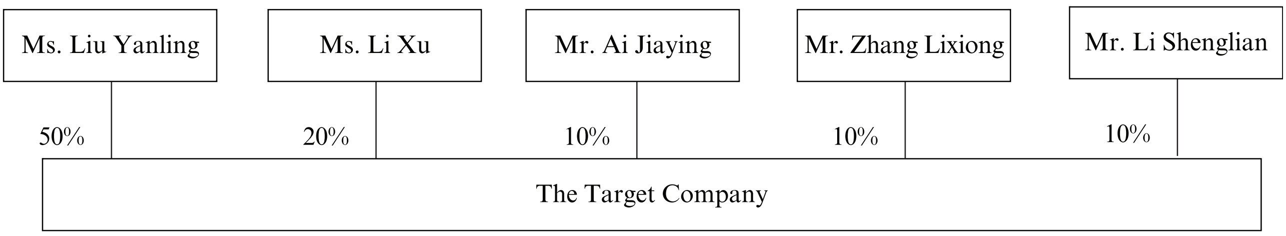
(i) the change of business registration particulars of the Target Company for the transfer of the Sale Capitals; and

(ii) the amendment of the register of shareholders of the Target Company.

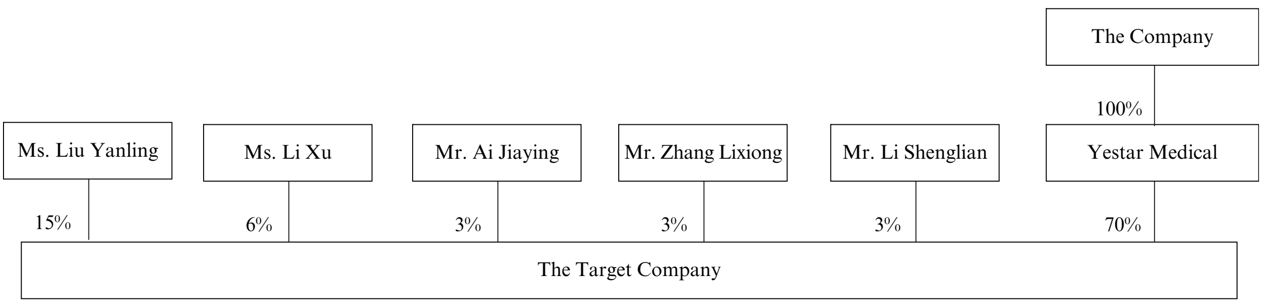
Shareholding of the Target Company before and immediately upon Completion

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

Before Completion



After Completion



Distributable profits

It is unanimously agreed that the three full years from 2017 to 2019 are fixed as the period covered by the profit guarantee.

The Management Team undertakes that accumulated undistributed profit of the Target Company for the year ending 31 December 2016 shall belong to the Purchaser upon the Completion. Subject to the Completion, the new profit of the Target Company after 31 December 2016 shall belong to the Purchaser and the Vendors according to their respective shareholdings in the Target Company after the Completion.

Profit guarantee

Pursuant to the Share Transfer Agreement, the Management Team irrevocably and unconditionally guarantees that each of the 2017 Net Profit, 2018 Net Profit and 2019 Net Profit which are confirmed by independent auditors accredited by the parties shall not be less than RMB23,800,000, RMB29,750,000 and RMB37,200,000 (each the "**Annual Guarantee Profit**") respectively.

In the event that any of the 2017 Net Profit, 2018 Net Profit and 2019 Net Profit is less than the Annual Guarantee Profit, the Management Team shall severally and jointly pay compensation to the Purchaser calculated by the following formula:

(Annual Guarantee Profit – Actual Net Profit) x 2

The accumulated maximum compensation shall be the Consideration received by the Management Team under the Acquisition. If the total accumulated net profit after tax of the Target Company during the three years covered by the profit guarantee amounts to or exceeds the aggregate Annual Guarantee Profit for the period covered by the profit guarantee (which means that the total accumulated net profit after tax from the year 2017 to the year 2019 is not less than RMB90,750,000), the Purchaser will return any compensation paid for any shortfall in any year to the Management Team within 30 days after the issue of the audited report for the year 2019.

The compensation shall be payable in cash by the Management Team to the designated account of the Purchaser within 30 days after the issue of the relevant audited report for the corresponding financial year. The Purchaser is entitled to require any of the Vendors to pay the compensation in part or in full.

The Annual Guarantee Profit for each of 2017, 2018 and 2019 shall be accounted for and audited in accordance with the IFRS.

Post-Completion right

The parties to the Share Transfer Agreement mutually agreed that should the 2017 Net Profit, 2018 Net Profit and 2019 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), is obligated to acquire the remaining 30% equity interest of the Target Company (the "**Remaining Interests**") at a consideration calculated according to a 10 times price to 2019 Net Profit (up to a maximum consideration of RMB120,000,000). The price of such transaction shall not include the accumulated undistributed profit of the Target Company as at 31 December 2019. In particular, the new profit of the Target Company between the period from 1 January 2017 and the date on which the Company acquires the Remaining Interests shall belong to the Purchaser and the Vendors according to their respective shareholdings in the Target Company after the Completion and such profit shall be distributed before the transfer of the Remaining Interests.

If the Target Company successfully fulfilled the profit guarantee stipulated by the Share Transfer Agreement, the acquisition of the Remaining Interests shall also be conducted as soon as practicable after the confirmation of the 2019 Net Profit by independent auditors accredited by the parties and a separate agreement will be entered into for such acquisition.

If the Target Company did not fulfill the profit guarantee stipulated by the Share Transfer Agreement, the Purchaser shall negotiate with the Vendors on the consideration and terms for the acquisition of the Remaining Interests after the expiry of compensation period covered by the profit guarantee.

Non-compete arrangements

i. In order to avoid any possible future competition, upon signing of the Share Transfer Agreement and until 5 years after the expiry of period covered by the profit guarantee, the Management Team undertakes that Management Team and their associates shall not be involved in any business which may directly or indirectly result in a loss to the Target Company or be involved in any business (as dealer or agent of Roche Diagnostics Products) which directly competes with the Target Company or acting as directors, supervisors, consultants or any forms of engagement with any entities engaging in same business (as dealer or agent of Roche Diagnostics Products) of the Target Company, save for the approval from the Purchaser in writing.

ii. The Management Team also further undertakes and agrees that should business opportunities which may compete with the business of the Purchaser or Target Company arise, the Management Team and their associates shall notify the Purchaser at once in writing (email, fax or other forms) detailing the principal terms of such business opportunities. Even if the Purchaser decides not to proceed with the business opportunities, the Management Team and their associates shall not proceed with the business opportunities declined by the Purchaser.

iii. The Vendors further undertake and agree that during the period ending 31 December 2019 and within one year after 31 December 2019, they shall not dispose of and cause any encumbrances to be created over the Remaining Interests of the Target Company to or in favour of any third parties without obtaining prior written consent from the Purchaser. Should the Vendors intend to dispose of the Remaining Interests to any third parties after 31 December 2020, 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 the Vendors (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 and the Vendors 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 and the Vendors shall agree upon).

iv. The Management Team undertake not to persuade any of the employees of the Target Company to terminate their employment with the Target Company or employ employees of the Target Company via companies directly or indirectly invested by the Management Team.

BASIS OF CONSIDERATION

The maximum consideration of RMB166,600,000 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 prospect and development of the Target Company as a distributor of Roche Diagnostics Products in Guangdong and Hainan Provinces under the existing dealership agreements and the authorization letters with Roche, and the Annual Profit Guarantee of the Management Team for the three years ending 31 December 2019.

The Directors consider that the Consideration payable to the Vendors is fair and reasonable. The Group will finance the Acquisition by the Group's internal cash resources and/or available banking facilities.

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

1. 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.

2. It has been the Group's strategy to further develop the medical consumable business and diversify the Group's product range through the Acquisition. 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 Guangdong and Hainan Provinces under the dealership agreements and the authorization letters with Roche, the Group would be able to leverage its existing sales network to further enhance the Group's profitability by introducing a wider range of consumable products to the hospitals.

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

The Company's focus is not only on the current profit level of the Target Company but also their growth prospect and distribution networks. The Board is of the view that the Acquisition represents a valuable business opportunity for the Group to further expand in the health industry in the PRC and will, in the long run, broaden the Group's revenue base by expanding and diversifying the product base of the Group. The Board considers that the Acquisition of the Target Company 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 MANAGEMENT TEAM

The Vendors, namely Ms. Liu Yanling, Ms. Li Xu, Mr. Ai Jiaying, Mr. Zhang Lixiong and Mr. Li Shenglian are private investors in the medical equipment industry. As at the date of this announcement, Ms. Liu Yanling, Ms. Li Xu, Mr. Ai Jiaying, Mr. Zhang Lixiong and Mr. Li Shenglian own as to 50%, 20%, 10%, 10% and 10% respectively equity interests in the Target Company.

The 50% equity interest in the Target Company held by Ms. Liu Yanling is held by her as a nominee on behalf of Mr. Li Kwai Kong, the actual beneficial owner, and Mr. Li Kwai Kong has no affiliate relationship with Ms. Liu Yanling. Mr. Li Kwai Kong is the president of the Target Company. Mr. Li acknowledged and confirmed that he agreed with the sale of equity interest by Ms. Liu to the Purchaser.

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 Management Team and their respective associates is an Independent Third Party.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability on 9 April 2010 and its scope of business includes the retail trade of goods (excluding controlled and franchised goods); the wholesale trade of goods (excluding controlled and franchised goods); the repair of medical devices; the leasing of medical devices; the operation of franchised medical devices (i.e. medical devices which require "Permits for Medical Device Operation Enterprises" to operate, including Class 3 medical devices and Class 2 medical devices that require "Permits for Medical Device Operation Enterprises" to operate).

The Target Company currently holds distribution right of some Roche Diagnostics Products in Guangdong and Hainan provinces under the dealership agreements and the authorization letters with Roche, and has existing lease agreements and other agreements with the relevant hospitals and distributors to distribute and transact Roche Diagnostics Products. The registered capital of the Target Company amounted to RMB6.06 million.

FINANCIAL INFORMATION

Set out below is the unaudited financial information of the Target Company for the two years ended 31 December 2015, prepared in accordance with IFRS:

	Financial year ended 31 December	
	2014	**2015**
	(RMB' million)	*(RMB' million)*
Net assets	14.49	10.70
Unaudited profit before taxation	17.05	21.17
Unaudited profit after taxation	12.60	15.85

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

LISTING RULES IMPLICATIONS

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

WARNING

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:

"2017 Net Profit" or "2017 Net Loss"	the audited net profit or loss of the Target Company for the financial year ending 31 December 2017, expressed in RMB
"2018 Net Profit" or "2018 Net Loss"	the audited net profit or loss of the Target Company for the financial year ending 31 December 2018, expressed in RMB
"2019 Net Profit" or "2019 Net Loss"	the audited net profit or loss of the Target Company for the financial year ending 31 December 2019, expressed in RMB
"Acquisition"	the acquisition by the Purchaser from the Vendors for an aggregate of 70% of the entire equity interest in the Target Company
"Actual Net Profit"	any of the 2017 Net Profit, 2018 Net Profit and 2019 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 Company; (ii) the amendment of the register of shareholders of the Target Company; and (iii) having filed the changes of corporate structure of the Target Company with the authority for industry and commerce
"Completion Date"	the date on which Completion takes place
"Connected Person(s)"	has the meaning given to it in the Listing Rules
"Consideration"	aggregate consideration of RMB166,600,000 (including taxes) for the Acquisition which shall be paid by the Purchaser to the Vendors pursuant to the Share Transfer Agreement
"Director(s)"	director(s) of the Company
"Effective 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
"Group"	collectively, the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"Independent Third Party(ies)"	third party(ies) independent of the Company and is(are) not connected person(s) (as defined under the Listing Rules) of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Management Team"	collectively, Ms. Liu Yanling, Ms. Li Xu, Mr. Ai Jiaying, Mr. Zhang Lixiong, Mr. Li Shenglian and Mr. Li Kwai Kong
"Mr. Ai Jiaying"	Mr. Ai Jiaying (艾加穎), beneficially interested in 10% of the Target Company and is an Independent Third Party as at the date of this announcement
"Mr. Li Kwai Kong" or "Mr. Li"	Mr. Li Kwai Kong (李奎江), president of the Target Company and beneficial owner in 50% of the Target Company and is an Independent Third Party as at the date of this announcement
"Mr. Li Shenglian"	Mr. Li Shenglian (李勝連), beneficially interested in 10% of the Target Company and is an Independent Third Party as at the date of this announcement

"Mr. Zhang Lixiong"	Mr. Zhang Lixiong (張立雄), beneficially interested in 10% of the Target Company and is an Independent Third Party as at the date of this announcement
"Ms. Li Xu"	Ms. Li Xu (李旭), beneficially interested in 20% of the Target Company and is an Independent Third Party as at the date of this announcement
"Ms. Liu Yanling" or "Ms. Liu"	Ms. Liu Yanling (劉艷玲), a trustee and registered owner in 50% of the Target Company for and on behalf of Mr. Li Kwai Kong, and is an Independent Third Party as at the date of this announcement
"PRC"	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Roche"	Roche Diagnostics (Shanghai) Ltd.* (羅氏診斷產品(上海)有限公司), a company established in the PRC with limited liability
"Roche Diagnostics Products"	The diagnostics products of Roche
"Sale Capitals"	70% of the entire equity interests of the Target Company
"Share(s)"	ordinary share(s) of HK$0.025 each in the issued share capital of the Company
"Share Transfer Agreement"	The agreement dated 11 November 2016 entered into among the Purchaser, the Vendors, Mr. Li Kwai Kong and Target Company in relation to the acquisition of the Sale Capitals for an aggregate consideration of RMB166,600,000
"Shareholder(s)"	holder(s) of the issued Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Guangzhou Shengshiyuan Trading Company Limited* (廣州市盛仕源貿易有限公司), a company established in the PRC with limited liability on 9 April 2010 whose registered capital is owned as to 50%, 20%, 10%, 10% and 10% by Ms. Liu Yanling, Ms. Li Xu, Mr. Ai Jiaying, Mr. Zhang Lixiong and Mr. Li Shenglian respectively as at the date of this announcement
"Vendors"	collectively, Ms. Liu Yanling、Ms. Li Xu、Mr. Ai Jiaying、Mr. Zhang Lixiong and Mr. Li Shenglian, and each a "Vendor"
"Yestar Medical" or "Purchaser"	Guangxi Yestar Medical Equipment Co., Ltd* (廣西巨星醫療設備有限公司), a company established in the PRC with limited liability on 24 December 2009 and an indirect wholly-owned subsidiary of the Company

"%" 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, 11 November 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; and the independent non-executive Directors are Dr. Hu Yiming, Mr. Karsono Tirtamarta (Kwee Yoe Chiang) and Mr. Sutikno Liky.

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