Yestar Healthcare Holdings Company Limited
巨 星 醫 療 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2393)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "Board") of directors (the "Directors") of Yestar Healthcare Holdings Company Limited ("Yestar" or the "Company") is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2024 (the "Year") together with comparative figures for the year ended 31 December 2023. The annual results have been reviewed by the audit committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2024

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Continuing operations			
Revenue	4	**2,409,916**	2,912,733
Cost of sales		**(2,010,714)**	(2,399,951)
Gross profit		**399,202**	512,782
Gain on extinguishment of senior notes	4	**1,083,407**	24,705
Other income and gains	4	**16,408**	27,483
Distribution and selling expenses		**(152,426)**	(116,357)
Administrative expenses		**(209,979)**	(264,221)
Impairment loss on non-financial assets		**(180,491)**	—
Reversal of impairment losses on financial assets, net		**23,836**	38,837
Other expenses		**(20,152)**	(17,480)
Finance costs	5	**(30,162)**	(164,709)

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Profit before income tax	6	**929,643**	41,040
Income tax expense	7	**(26,666)**	(39,562)
Profit for the year from continuing operations		**902,977**	1,478
Discontinued operation			
Profit/(loss) for the year from discontinued operation, net of tax	14	**536**	(2,749)
Profit/(loss) for the year		**903,513**	(1,271)
Attributable to:			
Owners of the Company			
— from continuing operations		**921,078**	(9,316)
— from discontinued operation		**536**	(4,572)
		921,614	(13,888)
Non-controlling interests			
— from continuing operations		**(18,101)**	10,794
— from discontinued operation		**—**	1,823
		(18,101)	12,617
		903,513	(1,271)
Earnings/(loss) per share from continuing operations attributable to owners of the Company			
— Basic and diluted (RMB cents)	9	**39.50**	(0.40)
Earnings/(loss) per share attributable to owners of the Company	9		
— Basic and diluted (RMB cents)		**39.53**	(0.60)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024

	2024	2023
	RMB'000	*RMB'000*
Profit/(loss) for the year	**903,513**	(1,271)
Other comprehensive income		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(6,715)**	(29,128)
Item that will not be reclassified subsequently to profit or loss:		
Exchange differences on translation of the Company	**(2,659)**	(963)
Other comprehensive income for the year, net of tax	**(9,374)**	(30,091)
Total comprehensive income for the year	**894,139**	(31,362)
Attributable to:		
Owners of the Company		
— from continuing operations	**911,704**	(39,407)
— from discontinued operation	**536**	(4,572)
	912,240	(43,979)
Non-controlling interests		
— from continuing operations	**(18,101)**	10,794
— from discontinued operation	**—**	1,823
	(18,101)	12,617
	894,139	(31,362)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment		**85,926**	180,466
Right-of-use assets		**34,962**	77,859
Other intangible assets		**103,877**	177,958
Goodwill		**100,650**	100,650
Deferred tax assets		**18,568**	22,190
Total non-current assets		**343,983**	559,123
Current assets			
Inventories		**281,284**	295,784
Trade and bills receivables	10	**582,513**	690,423
Prepayments and other receivables	11	**128,490**	124,075
Pledged deposits		**47**	10
Cash and cash equivalents		**93,765**	203,130
Assets classified as held for sale	14	**—**	1,553,642
Total current assets		**1,086,099**	2,867,064
Current liabilities			
Interest-bearing bank and other borrowings		**272,519**	1,571,642
Trade payables	12	**230,570**	404,508
Contract liabilities		**26,845**	33,843
Other payables and accruals	13	**191,383**	646,590
Lease liabilities		**22,550**	27,154
Tax payable		**61,403**	58,229
Liabilities associated with assets classified as held for sale	14	**—**	979,425
Total current liabilities		**805,270**	3,721,391
Net current assets/(liabilities)		**280,829**	(854,327)
Total assets less current liabilities		**624,812**	(295,204)

	Note	**2024**	2023
		RMB'000	*RMB'000*
Non-current liabilities			
Interest-bearing bank borrowings		**7,000**	—
Lease liabilities		**14,827**	29,601
Deferred tax liabilities		**48,196**	66,693
Other payables and accruals	13	**46,548**	6,944
Total non-current liabilities		**116,571**	103,238
NET ASSETS/(LIABILITIES)		**508,241**	(398,442)
Equity			
Equity attributable to owners of the Company			
Share capital		**46,576**	46,576
Reserves		**415,023**	(504,077)
		461,599	(457,501)
Non-controlling interests		**46,642**	59,059
TOTAL EQUITY/(CAPITAL DEFICIENCY)		**508,241**	(398,442)

NOTES

For the year ended 31 December 2024

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands on 1 February 2012 as an exempted company with limited liability under the Companies Law, Chapter 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. In the opinion of the directors, the Company's ultimate controlling shareholders are Jeane Hartono, Rico Hartono, James Hartono and Chen Chen Irene Hartono.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 11 October 2013 (the "Listing").

The Company is an investment holding company. During the year, the Company's subsidiaries were involved in the following principal activities:

- manufacture and sale of colour photographic paper, industrial NDT x-ray films and PWB films, and trading of imaging equipment; and
- manufacture and sale of medical dry films, medical wet films and dental films, and distribution of medical equipment and diagnostic reagents.

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2024.

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards and Interpretations) issued by the International Accounting Standards Board, and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements included applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

The consolidated financial statements have been prepared under the historical cost convention.

The consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

The application of these amendments to IFRS Accounting Standards has no material impact on the Group's results and financial position for the current or prior years and financial statements disclosures.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The following new and amendments to IFRS Accounting Standards have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to IAS 21 and IFRS 1	Lack of Exchangeability[1]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]
IFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

1 Effective for annual periods beginning on or after 1 January 2025.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual periods beginning on or after 1 January 2027.
4 Effective for annual periods beginning on or after a date to be determined.

The directors of the Company is currently assessing the impact of these amendments. Except for the below, these amendments to IFRS Accounting Standards are preliminary assessed and are not expected to have any significant impact on the Group's financial statements.

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) Imaging printing products: manufacture and sale of colour photographic paper, industrial NDT x-ray films and PWB films, and trading of imaging equipment; and

(b) Medical products and equipment: manufacture and sale of medical dry films, medical wet films and dental films, sale of medical equipment and diagnostic reagents.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before income tax. The adjusted profit before income tax is measured consistently with the Group's profit before income tax except that corporate and other unallocated income expenses, net are excluded from this measurement.

Segment assets principally comprise non-current assets and current assets directly attributable to each segment and exclude corporate and unallocated corporate assets.

Segment liabilities include trade payables, contract liabilities, other payables and accruals, lease liabilities, tax payable, interest-bearing bank and other borrowings and liabilities associated with assets classified as held for sale which are directly attributable to the business activities of the operating segments and exclude corporate and unallocated corporate liabilities.

	Continuing operations		
Year ended 31 December 2024	**Imaging printing products** *RMB'000*	**Medical products and equipment** *RMB'000*	**Total** *RMB'000*
Segment revenue			
Sales to external customers	**233,698**	**2,176,218**	**2,409,916**
Intersegment sales	**5,974**	**48,370**	**54,344**
	239,672	**2,224,588**	**2,464,260**
Reconciliation:			
Elimination of intersegment sales	**(5,974)**	**(48,370)**	**(54,344)**
Revenue	**233,698**	**2,176,218**	**2,409,916**
Segment results	**(11,653)**	**939,683**	**928,030**
Reconciliation:			
Corporate and other unallocated income and expenses, net			**1,613**
Profit before income tax from continuing operations			**929,643**

	Continuing operations		
	Imaging printing products	Medical products and equipment	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2024			
Segment assets	**139,374**	**1,285,767**	**1,425,141**
Reconciliation:			
Corporate and other unallocated assets			**4,941**
Consolidated total assets			**1,430,082**
Segment liabilities	**170,110**	**727,925**	**898,035**
Reconciliation:			
Corporate and other unallocated liabilities			**23,806**
Consolidated total liabilities			**921,841**

	Continuing operations			
Year ended 31 December 2024	Imaging printing products	Medical products and equipment	Corporate and unallocated	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other segment information				
Depreciation of property, plant and equipment	**4,000**	**21,050**	**—**	**25,050**
Depreciation of right-of-use assets	**1,440**	**30,614**	**—**	**32,054**
Amortisation of other intangible assets	**55**	**22,556**	**—**	**22,611**
Provision of allowance for inventories	**3,111**	**8,915**	**—**	**12,026**
(Reversal of)/provision for impairment losses on financial assets, net	**(44,354)**	**20,741**	**(223)**	**(23,836)**
Impairment of other intangible assets	**—**	**51,470**	**—**	**51,470**
Impairment of property, plant and equipment	**11,209**	**96,213**	**—**	**107,422**
Impairment of right-of-use assets	**263**	**21,336**	**—**	**21,599**
Gain on disposal of property, plant and equipment	**(102)**	**70**	**—**	**(32)**
Interest income	**207**	**1,097**	**184**	**1,488**
Finance costs	**2,898**	**27,264**	**—**	**30,162**
Gain on extinguishment of senior notes	**—**	**1,083,407**	**—**	**1,083,407**
Capital expenditure*	**4,870**	**34,303**	**—**	**39,173**

* Capital expenditure consists of additions to property, plant and equipment and other intangible assets.

Year ended 31 December 2023	Continuing operations Imaging printing products *RMB'000*	 Medical products and equipment *RMB'000*	 Subtotal *RMB'000*	Discontinued operation Medical products and equipment *RMB'000*	Total *RMB'000*
Segment revenue					
Sales to external customers	236,767	2,675,966	2,912,733	1,792,346	4,705,079
Intersegment sales	3,229	30,667	33,896	234	34,130
	239,996	2,706,633	2,946,629	1,792,580	4,739,209
Reconciliation:					
Elimination of intersegment sales	(3,229)	(30,667)	(33,896)	(234)	(34,130)
Revenue	236,767	2,675,966	2,912,733	1,792,346	4,705,079
Segment results	24,791	1,127	25,918	44,190	70,108
Reconciliation:					
Corporate and other unallocated income and expenses, net			15,122		15,122
Profit before income tax			41,040		85,230
As at 31 December 2023					
Segment assets	134,647	1,720,847	1,855,494	1,553,642	3,409,136`
Reconciliation:					
Corporate and other unallocated assets			17,051		17,051
Consolidated total assets			1,872,545		3,426,187
Segment liabilities	152,749	2,669,457	2,822,206	979,425	3,801,631
Reconciliation:					
Corporate and other unallocated liabilities			22,998		22,998
Consolidated total liabilities			2,845,204		3,824,629

Year ended 31 December 2023	Continuing operations Imaging printing products RMB'000	Medical products and equipment RMB'000	Corporate and unallocated RMB'000	Subtotal RMB'000	Discontinued operation Medical products and equipment RMB'000	Total RMB'000
Other segment information						
Depreciation of property, plant and equipment	4,734	18,120	—	22,854	15,681	38,535
Depreciation of right-of-use assets	1,557	33,988	—	35,545	67,450	102,995
Amortisation of other intangible assets	53	22,558	—	22,611	6,915	29,526
Share of profit of an associate	—	—	—	—	(1,341)	(1,341)
Provision of allowance for inventories	624	4,981	—	5,605	1,878	7,483
Provision for/(reversal of) impairment losses on financial assets, net	(16,038)	10,665	(33,464)	(38,837)	1,215	(37,622)
Impairment loss on disposal group classified as held for sale	—	—	—	—	34,000	34,000
Gain on disposal of property, plant and equipment	(14)	(394)	—	(408)	(32)	(440)
Gain on disposal of right-of-use assets	—	—	—	—	(291)	(291)
Interest income	(222)	(1,747)	(422)	(2,391)	(461)	(2,852)
Finance costs	1,459	163,250	—	164,709	55,202	219,911
Gain on extinguishment of a portion of senior notes	—	(24,705)	—	(24,705)	—	(24,705)
Capital expenditure*	4,940	73,164	—	78,104	15,349	93,453

* Capital expenditure consists of additions to property, plant and equipment and other intangible assets.

Information about a major customer

During the year ended 31 December 2024, the Group had one customer from whom revenue of RMB558,271,000 (2023: RMB664,781,000) was generated through the sale of medical imaging products and printing imaging products, which accounted for approximately 23.1% (2023: approximately 22.8%) of the Group's total revenue from continuing operations during the year.

Geographical information

Since the Group solely operates its business in Mainland China and all of the non-current assets of the Group are located in Mainland China, geographical segment information required by IFRS 8 *Operating Segments* is not presented.

Seasonality of operations

The Group's operations are not subject to seasonality.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Continuing operations		
Revenue from contracts with customers	**2,409,916**	2,912,733

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2024

Segments	**Imaging printing products**	**Medical products and equipment**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Continuing operations			
Types of goods or services			
Sale of goods	**228,994**	**2,143,720**	**2,372,714**
Rendering of services	**4,704**	**32,498**	**37,202**
Total revenue from contracts with customers	**233,698**	**2,176,218**	**2,409,916**
Timing of revenue recognition			
Goods transferred at a point in time	**228,994**	**2,143,720**	**2,372,714**
Services transferred over time	**4,704**	**32,498**	**37,202**
Total revenue from contracts with customers	**233,698**	**2,176,218**	**2,409,916**

For the year ended 31 December 2023

Segments	Imaging printing products *RMB'000*	Medical products and equipment *RMB'000*	Total *RMB'000*
Continuing operations			
Types of goods or services			
Sale of goods	227,093	2,635,087	2,862,180
Rendering of services	9,674	40,879	50,553
Total revenue from contracts with customers	236,767	2,675,966	2,912,733
Timing of revenue recognition			
Goods transferred at a point in time	227,093	2,635,087	2,862,180
Services transferred over time	9,674	40,879	50,553
Total revenue from contracts with customers	236,767	2,675,966	2,912,733

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2024 ***RMB'000***	2023 *RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	**22,011**	24,528
Rendering of services	**11,832**	18,819
	33,843	43,347

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

Rendering of services

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. The service contracts which are related to the rendering of maintenance services are for periods of one year or less, or are billed based on the time incurred.

The amount of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) at the end of the reporting period is as follows:

	2024	2023
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue:		
Within one year	**26,845**	33,843

The remaining performance obligations relating to the sale of goods and rendering of maintenance services is expected to be satisfied within one year. The amounts disclosed above do not include variable consideration which is constrained.

(iii) Gain on extinguishment of senior notes

In respect of the Company's proposed offshore debt restructuring of USD197,864,523 9.5% senior notes due 2026, the Company had entered into the restructuring support agreement with holders of the senior notes to support the debt restructuring, which was implemented through a scheme of arrangement in the Cayman Island (the "Scheme"). The Scheme was approved by the creditors under the Scheme on 19 February 2024. On 28 February 2024, the Court sanctioned the Scheme pursuant to which, the Company has agreed to pay an amount of USD60,500,000, less certain costs and expenses (the "Redemption Amount") to the holders of the senior notes. On 14 March 2024, the Company effected payment of the Redemption Amount in accordance with the terms of the Scheme.

Upon the completion of debt restructuring, the Group recognised a gain on extinguishment of senior notes amounted to RMB1,083,407,000 in consolidated statement of profit or loss for the year ended 31 December 2024 (2023: Gain on extinguishment of a portion of senior notes of RMB24,705,000).

(iv) Other income and gains

	2024	2023
	RMB'000	*RMB'000*
Continuing operations		
Government grants *(note (a))*	**13,796**	11,384
Compensation income *(note (b))*	**—**	11,022
Interest income	**1,488**	2,391
Gain on disposal of property, plant and equipment	**32**	408
Others	**1,092**	2,278
	16,408	27,483

Notes:

(a) The amount mainly represents the grants received from local PRC government authorities by the Group's subsidiaries in connection with certain financial support to local business enterprises for the purpose of encouraging business development. There are no unfulfilled conditions and other contingencies relating to these grants.

(b) The amount represents the compensations received from the vendor of equity interest in Shenzhen De Run Li Jia Co., Ltd. ("Derunlijia"), one of the Company's subsidiaries in connection with profit guarantee for the acquisition of 70% equity interest in Derunlijia. As the actual net profit achieved by Derunlijia for the year ended 31 December 2019 was less than the annual actual guarantee profit, the vendor of Derunlijia was obliged and paid the compensation of approximately RMB9.8 million and related interest of approximately RMB1.2 million to the Group pursuant to the share transfer agreement dated 27 October 2016.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	RMB'000	*RMB'000*
Continuing operations		
Interest on bank loans, overdrafts and other borrowings	**26,685**	141,686
Interest on overdue equity acquisition consideration	**774**	19,058
Interest on lease liabilities	**2,380**	3,710
Interest arising from discounted bills	**323**	255
	30,162	164,709

6. PROFIT BEFORE INCOME TAX

The Group's profit before income tax is arrived at after charging:

	2024 *RMB'000*	2023 *RMB'000*
Continuing operations		
Auditor's remuneration	**2,950**	3,500
Cost of inventories sold and services provided (including the related depreciation and amortisation), also included:	**2,010,714**	2,399,951
— Provision of allowance for inventories	**12,026**	5,605
Depreciation of property, plant and equipment	**25,050**	22,854
Depreciation of right-of-use assets	**32,054**	35,545
Amortisation of other intangible assets	**22,611**	22,611
Impairment of non-financial assets		
— Property, plant and equipment	**107,422**	—
— Right-of-use assets	**21,599**	—
— Other intangible assets	**51,470**	—
	180,491	—
Research and development costs	**33,799**	35,735
Lease payments not included in the measurement of lease liabilities	**5,957**	8,175
Employee benefit expense		
Wages and salaries	**153,271**	152,625
Pension scheme contributions	**9,788**	10,872
	163,059	163,497
Foreign exchange differences, net	**12,057**	7,197

7. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and BVI.

Hong Kong profits tax is to be provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong.

The provision for current income tax in Mainland China is based on the statutory rate of 25% of the assessable profits of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008.

Yestar (Guangxi) Medical System Co., Ltd. ("Yestar Medical") and Yestar (Guangxi) Imaging Technology Co., Ltd. ("Yestar Imaging") which have been accredited as a high and new technology enterprise ("HNTE") in the years ended 31 December 2024 and 2023. The HNTE certificate needs to be renewed every three years so as to enable Yestar Medical and Yestar Imaging to enjoy the preferential tax rate of 15%.

The major components of income tax charge for the year are as follows:

	2024	2023
	RMB'000	*RMB'000*
Continuing operations		
Current tax — PRC		
Charge for the year	**31,212**	45,878
Under-provision in respect of previous years	**10,329**	—
	41,541	45,878
Deferred tax	**(14,875)**	(6,316)
Income tax expense	**26,666**	39,562

8. DIVIDENDS

There was no proposed final dividend for the year ended 31 December 2024 (2023: nil) which would be subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to owners of the Company, and the weighted average number of ordinary shares in issue during the years ended 31 December 2024 and 2023.

The calculation of basic earnings/(loss) per share is based on:

	2024	2023
	RMB'000	RMB'000
Profit/(loss)		
Profit/(loss) for the year attributable to owners of the Company, used in the basic earnings/(loss) per share calculation:		
— from continuing operations	**921,078**	(9,316)
— from discontinued operation	**536**	(4,572)
	921,614	(13,888)

	2024	2023
	'000	*'000*
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings/(loss) per share calculation	**2,331,590**	2,331,590
For continuing and discontinued operations		
Basic earnings/(loss) per share *(RMB cents)*	**39.53**	(0.6)
For continuing operations		
Basic earnings/(loss) per share *(RMB cents)*	**39.50**	(0.4)
For discontinuing operation		
Basic earnings/(loss) per share *(RMB cents)*	**0.02**	(0.2)

Diluted earnings/loss per share are same as the basic loss per share for the years ended 31 December 2024 and 2023, as there were no dilutive potential ordinary shares in existence during the year or in prior year.

10. TRADE AND BILLS RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**632,758**	721,832
Bills receivables	**13,839**	27,479
Provision for impairment	**(64,084)**	(58,888)
	582,513	690,423

The Group grants different credit periods to customers. The Group generally requires its customers to make payments at various stages of a sale transaction. The credit period of individual customers is considered on a case-by-case basis and set out in the sales contracts, as appropriate. Certain customers are required to make partial payments before or upon delivery. The Group seeks to maintain strict control over its outstanding receivables and closely monitors them to minimise credit risk. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 90 days	**239,997**	320,808
91 to 180 days	**121,821**	135,096
181 to 365 days	**118,972**	110,678
1 to 2 years	**49,148**	60,247
Over 2 years	**38,736**	36,115
	568,674	662,944

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024	2023
	RMB'000	***RMB'000***
At the beginning of the year	**58,888**	61,710
Impairment losses, net	**5,196**	10,007
Reclassified as held for sale	**—**	(12,829)
At the end of the year	**64,084**	58,888

11. PREPAYMENTS AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Prepayments	**42,045**	52,921
Value added tax inputs	**28,435**	22,722
Deposit and other receivables	**99,914**	118,502
Financial assets measured at amortised cost	**22,397**	22,775
	192,791	216,920
Impairment allowance	**(64,301)**	(92,845)
	128,490	124,075

Deposits and other receivables mainly represent rental deposits and deposits with suppliers.

The movements in the loss allowance for impairment of deposits, other receivables and financial assets measured at amortised cost are as follows:

	2024	2023
	RMB'000	*RMB'000*
At the beginning of the year	**92,845**	142,114
Reversal of impairment losses, net	**(29,032)**	(47,629)
Reclassified as held for sale	**—**	(2,361)
Exchange realignment	**488**	721
At the end of the year	**64,301**	92,845

As at 31 December 2024, the impairment allowance of deposits, other receivables and financial assets measured at amortised cost were approximately RMB41,904,000 and RMB22,397,000 (2023: RMB70,070,000 and RMB22,775,000), respectively.

12. TRADE PAYABLES

An ageing analysis of the outstanding trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 90 days	**221,765**	382,869
91 to 180 days	**2,418**	17,540
181 to 365 days	**2,526**	2,211
1 to 2 years	**2,043**	127
Over 2 years	**1,818**	1,761
	230,570	404,508

The trade payables are non-interest-bearing and are normally settled within 180 days.

13. OTHER PAYABLES AND ACCRUALS

	2024	2023
	RMB'000	*RMB'000*
Current portion		
Other payables	**17,023**	29,281
Other tax payable	**41,360**	39,442
Payroll and welfare payable	**12,436**	18,214
Interest payable	**186**	197,022
Payables to non-controlling interests *(note)*	**120,378**	362,631
	191,383	646,590
Non-current portion		
Payables to non-controlling interests *(note)*	**39,793**	—
Deferred government grant	**6,755**	6,944
	46,548	6,944
	237,931	653,534

Notes:

Payables to non-controlling interests mainly represent the contractual obligations of the Group to acquire the remaining 30% interests in each of Guangzhou Shengshiyuan Trading Co., Ltd. ("Shengshiyuan") and Beijing Kaihongda Technologies Co., Ltd. ("Kaihongda"), and the remaining 5.83% interests in Anbaida Group Companies*, amounting to RMB131,250,000. The 94.2% equity interests in Anbaida Group Companies were disposed of on 12 January 2024 under the 2022 equity transfer agreement, with the payable for a 5.8% interest offset against the consideration of RMB574,750,000. The details of the acquisition by the Company of the 70% interests in each of Anbaida Group Companies, Shengshiyuan and Kaihongda are as follows:

* Shanghai Emphasis Investment Management Consulting Co., Ltd, Shanghai Jianchu Medical Instrument Co., Ltd, Shanghai Chaolian Trading Co., Ltd, Shanghai Haole Industrial Co., Ltd and Shanghai Dingpei Industrial Co., Ltd are totally referred as Anbaida Group Companies.

(a) Pursuant to the share purchase agreement entered into between Yestar Medical, a subsidiary of the Company, Mr. Li Bin, Mr. Li Changgui, Mr. Li Changkuan, Ms. Yu Liping and Ms. Liu Hong on 9 April 2015, Yestar Medical acquired the 70% equity interests in Anbaida Group Companies, and Mr. Li Bin and Mr. Li Changgui held the remaining 30% equity interest. The non-controlling equity interest holders shall have the right to require Yestar Medical to acquire the remaining 30% equity interest in Anbaida Group Companies if the respective net profits of Anbaida Group Companies in 2015, 2016 and 2017 have reached the annual guarantee profits. The maximum consideration shall not exceed RMB675 million. Since Anbaida Group Companies have met the annual guarantee profit targets for the years from 2015 to 2017, the Group is obligated to acquire the remaining 30% equity interest in Anbaida Group Companies. On 7 August 2020, Yestar Medical reached a new separate share transfer agreement with Mr. Li Bin and Mr. Li Changgui to acquire the remaining 30% equity interest in Anbaida Group Companies at a consideration of RMB675 million. Since 2021, the Company completed the acquisition of a 24.17% equity interest and paid RMB543,750,000 to Mr. Li Bin and Mr. Li Changgui, the remaining unpaid amount of RMB131,250,000 and related interest of RMB25,148,000 was recorded in payables to non-controlling interests as at 31 December 2023.

    As at 31 December 2023, the carrying amount of RMB125,325,000 related to dividend payable to Mr. Li Bin and Mr. Li Changgui, which was reclassified to liabilities associated with assets classified as held for sale.

    During 2024, the Group has disposed of the equity interests in Anbaida Group Companies (note 14).

(b) Pursuant to the share purchase agreement entered into between Yestar Medical, Ms. Liu Yanling, Ms. Li Xu, Mr. Ai Jiaying, Mr. Zhang Lixiong and Mr. Li Shenlian on 11 November 2016, Yestar Medical acquired the 70% equity interest in Shengshiyuan. Yestar Medical is obligated to acquire the remaining 30% equity interest in Shengshiyuan if the respective net profits of Shengshiyuan in 2017, 2018 and 2019 have reached the annual guarantee profits. The maximum consideration shall not exceed RMB120 million. Since Shengshiyuan has met the annual guarantee profit targets for the years from 2017 to 2019, Yestar Medical was negotiating with shareholders of the remaining 30% equity interest of Shengshiyuan to purchase their interest.

    In 2024, Yestar Medical entered into a separate share transfer agreement with the aforementioned shareholders of Shengshiyuan to acquire the remaining 30% equity interest in Shengshiyuan for a total consideration of RMB99,266,000. As at 31 December 2024, an amount of RMB26,918,000 has been paid to the shareholders. However, the business registration change for the equity transfer has not been completed as of that date. As at 31 December 2024, the Group recognised the consideration payable of RMB66,676,000 (2023: RMB112,702,000) and the dividend payable to the above shareholders of Shengshiyuan of RMB23,093,000 (2023: RMB20,989,000) as payables to non-controlling interests. Since the payables to non-controlling interests have been agreed to be settled in 2025, 2026 and 2027, amounts of RMB49,976,000 and RMB39,793,000 were classified as current liabilities and non-current liabilities respectively as at 31 December 2024.

(c) Pursuant to the share purchase agreement entered into between Yestar Medical, Mr. Pang Haibin, Mr. Xie Dingjie, Ms. An Hong, Mr. Yu Huimin and Mr. Zhu Yongping on 20 September 2017, Yestar Medical acquired the 70% equity interest in Kaihongda. Yestar Medical is obligated to acquire the remaining 30% equity interest in Kaihongda if the respective net profits of Kaihongda in 2017, 2018 and 2019 have reached the annual guarantee profits. The maximum consideration shall not exceed RMB71.28 million. Since Kaihongda has met the annual guarantee profit targets for the years from 2017 to 2019, Yestar Medical was negotiating with shareholders of the remaining 30% equity interest of Kaihongda to purchase their equity interest. No agreement was reached as at the date of this announcement.

As at 31 December 2024, the Group recognised the consideration payable of RMB65,336,000 (2023: RMB65,336,000) and the dividend payable to the above shareholders of Kaihongda of RMB5,066,000 (2023: RMB7,206,000) as payables to non-controlling interests under current liabilities.

14. DISCONTINUED OPERATION

On 30 December 2022, Yestar Medical ("the Vendor"), and Mr. Li Bin (the "Purchaser"), the non-controlling shareholders of the Anbaida Group Companies (the "Disposal Group"), entered into an equity transfer agreement (the "2022 Equity Transfer Agreement") to sell the 94.2% equity interests in the Disposal Group to the Purchaser, at a consideration of RMB574,750,000.

The Purchaser was the founder of the Disposal Group and was appointed as an executive director on 18 June 2021 and resigned on 31 December 2021. As at the end of the reporting period, the Purchaser holds 164,600,600 shares, representing approximately 7.1% equity interests in the Company.

According to the 2022 Equity Transfer Agreement, the consideration is RMB574,750,000. The Purchaser agreed to pay the consideration less the outstanding amount of RMB131,250,000 and the interest expenses of RMB25,148,000 to be paid by the Vendor to the Purchaser. Pursuant to the 2022 Equity Transfer Agreement, the dividend payable of RMB125,325,000, which representing the undistributed profits shall be payable by the Vendor to the Purchaser, is exempt from payment. The net proceeds from the disposal transaction amounted to RMB418,352,000 were received upon its completion.

Details in relation to the 2022 Equity Transfer Agreement refer to the Company's announcement and circular dated 30 December 2022 and 13 December 2023 respectively.

On 28 December 2023, the terms of the 2022 Equity Transfer Agreement were approved by the shareholders in an extraordinary general meeting of the Company. The disposal transaction was completed subsequently on 12 January 2024. Following the completion of the disposal on 12 January 2024, the Disposal Group is no longer classified as held for sale as at 31 December 2024.

Details of the completion of the disposal referred to the announcement of the Company dated 12 January 2024.

Since the operation of the Disposal Group represents a separate major geographical area of operations, i.e. sales and distribution of In-Vitro Diagnostic products, medical equipment and other related consumables in Shanghai, it is therefore reclassified to discontinued operation in the consolidated statement of profit or loss and other comprehensive income. The results of the discontinued operation are presented for the period from 1 January 2024 to 12 January 2024 (date of disposal), together with comparative figures for the year ended 31 December 2023.

The financial performance and cashflow information of the discontinued operation presented below are for the years ended 31 December 2024 and 2023.

	2024	2023
	RMB'000	*RMB'000*
Revenue	—	1,792,346
Cost of sales	—	(1,384,473)
Gross profit	—	407,873
Other income and gains	**536**	10,713
Selling and distribution expenses	—	(193,391)
Administrative expenses	—	(91,539)
Provision for impairment losses on financial assets	—	(1,215)
Other expenses	—	(34,390)
Finance costs	—	(55,202)
Share of profit of an associate	—	1,341
Profit before income tax	**536**	44,190
Income tax expense	—	(46,939)
Profit/(loss) for the year from discontinued operation	**536**	(2,749)
Cash flow from discontinued operation		
Net cash inflow from operating activities	—	201,086
Net cash outflow from investing activities	—	(15,230)
Net cash outflow from financing activities	—	(145,412)
Net cash inflow	—	40,444

Except for the profit for the year from discontinued operation, no further gain or loss recognised in relation to the disposal transaction during the year ended 31 December 2024. Upon the completion of the disposal transaction, the put option reserve of RMB555,403,000, which related to the put option written on non-controlling interests of the Disposal Group, was transferred to other reserve in the consolidated statement of changes in equity during the year.

The major classes of assets and liabilities of the discontinued operation classified as held for sale as at 31 December 2023 are as follows:

	2023
	RMB'000
Assets	
Property, plant and equipment*	**42,233**
Right-of-use assets*	**121,783**
Other intangible assets*	**43,222**
Goodwill*	**—**
Investment in an associate	**34,313**
Deferred tax assets	**5,706**
Inventories	**143,803**
Trade and bills receivables	**899,147**
Prepayments and other receivables	**108,652**
Cash and cash equivalents	**154,783**
Assets classified as held for sale	**1,553,642**
Liabilities	
Interest-bearing bank and other borrowings	**100,000**
Trade payables	**281,234**
Contract liabilities	**17,988**
Other payables and accruals	**265,832**
Dividend payable	**125,325**
Lease liabilities	**104,979**
Tax payable	**72,747**
Deferred tax liabilities	**11,320**
Liabilities directly associated with assets classified as held for sale	**979,425**

* During the year ended 31 December 2023, an impairment loss totalled of RMB34,000,000 was recognised and included in discontinued activities against the carrying amount of goodwill, property, plant and equipment, right-of-use assets and other intangible assets of RMB24,001,000, RMB2,038,000, RMB5,876,000 and RMB2,085,000 respectively on the measurement of the disposal group to lower of its carrying amount and fair value less cost to sell.

15. EVENTS AFTER THE REPORTING PERIOD

Dissolution of subsidiary Derunlijia

On 24 January 2025, the shareholders of Derunlijia, a subsidiary in which the Company holds 70% equity interest, passed a resolution to dissolve the subsidiary voluntarily and establish a liquidation group to oversee the dissolution process. This event occurred subsequent to the end of the reporting period on 31 December 2024. In the opinion of the directors, the dissolution is not expected to have a material impact on the Group's financial position or results of operations as at the end of reporting period. The liquidation process is in its preliminary stages, and further details regarding the financial effects, if any, will be assessed and disclosed as appropriate in subsequent reporting periods.

MANAGEMENT DISCUSSION AND ANALYSIS

About Yestar

Yestar is one of the largest distributors and service providers of In Vitro Diagnostic ("IVD") products in the People's Republic of China (the "PRC"). The Group principally engages in the distribution of IVD products in the cities of Beijing, Guangzhou and Shenzhen, and the provinces of Fujian, Guangdong, Guangxi, Hainan, Hunan, Jiangsu and Hebei, and the autonomous region, Inner Mongolia. The Group also manufactures medical films (used in X-Ray, Magnetic Resonance Imaging (MRI) and Computer Tomography (CT-scan) etc.) for Fujifilm in the PRC, and manufactures, markets and sells dental film and medical dry film products under the house brand "Yes!Star".

Corporate Strategy, Business Model and Culture

With the core mission of "becoming a leading integrated service provider of IVD products in the PRC", the Group is committed to continuous expanding market share and optimising and upgrading business ecosystem through a systematic strategic layout and a culture of innovation. Focusing on the field of IVD, it consolidates its leading position in the industry and builds a nationwide service network and product mix through a multi-channel distribution system. It adopts differentiated competition strategies, together with dynamic risk assessment and a capital allocation mechanism, to ensure synergistic growth in profitability and asset size. Targets are set for different business stages to enhance operational efficiency and market responsiveness with digital management tools and through process optimisation. The Group also attaches great importance to the management of intellectual property rights. As at the end of 2024, the Group has obtained a total of 159 invention patents, utility model patents and copyrights for computer software. The Board has implemented a mechanism of "internalisation of values" to incorporate compliance awareness into the performance appraisal system and strengthened the professionalism of its staff through customised training programmes. Employee retention rate and anonymous response efficiency of the whistle-blowing system are the key indicators for the impact of this culture. The Group establishes long-term goals in respect of ESG (environmental, social and governance), including green supply chain transformation, mental health support programmes for staff and healthcare projects for community, so as to maintain the balance between business value and social responsibility.

To be substantiable and enhance long term value of the shareholders, the Group implemented its succession and production plans for their business units to carry out its long term development with product, equipment and profit stability as well as establishing an independent marketing team to make full use of its extensive marketing network and to enhance the sales of IVD products under the house brand "Yes!Star".

The Board and the management have played and will continue to play a proactive role in the Group's development of business model to preserve the culture of the Group; the Group's business strategic drive for business expansion; and the Group's strategic goals to motivate staff to achieve business and financial targets. Taking into account the corporate culture, the Board considers that the culture and the purpose, value and strategy of the Group are aligned.

MARKET OVERVIEW

In 2024, the PRC economy grew by 5.0%, with a total GDP of RMB134.9 trillion (approximately US$18.9 trillion). The healthcare industry in the PRC continued to grow, as driven by favourable policies, technological innovation and demand from the aging population, and the market size and structure have been further optimised. Annual total revenue from the general healthcare industry exceeded RMB9 trillion, representing a significant year-on-year ("YoY") growth. Included in the total revenue was RMB1.13 trillion from the market for medical devices, representing a YoY growth of 9.1%. The IVD sector registered a notable performance with the market size increasing to RMB240 billion, which accounted for 20% of the total for the market of medical devices. Benefiting from the application of precision medicine and artificial intelligence ("AI") technology, the size of the IVD market is expected to exceed RMB300 billion in 2025.

At the policy level, the State Council has pushed for greater reform on drug and device approval. The approval lead-time of innovative medical devices has been shortened to 180 days, import substitution has been stepped up, and 75% of the devices under the successful bids in the ninth batch of national centralised procurement were domestic products, leading to a price reduction of 45%. Meanwhile, the increase in the aging population (people over 60 years old accounted for 21.3% of the population) has driven the surge in demand for chronic disease diagnosis and treatment, with the annual sales volume of home medical devices exceeding 20 million units, and per capita medical and healthcare consumption spending rising to RMB2,547, accounting for 9% of the total household spending. These have contributed to the rapid growth in the market of high-end healthcare services and intelligent equipment.

In terms of technological innovation, the penetration rate of AI medical equipment exceeded 30%. The development of primary healthcare has achieved remarkable results, with the government investing RMB148 billion to support equipment renewal. The number of medical institutions nationwide increased to 1.092 million, and the proportion of primary care rose to 68%. The market of medical devices has continued to go international, with the export value of medical devices reaching RMB215.3 billion, representing a YoY increase of 7.3%.

BUSINESS OVERVIEW

Overseas expansion

In 2024, the Group continued its overseas expansion by actively promoting its own brands "Yes!Star" and "Yestar Smart" and focusing on medical imaging products such as medical films and dental films. While digital medical imaging equipment is increasingly popular in technologically-advanced countries, the demand for physical medical films in developing countries remains huge due to their portability and affordability. Meanwhile, with economic development and rising health awareness, there will be great market potential for dental films in developed countries as a diagnostic imaging product that meets advanced health and cosmetic needs.

In 2024, we participated in a total of nine international exhibitions and two production-marketing coordination events, including the Chongqing International Laboratory Medicine and Invitro Dianostic Reagent Exhibition and the Guangxi Medical Expo (the Beibu Gulf-Guangxi Medical Device Expo) in the PRC, as well as international exhibitions such as SEA Healthcare & Pharma Show in Kuala Lumpur, Malaysia, the Expomed Eurasia in Istanbul, Turkey, the Vietnam International Medical and Pharmaceutical Exhibition in Hanoi, Vietnam, the International Medical, Hospital & Pharmaceutical Exhibition in Ho Chi Minh City, Vietnam, the Medical Fair Thailand, the Indo Health Care Expo, the Russian Health Care Week, and the production-marketing coordination events organised by the governments of Guangxi Zhuang Autonomous Region and Nanning City. In 2024, our active expansion in operations radiated out from Asia towards Southeast Asia, the Middle East and Africa, with presence currently expanding into over 5 countries including Vietnam, Indonesia, Afghanistan, Iraq, etc.

Resumption and revival of traditional film business

Being the exclusive production partner of Fujifilm for medical and consumer films in the PRC, we have maintained a technological partnership for more than 50 years and have resumed the Fujifilm film production line in Guangxi in 2024. On this basis, the brand is actively expanding into the youth market and enhancing its interaction with the new generation of users. With a beginner-friendly design, its core product, the S1 film camera, adopts a 35 mm reusable film structure with zinc alloy front and back covers to enhance the quality of the camera body, and has a built-in ISO 400 degree film to meet the needs of daily shooting. The camera is equipped with a wide-angle flash that supports a shooting distance from 1 metre to infinity, focus-free lens that greatly simplify operation, and a detachable shoulder strap that offers this lightweight camera high portability. Featuring a professional tone with the use of black and white colour and a minimalist design, it offers the vintage style of film photography while meeting the aesthetic and practical needs of the young communities with modern design.

Based on the S1 camera, the Group collected feedback from users and enhanced the R&D and production of the S2 film camera under its own brand name "Yes!Star", so as to address the trend of vintage film photography and meet more personalised needs. The project commenced in November 2024 and the product was scheduled for launch in September 2025. The S2 film camera focuses on the optimisation of optical lens, optical tuning and portability, with a view to improving image quality and ease of use. The R&D incorporates modern manufacturing technologies to ensure a stable exposure control and high quality colour reproduction. At the same time, the Group is also stepping up the expansion of its product line to offer products with a wide variety of features including ISO sensitivity options and variable aperture to adapt to different shooting scenarios.

Recruitment and Grooming of Talent

The Group has always regarded talents as the core strategic resources that promote corporate sustainability. In 2024, with the objectives of "accurately matching business needs and realising the value of talents in full", the Group has vigorously promoted the structural optimisation of the talent management system. Based on the principle of "an equal emphasis on quantity and quality and a flexible and agile adaptation", the Group has carried out systematic reforms in three dimensions: with respect to the talent structure, the Group has established a "Technology-Marketing-Management" triangular competency model through the use of big data profiling and focused on cultivating the talent reserve in key areas such as IVD R&D and digitalised sales and marketing; for mechanism construction, the Group has restructured the whole process of talent selection, training, employment and retention to form a virtuous circle of business growth and talent development. In addition, we have strengthened our internal training and staff enhancement programmes to improve the skills and overall quality of our staff, thus giving continuous impetus to the Group's development.

Status of Offshore Debt Restructuring

In order to provide a solution for the New Senior Notes that have remained in default since December 2023 given the Company's continued liquidity situation, and provide an important exit for noteholders in a market where there is otherwise close to no trading liquidity for the New Senior Notes, the Company has proposed an offshore debt restructuring of its 9.5% senior notes due 2026 in the principal amount of US$194,506,648.

The Company has then announced the proposed restructuring of the existing liabilities outstanding under the New Senior Notes, and entered into a restructuring support agreement with the noteholders in support of the implementation of the debt restructuring via a scheme of arrangement in the Cayman Islands (the "Restructuring Scheme").

During the Year, notice of scheme meeting in the Grand Court of the Cayman Islands has been issued to scheme creditors for the purpose of considering and, if thought fit, approving the Restructuring Scheme. On 19 February 2024, the Restructuring Scheme was approved by the scheme creditors and on 28 February 2024, the Grand Court of the Cayman Islands sanctioned the Restructuring Scheme without modification.

Pursuant to the order and on 14 March 2024, the Company has paid the noteholders to redeem all of the outstanding Senior Notes together with accrued but unpaid interest. On 18 March 2024, the Senior Notes have all been redeemed and cancelled thereafter. After such redemption and cancellation, there was no outstanding Senior Notes issued by the Company, and the Senior Notes has been delisted from the Singapore Exchange Securities Trading Limited.

Following the completion of the Restructuring Scheme, the Group recognised a gain of US$152,704,000 (equivalent to approximately RMB1,083,407,000) from the extinguishment of the New Senior Notes in the profit or loss for the Year.

For details, please refer to the Company's announcements dated 6 December 2023, 24 January 2024, 8 February 2024, 20 February 2024, 1 March 2024, 11 March 2024 and 14 March 2024 as well as the annual results announcement dated 27 March 2024 and the 2023 annual report of the Company.

Arbitration

Reference is made to the announcement of the Company dated 11 November 2016 (the "Announcement") in respect of, amongst other things, the acquisition of 70% equity interests in Guangzhou Shengshiyuan Trading Company Limited ("Shengshiyuan") and announcements of the Company dated 14 June 2023, 6 March 2024, 8 April 2024 and 22 July 2024 (the "Arbitration Announcements") in relation to arbitration from two vendors of Shengshiyuan against the Company. Unless otherwise stated herein, capitalised terms used herein shall have the same meanings as those defined in the Announcement and Arbitration Announcements.

During the Year, two of the vendors of the Shengshiyuan holding 6% and 3% of Shengshiyuan, respectively, requested the Company to acquire their respective equity interests in the 30% equity interest of Shengshiyuan at a consideration of RMB22,542,000 and RMB11,270,000, respectively, calculated according to a 10 times price to 2019 Net Profit (being RMB37,570,000), and demanded for liquidated damage from the Company for not honoring the Share Transfer Agreement to acquire the Remaining Interest upon their fulfilment of profit guarantee for the three years ended 31 December 2019 without any separate agreement being entered among the vendors of Shengshiyuan for such acquisition.

In July 2024, the Group has received a withdrawal decision from Arbitration Centre for the termination of the Second Arbitration as the Company and one of the vendors of Shengshiyuan has reached a mutual consent on the purchase of his remaining 3% of equity interest of Shengshiyuan.

The Company has sought legal representative to apply to the Shanghai Second Intermediate People's Court for revocation of Arbitration Results concluded on 28 February 2024 in relation to the First Arbitration, and will keep the shareholders and potential investors of the Company informed of any further significant development in relation to the final decision of revocation of such verdict results as and when appropriate as the legal proceeding is still in progress as at the date of this announcement.

For details, please refer to the Arbitration Announcements of the Company dated 14 June 2023, 6 March 2024, 8 April 2024 and 22 July 2024.

Disposal of Anbaida Group Companies and Discontinued Operation

References are made to the announcement and the supplemental announcement of the Company dated 30 December 2022 and 23 March 2023 and the circular of the Company dated 13 December 2023 in relation to the equity transfer agreement, pursuant to which a subsidiary of the Company conditionally agreed to sell, and Mr. Li Bin conditionally agreed to acquire the shares of Anbaida Group Companies at a Consideration of RMB574,750,000 (the "Disposal").

On 28 December 2023, the Company convened an extraordinary general meeting to approve all related resolutions in relation to the Disposal, and all resolutions were duly passed. Since all the conditions precedent under the equity transfer agreement have been fulfilled and the completion took place on 12 January 2024 in accordance with the terms of the equity transfer agreement. Following the completion, the Company has ceased to hold any equity interests in Anbaida Group Companies. Accordingly, Anbaida Group Companies have ceased to be the subsidiaries of the Company and will no longer be consolidated into the financial statements of the Group, and hence it is therefore reclassified to discontinued operation in the consolidated financial statements of the Company.

Impairment of Goodwill, Other Intangible Assets, Property, Plant and Equipment and Right-of-use Assets

As at 31 December 2024, the Group performed a year end impairment test on goodwill, property, plant and equipment, right-of-use assets and other intangible assets (which included distribution rights and customer relationship) by performing discounted free cash flow forecasts for each of the following cash-generating units (the "CGU") under the segments of imaging printing products and medical products and equipment.

CGUs	**Reporting segments**
CGU of medical equipment and reagents	Medical products and equipment
CGU of medical films	Medical products and equipment
CGU of industrial films	Imaging printing products

Goodwill acquired through business acquisition is allocated to the CGU of Guangzhou Hongen Medical Diagnostic Technologies Co., Ltd. ("Hongen"), a non-wholly owned subsidiary of the Company and is included in the medical products and equipment segment.

The impairment test on goodwill is performed annually. The recoverable amount of the CGU of Hongen has been determined based on a fair value less costs of disposal calculation using cash flow projection based on a financial budget covering a five-year period approved by management.

Taking into consideration the projection on Hongen's future performance and financial results, the Group did not recognise any impairment loss on goodwill for the Year (2023: Nil).

During the Year, the Company also assessed the impairment of the CGUs of medical equipment and reagents, medical films and industrial films as mentioned above due to the impact on the Group's revenue caused by China's national and provincial drug bulk schemes and sharing medical imaging data nationwide. For the purpose of impairment testing, other intangible assets, certain property, plant and equipment and right-of-use assets related to these CGUs have been allocated to the respective CGUs.

The recoverable amount of the respective CGUs has been determined based on a fair value less costs of disposal calculation using cash flow projection based on financial budget covering either a period of other intangible assets' residual useful lives or a five-year period approved by management.

Assumptions comprising budgeted sales and gross margins, discount rates, operating expense rates and growth rate beyond the forecast period, were used in the fair value less costs of disposal calculation of the respective CGUs for the Year.

Based on the impairment assessment, the recoverable amounts of the related CGUs (except Hongen) under the segments of medical products and equipment and imaging printing products were lower than their carrying value as at 31 December 2024. The impairment losses were allocated to the carrying amounts of property, plant and equipment, right-of-use assets and other intangible assets within the respective CGUs. As a result of the impairment loss, the carrying amounts of property, plant and equipment, right-of-use assets and other intangible assets were reduced by RMB107,422,000, RMB21,559,000 and RMB51,470,000, respectively for the Year (2023: Nil).

Reversal of Financial Assets Impairment Loss under Expected Credit Loss Model

Certain financial assets impairment losses of RMB28.5 million under expected credit loss methodology was recovered and reversed for the Year (2023: RMB49.3 million). The reversal was due to the settlement of principal amount of investment products from a company and short-term loans from a business party during the Year.

FINANCIAL REVIEW

The Group's overall revenue for the Year decreased by 17.3% YoY to RMB2,409.9 million (2023: RMB2,912.7 million). Gross profit from operations dropped by 22.2% YoY to RMB399.2 million (2023: RMB512.8 million) and gross profit margin from operations dropped from 17.6% to 16.6%, mainly due to the impact of the national policy of centralised procurement on the Group. Selling and distribution expenses rose by 31.0% YoY to RMB152.4 million (2023: RMB116.4 million), which was attributable to the increase in marketing expenses for the newly launched products during the Year. Administrative expenses decreased by 20.5% YoY to RMB210.0 million (2023: RMB264.2 million) due to the absence of professional fees and expenses relating to the debt restructuring of the Company during the Year. In addition, impairment loss on non-financial assets, including intangible assets, fixed assets and right-of-use assets, amounted to RMB180.5 million. Profit attributable to the owners of the Company from continuing operations for the Year was approximately RMB921.1 million (2023: loss of RMB9.3 million). Basic earnings per share from continuing operations amounted to RMB39.5 cents (2023: loss per share of RMB0.4 cent). The Board has resolved not to declare any dividend for the Year (2023: Nil).

Medical Business — 90.3% of Overall Revenue

In 2024, there was a decline in the demand for the Group's IVD consumables due to the impact of the national policy of centralised procurement. Revenue from the operations of the segment of medical products and equipment was RMB2,176.2 million (2023: RMB2,676.0 million), representing a YoY decrease of 18.7%. Gross profit from the operations of this segment was RMB358.3 million (2023: RMB470.4 million). Gross profit margin from the operations of this segment decreased by 1.1 percentage points ("p. p.") to approximately 16.5% (2023: 17.6%), mainly attributable to the price reduction policy of the Group for this segment.

Numbers of Hospitals and Clinics Covered

For the year ended 31 December	2024	2023	YOY change
Provinces			
Anhui	**9**	27	−67%
Fujian	**76**	89	−15%
Guangdong	**329**	331	−1%
Guangxi	**11**	40	−73%
Guizhou	**4**	4	—
Hainan	**42**	52	−19%
Hebei	**66**	54	22%
Hunan	**0**	31	−100%
Jiangsu	**276**	276	—
Autonomous region			
Inner Mongolia	**0**	2	−100%
Tier-1 cities			
Beijing	**240**	223	8%
Guangzhou	**104**	126	−17%
Shanghai	**0**	315	−100%
Shenzhen	**69**	69	—
Overall	**1,226**	1,639	−25%

Non-medical Business — 9.7% of Overall Revenue

Apart from the medical business segment, the Group's non-medical business mainly consists of the manufacturing, marketing, distribution and sale of Fujifilm colour photographic paper (professional and minilab), as well as industrial imaging products (NDT x-ray films and PWB films) in the PRC. The Group also manufactures, markets and sells NDT x-ray film under the house brand "Yes!Star". The demand for this segment has been relatively stable and has therefore been generating stable cash flow for the Group over the past few years. Overall revenue from the non-medical business for 2024 dropped by 1.3% YoY to RMB233.7 million (2023: RMB236.8 million) due to the fall of the overall industrial and property markets, which in turn led to a decrease in the demand for the Group's industrial imaging products and films during the Year. Gross profit margin of this segment decreased by 0.4 p.p. to 17.5% (2023: 17.9%), which was mainly attributable to the drop in the demand for products with high gross profit margin. Despite the decrease in the sales income from the non-medical business segment, the Group is still confident about the market of industrial imaging products and will actively explore new sectors so as to lay the foundation for achieving sustainable financial results in the future.

Liquidity and Financial Resources

The Group has cash and cash equivalents of approximately RMB93.8 million as at 31 December 2024 (2023: approximately RMB203.1 million). The decrease in cash and cash equivalents was mainly due to the full redemption of all outstanding Senior Notes and payment of related interests.

As at 31 December 2024, the Group's gearing ratio was approximately 29% (2023: approximately 150%), calculated as the net debt which includes the interest-bearing bank loans and other borrowings less cash and cash equivalents dividend by equity attributable to owners of the parent plus net debt at the end of 31 December 2024.

The total interest-bearing loans and other borrowings of the Group as at 31 December 2024 was approximately RMB279.5 million (2023: approximately RMB1,571.6 million). As at 31 December 2024, all borrowings of the Group are principally denominated in Chinese Yuan (RMB), which is also the presentation currency of the Group.

The current ratio as at the end of December 2024 was approximately 1.35 (2023: approximately 0.77), based on current assets of approximately RMB1,086.1 million and current liabilities of approximately RMB805.3 million.

As at 31 December 2024, the total assets of the Group was RMB1,430.1 million, net current assets was RMB280.8 million and profit attributable to shareholders was RMB461.6 million.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by approximately 31.0% from approximately RMB116.4 million in 2023 to approximately RMB152.4 million in 2024, and accounted for about 6.3% in 2024 and about 4.0% in 2023, of the Group's revenue for the respective reporting years. Such increase was mainly attributable to increase in marketing expenses for the newly launched products during the Year.

Administrative Expenses

The Group's administrative expenses decreased by about 20.5% from approximately RMB264.2 million in 2023 to approximately RMB210.0 million in 2024, and accounted for about 8.7% in 2024 and about 9.1% in 2023, of the Group's revenue for the respective reporting years. Such decrease was mainly due to the absence of professional fees and expenses relating to debt restructuring of the Company during the Year.

Finance Costs

The Group's finance costs consisted mainly of interest expenses on Senior Notes, bank loan and other borrowings. The aggregate amount of interest incurred was approximately RMB30.2 million (2023: approximately RMB164.7 million). Such decrease was mainly due to the significant decrease in interest expenses on Senior Notes after full redemption during the Year.

For the Year, interest rates of the interest-bearing loans ranged from 1.80% to 9.00%; while those for the year ended 31 December 2023 ranged from 2.47% to 6.90%.

Foreign Exchange Exposure

Most of the revenue-generating operations of the Group were transacted in Chinese Yuan which is the presentation currency of the Group. For the Year, the Group was exposed to foreign currency risk arising from the purchase of US dollars and secured bank loans in US dollars. The Group will monitor its foreign currency exposure closely to minimise the exchange risk.

Share Capital and Capital structure

During the Year, there has been no change to the shares in issue and capital structure of the Company. The capital of the Company comprises ordinary shares and capital reserve.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group finances its working capital requirements through a combination of funds generated from operations and bank borrowings as well as conducting a restructuring on the Senior Notes which has completed during the Year.

Human Resources and Remuneration Policies

As at 31 December 2024, the Group's continuing operations had 627 (2023: 713) employees, including Directors. Total staff costs (including Directors' emoluments) of the continuing operation were approximately RMB163.1 million for the Year as compared to approximately RMB163.5 million for the year ended 31 December 2023.

The remuneration policy of the Group is to ensure the fairness and competitiveness of total remuneration. The emoluments of executive Directors are determined based on the skills, knowledge, individual performance as well as contributions, the scope of responsibility and accountability of such Directors, taking into consideration the Company's performance and prevailing market conditions. The remuneration policy of independent non-executive Directors is to ensure that they are adequately compensated for their efforts and time dedicated to the Company's affairs including their participation in respective Board committees. Their emoluments are determined with reference to their skills, experience, knowledge, duties and market trends.

On top of basic salaries, bonuses may be paid by reference to the Group's performance as well as individual's performance. For the Year, bonus was paid to Directors by the Company. Other staff benefits include provision of welfare schemes covering pension insurance, unemployment insurance, maternity insurance, injury insurance and medical insurance and central pension scheme.

Since the contribution to the pension schemes and for the Year, there was no contributions forfeited by the Group (31 December 2023: Nil) on behalf of its employees who leave the plan prior to vesting fully in such contribution, nor had there been any utilization of such forfeited contributions to reduce future contributions.

As at 31 December 2024, no forfeited contributions were available for utilization by the Group to reduce the existing level of contributions as described in paragraph 26(2) of Appendix D2 to the Listing Rules.

Significant investments held

The Group holds two one-year fixed-interest (annual interest rate: 6%) investment products from a company with the principal amount of US$3.7 million and US$4.4 million since 2022, which were expired on 31 May 2023 and 4 July 2023, respectively without renewal by the Group upon expiry.

The Group then agreed on the repayment plan with that company for the outstanding principal and interest relating to the above two investment products.

As at 31 December 2024, that company has settled a total amount of US$5.0 million (2023: US$4.9 million). The Company will keep a close monitor on collecting the outstanding receivable.

Save as disclosed above and except for investment in subsidiaries during the Year, the Group did not hold any significant investment in equity interest in any other company.

Securities Investments

The Group did not have any securities investment in any investee company with a value of 5% or more of the total assets of the Group as at 31 December 2024, which is required to be disclosed under the Listing Rules.

Future plans for material investments and capital assets

The Group did not have any other plans for material investments and capital assets as at the date of this announcement.

Capital Commitments

As at 31 December 2024, the Group had outstanding capital commitments of RMB5,956,000 which was related to acquisition of property, plant and equipment.

Material acquisitions and disposals of subsidiaries and affiliated companies

Save as disclosed above headed "Disposal of Anbaida Group Companies and Discontinued Operation" in this section and disclosed below headed "Disposal of Subsidiary" in Events after the Reporting Period of this announcement, the Group did not have any other material acquisitions and disposals of subsidiaries and affiliated companies during the Year.

Guarantee Performance in relation to the Acquisitions

Save as disclosed above, the Group did not enter into any acquisition, which is required to be disclosed under the Listing Rules, that the party in contract required to commit or guarantee on the financial performance in any kinds for the year ended 31 December 2024.

Charges of Assets

As at 31 December 2024, certain of the Group's buildings with a net carrying amount of approximately RMB71,723,000 (2023: RMB77,444,000) were pledged as well as guarantee provided by the Company's subsidiaries to secure bank loans of RMB105,000,000 (2023: RMB61,124,000) for the Group.

In addition, the Group's bank loans of RMB131,619,000 (2023: RMB84,000,000) were guaranteed by either a non-controlling shareholder or the Company's subsidiaries.

Contingent liabilities

Save as disclosed above headed "Arbitration" in this section, the Group had no material contingent liabilities as at 31 December 2024.

PROSPECT

Looking forward, the industry will see speedier transformation towards high-end and intelligent development. It is expected that the size of the medical device market will reach RMB1.5 trillion in 2025 and exceed RMB2.5 trillion in 2030, the import substitution rate of domestic high-end equipment is planned to increase to 45%, and precision medicine and AI technology are likely to lead the next stage of growth. With technological innovation and favourable policies as two driving forces, the PRC medical and healthcare industry continues to consolidate its leading position as the world's second largest medical device market.

In view of this, the Group plans to continue its overseas efforts in 2025 in its key established markets, including, among others, Vietnam, Indonesia, Thailand, Afghanistan and Iraq, to consolidate the market share of its own branded medical imaging products in these regions. At the same time, the Group will also actively explore new markets and continue to step up market expansion in Southeast Asia and the Middle East, such as the Philippines, Malaysia, Turkey, Iran and India, in order to further expand its business foothold abroad.

In the future, the Group will continue to seek greater market coverage by enriching its product mix of film cameras, with a view to creating new points of profit growth and contributing to the continuation and development of the culture of film photography. It will also expand its markets at home and abroad by adopting a brand value differentiation strategy and embracing the vintage photography culture. It will strengthen its market competitiveness by actively seeking the combination of intelligent innovation of film cameras and traditional imaging techniques, optimising film imaging technology, creating an online and offline sales model, and perfecting imaging ancillary services.

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities (including sale of treasury shares)

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year (including sale of treasury shares (as defined under the Listing Rules).

As at 31 December 2024, there were no treasury shares (as defined under the Listing Rules) held by the Company.

Non-Competition Undertaking from Controlling Shareholders

Each of Ms. Hartono Jeane, Mr. Hartono James, Mr. Hartono Rico and Ms. Hartono Chen Chen Irene (the "Controlling Shareholders") gave a non-competition undertaking in favour of the Company, pursuant to which each of the Controlling Shareholders undertakes and covenants with the Company that he/she will not, and will procure that none of his/her associates shall directly or indirectly, either on his/her own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, director, partner, agent, employee, or otherwise, and whether for profit, reward or otherwise) any right or interest in or render any services to or otherwise be involved in any business directly or indirectly in competition with, or likely to be in competition with, the image-printing business and the medical imaging business carried out by the Group in the PRC.

The Company has received the confirmation from each of the Controlling Shareholders in respect of their compliance with the terms of non-competition undertaking for the Year.

The Board comprising all independent non-executive Directors had reviewed and confirmed that the Controlling Shareholders have complied with the non-competition undertaking and the non-competition undertaking has been enforced by the Company in accordance with its terms during the Year.

Code of Conduct for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 of the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors.

Specific enquiries have been made with all Directors, all Directors confirmed in writing that they have complied with the required standard set out in the Model Code regarding their securities transactions for the Year.

The Board has also adopted the Model Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company under the CG Code. No incident of non-compliance with the Model Code by the Company's relevant employees has been noted during the Year after making reasonable enquiry.

Corporate Governance Practices

Throughout the Year, the Directors considered that the Company has complied with all corporate governance codes ("CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), save for the following:

Code Provisions C.1.6

Under Code Provision C.1.6 of the CG Code, independent non-executive Directors and other non-executive Directors should attend general meetings. Mr. Hartono James ("Mr. Hartono"), the non-executive director, did not attend the annual general meeting held on 31 May 2024 ("2024 AGM") due to his prior business commitment.

Code Provision F.2.2

Under Code Provision F.2.2 of the CG Code, the chairman of the Board should attend the annual general meeting. Mr. Hartono, the chairman of the Board, did not attend the 2024 AGM due to his prior business commitment.

Review of Annual Results

The consolidated financial results of the Group for the Year have been reviewed by the audit committee of the Company and the figures in respect of the consolidated statement of profit or loss, consolidated statement comprehensive income, consolidated statement of financial position of the Group, and the related notes thereto for the Year as set out in this announcement have been agreed by our auditors, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by BDO Limited on this announcement.

Final Dividend

The Board did not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

Annual General Meeting

The annual general meeting of the Company (the "AGM") will be held on 30 May 2025 (Friday). The notice of the AGM will be published on the website of the Stock Exchange at http://www.hkexnews.hk and the Company's website at http://www.yestarcorp.com and will be despatched to the shareholders of the Company, together with the Company's annual report who wish to receive a printed copy of the corporate communication in due course.

Closure of Register of Members

The register of members of the Company will be closed from 27 May 2025 (Tuesday) to 30 May 2025 (Friday) (both days inclusive), during which period no transfers of shares will be registered, for the purpose of ascertaining the shareholders entitled to attend and vote at the AGM. In order to qualify for attending and voting at the AGM, all transfer document, accompanied by the relevant share certificates, must be lodged with the Company's Branch Share Registrars in Hong Kong, MUFG Corporate Markets Pty Limited at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Hong Kong for registration not later than 4:30 p.m. on 26 May 2025 (Monday).

Publication of Annual Results Announcement and Annual Report

The Company's annual results announcement is published on the website of the Stock Exchange at http://www.hkexnews.hk and the Company's website at http://www.yestarcorp.com.

The annual report of the Company for the year ended 31 December 2024 containing the information required by Appendix D2 of the Listing Rules will be dispatched to the shareholders who wish to receive a printed copy of the corporate communication in due course.

EVENTS AFTER THE REPORTING PERIOD

Appointment of Receivers

On 21 January 2025, the Company received a letter from Mr. Fok Hei Yu and Mr. Chow Wai Shing Daniel of FTI Consulting (the "Receivers"), who have been appointed as the joint and several receivers of 267,890,000 shares of the Company (the "Charged Shares") held by Mr. Hartono James ("Mr. James"), a non-executive director of the Company. The Charged Shares, as security of the loan to Mr. James in favour of the lender in 2017, represent approximately 11.49% of the total issued shares of the Company as at the date of this announcement.

On 7 March 2025, the Board has been informed by Mr. James that he has entered into a settlement agreement with the lender in relation to the Charged Shares in connection with the appointment of the Receivers. As a result, the Receivers over the Charged Shares will retire and the Charged Shares will be released upon full settlement of the agreed amount with reference to the instalment schedule pursuant to the aforementioned settlement agreement.

The Board wishes to emphasise that the abovementioned receivership and entering into the settlement agreement does not concern the Company itself or its assets and the Company's current business and operation remain as usual.

For details, please refer to the announcements of the Company dated 13 November 2017, 21 January 2025 and 7 March 2025.

Dissolution of Subsidiary

On 24 January 2025, the shareholders of Shenzhen Derunlijia Co., Ltd. ("Derunlijia"), a subsidiary in which the Company holds 70% equity interest, passed a resolution to dissolve this subsidiary voluntarily and a liquidation group was established to oversee the dissolution process. Since the Board considered that Derunlijia is an insignificant company, the dissolution is not expected to have a material impact on the Group's financial position or results of operations upon its dissolution.

Save as disclosed above, the Group has no significant events after the reporting period and up to the date of this announcement.

APPRECIATION

I, as CEO of the Company, would like to thank the Chairman, the Board, the management and all of our staff for their hard work and dedication, as well as our shareholders and customers for their continuous support to the Group.

By Order of the Board
Yestar Healthcare Holdings Company Limited
巨星醫療控股有限公司
Liao Changxiang
CEO and executive Director

28 March 2025

As at the date of this announcement, the executive Directors are Ms. Liao Changxiang and Mr. Qiao Jinrong; the non-executive Director is Mr. Hartono James; and the independent non-executive Directors are Mr. Zeng Jinsong, Mr. Zhao Ziwei and Mr. Koeswondo Michael David.