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)

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

Reference is made to the Company's announcement dated 11 November 2016 (the "Announcement") in relation to, among others, the acquisition of 70% equity interest in Guangzhou Shengshiyuan Trading Company Limited. Capitalised terms herein shall bear the same meanings as defined in the Announcement unless otherwise stated.

Regarding the Acquisition, the Company would like to supplement information as follows:

If the Target Company records a loss in any of the financial years from 2017 to 2019, pursuant to the Share Transfer Agreement, the loss is to be interpreted as resulting the component of the formula "actual net profit" into a negative figure, hence with reference to the formula set out in the Share Transfer Agreement, the annual compensation shall be payable in cash by the Management Team to the Purchaser calculated by adding the Annual Guarantee Profit to the absolute term of the actual net loss according to the following formula:

(Annual Guarantee Profit + actual net loss) X 2

Accordingly, Management Team shall in any case compensate to the Purchaser any shortfall below the Annual Guarantee Profit by 2 times in any of the financial years from 2017 to 2019, which is in line with the formula disclosed in the Announcement.

The accumulated maximum compensation for the 3 financial years from 2017 to 2019 paid by the Management Team to the Purchaser shall be RMB166,600,000, being the Consideration of the Acquisition.

Pursuant to Share Transfer Agreement, Actual Net Profit is defined as the audited net profit after tax in accordance with IFRS. Hence, the amount may include any extraordinary items for the financial year under the relevant financial reporting standards.

To facilitate the execution of the Share Transfer Agreement, the Purchaser did not explicitly impose any restrictions or conditions on achieving the Actual Net Profit and Annual Guarantee Profit.

Upon Completion, the Purchaser, holding 70% equity interest in the Target Company, shall appoint its designated nominee as chairman of the Target Company, and have majority representatives in the board of directors of the Target Company to enable the Purchaser to monitor the operation of the Target Company and prevent any extraordinary transactions to increase its net profit in any of the financial years from 2017 to 2019.

As at the date of this announcement, the Target Company is a trading company and does not hold any properties and available-for-sale financial assets for disposal, hence there will be no extraordinary items which may occur in relation thereto.

The Company acknowledges requirement of paragraph 21 of the "Review of Disclosure in Issuers' Annual Reports to Monitor Rule Compliance — Report 2015" and shall publish an announcement and disclose the performance of profit guarantee in its next annual report as and when appropriate.

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

Hong Kong, 18 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; the independent non-executive Directors are Dr. Hu Yiming, Mr. Karsono Tirtamarta (Kwee Yoe Chiang) and Mr. Sutikno Liky.