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Yestar International Holdings Co Ltd 02393

Last Close	Fair Value^{Q}	Market Cap	Sector	Industry	Country of Domicile
01 Nov 2016	01 Nov 2016 02:00 UTC	01 Nov 2016	Industrials	Business Equipment	CYM Cayman Islands
4.11	3.91	8,940.1 Mil			

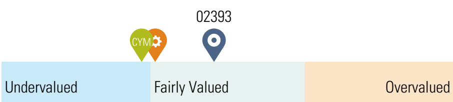
There is no one analyst in which a Quantitative Fair Value Estimate and Quantitative Star Rating are attributed to; however, Mr. Lee Davidson, Head of Quantitative Research for Morningstar, Inc., is responsible for overseeing the methodology that supports the quantitative fair value. As an employee of Morningstar, Inc., Mr. Davidson is guided by Morningstar, Inc.'s Code of Ethics and Personal Securities Trading Policy in carrying out his responsibilities. For information regarding Conflicts of Interests, visit http://global.morningstar.com/equitydisclosures

Company Profile

Yestar International Holdings Co Ltd provides colour photographic paper and other medical imaging products in the PRC.

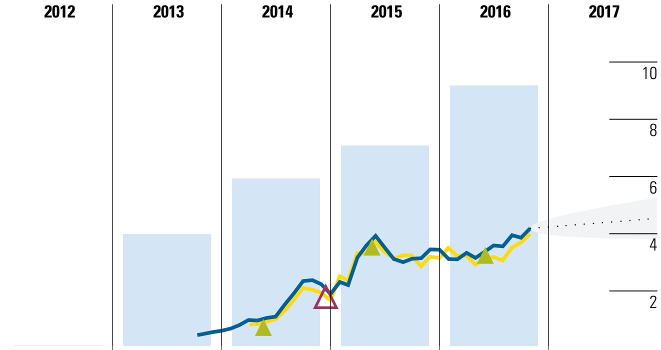
Quantitative Scores

		Scores All	Rel Sector	Rel Country
Quantitative Moat	Narrow	97	97	98
Valuation	Fairly Valued	18	15	16
Quantitative Uncertainty	High	95	93	95
Financial Health	Moderate	75	72	69



Source: Morningstar Equity Research

Price vs. Quantitative Fair Value



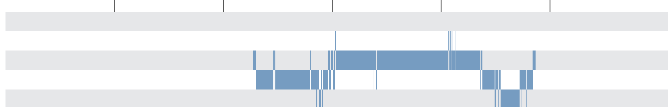
- Quantitative Fair Value Estimate
- Total Return
- Sales/Share
- Forecast Range
- Forcasted Price
- Dividend
- Split

Momentum: —
Standard Deviation: 47.21
Liquidity: High

52-Wk: 2.77 – 4.60

2012	2013	2014	2015	2016	
—	—	237.3	85.6	22.0	Total Return %
—	—	240.7	88.7	15.7	+/– Market (Morningstar World Index)
—	—	1.20	1.00	—	Trailing Dividend Yield %
—	—	—	—	0.95	Forward Dividend Yield %
—	10.2	32.9	44.4	35.3	Price/Earnings
—	0.8	1.9	2.9	2.7	Price/Revenue

Morningstar Rating^{Q}



Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	1.05	—	0.96	0.93
Price/Earnings	35.7	—	18.2	15.6
Forward P/E	—	—	15.2	16.3
Price/Cash Flow	33.7	—	9.6	9.7
Price/Free Cash Flow	34.7	—	15.4	13.7
Trailing Dividend Yield %	0.95	—	2.31	2.89
Price/Book	8.6	—	1.7	1.3
Price/Sales	2.7	—	0.9	1.5

Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	34.4	—	10.9	10.6
Return on Assets %	9.8	—	4.4	5.0
Revenue/Employee (Mil)	3.1	—	0.5	0.8

Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.7	—	0.6	0.6
Solvency Score	353.7	—	510.3	527.5
Assets/Equity	3.5	3.4	1.8	1.7
Long-Term Debt/Equity	0.2	0.1	0.2	0.2

2011	2012	2013	2014	2015	TTM	**Financials** (Fiscal Year in Mil)
—	956	1,173	1,531	2,455	2,892	Revenue
—	—	22.8	30.5	60.3	17.8	% Change
—	83	99	159	313	431	Operating Income
—	—	19.5	60.1	97.4	37.8	% Change
—	57	65	101	163	213	Net Income
—	45	36	113	165	232	Operating Cash Flow
—	-52	-23	-11	-19	-7	Capital Spending
—	-8	13	102	146	225	Free Cash Flow
—	-0.8	1.1	6.7	6.0	7.8	% Sales
—	0.04	0.05	0.05	0.08	0.10	EPS
—	—	5.9	20.0	50.0	24.7	% Change
—	—	-0.01	0.03	0.01	0.12	Free Cash Flow/Share
—	—	—	0.02	0.03	0.03	Dividends/Share
—	—	0.10	0.23	0.18	0.48	Book Value/Share
—	1,868	1,868	2,175	—	2,175	Shares Outstanding (Mil)
						Profitability
—	40.3	27.5	31.1	26.6	34.4	Return on Equity %
—	9.6	9.8	10.9	7.6	9.8	Return on Assets %
—	5.9	5.6	6.6	6.6	7.4	Net Margin %
—	1.63	1.77	1.65	1.15	1.33	Asset Turnover
—	4.2	2.2	3.5	3.5	3.4	Financial Leverage
—	17.5	17.9	17.2	21.1	24.0	Gross Margin %
—	8.7	8.4	10.4	12.8	14.9	Operating Margin %
—	20	0	4	172	196	Long-Term Debt
—	140	333	316	907	913	Total Equity
—	10.0	11.7	14.7	22.2	26.3	Fixed Asset Turns

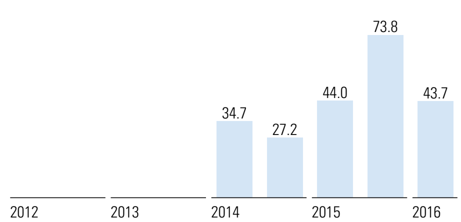
Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	60.3	36.9	—	—
Operating Income %	97.4	55.7	—	—
Earnings %	50.0	24.0	—	—
Dividends %	52.1	—	—	—
Book Value %	146.8	—	—	—
Stock Total Return %	33.8	112.6	—	—

Semi-Annual Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2016	—	1,436.8	—	—	—
2015	—	999.5	—	1,455.1	2,454.7
2014	—	693.9	—	837.5	1,531.4
2013	—	515.0	—	658.3	1,173.3
Earnings Per Share ()					
2016	—	0.05	—	—	—
2015	—	0.03	—	0.05	0.08
2014	—	0.02	—	0.03	0.05
2013	—	0.02	—	0.03	0.05

Revenue Growth Year On Year %



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Morningstar's quantitative equity ratings consist of: (i) Quantitative Fair Value Estimate, (ii) Quantitative Star Rating, (iii) Quantitative Uncertainty, (iv) Quantitative Economic Moat, and (v) Quantitative Financial Health (collectively the "Quantitative Ratings).

The Quantitative Ratings are calculated daily and derived from the analyst-driven ratings of a company's peers as determined by statistical algorithms. Morningstar, Inc. ("Morningstar", "we", "our") calculates Quantitative Ratings for companies whether or not it already provides analyst ratings and qualitative coverage. In some cases, the Quantitative Ratings may differ from the analyst ratings because a company's analyst-driven ratings can significantly differ from other companies in its peer group.

i. **Quantitative Fair Value Estimate:** Intended to represent Morningstar's estimate of the per share dollar amount that a company's equity is worth today. Morningstar calculates the Quantitative Fair Value Estimate using a statistical model derived from the Fair Value Estimate Morningstar's equity analysts assign to companies. Please go to http://global.morningstar.com/equitydisclosures for information about Fair Value Estimate Morningstar's equity analysts assign to companies.

ii. **Quantitative Economic Moat:** Intended to describe the strength of a firm's competitive position. It is calculated using an algorithm designed to predict the Economic Moat rating a Morningstar analyst would assign to the stock. The rating is expressed as Narrow, Wide, or None.

Narrow – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 70% but less than 99%.
Wide – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 99%.
None – assigned when the probability of an analyst receiving a "Wide Moat" rating by an analyst is less than 70%.

iii. **Quantitative Star Rating:** Intended to be the summary rating based on the combination of our Quantitative Fair Value Estimate, current market price, and the Quantitative Uncertainty Rating. The rating is expressed as One-Star, Two-Star, Three-Star, Four-Star, and Five-Star.

One-Star – the stock is overvalued with a reasonable margin of safety.
*Log (Quant FVE/Price) < -1*Quantitative Uncertainty*
Two-Star - the stock is somewhat overvalued.
*Log (Quant FVE/Price) between (-1*Quantitative Uncertainty, -0.5*Quantitative Uncertainty)*
Three-Star – the stock is approximately fairly valued.
*Log (Quant FVE/Price) between (-0.5*Quantitative Uncertainty, 0.5*Quantitative Uncertainty)*
Four-Star – the stock is somewhat undervalued.
*Log (Quant FVE/Price) between (0.5*Quantitative Uncertainty, 1*Quantitative Uncertainty)*
Five-Star – the stock is undervalued with a reasonable margin of safety.
*Log (Quant FVE/Price) > 1*Quantitative Uncertainty*

iv. **Quantitative Uncertainty:** Intended to represent Morningstar's level of uncertainty about the accuracy of the Quantitative Fair Value Estimate. Generally, the lower the Quantitative Uncertainty, the narrower the potential range of outcomes for that particular company. The rating is expressed as Low, Medium, High, Very High, and Extreme.

Low – the interquartile range for possible fair values is less than 10%
Medium – the interquartile range for possible fair values is less than 15% but greater than 10%
High – the interquartile range for possible fair values is less than 35% but greater than 15%
Very High – the interquartile range for possible fair values is less than 80% but greater than 35%
Extreme – the interquartile range for possible fair values is greater than 80%

v. **Quantitative Financial Health:** Intended to reflect the probability that a firm will face financial distress in the near future. The calculation uses a predictive model designed to anticipate when a company may default on its financial obligations. The rating is expressed as Weak, Moderate, and Strong.

Weak – assigned when Quantitative Financial Health < 0.2
Moderate – assigned when Quantitative Financial Health is between 0.2 and 0.7
Strong – assigned when Quantitative Financial Health > 0.7

Other Definitions

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ii. **Quantitative Valuation**– Using the below terms, intended to denote the relationship between the security's **Last Price** and Morningstar's quantitative fair value estimate for that security.

Undervalued – Last Price is below Morningstar's quantitative fair value estimate.
Farily Valued – Last Price is in line with Morningstar's quantitative fair value estimate.
Overvalued – Last Price is above Morningstar's quantitative fair value estimate.

This Report **has not been made available** to the issuer of the security prior to publication.

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