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## **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 2025**

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 2025 (the “Year”) together with comparative figures for the year ended 31 December 2024. 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 2025*

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <b>RMB'000</b>
<b>Continuing operations</b>			
<b>Revenue</b>	4	<b>1,490,029</b>	2,409,916
Cost of sales		<u><b>(1,223,165)</b></u>	<u>(2,010,714)</u>
Gross profit		<b>266,864</b>	399,202
Gain on extinguishment of senior notes	4	—	1,083,407
Other income and gains	4	<b>18,341</b>	16,408
Distribution and selling expenses		<b>(88,884)</b>	(152,426)
Administrative expenses		<b>(149,377)</b>	(209,979)
Impairment loss on non-financial assets		<b>(61,586)</b>	(180,491)
(Provision for)/reversal of impairment losses on financial assets, net		<b>(16,391)</b>	23,836
Other expenses		<b>(9,870)</b>	(20,152)
Finance costs	5	<u><b>(10,916)</b></u>	<u>(30,162)</u>

	<i>Notes</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>(Loss)/profit before income tax</b>	6	<b>(51,819)</b>	929,643
Income tax expense	7	<u><b>(17,354)</b></u>	<u>(26,666)</u>
<b>(Loss)/profit for the year from continuing operations</b>		<b>(69,173)</b>	902,977
<b>Discontinued operation</b>			
Profit for the year from discontinued operation, net of tax		<u>—</u>	<u>536</u>
<b>(Loss)/profit for the year</b>		<u><b>(69,173)</b></u>	<u>903,513</u>
<b>Attributable to:</b>			
Owners of the Company			
— from continuing operations		<b>(75,030)</b>	921,078
— from discontinued operation		<u>—</u>	<u>536</u>
		<u><b>(75,030)</b></u>	<u>921,614</u>
Non-controlling interests			
— from continuing operations		<b>5,857</b>	(18,101)
— from discontinued operation		<u>—</u>	<u>—</u>
		<u><b>5,857</b></u>	<u>(18,101)</u>
		<u><b>(69,173)</b></u>	<u>903,513</u>
<b>(Loss)/earnings per share from continuing operations attributable to owners of the Company</b>			
— Basic and diluted (RMB cents)	9	<b>(3.22)</b>	39.50
<b>(Loss)/earnings per share attributable to owners of the Company</b>			
— Basic and diluted (RMB cents)	9	<u><b>(3.22)</b></u>	<u>39.53</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>(Loss)/profit for the year</b>	<u><b>(69,173)</b></u>	<u>903,513</u>
<b>Other comprehensive income</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	3,886	(6,715)
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of the Company	<u>(4,475)</u>	<u>(2,659)</u>
<b>Other comprehensive income for the year, net of tax</b>	<u><b>(589)</b></u>	<u>(9,374)</u>
<b>Total comprehensive income for the year</b>	<u><b>(69,762)</b></u>	<u>894,139</u>
<b>Attributable to:</b>		
Owners of the Company		
— from continuing operations	(75,619)	911,704
— from discontinued operation	<u>—</u>	<u>536</u>
	<u><b>(75,619)</b></u>	<u>912,240</u>
Non-controlling interests		
— from continuing operations	5,857	(18,101)
— from discontinued operation	<u>—</u>	<u>—</u>
	<u><b>5,857</b></u>	<u>(18,101)</u>
	<u><b>(69,762)</b></u>	<u>894,139</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>72,387</b>	85,926
Right-of-use assets		<b>27,466</b>	34,962
Other intangible assets		<b>87,262</b>	103,877
Goodwill		<b>55,869</b>	100,650
Deposits paid for acquisition of property, plant and equipment		<b>13,010</b>	—
Deferred tax assets		<b>14,933</b>	18,568
		<hr/>	<hr/>
Total non-current assets		<b>270,927</b>	343,983
<b>Current assets</b>			
Inventories		<b>194,269</b>	281,284
Trade and bills receivables	10	<b>363,302</b>	582,513
Prepayments and other receivables	11	<b>131,328</b>	128,490
Pledged deposits		<b>47</b>	47
Cash and cash equivalents		<b>234,359</b>	93,765
		<hr/>	<hr/>
Total current assets		<b>923,305</b>	1,086,099
<b>Current liabilities</b>			
Interest-bearing bank and other borrowings		<b>160,900</b>	272,519
Trade payables	12	<b>207,328</b>	230,570
Contract liabilities		<b>33,948</b>	26,845
Other payables and accruals	13	<b>194,960</b>	191,383
Lease liabilities		<b>12,337</b>	22,550
Tax payable		<b>66,126</b>	61,403
		<hr/>	<hr/>
Total current liabilities		<b>675,599</b>	805,270
		<hr/>	<hr/>
<b>Net current assets</b>		<b>247,706</b>	280,829
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>518,633</b>	624,812
		<hr/>	<hr/>

	<i>Note</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Non-current liabilities</b>			
Interest-bearing bank borrowings		<b>24,740</b>	7,000
Lease liabilities		<b>12,983</b>	14,827
Deferred tax liabilities		<b>44,065</b>	48,196
Other payables	13	<b>29,115</b>	46,548
		<hr/>	<hr/>
Total non-current liabilities		<b>110,903</b>	116,571
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>407,730</b>	508,241
		<hr/> <hr/>	<hr/> <hr/>
<b>Equity</b>			
Equity attributable to owners of the Company			
Share capital		<b>46,576</b>	46,576
Reserves		<b>331,524</b>	415,023
		<hr/>	<hr/>
		<b>378,100</b>	461,599
		<hr/>	<hr/>
Non-controlling interests		<b>29,630</b>	46,642
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>407,730</b>	508,241
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## NOTES

*For the year ended 31 December 2025*

### 1. CORPORATE AND GROUP INFORMATION

Yestar Healthcare Holdings Company Limited (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.

### 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.

#### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power on the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

## 2.2 CHANGE IN ACCOUNTING POLICIES

The Group has adopted amendments to IAS21 and IFRS 1 Lack of Exchangeability for the first time for the current year's financial statements. 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, potentially relevant to the Group's financial statements, 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 IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity <sup>1</sup>
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11 <sup>1</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
IFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company are 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 and 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 and interest-bearing bank and other borrowings which are directly attributable to the business activities of the operating segments and exclude corporate and unallocated corporate liabilities.

Year ended 31 December 2025	Continuing operations		Total RMB'000
	Imaging printing products RMB'000	Medical products and equipment RMB'000	
<b>Segment revenue</b>			
Sales to external customers	168,362	1,321,667	1,490,029
Intersegment sales	—	—	—
	<u>168,362</u>	<u>1,321,667</u>	<u>1,490,029</u>
<i>Reconciliation:</i>			
Elimination of intersegment sales	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>
Revenue	<u>168,362</u>	<u>1,321,667</u>	<u>1,490,029</u>
<b>Segment results</b>	(21,909)	(10,262)	(32,171)
<i>Reconciliation:</i>			
Corporate and other unallocated income and expenses, net			<u>(19,648)</u>
Loss before income tax from continuing operations			<u>(51,819)</u>
<b>As at 31 December 2025</b>			
<b>Segment assets</b>	139,625	987,663	1,127,288
<i>Reconciliation:</i>			
Corporate and other unallocated assets			<u>66,944</u>
Consolidated total assets			<u>1,194,232</u>
<b>Segment liabilities</b>	93,575	669,097	762,672
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			<u>23,830</u>
Consolidated total liabilities			<u>786,502</u>

Year ended 31 December 2025	Continuing operations			Total RMB'000
	Imaging printing products RMB'000	Medical products and equipment RMB'000	Corporate and unallocated RMB'000	
<b>Other segment information</b>				
Depreciation of property, plant and equipment	1,315	9,505	—	10,820
Depreciation of right-of-use assets	533	12,118	—	12,651
Amortisation of other intangible assets	50	14,646	—	14,696
Reversal of allowance for inventories	(299)	(1,481)	—	(1,780)
Provision for/(reversal of) impairment losses on financial assets, net	998	(2,463)	17,856	16,391
Impairment of goodwill	—	44,781	—	44,781
Impairment of other intangible assets	—	1,919	—	1,919
Impairment of property plant and equipment	838	7,834	—	8,672
Impairment of right-of-use assets	1,411	4,803	—	6,214
Gain on disposal of property, plant and equipment	72	1,923	—	1,995
Gain on lease modification	—	1,136	—	1,136
Interest income	111	1,007	9	1,127
Finance costs	1,763	9,153	—	10,916
Capital expenditure*	921	7,982	—	8,903

\* Capital expenditure consists of additions to property, plant and equipment.

<b>Year ended 31 December 2024</b>	Continuing operations		
	Imaging printing products <i>RMB'000</i>	Medical products and equipment <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Segment revenue</b>			
Sales to external customers	233,698	2,176,218	2,409,916
Intersegment sales	<u>84,200</u>	<u>400,678</u>	<u>484,878</u>
	317,898	2,576,896	2,894,794
<i>Reconciliation:</i>			
Elimination of intersegment sales	<u>(84,200)</u>	<u>(400,678)</u>	<u>(484,878)</u>
Revenue	<u>233,698</u>	<u>2,176,218</u>	<u>2,409,916</u>
<b>Segment results (note)</b>	(40,082)	939,683	899,601
<i>Reconciliation:</i>			
Corporate and other unallocated income and expenses, net			<u>30,042</u>
Profit before income tax			<u>929,643</u>
<b>As at 31 December 2024</b>			
<b>Segment assets (note)</b>	139,374	1,285,767	1,425,141
<i>Reconciliation:</i>			
Corporate and other unallocated assets			<u>4,941</u>
Consolidated total assets			<u>1,430,082</u>
<b>Segment liabilities</b>	170,110	727,925	898,035
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			<u>23,806</u>
Consolidated total liabilities			<u>921,841</u>

Year ended 31 December 2024	Continuing operations			Total RMB'000
	Imaging printing products RMB'000	Medical products and equipment RMB'000	Corporate and unallocated RMB'000	
<b>Other segment information</b>				
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 ( <i>note</i> )	(15,925)	20,741	(28,652)	(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.

*Note:*

Having considered the nature of the loans provided to a business partner (note 11) is for business development of the Group, the management considered that it is more appropriate to classify such assets as corporate assets rather than as segment assets under the imaging printing products segment as in the case in the previous years. To conform to current year's presentation, segment loss of imaging printing products segment for the year ended 31 December 2024 increased by RMB28,429,000 to RMB40,082,000 whereas corporate income for the year ended 31 December 2024 increased by the same extent to RMB30,042,000, which is resulted from reclassifying reversal of impairment for such loans receivables amounting to RMB28,429,000 as corporate income.

**Information about a major customer**

During the year ended 31 December 2025, the Group had one customer from whom revenue of RMB233,199,000 (2024: RMB558,271,000) was generated through the sale of medical imaging products and printing imaging products, which accounted for approximately 15.7% (2024: approximately 23.2%) 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:

	2025 <i>RMB'000</i>	2024 RMB'000
<b>Continuing operations</b>		
Revenue from contracts with customers	<u>1,490,029</u>	<u>2,409,916</u>

### Revenue from contracts with customers

#### (i) *Disaggregated revenue information*

For the year ended 31 December 2025

Segments	Imaging printing products <i>RMB'000</i>	Medical products and equipment <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Continuing operations</b>			
<b>Types of goods or services</b>			
Sale of goods	165,027	1,297,551	1,462,578
Rendering of services	<u>3,335</u>	<u>24,116</u>	<u>27,451</u>
Total revenue from contracts with customers	<u>168,362</u>	<u>1,321,667</u>	<u>1,490,029</u>
<b>Timing of revenue recognition</b>			
Goods transferred at a point in time	165,027	1,297,551	1,462,578
Services transferred over time	<u>3,335</u>	<u>24,116</u>	<u>27,451</u>
Total revenue from contracts with customers	<u>168,362</u>	<u>1,321,667</u>	<u>1,490,029</u>

**For the year ended 31 December 2024**

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

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:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	<b>18,626</b>	22,011
Rendering of services	<u><b>8,219</b></u>	<u>11,832</u>
	<u><u><b>26,845</b></u></u>	<u><u>33,843</u></u>

**(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:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Amounts expected to be recognised as revenue:		
Within one year	<b>33,948</b>	26,845

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.

(iv) *Other income and gains*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Continuing operations</b>		
Government grants ( <i>note</i> )	13,713	13,796
Interest income	1,127	1,488
Gain on disposal of property, plant and equipment	1,995	32
Gain on lease modification	1,136	—
Others	370	1,092
	<u>18,341</u>	<u>16,408</u>

*Note:*

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, and value-added tax super-deduction concessions granted by the PRC government. There are no unfulfilled conditions and other contingencies relating to these grants.

**5. FINANCE COSTS**

An analysis of finance costs is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Continuing operations</b>		
Interest on bank loans, overdrafts and other borrowings	9,304	26,685
Interest on lease liabilities	1,367	2,380
Interest on overdue equity acquisition consideration	—	774
Interest arising from discounted bills	245	323
	<u>10,916</u>	<u>30,162</u>

## 6. (LOSS)/PROFIT BEFORE INCOME TAX

The Group's (loss)/profit before income tax is arrived at after charging/(crediting):

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>Continuing operations</b>		
Auditor's remuneration	2,600	2,950
Cost of inventories sold and services provided (including the related depreciation and amortisation), also included:	1,223,165	2,010,714
— (Reversal of)/provision for allowance for inventories	(1,780)	12,026
Depreciation of property, plant and equipment	10,820	25,050
Depreciation of right-of-use assets	12,651	32,054
Amortisation of other intangible assets	14,696	22,611
Impairment of non-financial assets:		
— Property, plant and equipment	8,672	107,422
— Right-of-use assets	6,214	21,599
— Other intangible assets	1,919	51,470
— Goodwill	44,781	—
	<u>61,586</u>	<u>180,491</u>
Research and development costs	11,441	33,799
Expenses related to short-term leases	6,593	5,957
Employee benefit expense:		
Wages and salaries	132,107	150,425
Pension scheme contributions	10,065	12,634
	<u>142,172</u>	<u>163,059</u>
Foreign exchange differences, net	<u>873</u>	<u>12,057</u>

## 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% (2024: 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 Medical”) which have been accredited as a high and new technology enterprise (“HNTE”) in the years ended 31 December 2025 and 2024. 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:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Continuing operations</b>		
Current tax — PRC		
Charge for the year	<b>13,993</b>	31,212
Under-provision in respect of previous years	<b>3,857</b>	10,329
	<b>17,850</b>	41,541
Deferred tax	<b>(496)</b>	(14,875)
Income tax expense	<b>17,354</b>	26,666

## 8. DIVIDENDS

There was no proposed final dividend for the year ended 31 December 2025 (2024: nil) which would be subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

The calculation of the basic (loss)/earnings per share amount is based on the (loss)/profit 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 2025 and 2024.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>(Loss)/profit</b>		
(Loss)/profit for the year attributable to owners of the Company, used in the basic (loss)/earnings per share calculation:		
— from continuing operations	(75,030)	921,078
— from discontinued operation	—	536
	<u>(75,030)</u>	<u>921,614</u>
	2025 <i>'000</i>	2024 <i>'000</i>
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the year used in the basic (loss)/earnings per share calculation	2,331,590	2,331,590
<b>For continuing and discontinued operations</b>		
Basic (loss)/earnings per share ( <i>RMB cents</i> )	<u>(3.22)</u>	<u>39.53</u>
<b>For continuing operations</b>		
Basic (loss)/earnings per share ( <i>RMB cents</i> )	<u>(3.22)</u>	<u>39.50</u>
<b>For discontinued operation</b>		
Basic earnings per share ( <i>RMB cents</i> )	<u>—</u>	<u>0.02</u>

Diluted loss/earnings per share are same as the basic loss/earnings per share for the years ended 31 December 2025 and 2024, as there were no dilutive potential ordinary shares in existence during the year or in prior year.

## 10. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	387,835	632,758
Bills receivables	28,225	13,839
Provision for impairment	<u>(52,758)</u>	<u>(64,084)</u>
	<u><b>363,302</b></u>	<u><b>582,513</b></u>

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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	181,014	239,997
91 to 180 days	95,758	121,821
181 to 365 days	17,524	118,972
1 to 2 years	30,802	49,148
Over 2 years	<u>9,979</u>	<u>38,736</u>
	<u><b>335,077</b></u>	<u><b>568,674</b></u>

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At the beginning of the year	64,084	58,888
(Reversal of)/provision for impairment losses, net	<u>(11,326)</u>	<u>5,196</u>
At the end of the year	<u><b>52,758</b></u>	<u><b>64,084</b></u>

An impairment analysis is performed at the end of each reporting period using a provision matrix to measure expected credit losses for trade receivables. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of reporting period about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

**At 31 December 2025**

	Not past due	Less than 6 months	Past due 7 to 12 months	Over 12 months	Total
Expected credit loss rate	1.91%	3.72%	11.54%	51.47%	13.60%
Gross carrying amount ( <i>RMB'000</i> )	184,537	99,460	19,811	84,027	387,835
Expected credit losses ( <i>RMB'000</i> )	3,523	3,701	2,287	43,247	52,758

**At 31 December 2024**

	Not past due	Less than 6 months	Past due 7 to 12 months	Over 12 months	Total
Expected credit loss rate	0.92%	2.07%	5.74%	52.87%	10.13%
Gross carrying amount ( <i>RMB'000</i> )	329,977	149,992	48,443	104,346	632,758
Expected credit losses ( <i>RMB'000</i> )	3,026	3,112	2,779	55,167	64,084

Management assessed that the expected credit losses for bills receivable, which are all bank acceptance notes and were not yet due at the end of the reporting period, was immaterial and it was not recognised for the year ended 31 December 2025 (2024: nil). Those banks who issued the bank acceptance notes are creditworthy banks with no recent history of default.

**11. PREPAYMENTS AND OTHER RECEIVABLES**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Prepayments	28,360	42,045
Value added tax inputs	18,637	28,435
Deposit and other receivables ( <i>note (a)</i> )	91,632	69,194
Financial assets measured at amortised cost ( <i>note (a)</i> )	21,899	22,397
Loans to a business partner ( <i>note (b)</i> )	62,085	30,720
	<u>222,613</u>	<u>192,791</u>
Impairment allowance	<u>(91,285)</u>	<u>(64,301)</u>
	<u>131,328</u>	<u>128,490</u>

Notes:

- (a) Deposits and other receivables mainly represent rental deposits and deposits with suppliers.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At the beginning of the year	33,581	33,696
Provision for/(reversal of) impairment losses, net	9,861	(603)
Exchange realignment	<u>(733)</u>	<u>488</u>
At the end of the year	<u><u>42,709</u></u>	<u><u>33,581</u></u>

As at 31 December 2025, the impairment allowance of deposits and other receivables and financial assets measured at amortised cost were approximately RMB20,810,000 and RMB21,899,000 (2024: RMB11,184,000 and RMB22,397,000), respectively.

- (b) During the year, the Group granted loans of RMB34.4 million in total (the “2025 Loans”) to a PRC entity (the “Borrower”) which is unsecured, interest-free and repayable on demand. The Borrower operates as a distributor of fast-moving consumer goods with a focus on the Chinese and Southeast Asia markets. It is the management’s belief and assessment that the Borrower possesses the necessary resources, network and connection to overseas markets targeted by the Group for business expansion. The executives of the Borrower are considered capable and resourceful members which include the General Manager, a former director of the Company a decade ago, whose capabilities is fully aware of and appreciated by the Group. The management is of the view that the Borrower can assist the Group in pursuing business opportunities in expanding the Group’s IVD business to overseas markets and tapping into targeted new businesses including advanced materials industry. The Group provided interest-free short-term loans to the Borrower in consideration of the Borrower’s role as a business partner, and in connection with assisting the Group in expanding IVD business to overseas markets and tapping into new businesses.

In 2021, similar arrangement was set up and the Group granted to the Borrower and its related company (the “2021 Loans”) which were interest-free, unsecured and repayable on demand. The Group provided interest-free short-term loans to the Borrower in consideration of the Borrower’s role as a business partner, and in connection with the Group’s pursuit of potential opportunities in its film business, IVD for animals business and general IVD business in Southeast Asia. However, due to COVID-19 pandemic, the arrangement could not produce the desired results. The Group demanded repayment of the 2021 Loans. However, impacted by COVID-19 pandemic, the Borrower and its related company could only make part payment for the 2021 Loans. The outstanding loan balance as at 31 December 2022 amounting to RMB75 million was assessed as credit-impaired i.e. Stage 3 of ECL assessment and for which full provision was made in the year ended 31 December 2022. In early 2023, the Borrower agreed to repay all outstanding receivables before the end of 2025. The financial position of the Borrower has improved post-COVID pandemic and during the years ended 31 December 2023 and 2024, respective sums of RMB15.9 million and RMB28.4 million were repaid by the Borrower and its related company. As assessed by the management, the creditworthiness of the Borrower has improved which justifies for the migration of the outstanding 2021 Loans from Stage 3 to Stage

2. During the current year, a sum of RMB3.0 million was repaid by the Borrower and its related company and the outstanding balance of the 2021 Loans as at 31 December 2025 reduced to RMB27.7 million. For this outstanding balance, a supplemental agreement was signed by the Group and the Borrower on 25 March 2026 for extending the repayment of the outstanding balance as to RMB9 million to 31 December 2026, RMB9 million to 31 December 2027 and RMB9.7 million to 31 December 2028.

In respect of the total outstanding loans due by the Borrower and its related company amounting to RMB62,085,000 (before ECL allowance) as at 31 December 2025 (2024: RMB30,720,000), the management has made ECL allowance of RMB48,576,000 (2024: RMB30,720,000). The ECL allowance was determined with reference to the historical repayment history and latest available financial information of the Borrower, as well as the forward-looking factors including the industry in which the Borrower has engaged and the markets to which the Borrower is exposed.

The movements in the ECL allowance for the loans to a business partner are as follows:

	<b>2025</b> <b><i>RMB'000</i></b>	2024 <i>RMB'000</i>
At the beginning of the year	<b>30,720</b>	59,149
Provision	<b>20,866</b>	—
Reversal of provision	<b>(3,010)</b>	(28,429)
	<hr/>	<hr/>
At the end of the year	<b>48,576</b>	30,720
	<hr/> <hr/>	<hr/> <hr/>

## 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:

	<b>2025</b> <b><i>RMB'000</i></b>	2024 <i>RMB'000</i>
Within 90 days	<b>200,167</b>	221,765
91 to 180 days	<b>178</b>	2,418
181 to 365 days	<b>268</b>	2,526
1 to 2 years	<b>2,894</b>	2,043
Over 2 years	<b>3,821</b>	1,818
	<hr/>	<hr/>
	<b>207,328</b>	230,570
	<hr/> <hr/>	<hr/> <hr/>

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

### 13. OTHER PAYABLES AND ACCRUALS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Current portion</b>		
Other payables	38,984	17,023
Other tax payable	39,277	41,360
Payroll and welfare payable	11,123	12,436
Interest payable	218	186
Payables to non-controlling interests ( <i>note</i> )	<u>105,358</u>	<u>120,378</u>
	<u>194,960</u>	<u>191,383</u>
<b>Non-current portion</b>		
Payables to non-controlling interests ( <i>note</i> )	22,549	39,793
Deferred government grant	<u>6,566</u>	<u>6,755</u>
	<u>29,115</u>	<u>46,548</u>
	<u>224,075</u>	<u>237,931</u>

*Notes:*

As at 31 December 2025, payables to non-controlling interests mainly represent the contractual obligations of the Group to acquire the remaining 17.8% (2024: 30%) and 30% (2024: 30%) interests in Guangzhou Shengshiyuan Trading Co., Ltd. (“Shengshiyuan”) and Beijing Kaihongda Technologies Co., Ltd. (“Kaihongda”) respectively.

The details of the acquisition by the Company of the remaining interests in each of Shengshiyuan and Kaihongda are as follows:

- (a) 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 2025, the Group has cumulatively paid the consideration of RMB63,462,000 (2024: RMB26,918,000) to the aforementioned shareholders. During the year, the Group completed the acquisition of 12.2% (2024: nil) equity interest in Shengshiyuan.

As at 31 December 2025, the Group recognised the consideration payable of RMB34,673,000 (2024: RMB66,676,000) and the dividend payable to the above shareholders of Shengshiyuan of RMB22,200,000 (2024: RMB23,093,000) as payables to non-controlling interests. Since the payables to non-controlling interests have been agreed to be settled in 3 phases by 30 September 2027, amounts of RMB34,324,000 (2024: RMB49,976,000) and RMB22,549,000 (2024: RMB39,793,000) were classified as current liabilities and non-current liabilities respectively as at 31 December 2025.

- (b) 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 2025, the Group recognised the consideration payable of RMB65,336,000 (2024: RMB65,336,000) and the dividend payable to the above shareholders of Kaihongda of RMB5,698,000 (2024: RMB5,066,000) as payables to non-controlling interests under current liabilities.

#### **14. EVENTS AFTER THE REPORTING PERIOD**

##### **Acquisitions of equipment for the production of advanced materials**

On 6 February 2026, the Group entered into an agreement with a vendor for the acquisition of the equipment, comprising production and testing equipment for advanced materials, at a total consideration of US\$5,350,000. Details of the acquisitions referred to the announcements of the Company dated 6 February 2026 and 13 March 2026.

## **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 scan (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**

In 2025, the Group remained focus on its mission to expand and consolidate its market share making itself one of the largest distributors and service providers of IVD products in the PRC and manufacturing IVD reagents under its house brand, optimising and upgrading business ecosystem through a systematic strategic layout and a culture of innovation. On top of the above, to adapt with the rapid change in technology and market in the PRC, the Group will diversify its business on precision oncology for delivering advanced molecular diagnostics services, and exploring to invest in the advanced materials industry.

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.

Regarding the precision oncology, the Group will diversify its business for designing, building and operating clinical molecular diagnostics laboratories with a focus on precision oncology, and delivering advanced molecular diagnostics services. In addition, the Group may invest in the advanced materials market as the pioneer for business diversification by leveraging our experience in refined production of the S2 film camera under its own brand name "Yes!Star" to enhance product quality and efficiency.

To enable the Group to implement the business model and enhance long term value of the shareholders, the Board creates a culture that respects and promotes opportunities to exchange ideas for its research and development, financial and operating procedures, the management then implement and consolidate its corporate culture across all levels of the Group. The Board plays a leading role in defining the purpose, values and strategic direction of the Group and in fostering a culture that is forward looking and competitiveness focused. The desired culture is developed and reflected consistently in the operating practices of the Group, workplace policies and practices as well as relations with stakeholders.

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 2025, the PRC healthcare industry continued to develop against the backdrop of steady macroeconomic growth (GDP growth rate of 5.0%, total GDP of RMB140.2 trillion). Spanning medical services, health management, pharmaceuticals, medical devices, and health supplements, the industry is projected to reach a total scale of approximately RMB12.4 trillion by 2025. As a key pillar of the healthcare industry, the medical device market in the PRC is projected to reach RMB1.22 trillion by 2025. In particular, the in vitro diagnostics (IVD) sector stood out with its market size expected to exceed RMB140 billion. Market growth was driven by the demand of precision medicine and technological innovation, particularly amid the convergence of artificial intelligence and multi-omics technologies, alongside the widespread adoption of point-of-care testing (POCT) and remote diagnosis technologies. These advancements have significantly enhanced diagnostic accuracy and accessibility.

At the policy level, the state continued to deepen reforms in drug and medical device approvals, while guiding orderly industry development through measures such as centralised procurement. Meanwhile, the introduction of policies such as the provincial pharmaceutical procurement platform's consensus on drug listing signified a new phase of nationwide coordination in drug price governance. Regarding demographic trends, the national population stood at 1,404.89 million at the end of 2025, representing a decrease from the end of the previous year. The increasing trend of population aging has fuelled robust demand for chronic disease management, health services, and innovative payment solutions.

## **BUSINESS OVERVIEW**

### **Overseas expansion**

In 2025, 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 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, market potential for dental films is enormous in developed countries as a diagnostic imaging product that meets advanced health and cosmetic needs. In 2025, the Group continued to consolidate its presence in markets across Southeast Asia, the Middle East and Africa, establishing a global business foothold with Southeast Asia as the strategic pillar, gradually expanding into emerging markets such as the Middle East and Africa. Overseas revenue from own-branded products reached a record high.

The Group has enhanced its international marketing efforts for own-branded products during 2025 by participating in 8 major overseas exhibitions, which are in alignment with the core businesses and with critical influence over industry. This facilitated direct engagement with global clients, enhanced market information gathering, and elevated recognition of the own-branded products.

### **Resumption and revival of traditional film business**

The Group continued to actively enhance the R&D and production of the S2 film camera under its own brand name “Yes!Star”. The project commenced in November 2024 and the product was scheduled for launch in September 2026. The R&D work of S2 film camera, which has proceeded on schedule, currently focuses on the structural optimisation of optical lens, optical tuning and portability. The relevant technical solutions have completed phased validation.

### **Clinical Molecular Diagnostics**

During the Year, the Company proposed to form a joint venture and incorporate a new entity in Indonesia for designing, building and operating clinical molecular diagnostics laboratories with a focus on precision oncology, and, where appropriate, establishing local production facilities for IVD reagents and kits. In other words, the proposed joint venture will set up advanced medical labs in Indonesia to provide advanced genetic testing including cancer screening, with an aim to help doctors catch diseases early and tailor treatments for patients.

The proposed joint venture will focus on delivering advanced molecular diagnostics services (i.e. using cutting-edge lab tests to detect and understand diseases at a molecular level), particularly in the field of precision oncology (i.e. providing cancer care that is tailored to each patient’s unique gene mutations and cancer type).

It is anticipated that the proposed joint venture will engage in clinical and business partnerships with prominent Indonesian hospitals and healthcare institutions for sample collection, product validation and early-stage clinical adoption.

For details, please refer to the announcement of the Company dated 20 October 2025.

### **Advanced Materials Industry**

During the Year, the Company is exploring and has invested in the advanced materials industry, which is the segment of manufacturing that designs, engineers, and commercializes substances whose performance exceeds conventional equivalents by at least one order of magnitude in a critical attribute, and has identified and purchased the coating production line and essential research and development equipment for the research, testing, evaluation, production and manufacture of advanced materials as well as related patents.

Leveraging our experience in refined production of the S2 film camera under its own brand name “Yes!Star” to enhance product quality and efficiency in the last two years, the Company will keep on investing in the enhanced research and development equipment for the purpose of becoming one of the self-sufficient advanced materials engineers and manufacturers on the one hand, and diversifying its business segment through synergy effect on materials research and development on the other.

For details, please refer to the announcements of the Company dated 15 December 2025, 6 February and 13 March 2026.

### **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 and 29 August 2025 (the “Arbitration Announcements”) in relation to arbitration from a vendor 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, the Company has received the conclusion from the Shanghai Second Intermediate People’s Court for the rejection of the application from the Company to revoke the Arbitration Results concluded on 28 February 2024 in relation to the arbitration. Upon receipt the notification, the Company has fulfilled and settled all the payment to one of the vendors of Shengshiyuan, namely the consideration of the equity transfer, legal fee and arbitration fee.

Upon payment of the above, the Company considered that profit guarantee in relation to acquisition of 70% equity interest in Shengshiyuan has been fulfilled.

As at the date of this announcement, the Group does not maintain any contract required to commit or guarantee on the financial performance in any kinds, which is required to be disclosed under the Listing Rules.

### **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, as at 31 December 2025, the dissolution procedure was still in progress. The Board expects that Derunlijia will be formally dissolved by end of 2026.

The Board considered that Derunlijia is an insignificant company, and hence the dissolution did not have a material impact on the Group’s financial position or results of operations upon its dissolution.

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

As at 31 December 2025, 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**

CGUs 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 and its value in use, determined using a cash flow projection based on the approved financial budget covering a five-year period.

In estimating the recoverable amount of Hongen, key assumptions which included discount rate, the forecast performance in respect of budgeted sales and budgeted results were used. As at 31 December 2025, the recoverable amount of Hongen’s CGU to which goodwill was allocated was less than its carrying amount by RMB44,781,000 for which the impairment loss was provided (2024: 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 scheme. 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.

As a result of the impairment loss, the carrying amounts of other intangible assets, property, plant and equipment and right-of-use assets were reduced by RMB1,919,000 (2024: RMB51,470,000), RMB8,672,000 (2024: RMB107,422,000) and RMB6,214,000 (2024: RMB21,599,000), respectively.

#### **Reversal of Financial Assets Impairment Loss under Expected Credit Loss Model**

Certain financial assets impairment losses of RMB3.0 million under expected credit loss methodology was recovered and reversed for the Year (2024: RMB28.5 million). The reversal was due to the settlement of short-term loans from a business party during the Year.

#### **FINANCIAL REVIEW**

The Group's overall revenue for the Year decreased by 38.2% YoY to RMB1,490.0 million (2024: RMB2,409.9 million). Gross profit from operations dropped by 33.1% YoY to RMB266.9 million (2024: RMB399.2 million), and gross profit margin increased from 16.6% to 17.9%, mainly due to the optimisation of the Group's product mix. Selling and distribution expenses decreased by 41.7% YoY to RMB88.9 million (2024: RMB152.4 million), while administrative expenses decreased by 28.9% YoY to RMB149.4 million (2024: RMB210.0 million), due to the strengthened cost control and cost-saving measures by the management during the Year. In addition, impairment losses on non-financial assets, including intangible assets, fixed assets and right-of-use assets, amounted to RMB61.6 million (2024: RMB180.5 million). Loss from continuing operations attributable to the owners of the Company for the Year was approximately RMB75.0 million (2024: profit of RMB921.1 million). Basic loss per share from continuing operations was RMB3.2 cents (2024: earnings per share of RMB39.5 cents). The Board has resolved not to declare any dividend for the Year (2024: Nil).

## Medical Business — 88.7% of Overall Revenue

In 2025, 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 medical products and equipment segment was RMB1,321.7 million (2024: RMB2,176.2 million), a YoY decrease of 39.3%. Gross profit from this segment was RMB240.6 million (2024: RMB358.3 million). Gross profit margin from this segment also increased by 1.7 percentage points (“p.p.”) to approximately 18.2% (2024: 16.5%), mainly due to the Group's adjustment of its product mix, specifically reducing the sales volume of low-margin products and boosting that of high-margin products.

## Numbers of Hospitals and Clinics Covered

For the year ended 31 December	2025	2024	YOY change
<b>Provinces</b>			
Anhui	9	9	0%
Fujian	76	76	0%
Guangdong	329	329	0%
Guangxi	14	11	27%
Guizhou	0	4	-100%
Hainan	42	42	0%
Hebei	44	66	-33%
Jiangsu	125	276	-55%
<b>Tier-1 cities</b>			
Beijing	180	240	-25%
Guangzhou	104	104	0%
Shenzhen	0	69	-100%
<b>Overall</b>	<b>923</b>	<b>1,226</b>	<b>-25%</b>

## Non-medical Business — 11.3% 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. In 2025, overall revenue from the non-medical business dropped by 27.9% YoY to RMB168.4 million (2024: RMB233.7 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 imaging products and films during the Year. Gross profit margin of this segment decreased by 1.9 p.p. to 15.6% (2024: 17.5%), which was mainly due to the unsatisfactory sales performance of products with high gross profit margin.

### **Liquidity and Financial Resources**

The Group has cash and cash equivalents of approximately RMB234.4 million as at 31 December 2025 (2024: approximately RMB93.8 million). The increase in cash and cash equivalents was mainly due to funds released as a result of a reduction in both trade receivables and inventory following the Company's strengthening of internal management.

As at 31 December 2025, no gearing ratio was presented as the Group was in a net cash position (2024: approximately 29%), calculated as the net debt which includes the interest-bearing bank loans and other borrowings less cash and cash equivalents divided by equity attributable to owners of the parent plus net debt at the end of 31 December 2025.

The total interest-bearing loans and other borrowings of the Group as at 31 December 2025 was approximately RMB185.6 million (2024: approximately RMB279.5 million). As at 31 December 2025, 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 2025 was approximately 1.37 (2024: approximately 1.35), based on current assets of approximately RMB923.3 million and current liabilities of approximately RMB675.6 million.

As at 31 December 2025, the total assets of the Group was RMB1,194.2 million, net current assets was RMB247.7 million and equity attributable to shareholders was RMB378.1 million.

### **Selling and Distribution Expenses**

The Group's selling and distribution expenses decreased by approximately 41.7% from approximately RMB152.4 million for 2024 to approximately RMB88.9 million for 2025, and accounted for about 6.0% for 2025 and about 6.3% for 2024 of the Group's revenue for the respective reporting years. The decrease was in line with the decrease in the overall revenue of the Company for the Year.

### **Administrative Expenses**

The Group's administrative expenses decreased by about 28.9% from approximately RMB210.0 million for 2024 to approximately RMB149.4 million for 2025, and accounted for about 10.0% for 2025 and about 8.7% for 2024 of the Group's revenue for the respective reporting years. The decrease was mainly due to the strengthened internal management and cost-saving measures by the Company during the Year.

## **Finance Costs**

The Group's finance costs consisted mainly of interest expenses on bank loan and other borrowings. The aggregate amount of interest incurred was approximately RMB10.9 million (2024: approximately RMB30.2 million). Such decrease was mainly attributable to the Company's efforts to strengthen its internal management during the Year, which reduced the reliance on bank loan, resulting in the decrease in interest expenses accordingly.

For the Year, interest rates of the interest-bearing loans ranged from 1.95% to 4.8%; while those for the year ended 31 December 2024 ranged from 1.80% to 9.00%.

## **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 during the Year.

## **Human Resources and Remuneration Policies**

As at 31 December 2025, the Group's continuing operations had 448 (2024: 627) employees, including Directors. Total staff costs (including Directors' emoluments) of the continuing operation were approximately RMB142.2 million for the Year as compared to approximately RMB163.1 million for the year ended 31 December 2024.

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 2024: 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 2025, 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 2025, that company has settled a total amount of US\$5.0 million (2024: US\$5.0 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 2025, 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 2025, the Group did not had any outstanding capital commitments which was related to acquisition of property, plant and equipment (2024: RMB5,956,000).

## **Material acquisitions and disposals of subsidiaries and affiliated companies**

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 2025.

## **Charges of Assets**

As at 31 December 2025, certain of the Group's buildings with a net carrying amount of approximately RMB66,147,000 (2024: RMB71,723,000) were pledged as well as guarantee provided by the Company's subsidiaries to secure bank loans of RMB75,000,000 (2024: RMB105,000,000) for the Group.

In addition, the Group's bank loans of RMB32,000,000 (2024: RMB61,756,000) guaranteed solely by the Company's subsidiaries, RMB20,000,000 (2024: RMB25,000,000) guaranteed solely by independent third parties, RMB3,000,000 (2024: nil) guaranteed by a non-controlling shareholder, and RMB25,000,000 (2024: RMB44,863,000) guaranteed by directors of subsidiaries, together with the Company's subsidiaries and/or independent third parties.

## **Contingent liabilities**

The Group had no material contingent liabilities as at 31 December 2025.

## **PROSPECT**

Looking ahead to 2026, the PRC medical device industry is undergoing a pivotal transition from scale expansion to quality enhancement, driven by both policy incentives and technological innovation. The market is projected to reach RMB1,081.52 billion in 2026, representing a year-on-year growth of 5.4%. By 2030, the global medical device market is anticipated to exceed USD780 billion, with a compound annual growth rate of approximately 5.8%.

The Group will continue to intensify the efforts in expanding overseas markets for its own-branded products, prioritising the consolidation of its existing market presence in Vietnam while also increasing development efforts in the Middle East, African, and other Southeast Asian markets. It will further allocate resources towards overseas market expansion, aiming to gradually develop these markets into a robust pillar of the Group's business. Amid the diversification of imaging consumption and the sustained resurgence of retro culture, the film photography market is demonstrating a steady recovery trend. Leveraging its differentiated brand positioning and foundation of the existing imaging materials business, the Group plans to use the S2 film camera project as an entry point to progressively expand into relevant domestic niche markets.

Moving forward, the Group will continuously enhance its market competitiveness by focusing on product performance, user experience, and complementary services. Firstly, we will explore the integration of traditional film photography with intelligent technologies, researching functions such as shooting assistance and workflow management to improve user friendliness without altering the core characteristics of film imaging. Secondly, we will persistently optimise lens and imaging system designs to enhance imaging stability and colour reproduction consistency, catering to both professional and mass consumer demands. Thirdly, we will develop complementary services around film photography applications, including processing, digital archiving, and related peripheral products and services to strengthen customer loyalty. Through these initiatives, the Group will progressively establish a business structure centred on film cameras, with synergistic development of imaging materials and supporting services, thereby underpinning the sustained growth of these operations.

While deepening our expertise in existing domains, the Group is actively expanding partnerships and venturing into new fields. We aspire to establish a comprehensive product portfolio in the near future, underpinned by technology, anchored by market demand, and propelled by ecosystem integration, thereby securing a leading position amidst transformative change.

## **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 2025, 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.

## **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 2025 (2024: Nil).

## **Annual General Meeting**

The annual general meeting of the Company (the "AGM") will be held on 29 May 2026 (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 26 May 2026 (Tuesday) to 29 May 2026 (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, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road Hong Kong for registration not later than 4:30 p.m. on 22 May 2026 (Friday).

## **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 2025 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**

On 6 February 2026, the Company announced that on 21 October 2025 and on 6 February 2026, the Company had entered into two separate agreements with the same vendor for the acquisition of the various advanced materials equipment for a total consideration of US\$1,850,000 and US\$5,350,000, respectively for the purpose of leading the Company to become one of the self-sufficient advanced materials engineers and manufacturers through leveraging the Group's experience in refined production of the S2 film camera in the past 2 years. Those acquired equipment constitute the essential research and development equipment and comprehensive coating production line that enables the Group to conduct research, testing, evaluation and ultimately produce and manufacture advanced membrane materials. The Board believes that the acquisitions would diversify the Group's business segment through synergy effect on materials research and development.

For details, please refer to the announcement of the Company dated 6 February and 13 March 2026.

## **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  
**Wang Chunlai**  
*CEO and executive Director*

27 March 2026

*As at the date of this announcement, the executive Directors are Mr. Wang Chunlai, Mr. Qiao Jinrong and Ms. Liao Changxiang; 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.*