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星悦康旅股份有限公司
Starjoy Wellness and Travel Company Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3662)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

HIGHLIGHTS

For the six months ended 30 June 2025:

- The Group's revenue was approximately RMB610.9 million, representing a year-on-year decrease of approximately 12.7%.
- Gross profit was approximately RMB168.3 million, representing a year-on-year decrease of approximately RMB50.4 million, and gross profit margin was approximately 27.5%, representing a year-on-year decrease of approximately 3.7 percentage points.
- The Group achieved net profit of approximately RMB21.1 million, and core net profit ^(Note) of approximately RMB49.0 million, representing a year-on-year decrease of approximately RMB34.3 million or approximately 41.2%.

Note: The core net profit attributable to the Group excludes non-recurring profits or loss items and their related tax effects comprising net exchange gain or loss, loss on disposal of subsidiaries, changes in fair value of investment properties and equity instrument at fair value through profit or loss, impairment loss on goodwill.

The board (the “**Board**”) of directors (the “**Director(s)**”) of Starjoy Wellness and Travel Company Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively the “**Group**”, “**we**”, “**our**” or “**us**”) for the six months ended 30 June 2025, together with the unaudited comparative figures for the corresponding period in 2024, and the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2025 together with the comparative figures as at 31 December 2024, are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		For the six months ended	
		30.6.2025	30.6.2024
	<i>NOTES</i>	<i>RMB’000</i>	<i>RMB’000</i>
		(unaudited)	(unaudited)
Revenue	3	610,880	700,045
Cost of services rendered		(442,619)	(481,332)
Gross profit		168,261	218,713
Other income, gains and losses	5	943	10,121
Impairment losses under expected credit loss (“ECL”) model, net of reversal		(73,761)	(81,758)
Impairment losses on goodwill		(13,976)	–
Loss on disposal of subsidiaries		(2,014)	–
Administrative expenses		(39,219)	(42,519)
Selling and distribution expenses		(2,906)	(1,662)
Share of results of a joint venture		11	–
Finance costs		(2,332)	(2,789)
Profit before tax		35,007	100,106
Income tax expense	6	(13,924)	(25,007)
Profit for the period	7	21,083	75,099
Other comprehensive (expense)/income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(656)	1,630
Other comprehensive (expense)/income for the period, net of income tax		(656)	1,630
Total comprehensive income for the period		20,427	76,729

		For the six months ended	
		30.6.2025	30.6.2024
<i>NOTES</i>		<i>RMB'000</i>	<i>RMB'000</i>
		(unaudited)	(unaudited)
Profit/(loss) for the period attributable to:			
– Owners of the Company		24,997	81,648
– Non-controlling interests		(3,914)	(6,549)
		<u>21,083</u>	<u>75,099</u>
Total comprehensive income/(expense) attributable to:			
– Owners of the Company		24,538	82,789
– Non-controlling interests		(4,111)	(6,060)
		<u>20,427</u>	<u>76,729</u>
Earnings per share (<i>RMB cents</i>)			
– Basic	9	<u>3.44</u>	<u>11.24</u>
– Diluted	9	<u>3.44</u>	<u>11.24</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	NOTES	30.6.2025 RMB'000 (unaudited)	31.12.2024 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		60,147	29,275
Right-of-use assets		8,816	10,771
Investment properties		51,893	–
Intangible assets		49,111	53,767
Goodwill		87,587	101,563
Interests in associates		–	300
Interests in a joint venture		251	240
Equity instrument at fair value through profit or loss (“FVTPL”)		46,210	51,443
Equity instruments at fair value through other comprehensive income		177,226	177,882
Deferred tax assets		61,296	58,115
Deposits paid for acquisition of property, plant and equipment		8,957	40,369
		<u>551,494</u>	<u>523,725</u>
CURRENT ASSETS			
Inventories		11,931	11,849
Trade and other receivables	10	675,810	646,200
Deferred contract costs		2,853	2,853
Amounts due from group companies of a former substantial shareholder		71,822	119,235
Restricted bank deposits		35,061	24,714
Bank balances and cash		936,366	1,030,167
		<u>1,733,843</u>	<u>1,835,018</u>

	<i>NOTES</i>	30.6.2025 RMB'000 (unaudited)	31.12.2024 <i>RMB'000</i> (audited)
CURRENT LIABILITIES			
Trade and other payables	11	723,076	795,462
Contract liabilities		140,322	172,661
Tax liabilities		59,075	50,811
Lease liabilities		15,709	3,947
Borrowings		62,000	70,000
		<u>1,000,182</u>	<u>1,092,881</u>
NET CURRENT ASSETS		<u>733,661</u>	<u>742,137</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,285,155</u>	<u>1,265,862</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		12,278	13,442
Lease liabilities		25,881	7,745
		<u>38,159</u>	<u>21,187</u>
NET ASSETS		<u><u>1,246,996</u></u>	<u><u>1,244,675</u></u>
CAPITAL AND RESERVES			
Share capital		6,207	6,207
Reserves		<u>1,203,852</u>	<u>1,196,682</u>
Equity attributable to owners of the Company		1,210,059	1,202,889
Non-controlling interests		<u>36,937</u>	<u>41,786</u>
TOTAL EQUITY		<u><u>1,246,996</u></u>	<u><u>1,244,675</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. BASIS OF PREPARATION AND BUSINESS COMBINATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of Appendix 16 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

This interim financial information does not contain all the notes generally included in the annual financial report. Therefore, this condensed consolidated interim financial information should be read in conjunction with the annual financial report for the year ended 31 December 2024 and any announcements made by the Company during the interim reporting period.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards and application of certain accounting policies which become relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the Group's audited consolidated financial statements for the year ended 31 December 2024.

The application of the new and amendments to IFRS Accounting Standards in the current interim period that are relevant to the Group and effective from the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

The Group has not early adopted the new and amendments to IFRS Accounting Standards that have been issued but are not yet effective. The directors of the Company do not anticipate that the adoption of the new and amendments to IFRS Accounting Standards in the future periods will have any material impact on the Group's condensed consolidated financial statements.

3. REVENUE

An analysis of the Group's revenue for the period is as follows:

	Six months ended	
	30.6.2025	30.6.2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Property management services		
Basic property management services	452,128	521,118
Sales assistance services	2,055	2,648
Community value-added services	63,439	70,534
Heating services	18,481	22,974
Others	1,332	2,182
	<u>537,435</u>	<u>619,456</u>
Commercial operational services		
Commercial operation and management services	65,985	80,589
Property letting and related services		
Rental income – related to commercial operational services	7,460	–
Total	<u>610,880</u>	<u>700,045</u>
Revenue from contracts with customers	603,420	700,045
Leases	7,460	–
Total	<u>610,880</u>	<u>700,045</u>
Disaggregation revenue from contracts with customers		
Type of customers		
Property management services		
External customers	537,435	602,558
Group companies of a former substantial shareholder	–	14,029
Other related parties	–	2,869
	<u>537,435</u>	<u>619,456</u>
Commercial operational services		
External customers	65,985	67,864
Group companies of a former substantial shareholder	–	12,725
	<u>65,985</u>	<u>80,589</u>
Total	<u>603,420</u>	<u>700,045</u>
Timing of revenue recognition		
Over time	586,861	680,496
A point in time	16,559	19,549
Total	<u>603,420</u>	<u>700,045</u>

4. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by reportable and operating segments:

Six months ended 30 June 2025 (unaudited)

	Property management services <i>RMB'000</i>	Commercial operational services <i>RMB'000</i>	Property letting and related services <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	<u>537,435</u>	<u>65,985</u>	<u>7,460</u>	<u>610,880</u>
Segment results	<u>42,312</u>	<u>23,251</u>	<u>1,235</u>	<u>66,798</u>
Net exchange loss				(6,784)
Unallocated other income, gains and losses				7,780
Change in fair value of equity instrument at FVTPL				(5,233)
Loss on disposal of subsidiaries				(2,014)
Central administrative costs				(23,208)
Interest on lease liabilities				(804)
Interest on borrowings				<u>(1,528)</u>
Profit before tax				<u>35,007</u>

Six months ended 30 June 2024 (unaudited)

	Property management services <i>RMB'000</i>	Commercial operational services <i>RMB'000</i>	Property letting and related services <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	<u>619,456</u>	<u>80,589</u>	<u>–</u>	<u>700,045</u>
Segment results	<u>86,773</u>	<u>31,990</u>	<u>–</u>	<u>118,763</u>
Net exchange gain				1,878
Unallocated other income, gains and losses				12,484
Change in fair value of investment properties				(1,920)
Change in fair value of equity instrument at FVTPL				(7,096)
Central administrative costs				(21,214)
Interest on lease liabilities				(141)
Interest on borrowings				<u>(2,648)</u>
Profit before tax				<u>100,106</u>

No assets and liabilities are included in the measures of the Group's segment reporting that are used by the chief operating decision maker. Accordingly, no segment assets and liabilities are presented.

5. OTHER INCOME, GAINS AND LOSSES

	Six months ended	
	30.6.2025	30.6.2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Bank interest income	7,857	11,668
Net exchange (loss)/gain	(6,784)	1,878
Government grants	4,236	6,593
Change in fair value of investment properties	–	(1,920)
Gain/(loss) on disposal of property, plant and equipment	96	(1,873)
Dividend income from equity investment	–	871
Change in fair value of equity instrument at FVTPL	(5,233)	(7,096)
Others	771	–
	<u>943</u>	<u>10,121</u>

6. INCOME TAX EXPENSE

	Six months ended	
	30.6.2025	30.6.2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax:		
The People's Republic of China ("PRC") Enterprise		
Income Tax ("EIT")	18,269	30,931
Deferred tax	(4,345)	(5,924)
	<u>13,924</u>	<u>25,007</u>

Under the PRC Law on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

According to the provisions of Caishui [2019] No.13 and Guoshui [2019] No.2, certain subsidiaries of the Group, enjoy preferential income tax policies for the small and low profit enterprises for both periods.

Aoyuan Intelligent Life Services (Guangzhou) Group Company Limited* and Easy Life Smart Community Services Group Co., Ltd., subsidiaries of the Group, obtained the certificate of "National High-tech Enterprise" in 2023 and 2024, under which they are entitled to a preferential income tax rate of 15% for the three years from 1 January 2023 to 31 December 2025 and 1 January 2024 to 31 December 2026, respectively.

No provision for Hong Kong Profits Tax has been made as there was no assessable profit derived from Hong Kong for both periods.

* The English name is for identification purpose only

7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging the following items:

	Six months ended	
	30.6.2025	30.6.2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Amortisation of deferred contract costs	–	268
Depreciation of property, plant and equipment	4,449	3,804
Depreciation of right-of-use assets	2,099	1,130
Depreciation of investment properties	6,475	–
Amortisation of intangible assets		
(included in cost of services rendered)	4,656	4,705
Staff costs	111,069	116,447

8. DIVIDENDS

A final dividend in respect of the year ended 31 December 2024 of RMB0.0265 per ordinary share, in an aggregate amount of RMB19,246,000, has been approved at the Annual General Meeting on 27 May 2025 and was paid in cash on 20 June 2025.

The directors of the Company do not recommend or declare any payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Six months ended	
	30.6.2025	30.6.2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)

Earnings:

Earnings for the purposes of basic and diluted earnings per share,
being profit for the period attributable to owners of the Company

24,997	81,648
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Six months ended
30.6.2025 **30.6.2024**

Number of shares:

Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share

726,250,000	726,250,000
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The computation of diluted earnings per share for both periods does not assume the exercise of the Company's share options outstanding during the current and prior periods because the exercise price of those options was higher than the average market price of the Company's shares during the current and prior periods, respectively.

10. TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	30.6.2025 RMB'000 (unaudited)	31.12.2024 RMB'000 (audited)
Trade receivables		978,932	877,544
Less: impairment losses under ECL model, net of reversal		(468,554)	(394,194)
Total trade receivables		510,378	483,350
Other receivables:			
Deposits	(a)	21,640	21,791
Payments on behalf of residents	(b)	77,759	77,131
Input tax to be deducted		14,935	15,443
Prepayments		26,199	23,905
Others		38,619	37,793
		179,152	176,063
Less: impairment losses under ECL model, net of reversal		(13,720)	(13,213)
		165,432	162,850
Total trade and other receivables		675,810	646,200

Notes:

- (a) The balance represents the amount paid to the service providers as deposits.
- (b) The balance represents the amount paid on behalf of residential communities and commercial tenants to the utilities service provider for the service provided.

Property management service income under property management service segment and commercial operation and management service income under commercial operational service segment are generally required to be settled by property owners and property developers within 60 days (31 December 2024: 60 days) upon the issuance of demand note.

For property letting and related services, tenants are generally given a credit term of ranges from 30 days to 90 days.

Generally, the counter-parties of market positioning and business tenant sourcing services under commercial operational service segment are required to make installment payments in accordance with the payment schedule as set out in contracts. However, depending on market conditions and bargaining power of the counter-parties, credit and payment terms may vary in accordance with the contracts.

The following is an aged analysis of trade receivables, presented based on the date of demand note:

	30.6.2025 RMB'000 (unaudited)	31.12.2024 RMB'000 (audited)
0 to 60 days	78,935	86,439
61 to 180 days	124,324	112,951
181 to 365 days	121,653	131,439
1 to 2 years	222,580	229,823
2 to 3 years	179,790	140,140
Over 3 years	251,650	176,752
	978,932	877,544

11. TRADE AND OTHER PAYABLES

	<i>Notes</i>	30.6.2025 RMB'000 (unaudited)	31.12.2024 RMB'000 (audited)
Trade payables		291,676	293,507
Other payables:			
Receipts on behalf of residents	(a)	118,925	107,073
Deposits received	(b)	121,831	140,198
Accrued staff costs		14,607	14,961
Accrued contribution to social insurance and housing provident funds		13,287	13,845
Other tax payables		39,123	30,121
Accrued expenses		22,948	46,111
Other payables to group companies of a former substantial shareholder	(c)	63,841	113,144
Other payables		36,838	36,502
Total other payables		431,400	501,955
Total trade and other payables		723,076	795,462

Notes:

- (a) The balances represented the receipts on behalf of community residents to settle the utilities bills from utilities suppliers.
- (b) The balances mainly represent utility deposits received from the community residents and commercial tenants.
- (c) The balances mainly represent the rents received on behalf of group companies of a former substantial shareholder.

The credit period granted by suppliers to the Group ranges from 30 days to 90 days (31 December 2024: 30 days to 90 days). The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	30.6.2025	31.12.2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
0 to 60 days	59,991	64,022
61 to 180 days	74,985	72,475
181 to 365 days	41,529	37,790
1 to 2 years	40,292	57,825
2 to 3 years	27,341	20,200
Over 3 years	47,538	41,195
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	291,676	293,507
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MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

The Group is a renowned property management services and commercial operational services provider in the PRC, implementing a business strategy of diversifying service offerings to meet the evolving needs of its customers. The Group offers a wide range of property management services for both residential and non-residential properties, as well as comprehensive commercial operational services for mid-to-high-end shopping malls and mixed-use property development projects, creating quality, healthy and livable environments for residents and business operations while providing comprehensive, quality and healthy life management services. In response to the changing economic conditions, the Group actively adjusts its development strategy to seek sustainable business plans suitable for medium and long-term development. In addition to consolidating our principal businesses, namely property management and commercial operations, the Group actively expands new businesses such as cultural tourism and healthcare, seizing opportunities with development potential. With “service, enjoyment, and harmony” as our guiding principles, the Group is committed to exploring high-quality development path, continuously enhancing our enterprise value and creating greater benefits for our shareholders.

Property Management

In the first half of 2025, the Group firmly implemented the core principle of high-quality development, focused on deepening the synergy and interaction among various business segments, systematically integrated resource endowments, and significantly released synergy efficiency to facilitate the maximisation of the overall benefits of the Group. We fully promoted a business strategy that emphasises “efficiency improvement and value creation”. On one hand, the Group focused on refined operation and systematically enhanced the utilisation efficiency of internal resources through continuous optimisation of business processes and structural measures for cost reduction purposes. On the other hand, the Group actively conducted market research and resource integration, explored and created innovative revenue-generating channels with potential to expand the boundaries of business growth. This dual-wheel drive model of “internal efficiency and external expansion” aims to achieve effective optimisation of the cost structure and coordinated growth of overall operational efficiency, ultimately promoting the simultaneous improvement of our operational efficiency and profitability and building a more resilient closed loop for value creation.

For the six months ended 30 June 2025, the Group provided property management services to 213 properties (including sales offices) in 62 cities across 22 provinces, municipalities, and autonomous regions in the PRC, the chargeable gross floor area (“GFA”) under management was approximately 33.9 million square metres (“sq.m.”).

The Group adhered to the concept of sustainable development, with deepening customer relationships and optimising the living experience as its core goals. In the first half of 2025, we closely focused on the strategic axles of “streamline operation, innovative expansion, and value empowerment”. Through precise resource deployment and model innovation and upgrading, we have continuously consolidated our development foundation and explored growth drivers, striving to create a higher quality living environment and more valuable service system for property owners, thereby achieving the steady progress of the Group and the continuous improvement of our market competitiveness.

The Group deeply recognised the diversity of property owners’ needs and the value of efficient utilisation of community resources. By referencing to the actual situation of the communities under our management, we precisely identified the service preferences and actual needs of residents under different projects, and customised standards for equipment renovation and service plan. Firstly, we focus on fundamental safeguards by dedicating efforts to the maintenance and systematic upgrading of infrastructure like water and power grid to ensure the stability and security of community operation. Secondly, we aim to enhance the quality of life. We ramped up resources to optimise the community’s green landscape and upgrade the intelligent security systems, thereby creating a safe, comfortable and aesthetic living environment. Thirdly, to meet individual needs, we offer responsive services including dedicated butler services and personalised options for facility improvement to meet the advanced needs at specific levels. This strategy effectively achieved “dual empowerment”. On one hand, it ensured that the content and standards of service precisely meet the expectations of the property owners of different projects, integrated standardised efficiency with humanised care, and significantly enhanced the satisfaction of service experience. On the other hand, through a scientific model for resources deployment, it enhanced operational efficiency, and established a more resilient and sustainable service system, laying a solid foundation for the long-term and stable development of the Group.

The Group continued to enhance the refined management of our core property business, and paid close attention to cost control measures. Through process optimisation and technological empowerment, we consistently improved operational efficiency, further solidified the development foundation of our principal businesses and ensured healthy and stable cash flow.

The Group actively explored innovation initiatives through business piloting projects and delved into the potential of community value-added services and emerging niche markets. Through business model expansion and service innovation, we strived to identify and cultivate new profit growth drivers, continuously infusing the Group with fresh development momentum while driving the optimisation and upgrading of our business structure.

The Group prioritised community-centric cultural development. Through market research and property owners visits, the Group has gained precise insights into needs of residents. Leveraging this data, we have strategically deployed resources and ingeniously optimised spatial planning to create a comprehensive service system that covers cultural exchange, leisure and entertainment, fitness and wellness. On one hand, we actively echoed to the research findings to optimise value-added service portfolio by focusing on high-demand services closely related to the daily lives of residents, ensuring innovative solutions take root. On the other hand, we elevated the expertise of our service teams and enhanced service excellence to drive sustained improvements in resident satisfaction and service renewal turnover, reinforcing the Group's long-term sustainable growth.

The Group placed high priority on the application of smart technologies to build a diversified service ecosystem. For instance, we have vigorously advanced parking lots upgrades by implementing the transformation of informationised and centralised control and intelligent management. These initiatives standardised the parking order, optimised fee collection model, and enhanced resource utilisation through the sharing of parking spaces and cross-sector collaborations, which collectively improved operating efficiency and service convenience in multiple dimensions, tapping into additional revenue potential of parking spaces. Regarding energy-efficient retrofits, the Group has executed elevator energy-saving transformation projects alongside the deployment of negative-pressure-free/pressure-superposed water supply systems and radar-activated lighting solutions. By integrating process optimisation with refined management, this dual approach achieved sustainable energy conservation objectives while effectively reduced public infrastructure operating costs.

In terms of community living, the Group placed great emphasis on enhancing the convenience and vibrancy of community life. The Group has always regarded the optimisation of residents' living experience and the maintenance of sound customer relationships as top priorities, and has made every effort to create a warm and welcoming home for property owners. The Group focused on the daily needs of property owners by closely following the festive sentiment, planned and held diverse and high-quality community cultural events and convenience services, making the community a gathering place for joy, warmth and enrichment. For instance, the successful hosting of multiple community table tennis tournaments has significantly enriched residents' cultural and recreational lives. Adhering to the philosophy of "full lifecycle service", the Group timely attended to residents' needs with meticulous care, ensuring prompt responses and hassle-free daily living. From routine assistance such as parcel deliveries and assisting with heavy lifting to emergency support including unclogging repair and troubleshooting, and coordination on renovation sites, the Group delivered professional, thoughtful, and heartfelt services to uphold a caring community ambiance where warmth and attentiveness touch every corner.

Commercial Operation

For the six months ended 30 June 2025, the Group's commercial operational service network has covered 10 cities nationwide, including 15 shopping malls and office buildings, with a GFA under management of approximately 549,000 sq.m. in total.

The Group has always been committed to high-quality standards in commercial operations to deepen its service philosophy of “delivering warm living services”, and endeavoured to elevate commercial interactions into a stream of warmth connecting consumers in life. The Group has established an integrated service system focusing on the entire lifecycle of commercial real estate development, including “preliminary planning, commercial design, technical consultation, business tenant sourcing agency, pre-opening preparations and asset management”, so as to achieve seamless transition and value protection from development to ownership.

While focusing on refining our basic operational services, the Group actively explores multi-dimensional value growth pathways. On one hand, we push forward industrial synergy and efficiency improvement. Through coordinating both internal and external resources, the Group further integrates our membership programme with offline traffic, strengthening the synergistic effects between commercial operations and property management, thereby effectively guiding high-net-worth property owners in surrounding communities to become consumers in the mall, and enhancing customer retention and conversion efficiency. On the other hand, we extend our service chain through identifying and integrating new business models, constantly optimising and enriching service offerings, precisely matching the needs of merchants and consumers, and fully tapping into the comprehensive value potential of commercial projects.

The Group focused on our project positioning and the needs of target customers to create unique consumer scenarios and experience content, significantly enhancing project dynamics and operating effectiveness. Firstly, we extended the customer staying time to drive revenue. For example, Weining Aoyuan Plaza* (威甯奧園廣場) innovatively created the “Electronic Music Beer Festival” to integrate immersive stages, night time light art installations, and a boutique food market, which had successfully extended the average time that consumers spent browsing and effectively boosted the sales of surrounding shops during the event period. Secondly, we capitalised on key festivals to attract crowds. For instance, Pan Long Aoyuan Plaza* (盤龍奧園廣場) and Chayuan Aoyuan Plaza* (茶園奧園廣場) made precise target at key festive periods (such as May Day holiday, “520 Valentine’s Day”, and Dragon Boat Festival) to plan theme activities such as “Trendy Handmade Market”, “Dating 520” and “Intangible Cultural Heritage – Dragon Boat Festival”. Through integrated online and offline promotions, over 10,000 visitors were attracted to these events, thereby successfully stimulating sales of related merchandise.

* The English name is for identification purpose only

In terms of business model innovation, we promoted cross-sector integration to empower our projects. For example, Guangzhou Panyu Aoyuan Plaza* (廣州番禺奧園廣場) boldly integrated cultural and tourism elements to build a “Chocolate Kingdom (巧克力王國)” theme block. Through collaborating with renowned dessert brands to establish interactive workshops, parent-child baking workshop and immersive art exhibitions, such efforts not only effectively drove monthly performance growth in the parent-child sector but also enhanced the overall customer conversion rate in the mall through its unique scene attraction, thus establishing an innovative operational model for “commerce + cultural tourism”.

In terms of service, the Group practiced the concept of “Community Park (社區公園)” to reshape the space and foster warm connections. With the concept of “Community Park” as the core orientation, we transformed commercial spaces into warm “Third Living Space” through spatial optimisation and content operation. The Group meticulously carved out public areas by optimising flow and atmosphere to enhance spatial comfort and appeal, thereby revitalising space function. The Group organised richly diversified community thematic events, such as the aforesaid festive campaigns and theme blocks, to inspire emotional resonances through immersive experiences. The Group is committed to making the commercial projects a gathering place for warm living that foster social interaction, leisure entertainment and cultural engagement for neighbouring residents, effectively closing the distance between business and daily life whilst achieving two-way enhancement in both consumer experience upgrade and project brand value.

II. OUTLOOK

In the second half of 2025, the Group will deepen our development mindsets of “strengthening the foundation for sustainable growth” strategy. By implementing organisational streamlining and agile management process reengineering, the Group will systematically enhance decision-making efficiency and execution responsiveness. By focusing on key links of the service value chain, the Group will develop cross-departmental collaborative empowerment mechanisms to boost efficient allocation of management resources toward service end. Simultaneously, the Group will optimise the operational decision-making chain and establish data-driven dynamic response mechanisms to ensure precise delivery of customer needs to service terminals. On such basis, the Group will advance our granular service refinement plan, continuously strengthen customer value perception through the upgrade of full-contact service standards and scenario-based experience design, achieving the symbiotic growth of service quality and enterprise value.

Meanwhile, the Group will maintain a sound and prudent financial management strategy, continuously optimise the overall profit structure through refined cost control and diversified revenue channel expansion, thereby building a solid foundation for profitability in sustainable development. Looking ahead, the Group will proactively make deployment in new potential sectors such as cultural tourism and silver economy. Leveraging our high-quality service capabilities and scientific resources layout, the Group will solidify new momentum for overall profit growth, steadfastly march toward a path of organic growth and sustainable development, rewarding the long-standing trust of our property owners, customers and investors with our sound operational achievements.

* The English name is for identification purpose only

Property Management

The Group will actively explore the application of cutting-edge technologies such as artificial intelligence (“AI”) and big data to cultivate new quality productive forces, thereby driving service capability enhancement and high-quality development. We plan to advance the establishment of a “Smart Property Management Laboratory” and build an integrated intelligent service system, which aims to leverage technological empowerment to strengthen real-time service quality monitoring, gain precise insights into customer needs, and optimise intelligent deployment of service resources, seamlessly integrating online and offline service processes. Through in-depth big data analysis, the system will enhance the efficient matching of service offerings with customer demands, explore proactive service models, and continuously optimise customer experience. By improving service efficiency and satisfaction, the Group will create a differentiated competitive edge, laying a solid foundation for the long-term sustainable growth of our property management business.

To deepen the sense of community belonging and brand loyalty, the Group will systematically build three core community cultural intellectual properties (“IP(s)”). Firstly, enhancing the “Elderly Care IP”: we will continue to upgrade the “Elderly Festival” brand, deeply integrate high-quality medical, health care, and cultural and entertainment resources, and systematically provide diversified services including free health consultations, themed birthday parties, regular home visits for care and companionship, and consultations on aging-friendly renovations to create a community atmosphere of respecting, honoring, and loving the elderly. Secondly, building the “Growth Education IP”: we will carefully plan the “Back-to-School Season” and a series of themed activities throughout the academic year, actively collaborate with professional educational institutions, and jointly build a community education ecosystem covering interest classes, parent-child research studies, and literacy improvement to meet the diversified growth needs of residents’ children. Thirdly, innovating the “Community Spirit IP”: For example, we will explore the construction of themed cultures such as “Red Community”, leverage community spaces to create immersive learning experience scenarios, organise in-depth and warm community cultural activities, promote mainstream values, and build community consensus. Through a series of IP activities with high recognition and strong interactivity, we will effectively enhance residents’ participation, interaction, and community cohesion.

The Group will position the creation of urban benchmark projects as a strategic initiative to drive the upgrading of service capabilities, and launch the “New Brand, New Service, New Quality” plan, endeavoured to establish a service value model characterised by high standards, strong resilience, and broad recognition. Through the systematic implementation of lean quality control, we will establish high-quality baselines in core areas such as environment creation, facility operation and maintenance, and safety assurance. We will fully embrace the principle of “customer-centricity” by establishing a tiered and customised service response system tailored to the specific needs of different customer segments. At the same time, we will strengthen the infiltration of community culture, launch a neighbourhood symbiosis ecosystem with a diversified matrix of brand activities, and cultivate a quality life circle with a sense of belonging. In terms of building a standardised system, we will focus on creating a rapidly

replicable management paradigm and talent incubation system, and promote the full-domain penetration of service standards through the establishment of a professional empowerment center, ultimately forming a sustainable development closed loop of “benchmark leadership – standard output – value multiplication”.

In terms of engineering and facility management, the Group adheres to the equal emphasis on energy conservation, consumption reduction and quality improvement. By deepening the application of technologies such as AI, we continuously promote energy-saving renovation projects, synergistically optimise operational processes and management mechanisms, and achieve the dual goals of “technological energy conservation” and “management energy conservation” to continuously improve the modern operation and maintenance standard and engineering quality of the projects.

To drive the continuous improvement in operational efficiency and effectiveness, the Group is refining our precision-based operations strategy. This approach delivers customised management solutions aligned with distinct business models and user profiles—including the commercial nature of non-residential projects, management complexity of large-scale developments, and standardised service requirements. This strategy will optimise resources deployment, significantly enhance overall operational effectiveness, and maintain a healthy and stable cash flow of the Group to support the core needs for robust development.

While ensuring the efficient operation of foundation services, the Group is committed to building a value-added service ecosystem that achieves full-scenario coverage and multi-dimensional expansion. In terms of daily life services, we focus on core life scenarios for all age groups, prioritising the development of high-stickiness businesses such as smart home security upgrades, intelligent elderly-friendly solutions, community group purchases, insurance brokerage, home delivery service, and asset leasing and sales services. In terms of space value realisation, we are innovatively advancing the intelligent transformation of residential and commercial properties. By deploying smart security systems, energy consumption monitoring platforms and unmanned service terminals, we have significantly improved spatial operational efficiency. We are strategically expanding into unmanned economy applications by piloting innovative service touch points such as automated community delivery hubs and appointment-based mobile car wash platforms, thereby continuously extending our service value chain. By implementing a three-tier ecosystem framework of “foundational safeguards–intelligent upgrades–innovation incubation”, we deliver comprehensive enhancements to living standards and asset appreciation, forging sustainable profit growth channels for the Group.

Talent-driven service competency constitutes the foundation of property management. The Group has launched the special campaigns of “service improvement” as our strategic lever, executing systematic advancements across three key dimensions, including property butler capability elevation, staff image standardisation and service channel optimisation. Through customised training and practical drills, we unleash staff potential while standardising service protocols and streamlining processes. We dedicate to cultivating a professional, high-efficiency yet approachable service team that ensure seamless resident communication channels. By delivering meticulous and heartwarming care, we consistently foster warm and harmonious community ecosystems.

Meanwhile, the Group has charted a clear developmental pathway of “Standardisation-Branding-Value enhancement”. By governing end-to-end service delivery through meticulously crafted protocol, we transform premium service into replicable standardised systems. We then infuse these services with distinctive brand essence to cultivate differentiated appeal and trusted credibility. Ultimately, this converts brand value into tangible growth momentum, creating a self-reinforcing cycle of sustainable expansion. Building on this foundation, the Group will conduct an in-depth analysis of customer needs to deliver integrated solutions encompassing facility management, environmental enhancement, and safety assurance, continuously strengthening our competitive advantages in the market.

Commercial Operation

The Group maintains sharp focus on cash flow and profitability targets by intensifying investment in business tenant sourcing and value maximisation. Through rigorous analysis of consumer trends and customer preferences, we curate premium brands to build a diversified commercial ecosystem. Concurrently, we leverage innovative marketing campaigns as strategic drivers to power continuous iteration and elevation of consumption scenarios and optimise circulation planning, visual ambiance and service experience all around to maximise traffic conversion rates. By actively expanding ancillary revenue touch points including outdoor plaza leasing and advertising spaces, we establish a dual-engine profit model combining “core business excellence” with “value-creation expansion”. In the tactical operational execution, we adhere to the dual principles of “targeted support and innovative traffic generation”, implementing a key tenant tracking mechanism to provide data-driven assistance and strategic resource reallocation for precision empowerment. We employ scenario-based thinking to orchestrate thematic campaigns, sustain project vitality and market competitiveness through aesthetic space transformations and interactive experience design. With long-term vision, the Group proactively pioneers “Business +” convergence model, driving cross-sector innovation synergies in eligible districts to revitalise underutilised assets through complementary synergies, elevate brand equity, and construct sustainable development ecosystems.

Cultural Tourism and Healthcare

While consolidating our core business foundations, the Group is strategically expanding into the cultural tourism and healthcare and other sectors. Relying on our competitive advantages and market demand, the Group focuses on the integrated development pathway of “cultural tourism, healthcare, and sports” through actively incorporating innovative momentum (such as low-altitude economy applications) and unique driving force to develop captivating integrated service destinations that continuously enhance our brand influence. The Group is committed to facilitating deep synergies between emerging strategic ventures and existing property, commercial portfolios to amplify brand equity and regional cluster effects. We will strategically capitalise on opportunities presented by new quality productive forces, with focused development in frontier markets such as smart property management, new commercial ecosystems, wellness-oriented living communities, systematically exploring value chain leapfrog opportunities. Contributed by dual engines of technological innovation and business model transformation, we are accelerating our strategic foothold in emerging market sectors,

forging strategic growth engines that balance explosive potential with long-term sustainability for the Group to propel our long-term, high-quality development.

III. FINANCIAL REVIEW

Results of Operations

The Group's revenue was mainly derived from property management services and commercial operational services. For the six months ended 30 June 2025, the Group's total revenue was approximately RMB610.9 million, representing a decrease of approximately RMB89.1 million or approximately 12.7% as compared with approximately RMB700.0 million for the six months ended 30 June 2024.

	For the six months ended 30 June				Growth amount RMB'000	Growth rate %
	2025 RMB'000	%	2024 RMB'000	%		
Property management services	537,435	88.0	619,456	88.5	(82,021)	(13.2)
Commercial operational services	73,445	12.0	80,589	11.5	(7,144)	(8.9)
Total	<u>610,880</u>	<u>100.0</u>	<u>700,045</u>	<u>100.0</u>	<u>(89,165)</u>	<u>(12.7)</u>

Property Management Services

The revenue generated from property management services decreased by approximately RMB82.0 million, or approximately 13.2%, of which the revenue generated from basic property management services decreased by approximately RMB69.0 million or approximately 13.2%, the revenue generated from major property owners value-added services decreased by approximately RMB0.6 million or approximately 22.4%, the revenue generated from community value-added services decreased by approximately RMB12.4 million or approximately 13.0%, which was mainly due to the Group's strategic adjustments to proactively exit from low-margin and high-risk projects, resulting in a reduction in the area under management.

	For the six months ended 30 June				Growth amount RMB'000	Growth rate %
	2025 RMB'000	%	2024 RMB'000	%		
Basic property management services	452,128	84.1	521,118	84.1	(68,990)	(13.2)
Major property owners value-added services	2,055	0.4	2,648	0.4	(593)	(22.4)
Community value-added services	83,252	15.5	95,690	15.5	(12,438)	(13.0)
Total	<u>537,435</u>	<u>100.0</u>	<u>619,456</u>	<u>100.0</u>	<u>(82,021)</u>	<u>(13.2)</u>

The following table sets forth the breakdown of total revenue from the property management services for the periods indicated by geographic regions:

	For the six months ended 30 June			
	2025		2024	
	Revenue <i>RMB'000</i>	Revenue %	Revenue <i>RMB'000</i>	Revenue %
Southern China ⁽¹⁾	260,631	48.5	258,275	41.7
Southwestern China ⁽²⁾	77,419	14.4	82,327	13.3
Eastern China ⁽³⁾	48,971	9.1	72,508	11.7
Central and Northern China ⁽⁴⁾	119,625	22.3	175,118	28.3
Northeastern China ⁽⁵⁾	30,789	5.7	31,228	5.0
Total	<u>537,435</u>	<u>100.0</u>	<u>619,456</u>	<u>100.0</u>

Notes:

- (1) Southern China comprises Guangdong Province and Guangxi Zhuang Autonomous Region.
- (2) Southwestern China comprises Chongqing Municipality, Sichuan, Yunnan, Guizhou and Shaanxi Provinces.
- (3) Eastern China comprises Anhui, Fujian, Jiangsu, Jiangxi, Shandong and Zhejiang Provinces.
- (4) Central and Northern China comprises Hunan, Hubei, Hebei and Henan Provinces, Inner Mongolia Autonomous Region, Beijing Municipality and Tianjin Municipality.
- (5) Northeastern China comprises Liaoning and Heilongjiang Provinces.

Commercial Operational Services

The revenue generated from commercial operational services decreased by approximately RMB7.1 million or approximately 8.9%, which was mainly due to a reduction in the area of shopping malls/office buildings under the Group's management and the adjustment to the fee-for-service model for certain shopping malls under management.

	For the six months ended 30 June				Growth	Growth
	2025		2024		amount	rate
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Commercial operation and management services	65,985	89.8	80,589	100.0	(14,604)	(18.1)
Property letting and related services	7,460	10.2	–	–	7,460	100.0
Total	73,445	100.0	80,589	100.0	(7,144)	(8.9)

The following table sets forth the breakdown of revenue from the commercial operational services for the periods indicated by geographic regions:

	For the six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
Southern China ⁽¹⁾	57,049	77.7	54,692	67.9
Southwestern China ⁽²⁾	9,731	13.2	16,666	20.7
Eastern China ⁽³⁾	4,320	5.9	6,889	8.5
Central China ⁽⁴⁾	2,345	3.2	2,342	2.9
Total	<u>73,445</u>	<u>100.0</u>	<u>80,589</u>	<u>100.0</u>

Notes:

- (1) Southern China comprises Guangdong Province and Guangxi Zhuang Autonomous Region.
- (2) Southwestern China comprises Chongqing Municipality and Guizhou Province.
- (3) Eastern China comprises Jiangxi and Anhui Provinces.
- (4) Central China comprises Hunan Province.

Cost of Services

Our cost of services primarily consists of (i) labour costs mainly incurred from the security services, house-keeping services, labour outsourcing, maintenance services and cleaning and gardening services expenses; (ii) maintenance costs; (iii) utility expenses; and (iv) materials and consumables.

Our cost of services decreased by approximately 8.0% from approximately RMB481.3 million for the six months ended 30 June 2024 to approximately RMB442.6 million for the six months ended 30 June 2025, which was primarily due to the Group's strategic adjustments to proactively exit from high-risk, low-margin projects.

Gross Profit and Gross Profit Margin

For the six months ended 30 June 2025, gross profit of the Group was approximately RMB168.3 million, representing a decrease of approximately RMB50.4 million or approximately 23.0% as compared with approximately RMB218.7 million for the six months ended 30 June 2024. For the six months ended 30 June 2025, gross profit margin of the Group was approximately 27.5%, representing a decrease of approximately 3.7 percentage points as compared with approximately 31.2% for the six months ended 30 June 2024. Specifically, the gross profit margin of the property management services was approximately 25.2% (for the six months ended 30 June 2024: approximately 29.0%) and the gross profit margin of the commercial operational services was approximately 44.7% (for the six months ended 30 June 2024: approximately 48.4%). The decrease in gross profit was mainly attributable to the Group's strategic adjustments to proactively exit from high-risk, low-margin projects, and an increase in resource allocation to projects under management for continuously optimising property service quality by the Group with an aim to enhance owner satisfaction and address intensifying market competition.

Impairment Losses under ECL Model

For the six months ended 30 June 2025, the Group's impairment losses under ECL model amounted to approximately RMB73.8 million, representing a decrease of approximately RMB8.0 million as compared with approximately RMB81.8 million for the six months ended 30 June 2024.

Selling and Distribution Expenses and Administrative Expenses

Selling and distribution expenses of the Group primarily consist of (i) salaries and allowances for our sales personnel; and (ii) marketing expenses. Total selling and distribution expenses of the Group for the six months ended 30 June 2025 was approximately RMB2.9 million (for the six months ended 30 June 2024: approximately RMB1.7 million).

Administrative expenses of the Group primarily consist of (i) salaries and allowances for administrative and management personnel of the Group in headquarters; (ii) professional fees; (iii) travelling expenses; (iv) rental expenses; and (v) office expenses.

For the six months ended 30 June 2025, the administrative expenses of the Group was approximately RMB39.2 million, representing a decrease of approximately RMB3.3 million or approximately 7.8% as compared with approximately RMB42.5 million for the six months ended 30 June 2024.

Other income, Gains and Losses

For the six months ended 30 June 2025, other income of the Group amounted to a net revenue of approximately RMB0.9 million, representing a decrease of approximately RMB9.2 million as compared with approximately RMB10.1 million for the six months ended 30 June 2024, which was primarily attributable to a decrease in net exchange gain of approximately RMB8.7 million.

Income Tax

For the six months ended 30 June 2025, the income tax of the Group was approximately RMB13.9 million, representing a decrease of approximately RMB11.1 million as compared with approximately RMB25.0 million for the six months ended 30 June 2024.

Profit for the Reporting Period

For the six months ended 30 June 2025, the net profit of the Group was approximately RMB21.1 million, representing a decrease of approximately RMB54.0 million or approximately 71.9% as compared with approximately RMB75.1 million for the six months ended 30 June 2024. For the six months ended 30 June 2025, profit attributable to equity shareholders of the Group was approximately RMB25.0 million, representing a decrease of approximately 69.4% as compared with approximately RMB81.6 million for the six months ended 30 June 2024.

Financial Position

The financial position of the Group remained sound and healthy during the reporting period. As at 30 June 2025, total assets of the Group were approximately RMB2,285.3 million (as at 31 December 2024: approximately RMB2,358.7 million), and total liabilities were approximately RMB1,038.3 million (as at 31 December 2024: approximately RMB1,114.1 million). As at 30 June 2025, the current ratio of the Group was 1.73 (as at 31 December 2024: 1.68).

As at 30 June 2025, the net assets of the Group were approximately RMB1,247.0 million (as at 31 December 2024: approximately RMB1,244.7 million).

Property, Plant and Equipment

The Group's property, plant and equipment consist of buildings, office equipment, motor vehicles and leasehold improvements. Property, plant and equipment of the Group increased by approximately RMB30.9 million as at 30 June 2025 as compared with that as at 31 December 2024, which was primarily attributable to addition of office buildings.

Right-of-use Assets

The right-of-use assets of the Group were lease right-of-use assets. As at 30 June 2025, the right-of-use assets of the Group were approximately RMB8.8 million.

Investment Properties

The investment properties of the Group comprise parking spaces and shopping malls that are operated through leasing. As at 30 June 2025, the carrying value of the investment properties of the Group amounted to approximately RMB51.9 million.

Intangible Assets

Intangible assets of the Group represent the property management contracts obtained upon the acquisition of a series of property companies. Intangible assets of the Group decreased from approximately RMB53.8 million as at 31 December 2024 to approximately RMB49.1 million as at 30 June 2025, which was primarily due to the decrease of normal amortisation.

Goodwill

Goodwill of the Group represents the difference between the total consideration for the acquisitions of Anhui Hanlin Property Services Company Limited* (安徽瀚林物業服務有限公司), Shenzhen Huazhong Property Management Company Limited* (深圳華中物業管理有限公司), Easy Life Smart Community Services Group Co., Ltd. and Beijing Boan Property Management Co., Ltd.* (北京博安物業服務有限公司) and their respective total identifiable net assets as at the respective acquisition dates. As at 30 June 2025, the goodwill of the Group was approximately RMB87.6 million, representing a decrease of approximately RMB14.0 million as compared with that as at 31 December 2024, which was mainly due to the business expansion of certain subsidiaries acquired in previous years not meeting expectations, resulting in the Group making a provision for an impairment loss on goodwill of approximately RMB14.0 million.

Trade and Other Receivables

As at 30 June 2025, trade and other receivables of the Group were approximately RMB675.8 million, representing an increase of approximately RMB29.6 million or approximately 4.6% as compared with approximately RMB646.2 million as at 31 December 2024.

Amounts Due from Group Companies of A Former Substantial Shareholder

As at 30 June 2025, the Group's amounts due from group companies of a former substantial shareholder amounted to approximately RMB71.8 million, representing a decrease of approximately RMB47.4 million or approximately 39.8% as compared with approximately RMB119.2 million as at 31 December 2024.

Trade and Other Payables

As at 30 June 2025, trade and other payables of the Group were approximately RMB723.1 million, representing a decrease of approximately RMB72.4 million or approximately 9.1% as compared with approximately RMB795.5 million as at 31 December 2024.

Borrowings

As at 30 June 2025, the Group had (i) outstanding bank borrowings of approximately RMB62.0 million, and (ii) no unutilised banking facilities for short-term financing. Our bank borrowings were carried at fixed interest rate of 5.5% per annum, of which RMB60.0 million is guaranteed by certain subsidiaries of the Group and a subsidiary of a former substantial shareholder, and secured by the equity interests in a subsidiary of the Company.

Lease Liabilities

As at 30 June 2025, the lease liabilities of the Group due within one year were approximately RMB15.7 million (31 December 2024: approximately RMB3.9 million) and the balance of lease liabilities due over one year was approximately RMB25.9 million (31 December 2024: approximately RMB7.7 million).

Contingent Liabilities

As at 30 June 2025, we did not have any material contingent liabilities.

Gearing Ratio

The gearing ratio is calculated based on total liabilities divided by total assets. As at 30 June 2025, the gearing ratio of the Group was 0.45 (31 December 2024: 0.47).

Foreign Currency Risk

The functional currency of the Group is RMB, except that the functional currencies of certain overseas subsidiaries are currencies other than RMB. As at 30 June 2025, certain cash and bank balances and time deposits are denominated in RMB, HKD and USD, which would expose the Group to foreign currency risk. The Group has not used any foreign currency swap contracts to reduce the exposure to USD and HKD arising from bank balances. The Group also currently does not have any foreign exchange hedging policy.

Pledge of Assets

As at 30 June 2025, no asset of the Group was pledged, except for the pledge of equity in a subsidiary of the Company to obtain bank borrowings of approximately RMB60.0 million.

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures, Significant Investment and Future Plans for Material Investment and Capital Assets

During the six months ended 30 June 2025, the Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures nor was there any significant investment or plan authorised by the Board for material investment or addition of capital assets as at 30 June 2025 and there was no plan for other material investments or additions of capital assets as at the date of this announcement.

Employment and Remuneration Policy

As at 30 June 2025, the Group had 1,627 employees in total (30 June 2024: 1,942). The staff cost was approximately RMB111.1 million in the first half of 2025 (first half of 2024: approximately RMB116.4 million). The Group regularly reviews remuneration and benefits of its employees according to the relevant market practice and individual performance of the employees. Pursuant to relevant laws and regulations in the PRC, the Group provides contributions to social insurance (including pension insurance, medical insurance, unemployment insurance, maternity insurance and occupational injury insurance) and housing provident funds for our employees in the PRC. The Group also operates a Mandatory Provident Fund Scheme for all qualified employees in Hong Kong.

Treasury Policies

The Directors will continue to follow a prudent policy in managing the Group's cash and cash equivalents and maintain a strong and healthy liquidity position to ensure that the Group is well placed to take advantage of future growth opportunities.

INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the shares of the Company during the six months ended 30 June 2025.

CORPORATE GOVERNANCE CODE

The Board recognises the importance of maintaining a high standard of corporate governance to protect and enhance the benefits of shareholders and has applied the principles and the code provisions of the Corporate Governance Code (the “**CG Code**”) contained in “Part 2 – Principles of Good Corporate Governance, Code Provisions and Recommended Best Practices” of Appendix C1 to the Listing Rules. During the six months ended 30 June 2025, the Company has complied with all code provisions of the CG Code, except for code provision C.2.1 of the CG Code as explained below:

During the reporting period, Mr. Wang Jiren served as both the chairman of the Board (the “**Chairman**”) and the president of the Group (the “**President**”). Such practice deviates from code provision C.2.1 of the CG Code. The Board believes that vesting the roles of both the Chairman and the President in the same person can facilitate the execution of the Group’s business strategies and enhance its operational efficiency. The Board currently comprises two executive Directors, three non-executive Directors and three independent non-executive Directors, which provides an appropriately structured balance of power and sufficient checks to safeguard the interests of the Company and the Shareholders. Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate under the present circumstances.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct for its Directors dealing in securities of the Company. The Company has made specific enquiry to all Directors and all Directors have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2025.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there is no significant event since the end of the reporting period and up to the date of this announcement.

AUDIT COMMITTEE

The audit committee of the Company, comprising Mr. Hung Ka Hai Clement as chairman as well as Dr. Li Zijun and Mr. Wang Shao as members, has reviewed, together with the participation of the management, the accounting principles and practices adopted by the Group and discussed auditing and financial reporting matters including the review of the unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2025.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sjwt.net). The interim report of the Company for the six months ended 30 June 2025 containing all the information required by the Listing Rules will be despatched to the Company's shareholders (if requested) and available on the above websites in accordance with the Listing Rules in due course.

By Order of the Board
Starjoy Wellness and Travel Company Limited
Wang Jiren
Chairman

Hong Kong, 28 August 2025

** In this announcement, the English names are translation of their Chinese names and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.*

As at the date of this announcement, the executive Directors are Mr. Wang Jiren and Ms. Liang Jinrong; the non-executive Directors are Mr. Ruan Yongxi, Mr. Kam Min Ho Andrew and Ms. Jiang Nan; and the independent non-executive Directors are Mr. Hung Ka Hai Clement, Dr. Li Zijun and Mr. Wang Shao.