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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 ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

2025 RESULTS HIGHLIGHTS

- Total revenue was approximately RMB1,220 million, representing a year-on-year decrease of approximately 10.0%.
- Gross profit was approximately RMB313 million, representing a year-on-year decrease of approximately RMB72.5 million, and gross profit margin was approximately 25.6%, representing a year-on-year decrease of approximately 2.8 percentage points.
- A significant year-on-year decrease of approximately RMB26.5 million was recorded in exchange gains, primarily due to the depreciation of the US dollar and Hong Kong dollar against Renminbi.
- A significant year-on-year decrease of approximately RMB5.1 million was recorded in bank interest income, primarily due to the downward adjustment of bank deposit interest rates.
- An impairment loss of approximately RMB14.0 million was recognised on goodwill attributable to certain subsidiaries acquired in prior years, as these subsidiaries experienced a contraction in operating scale following the Group's business strategy adjustments.
- As a result of intensifying competition in the medical aesthetic market, the Group recorded a year-on-year decline in the revenue and profit of its invested medical aesthetic companies, and recognised a significant decrease in the fair value of related equity instruments measured at fair value through profit or loss. The amount of this decrease increased by approximately RMB5.3 million compared to the previous year.

- The Group achieved net profit of approximately RMB48.4 million, representing a year-on-year decrease of approximately RMB37.9 million or approximately 43.9% due to the combined effects of the abovementioned factors.
- After excluding the relevant non-recurring and non-operating profit or loss item, core net profit^(Note) was approximately RMB104 million, representing a year-on-year decrease of approximately RMB0.9 million, remaining largely stable.
- The Board does not recommend the payment of a final dividend for the Year.

Note: Core net profit of the Group excludes non-recurring and non-operating profit or loss items and their related tax effects, such as net foreign exchange gains, gains or losses on disposal of subsidiaries/ investment properties, fair value changes in equity instruments at fair value through profit or loss, goodwill impairment losses and share-based expenses.

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 year ended 31 December 2025 (the “**Year**” or “**2025**”) with comparative figures for the year ended 31 December 2024 (the “**Previous Year**” or “**2024**”), as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	3	1,219,825	1,355,282
Cost of services rendered		(907,289)	(970,245)
Gross profit		312,536	385,037
Other income, gains and losses	4	(4,605)	30,672
Impairment losses under expected credit loss (“ECL”) model, net of reversal		(123,945)	(189,032)
Impairment losses on goodwill		(13,976)	(13,943)
Loss on disposal of subsidiaries		(2,014)	–
Administrative expenses		(85,679)	(91,689)
Selling and distribution expenses		(5,513)	(5,286)
Share of results of a joint venture		18	(15)
Finance costs		(4,387)	(5,386)

		Year ended 31 December	
	<i>NOTES</i>	2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Profit before tax		72,435	110,358
Income tax expense	5	<u>(24,077)</u>	<u>(24,107)</u>
Profit for the year	6	<u>48,358</u>	<u>86,251</u>
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(2,902)	225
Item that will not be reclassified subsequently to profit or loss:			
Fair value (loss)/gain on equity instruments at fair value through other comprehensive income (“FVTOCI”)		<u>(43,863)</u>	<u>6,367</u>
Other comprehensive (loss)/income for the year, net of income tax		<u>(46,765)</u>	<u>6,592</u>
Total comprehensive income for the year		<u>1,593</u>	<u>92,843</u>
Profit for the year attributable to:			
– Owners of the Company		51,568	96,216
– Non-controlling interests		<u>(3,210)</u>	<u>(9,965)</u>
		<u>48,358</u>	<u>86,251</u>
Total comprehensive income attributable to:			
– Owners of the Company		17,177	101,846
– Non-controlling interests		<u>(15,584)</u>	<u>(9,003)</u>
		<u>1,593</u>	<u>92,843</u>
Earnings per share (<i>RMB cents</i>)			
– Basic	7	<u>7.10</u>	<u>13.25</u>
– Diluted	7	<u>7.10</u>	<u>13.25</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
	NOTES	2025	2024
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		57,680	29,275
Right-of-use assets		3,631	10,771
Investment properties		53,014	–
Intangible assets		44,454	53,767
Goodwill		87,587	101,563
Interests in associates		–	300
Interests in a joint venture		258	240
Equity instrument at fair value through profit or loss (“FVTPL”)		33,176	51,443
Equity instruments at FVTOCI		131,117	177,882
Deferred tax assets		59,975	58,115
Deposits paid for acquisition of property, plant and equipment		1,275	40,369
		<u>472,167</u>	<u>523,725</u>
CURRENT ASSETS			
Inventories		2,802	11,849
Trade and other receivables	9	677,702	646,200
Deferred contract costs		–	2,853
Amounts due from group companies of a former substantial shareholder		68,369	119,235
Restricted bank deposits		36,154	24,714
Bank balances and cash		970,276	1,030,167
		<u>1,755,303</u>	<u>1,835,018</u>

		As at 31 December	
	<i>NOTES</i>	2025	2024
		RMB'000	RMB'000
CURRENT LIABILITIES			
Trade and other payables	10	679,208	795,462
Contract liabilities		176,998	172,661
Tax liabilities		64,348	50,811
Lease liabilities		14,839	3,947
Borrowings		35,000	70,000
		<u>970,393</u>	<u>1,092,881</u>
NET CURRENT ASSETS		<u>784,910</u>	<u>742,137</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,257,077</u>	<u>1,265,862</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		11,114	13,442
Lease liabilities		15,423	7,745
		<u>26,537</u>	<u>21,187</u>
NET ASSETS		<u>1,230,540</u>	<u>1,244,675</u>
CAPITAL AND RESERVES			
Share capital		6,207	6,207
Reserves		1,198,624	1,196,682
Equity attributable to owners of the Company		<u>1,204,831</u>	<u>1,202,889</u>
Non-controlling interests		25,709	41,786
TOTAL EQUITY		<u>1,230,540</u>	<u>1,244,675</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Cayman Islands Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) on 13 December 2016. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 18 March 2019.

The consolidated financial statements are presented in Renminbi ("**RMB**"), the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("**IFRSs**")

In the current year, the Group have applied the following new and amendments to IFRSs issued by the International Accounting Standards Board, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements.

Amendments to IAS 21	Lack of Exchangeability
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The application of the above amendments to IFRS Accounting Standards in the current year had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not applied the new and amendments to IFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and amendments to IFRS Accounting Standards but is not yet in a position to state whether these new and amendments to IFRS Accounting Standards would have a material impact on its results of operations and financial position, apart from IFRS 18 Presentation and Disclosure in Financial Statements, as further explained below.

IFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace International Accounting Standard ("**IAS**") 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Type of services		
Property management services		
Basic property management services	906,042	1,027,106
Sales assistance services	4,235	5,220
Community value-added services	125,013	142,972
Heating service	24,292	24,445
Others	4,016	3,481
	<u>1,063,598</u>	<u>1,203,224</u>
Commercial operational services		
Commercial operation and management services	130,116	139,915
Market positioning and business tenant sourcing services	8,677	12,143
	<u>138,793</u>	<u>152,058</u>
Property letting and related services		
Rental income – related to commercial operations services	17,434	–
	<u>17,434</u>	<u>–</u>
Total	<u>1,219,825</u>	<u>1,355,282</u>
Revenue from contract with customers	1,202,391	1,355,282
Leases	17,434	–
	<u>17,434</u>	<u>–</u>
Total	<u>1,219,825</u>	<u>1,355,282</u>
Disaggregation revenue from contracts with customers		
Type of customers		
Property management services		
External customers	1,063,598	1,161,699
Group companies of a former substantial shareholder*	–	36,410
Other related parties*	–	5,115
	<u>1,063,598</u>	<u>1,203,224</u>

Disaggregation revenue from contracts with customers (continued)

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Commercial operational services		
External customers	132,476	114,934
Group companies of a former substantial shareholder*	–	37,124
An associate	6,317	–
	<u>138,793</u>	<u>152,058</u>
 Total	 <u>1,202,391</u>	 <u>1,355,282</u>
 Timing of revenue recognition		
Over time	1,154,796	1,303,340
A point in time	47,595	51,942
	<u>1,202,391</u>	<u>1,355,282</u>

* The group companies of a former substantial shareholder are subsidiaries of China Aoyuan Group Limited (“**China Aoyuan**”, together with its subsidiaries collectively as the “**China Aoyuan Group**”). China Aoyuan was a controlling shareholder of the Company until 17 July 2023, and has ceased to be a substantial shareholder of the Company since 21 October 2024 and has become an independent third party since then. The other related parties are joint ventures and associates of China Aoyuan.

The Group’s operating segments are determined based on information reported to Chief Executive Officer, being the chief operating decision maker (“**CODM**”) of the Group, for the purposes of resource allocation and assessment of segment performance, focused on types of services provided. The accounting policies applied in determining segment revenue and segment results of the operating segments are the same as the Group’s accounting policies. Segment results represent the profit earned by each segment without allocation of central administrative costs, change in fair value of equity instrument at FVTPL, certain other income, gains and losses, finance costs and loss on disposal of subsidiaries and investment properties.

The Group’s operating and reportable segments are as follows:

a. Property management services

The Group engaged in the provision of basic property management services, sales assistance services, community value-added services and heating services for both residential and non-residential units to property developers, property owners and residents.

b. Commercial operational services

The Group engaged in the provision of commercial operation and management services and market positioning and business tenant sourcing services to commercial property developers and commercial property lessees.

c. Property letting and related services

The Group engaged in the provision of property letting and related services to rental tenants.

No analysis of segment assets and segment liabilities is presented as such information are not regularly provided to the CODM for review.

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

	Property management services RMB'000	Commercial operational services RMB'000	Property letting and related services RMB'000	Total RMB'000
Year ended 31 December 2025				
Segment revenue	<u>1,063,598</u>	<u>138,793</u>	<u>17,434</u>	<u>1,219,825</u>
Segment results	<u>92,657</u>	<u>47,477</u>	<u>2,247</u>	142,381
Net exchange loss				(15,142)
Unallocated other income, gains and losses				20,350
Change in fair value of equity instrument at FVTPL				(18,267)
Loss on disposal of subsidiaries				(2,014)
Central administrative costs				(50,486)
Interest on lease liabilities				(1,501)
Interest on borrowings				<u>(2,886)</u>
Profit before tax				<u>72,435</u>
	Property management services RMB'000	Commercial operational services RMB'000	Property letting and related services RMB'000	Total RMB'000
Year ended 31 December 2024				
Segment revenue	<u>1,203,224</u>	<u>152,058</u>	<u>–</u>	<u>1,355,282</u>
Segment results	<u>95,226</u>	<u>38,677</u>	<u>–</u>	133,903
Net exchange gain				11,356
Unallocated other income, gains and losses				26,342
Change in fair value of equity instrument at FVTPL				(12,977)
Loss on disposal of investment properties				(3,486)
Central administrative costs				(39,394)
Interest on lease liabilities				(472)
Interest on borrowings				<u>(4,914)</u>
Profit before tax				<u>110,358</u>

Other segment information

	Property management services <i>RMB'000</i>	Commercial operational services <i>RMB'000</i>	Property letting and related services <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
Segment information included in the measure of segment results/assets:					
Year ended 31 December 2025					
Depreciation of investment properties	–	–	13,199	–	13,199
Depreciation of property, plant and equipment	4,255	389	–	4,164	8,808
Amortisation of intangible assets	9,313	–	–	–	9,313
Depreciation of right-of-use assets	924	1,137	–	1,834	3,895
Loss on transfer from inventories to investment properties	1,388	–	–	–	1,388
Impairment losses on goodwill	13,976	–	–	–	13,976
Impairment losses under ECL model, net of reversal	121,857	2,088	–	–	123,945
(Gain)/loss on disposal of property, plant and equipment	3,193	(119)	–	(1)	3,073
Share of results of a joint venture	(18)	–	–	–	(18)
	<u>258</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>258</u>
As at 31 December 2025					
Interests in a joint venture	<u>258</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>258</u>
Segment information included in the measure of segment results/assets:					
Year ended 31 December 2024					
Depreciation of property, plant and equipment	4,529	623	–	2,400	7,552
Amortisation of intangible assets	9,393	–	–	–	9,393
Depreciation of right-of-use assets	915	1,557	–	1,214	3,686
Impairment losses on goodwill	13,943	–	–	–	13,943
Impairment losses/(reversal of impairment losses) under ECL model, net of reversal	191,498	(2,466)	–	–	189,032
Share of results of a joint venture	15	–	–	–	15
Loss on disposal of property, plant and equipment	1,888	–	–	–	1,888
	<u>240</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>240</u>
As at 31 December 2024					
Interests in a joint venture	<u>240</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>240</u>
Interests in an associate	<u>–</u>	<u>–</u>	<u>–</u>	<u>300</u>	<u>300</u>

Geographical information

The Group's revenue from customers is derived solely from its operations and services rendered in the People's Republic of China (the "PRC"), and substantially all of the non-current assets (other than equity investments at FVTOCI) of the Group are located in the PRC.

Information about major customers

There were no revenue from transactions with a single customer or group of entities known to the Group to be under common control contributing over 10% of the total revenue of the Group.

4. OTHER INCOME, GAINS AND LOSSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Bank interest income	18,087	23,165
Net exchange (loss)/gain	(15,142)	11,356
Government grants	7,279	12,123
Loss on transfer from inventories to investment properties	(1,388)	–
Loss on disposal of property, plant and equipment	(3,073)	(1,888)
Loss on disposal of investment properties	–	(3,486)
Dividend income	1,620	2,292
Change in fair value of equity instrument at FVTPL	(18,267)	(12,977)
Gain on early termination of leases	587	–
Others	5,692	87
	<u>(4,605)</u>	<u>30,672</u>

5. INCOME TAX EXPENSE

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current tax:		
PRC Enterprise Income Tax (“EIT”)	28,265	26,349
Deferred tax	(4,188)	(2,242)
	<u>24,077</u>	<u>24,107</u>

No provision for Hong Kong profits tax has been made as the Group did not have any assessable income subject to Hong Kong profits tax for both years.

Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

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 years.

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, respectively, under which it is entitled to a preferential income tax rate of 15% for the three years from 1 January 2023 to 31 December 2025 and from 1 January 2024 to 31 December 2026, respectively.

6. PROFIT FOR THE YEAR

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit for the year has been arrived at after charging/(crediting):		
Auditors' emoluments	1,758	2,200
Directors' emoluments	5,254	4,032
Other staff's salaries and other benefits	191,781	204,345
Other staff's contributions to retirement benefit scheme	27,553	29,408
Contributions to housing provident funds	7,372	7,628
Other staffs' share-based payments	2,407	–
Total staff costs	<u>234,367</u>	<u>245,413</u>
Impairment losses recognised/(reversed) on:		
Trade receivables	93,154	152,596
Other receivables	2,301	5,247
Group companies of a former substantial shareholder	28,490	34,528
Other related parties	–	(3,339)
Total impairment losses under ECL model, net of reversal	<u>123,945</u>	<u>189,032</u>
Cost of inventories recognised as an expense	1,829	1,435
Depreciation of property, plant and equipment	8,808	7,552
Depreciation of right-of-use assets	3,895	3,686
Depreciation of investment properties	13,199	–
Amortisation of intangible assets (included in cost of services rendered)	<u>9,313</u>	<u>9,393</u>

7. 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Earnings:		
Earnings for the purposes of basic and diluted earnings per share, as appropriate (profit for the year attributable to owners of the Company)	<u>51,568</u>	<u>96,216</u>
	2025	2024
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<u>726,250,000</u>	<u>726,250,000</u>

The calculation of diluted earnings per share did not assume the exercises of the Company's share options outstanding during the current and prior years because the exercise prices of those share options were higher than the average market price of the Company's shares during the current and prior years, respectively.

8. DIVIDENDS

Subsequent to the end of the reporting period, the Board does not recommend the payment of final dividend for the year ended 31 December 2025 (2024: RMB0.0265 per ordinary share).

9. TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables	1,000,597	877,544
Less: impairment losses under ECL model, net of reversal	<u>(484,042)</u>	<u>(394,194)</u>
	<u>516,555</u>	<u>483,350</u>
Other receivables:		
Deposits	21,286	21,791
Payments on behalf of residents	77,781	77,131
Input tax to be deducted	15,410	15,443
Prepayments	23,732	23,905
Others	<u>38,452</u>	<u>37,793</u>
	<u>176,661</u>	<u>176,063</u>
Less: impairment losses under ECL model, net of reversal	<u>(15,514)</u>	<u>(13,213)</u>
	<u>161,147</u>	<u>162,850</u>
Total trade and other receivables	<u><u>677,702</u></u>	<u><u>646,200</u></u>

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

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
0 to 60 days	91,956	86,439
61 to 180 days	96,116	112,951
181 to 365 days	125,983	131,439
1 to 2 years	208,951	229,823
2 to 3 years	186,090	140,140
Over 3 years	<u>291,501</u>	<u>176,752</u>
	<u><u>1,000,597</u></u>	<u><u>877,544</u></u>

10. TRADE AND OTHER PAYABLES

	NOTES	As at 31 December	
		2025	2024
		RMB'000	RMB'000
Trade payables		262,013	293,507
Other payables:			
Receipts on behalf of residents	(a)	114,964	107,073
Deposits received	(b)	109,163	140,198
Accrued staff costs		19,668	14,961
Accrued contribution to social insurance and housing provident funds		13,571	13,845
Other tax payables		43,733	30,121
Accrued expenses		27,304	46,111
Other payables to group companies of a former substantial shareholder	(c)	61,028	113,144
Other payables		27,764	36,502
Total other payables		417,195	501,955
Total trade and other payables		679,208	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 represented utility deposits received from the community residents and commercial tenants.
- (c) The balances represented the rents received on behalf of group companies of a former substantial shareholder.

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

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
0 to 60 days	62,007	64,022
61 to 180 days	66,588	72,475
181 to 365 days	35,969	37,790
1 to 2 years	28,659	57,825
2 to 3 years	19,849	20,200
Over 3 years	48,941	41,195
	262,013	293,507

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

As a leading comprehensive service provider in property management and commercial operation in the PRC, the Group has remained committed to its core concept of “gaining reputation through service and making achievements with value”. We have further advanced our diversified service strategy and established a service matrix covering the full-cycle management of residential and non-residential properties, as well as end-to-end operations of mid-to-high-end commercial complexes and integrated projects. Simultaneously, we have actively expanded into healthy living services and developed high-quality ecological environments suitable for both residential and commercial use. In response to the complex and volatile economic conditions, the Company proactively implemented strategic upgrades and executed its policies with precision. While consolidating its core strengths in property management and commercial operations, we have also made forward-looking investments in potential sectors, such as cultural tourism and healthcare, leveraging the fundamental development philosophy of “service, pleasure, and harmony” to pursue high-quality growth and generate continuous and stable returns for the shareholders of the Company (the “Shareholders”).

Property Management

In 2025, the Group focused on high-quality development and adhered to the strategic direction of “quality enhancement” and “innovative expansion”. To enhance operational quality, we refined and optimised our operations and achieved significant improvements in resource efficiency through process re-engineering and structural cost optimisation. In exploring new growth opportunities, we innovated our business models and revenue streams based on our keen market insights, while consolidating and expanding our core business advantages to achieve comprehensive improvements in business quality and operational efficiency.

As of 2025, the property management service network of the Group covered 62 cities in 22 provinces, municipalities, and autonomous regions in the PRC, with a chargeable gross floor area (“GFA”) under management of approximately 33.9 million square metres (“sq.m.”), maintaining a stable service scale and market position.

Adhering to the strategic direction of “refined operation, innovative expansion and value empowerment”, the Group established a differentiated and customised service system centered on customer needs, and achieved precise matching between services and demands. In respect of fundamental safeguards, the Group conducted solid maintenance, repair and replacement work on core infrastructure such as water and electricity pipelines, thereby ensuring the reliability and safety of long-term operations and building a solid foundation for the safe operation of communities. In respect of quality improvement, the Group increased investment in optimising communities landscaping and upgrading intelligent security systems, creating a beautiful, livable, safe and comfortable living environment. In respect of personalised services, the Group launched dedicated butler response services to precisely meet the individualised needs of property owners. Through this hierarchical service strategy, resources are allocated in a scientific manner, achieving simultaneous optimisation of service precision and operational efficiency, and enhancing property owners’ satisfaction and customer loyalty.

For value-added services, the Group achieved multiple breakthroughs. It established a development framework of “foundation services + value-added ecosystem” to deeply explore the value of community scenarios. It focused on areas with high loyalty and growth potential, such as care services for “elderly and children” and high-quality home living solutions. By integrating high-quality internal and external resources, the Group successfully launched a community value-added service package covering multiple dimensions, such as health management, housekeeping and cleaning, and asset leasing and sales, providing new impetus for sustainable corporate growth. Meanwhile, through technology-enabled for operational upgrades, we facilitated the intelligent transformation of parking lots and achieved centralised management and sharing of parking spaces through informatisation, significantly improving resource utilisation rates. We continued to implement renovation projects such as energy-saving of elevators upgrades, water supply without negative pressure, and radar-sensor lighting. Through the dual driver of “energy saving with technologies + energy saving through management”, we effectively reduced the operating costs of public facilities and achieved a win-win outcome of green operations and improved efficiency.

The Group aimed to build a healthy, livable, and harmonious community and has clearly defined the path for constructing community culture. It continued to develop the branded activity system of “Joyful Home•Building Warm Neighbourhood” to shape a distinctive community culture. The activity system covered various scenarios, focusing on “care for growth” by launching themed activities during the “back-to-school season” to support the growth of the children of property owners. It also engaged in “warm protection” initiatives by carrying out care services during the “Elderly Festival” to promote the tradition of respecting the elderly. Such efforts have strengthened the sense of identity and belonging among property owners, improved customer satisfaction and happiness, and demonstrated the social responsibility of the Group.

During the Year, the Group implemented a series of specific measures to enhance customer service and community cohesion, including the implementation of the “Manager Service Day” mechanism, and resolving over 10,000 customer complaints throughout the Year. It continued to provide free car washing, free medical check-ups, and other convenient services, and organised diversified community activities such as table tennis competitions, basketball games, and festival events. The Group adhered to the principle of “customer-centered”, with services covering a wide range of scenarios, ranging from daily assistance to emergency responses, and from maintaining the quality of public spaces to enhancing personalised experiences. These efforts have effectively consolidated the foundation for the development of a harmonious community.

Commercial Operation

As of 2025, the Group’s commercial operational service network covered 10 cities nationwide, with a GFA under management of approximately 544,000 sq.m. in total, forming a large-scale, high-quality commercial service matrix and continuing to expand its market influence.

The Group has always been committed to its service philosophy of “delivering warm living services”, and has established a service system covering the entire life cycle of commercial management, offering services ranging from preliminary planning, commercial design, and tenant sourcing to pre-opening preparations and asset management, providing full-chain value protection for commercial projects. At the operational level, the Group has primarily advanced its development through two approaches. On the one hand, by coordinating both internal and external resources, the Group integrates its membership programme with traffic, strengthening the synergistic effects between property management and commercial operations, thereby converting resources in the surrounding communities into commercial footfall. On the other hand, by unlocking the potential of diversified business models and optimising product and service offerings, we aim to enhance the matching efficiency between merchant models and consumer demand, thereby increasing the comprehensive value of commercial projects.

Scenario innovation and thematic operation have become the main levers for activating commercial vitality. Weining Aoyuan Plaza* (威寧奧園廣場) created the “Electronic Music Beer Festival” to deeply integrate immersive stages, night-time light art installations, and a boutique food market, which successfully extended the time that consumers spent browsing and significantly boosted the sales of surrounding shops. Pan Long Aoyuan Plaza* (盤龍奧園廣場) and Chayuan Aoyuan Plaza* (茶園奧園廣場) precisely identified key festive periods to plan theme activities such as “Trendy Handmade Market” and “Dragon Boat Festival”, which attracted large crowds and generated positive publicity. Luogang Aoyuan Plaza (蘿崗奧園廣場)’s “Market Fair” (趁墟) food bazaar witnessed tremendous popularity upon its opening, and through integrating online and offline promotion, more than ten thousand visitors were attracted to effectively boosting consumption growth. Among these, intangible cultural heritage themed activities created differentiated scenarios through skill demonstrations and handicraft experiences, achieving coverage across all age groups and significantly increasing project visibility and visitor count. In addition, multiple commercial projects actively explored online operation models by conducting scenario-based live-stream store tours and targeted brand promotion campaigns, building an interactive consumption platform of “driving online traffic to offline experiences”, thereby enhancing the conversion efficiency from online traffic to offline consumption.

The Group vigorously explored “commerce + cultural tourism”, with notable results in cross-sector integration. Guangzhou Panyu Aoyuan Plaza*(廣州番禺奧園廣場) innovatively launched a “Chocolate Kingdom (巧克力王國)” theme block. Through collaborating with renowned brands to establish interactive workshops, parent-child baking workshops, and immersive art exhibitions, such efforts not only significantly drove monthly performance growth in the parent-child segment but also enhanced the overall customer conversion rate of the mall. At the same time, the Group practiced the concept of “Community Park (社區公園)”, optimised customer flow and ambience in commercial spaces, organised diversified community-themed events, and transformed commercial spaces into warm “Third Living Space”. These commercial spaces served as important gathering places that foster social interaction, leisure entertainment for neighbouring residents, whilst achieving dual enhancement of consumer experience and brand value.

II. OUTLOOK

In 2026, the Group will deepen its development strategy of “strengthening the foundation for sustainable growth through innovation”. While maintaining a sound and prudent financial management strategy, the Group aims to optimise its profit structure through refined cost control and diversified revenue channels. The Group will explore potential sectors such as cultural tourism, healthcare and the silver economy, and reward the trust of property owners, customers and investors with enhanced operational achievements.

Property Management

We will take “Smart Property Management” as a key lever to systematically build a new intelligent service system aimed at leveraging cutting-edge technologies such as artificial intelligence (“AI”) and big data to achieve real-time service quality monitoring, gain precise insights into customer needs, and intelligently deploy service resources, thereby seamlessly integrating online and offline service processes. Through big data analysis, the system will enhance the efficiency of matching services with demand, explore proactive service models, and continuously improve service efficiency and customer satisfaction, thereby creating a differentiated competitive advantage.

To deepen the “Joyful Home • Building Warm Neighbourhood (悅滿家園•共築暖鄰)” series of branded IP-based community cultural activities, the Company will upgrade its community operation model, shift from “enterprise-led” to “owner co-creation”, establish platforms for owners to showcase their talents and mechanisms to facilitate co-creation, further strengthening the sense of community belonging and brand loyalty.

The Group will continue to implement community quality upgrade initiatives to create benchmark quality projects. Firstly, it will continue to optimise the full-cycle quality control system to consolidate a solid foundation in environment, facilities and safety management. Secondly, it will deepen customer insight and service systems to provide more targeted service responses. Thirdly, it will foster a vibrant community culture to enhance residents’ sense of belonging and cohesion.

In terms of engineering and facility management, the Group will continue to ramp up energy conservation, cost reduction and quality improvement. By strengthening the application of AI technologies and increasing investment in energy-saving renovation projects, as well as optimising operational processes and management mechanisms in a coordinated manner, the Group targets to achieve the dual goals of “technological energy conservation” and “management energy conservation” to improve the modern operation and maintenance standards of its projects.

For value-added services, an ecosystem covering all daily life scenarios will continue to be established to elevate profit margins and enhance customer loyalty. The Group will focus on the customer core needs across all age groups, prioritising the development of high-growth businesses such as smart home security upgrades, intelligent elderly-friendly solutions, community business and home delivery services, and systematically advancing the intelligent transformation of projects under management. By deploying smart security systems, energy management platforms and unmanned service terminals, we aim to improve operational efficiency and customer experience. Meanwhile, we are actively exploring and piloting innovative service scenarios such as automated community delivery and appointment-based mobile car wash, thereby extending the service value chain.

The Group will take “service improvement” as a long-term special campaign, focusing on enhancing property butler’s professional capabilities, standardising staff image, and optimising diversified service channels. Through customised training and practical drills, service protocols and key processes will be standardised. We are committed to cultivating a professional, efficient yet approachable service team that ensures seamless communication and timely responses to property owners at all times.

Meanwhile, we will also establish a replicable management model and talent pipeline, ensuring consistent delivery of high-standard services through professional empowerment. The synergistic advancement of these initiatives aims to gradually foster a virtuous cycle of “benchmark leadership, standard output as well as value growth”.

The Group has mapped out a clear advanced development strategy featuring “Standardisation-Branding-Value enhancement”, focusing on transforming its proven high-quality services into a replicable and scalable standardised system, thereby consolidating and enhancing the Group’s long-term competitive advantage in the market.

Commercial Operation

We will continue to enhance the precision of tenant acquisition and our ability to unlock asset value. We will proactively introduce premium brands aligned with project positioning to build a rich and healthy commercial ecosystem by strengthening research into consumer trend and customer preference. Through planning attractive marketing campaigns, we will constantly optimise customer flow paths, environmental ambience and service experience to improve conversion efficiency. The Group will also vigorously expand diversified value-added service scenarios including leasing of outdoor plazas and advertising space resources, which will form a profit portfolio anchored by core leasing operations and expanded through value-added services, so as to strengthen overall profitability.

In terms of empowering merchants and maintaining project vitality, we adhere to the principle of combining targeted support with innovative traffic generation. By establishing a key merchant tracking mechanism, we provide operational data insight and necessary resource coordination to achieve targeted support. Guided by a scenario-based approach, we spearhead the planning of spatial aesthetic upgrade and themed interactive experience to maintain the freshness and appeal of commercial spaces. The Group will also deepen online operational methods such as live-streamed store tours, strengthen online-offline interaction, and promote the effective conversion of traffic into offline consumption.

From a long-term development perspective, the Group will further actively explore the “commerce +” integrated model. In suitable regions, we will promote synergies between diverse sectors such as “commerce and cultural tourism”, “commerce and sports”, revitalise existing assets, enhance project brand positioning, and ultimately build a sustainable commercial operation system.

Cultural Tourism and Healthcare

Building upon a solid foundation in core business development, the Group will focus on diversified integration across sectors such as “cultural tourism + healthcare + sports” to create comprehensive service scenarios with core competitiveness. We will drive deep synergy between new cultural tourism and healthcare businesses and existing property and commercial segments through drawing upon successful industry practices, thereby fully unlocking complementary business effects, and further amplifying brand value and regional market influence.

We will seize opportunities in developing new quality productive forces, deepen engagement in cutting-edge fields such as intelligent property management, new commercial ecosystem, healthcare and living, and accelerate the layout of emerging markets driven by dual engines of technological and model innovation. We will give priority to developing comprehensive living and healthcare communities which combine living, healthcare, leisure and consumption, enhance fundamental ancillary areas like medical and cultural services, introduce specialised healthcare institutions, and establish a comprehensive, full-cycle healthcare service system. Through resource integration and model innovation, we will endeavour to build a sustainable strategic growth engine, thereby injecting new momentum into the Group’s long-term and high-quality development.

FINANCIAL REVIEW

Results of Operations

The Group's revenue was mainly derived from property management services and commercial operational services. For the Year, the Group's total revenue was approximately RMB1,219.8 million, representing a decrease of approximately RMB135.5 million or approximately 10.0% as compared with that of approximately RMB1,355.3 million for the Previous Year. Revenue generated from property management services and commercial operational services contributed approximately 87.2% and approximately 12.8% to the total revenue, respectively.

The following table sets forth a breakdown of total revenue for the years indicated by business:

	2025		2024		Growth amount RMB'000	Growth rate %
	<i>Revenue contribution</i> RMB'000	%	<i>Revenue contribution</i> RMB'000	%		
Property management services	1,063,598	87.2	1,203,224	88.8	(139,626)	(11.6)
Commercial operational services	156,227	12.8	152,058	11.2	4,169	2.7
Total	<u>1,219,825</u>	<u>100.0</u>	<u>1,355,282</u>	<u>100.0</u>	<u>(135,457)</u>	<u>(10.0)</u>

Property Management Services

The revenue generated from property management services decreased by approximately RMB139.6 million or approximately 11.6%, of which the revenue generated from basic property management services decreased by approximately RMB121.1 million or approximately 11.8%, the revenue generated from major owner value-added services decreased by approximately RMB1.0 million or approximately 18.9%, and the revenue generated from community value-added services decreased by approximately RMB17.6 million or approximately 10.3%. The decline was primarily due to the Group's disposal of subsidiaries and strategic adjustment, where it proactively withdrew from low-profitability and high-risk projects, resulting in a reduction in managed area.

The following table sets forth the breakdown of revenue from property management services by service category for the years indicated:

	2025		2024		Growth amount	Growth rate
	<i>Revenue contribution</i>		<i>Revenue contribution</i>			
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>		
Property management services						
Basic property management services	906,042	85.2	1,027,106	85.4	(121,064)	(11.8)
Major owner value-added services	4,235	0.4	5,220	0.4	(985)	(18.9)
Community value-added services	153,321	14.4	170,898	14.2	(17,577)	(10.3)
Total	<u>1,063,598</u>	<u>100.0</u>	<u>1,203,224</u>	<u>100.0</u>	<u>(139,626)</u>	<u>(11.6)</u>

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

	2025		2024	
	<i>Revenue</i>	<i>Revenue contribution</i>	<i>Revenue</i>	<i>Revenue contribution</i>
	<i>(RMB'000)</i>	<i>%</i>	<i>(RMB'000)</i>	<i>%</i>
South China	515,259	48.4	538,375	44.8
Southwest China	156,078	14.7	165,883	13.8
East China	94,489	8.9	130,282	10.8
Central and North China	236,285	22.2	305,854	25.4
Northeast China	61,487	5.8	62,830	5.2
Total	<u>1,063,598</u>	<u>100.0</u>	<u>1,203,224</u>	<u>100.0</u>

Notes:

- (1) South China comprises Guangdong Province and Guangxi Zhuang Autonomous Region.
- (2) Southwest China comprises Chongqing Municipality, Sichuan, Yunnan, Guizhou and Shaanxi Provinces.
- (3) East China comprises Anhui, Fujian, Jiangsu, Jiangxi, Shandong and Zhejiang Provinces.

- (4) Central and North China comprises Hunan, Hubei, Hebei and Henan Provinces, Inner Mongolia Autonomous Region, Beijing Municipality and Tianjin Municipality.
- (5) Northeast China comprises Liaoning and Heilongjiang Provinces.

Commercial Operational Services

The revenue generated from commercial operational services increased by approximately RMB4.2 million or approximately 2.7%, of which the revenue generated from commercial operation and management services decreased by approximately RMB9.8 million or approximately 7.0%, the revenue generated from market positioning and business tenant sourcing services decreased by approximately RMB3.5 million or approximately 28.5%, and the revenue generated from property letting and related services amounted to approximately RMB17.4 million for the Year (2024: nil).

The following table sets forth the breakdown of revenue from commercial operational services by service category for the years indicated:

	2025		2024		Growth amount RMB'000	Growth rate %
	<i>Revenue contribution</i> RMB'000	%	<i>Revenue contribution</i> RMB'000	%		
Commercial operational services						
Commercial operation and management services	130,116	83.2	139,915	92.0	(9,799)	(7.0)
Market positioning and business tenant sourcing services	8,677	5.6	12,143	8.0	(3,466)	(28.5)
Property letting and related services	17,434	11.2	-	-	17,434	100.0
Total	156,227	100.0	152,058	100.0	4,169	2.7

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

	2025		2024	
	<i>Revenue contribution</i> RMB'000	%	<i>Revenue contribution</i> RMB'000	%
South China	122,137	78.2	109,188	71.8
Southwest China	20,503	13.1	12,507	8.2
East China	8,916	5.7	13,242	8.7
Central China	4,671	3.0	17,121	11.3
Total	156,227	100.0	152,058	100.0

Notes:

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

Cost of Services

The Group's cost of services primarily consists of (i) labour costs mainly incurred from security services, house-keeping services, 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 RMB62.9 million from approximately RMB970.2 million for the Previous Year to approximately RMB907.3 million for the Year. Such decrease was primarily attributable to the Group's disposal of subsidiaries and strategic adjustment, proactively withdrawing from low-profitability and high-risk projects.

Gross Profit and Gross Profit Margin

For the Year, the gross profit of the Group was approximately RMB312.5 million, representing a decrease of approximately RMB72.5 million or approximately 18.8% as compared with approximately RMB385.0 million for the Previous Year. For the Year, the gross profit margin was approximately 25.6%, representing a decrease of approximately 2.8 percentage points as compared with the gross profit margin of approximately 28.4% for the Previous Year. For the Year, the gross profit of property management services of the Group was approximately RMB251.7 million and the gross profit margin was approximately 23.7% while the gross profit of commercial operational services of the Group was approximately RMB60.8 million and the gross profit margin was approximately 39.0%.

Impairment losses under ECL

For the Year, the impairment losses under ECL of the Group amounted to approximately RMB123.9 million, representing a decrease of approximately RMB65.1 million as compared with approximately RMB189.0 million for the Previous Year.

Selling and Distribution Expenses and Administrative Expenses

The Group's selling and distribution expenses primarily consist of (i) advertising expenses; (ii) salaries and allowances for our sales personnel; and (iii) office expenses, travelling expenses and business development expenses. The total selling and distribution expenses of the Group for the Year were approximately RMB5.5 million.

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

For the Year, the administrative expenses of the Group were approximately RMB85.7 million, representing a decrease of approximately RMB6.0 million or approximately 6.6% as compared with approximately RMB91.7 million for the Previous Year. Such decrease was mainly due to the optimisation of the organisational structure, improvement of management efficiency, cost reduction and improved efficiency of the Group.

Other Income, Gains and Losses

For the Year, the Group recorded a net loss of approximately RMB4.6 million under other income, gains and losses, representing a decrease of approximately RMB35.3 million compared to a net gain of approximately RMB30.7 million for the Previous Year. This was primarily attributable to a decrease in net foreign exchange gains and bank interest income of approximately RMB31.6 million.

Income Tax Expense

For the Year, the income tax of the Group amounted to approximately RMB24.1 million, remaining flat as compared with approximately RMB24.1 million for the Previous Year.

Profit for the Year

As a result of the foregoing, the net profit of the Group for the Year was approximately RMB48.4 million, representing a decrease of approximately RMB37.9 million as compared with net profit of approximately RMB86.3 million for the Previous Year. For the Year, profit attributable to owners of the Company was approximately RMB51.6 million, as compared with profit attributable to owners of the Company of approximately RMB96.2 million for the Previous Year.

FINANCIAL POSITION

As at 31 December 2025, the total assets of the Group was approximately RMB2,227.5 million (as at 31 December 2024: approximately RMB2,358.7 million), and the total liabilities was approximately RMB996.9 million (as at 31 December 2024: approximately RMB1,114.1 million). As at 31 December 2025, the current ratio was 1.81 (as at 31 December 2024: 1.68).

As at 31 December 2025, the net assets of the Group was approximately RMB1,230.5 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. The value of the Group's property, plant and equipment amounted to approximately RMB57.7 million as at 31 December 2025, representing an increase of approximately RMB28.4 million as compared with that of as at 31 December 2024, primarily due to the addition of office properties.

Right-of-use Assets

The right-of-use assets of the Group mainly included lease right-of-use assets. The Group's right-of-use assets decreased from approximately RMB10.8 million as at 31 December 2024 to approximately RMB3.6 million as at 31 December 2025, primarily due to a decrease in normal depreciation and the early termination of certain property leases.

Investment Properties

The Group's investment properties include: (i) residential properties and car park spaces held in the PRC for undetermined future use, which are regarded as held for capital appreciation purpose; and (ii) leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases. As at 31 December 2025, the carrying value of the Group's investment properties amounted to approximately RMB53.0 million (as at 31 December 2024: nil).

Intangible Assets

The Group's intangible assets represent the property management contracts obtained upon the acquisition of other property management companies. Our intangible assets decreased from approximately RMB53.8 million as at 31 December 2024 to approximately RMB44.5 million as at 31 December 2025, primarily due to a decrease in normal amortisation.

Goodwill

The Group's goodwill represents the difference between the total consideration for the acquisitions of Anhui Hanlin Property Services Company Limited, Shenzhen Huazhong Property Management Company Limited, Easy Life Smart Community Services Group Co., Ltd. and Beijing Boan Property Management Co., Ltd. and their respective total identifiable net assets as at the respective acquisition dates, net of relevant impairment amount. As at 31 December 2025, the goodwill of the Group decreased by approximately RMB14.0 million as compared with that as at 31 December 2024, primarily due to a contraction in the operating scale of certain subsidiaries acquired in prior years following adjustments to the Group's business strategy.

Trade and Other Receivables

As at 31 December 2025, the total trade and other receivables of the Group were approximately RMB677.7 million, representing an increase of approximately RMB31.5 million or approximately 4.9% as compared with approximately RMB646.2 million as at 31 December 2024.

Amounts Due from Group Companies of a Former Substantial Shareholder

The Group's amounts due from group companies of a former substantial shareholder decreased from approximately RMB119.2 million as at 31 December 2024 to approximately RMB68.4 million as at 31 December 2025.

Trade and Other Payables

As at 31 December 2025, the trade and other payables of the Group were approximately RMB679.2 million, representing a decrease of approximately RMB116.3 million or approximately 14.6% as compared with that of approximately RMB795.5 million as at 31 December 2024.

Borrowings

As at 31 December 2025, we had (i) outstanding bank borrowings of approximately RMB35.0 million (as at 31 December 2024: approximately RMB65.0 million); (ii) no other borrowings (as at 31 December 2024: approximately RMB5.0 million); and (iii) no unutilised banking facilities for short-term financing. Our borrowings carried at fixed interest rate of 5.5% per annum (2024: ranging from 4.5%–5.5% per annum). The bank borrowings were guaranteed by certain subsidiaries of the Group and a subsidiary of China Aoyuan, and secured by the equity interests in a subsidiary of the Company.

Lease Liabilities

As at 31 December 2025, lease liabilities of the Group due within one year were approximately RMB14.8 million and the balance of lease liabilities due over one year was approximately RMB15.4 million.

Contingent Liabilities

As at 31 December 2025, we did not have any material contingent liabilities (as at 31 December 2024: Nil).

Gearing Ratio

Gearing ratio is calculated based on the total liabilities divided by total assets. As at 31 December 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 31 December 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 31 December 2025, no asset of the Group was pledged, except for the pledge of equity interests in a subsidiary of the Company to obtain bank borrowings of approximately RMB33.0 million.

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2025, the Group had 1,589 employees (as at 31 December 2024: 1,895). The staff cost was approximately RMB234.4 million in 2025 (2024: approximately RMB245.4 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 in China (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.

MATERIAL ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENT

There was no material acquisition and disposal conducted by the Group during the Year, nor was there any significant investment or plan authorised by the Board for material investment or addition of capital assets as of 31 December 2025.

ANNUAL GENERAL MEETING

The 2026 annual general meeting of the Company (the “**AGM**”) will be held on Friday, 22 May 2026 and the notice of AGM will be published and despatched to the Shareholders in the manner as required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) in due course.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2024: RMB0.0265 per ordinary share).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the qualification as Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 15 May 2026 to Friday, 22 May 2026, both days inclusive. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 14 May 2026, being the last share registration date.

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

During the Year, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Board confirms that the Company has maintained the public float as required by the Listing Rules as at the date of this announcement.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises Mr. Hung Ka Hai Clement (chairman), Dr. Li Zijun and Mr. Wang Shao. The Audit Committee, together with the Board, have reviewed the accounting principles and practices adopted by the Group and discussed auditing and financial reporting matters including the review of the financial statements of the Group for the Year.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED ON THE PRELIMINARY RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditors, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year.

The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion and assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

CORPORATE GOVERNANCE CODE

The Board is committed to achieving high corporate governance standards.

The Board believes that high corporate governance standards and a culture of openness are essential in providing a framework for the Group to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, facilitate effective contribution, and enhance its transparency and accountability, thereby enabling Shareholders' evaluation of the Company's application of the principles and 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.

The Company has adopted the CG Code as the basis of the Company's corporate governance practices.

The Company has also in place a corporate governance framework and has established a set of policies and procedures based on the CG Code. Such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company. In addition, the Board meets regularly to consider major matters affecting the operations of the Group and all Directors are properly and promptly briefed on such matters with adequate, complete and reliable information. Therefore, the Board is of the view that the balance of power and safeguards in place are adequate.

During the Year, the Company had complied with all the applicable code provisions of the CG Code, except for code provision C.2.1 of the CG Code as explained below:

Mr. Wang Jiren was appointed as an executive Director with effect from 17 May 2024 and has been serving as both the chairman of the Board (the “**Chairman**”) and the president of the Group (the “**President**”) since then until his resignation on 16 March 2026. Such practice deviates from code provision C.2.1 of the CG Code. The Board believed 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. During the Year, the Board comprised two executive Directors, three non-executive Directors and three independent non-executive Directors, which was appropriately structured to ensure a balance of power and to provide sufficient checks and balances to safeguard the interests of the Company and the Shareholders. Accordingly, the Board considered that the deviation from code provision C.2.1 of the CG Code was appropriate in such 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 Year.

EVENT AFTER THE REPORTING PERIOD

Discloseable Transaction – Entering into of a Lease Agreement

On 14 January 2026, Guangzhou Panyu Yuexi Commercial Management Company Limited* (廣州番禺悅禧商業經營管理有限公司) (“**Guangzhou Panyu Yuexi**”), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company, as tenant, entered into the lease agreement (the “**Lease Agreement**”) with Hengqin Shenhe Asset Operation Company Limited* (橫琴深合資產運營有限公司) (the “**Landlord**”), a company incorporated in the PRC with limited liability, which is an independent third party, as landlord. Pursuant to the Lease Agreement, the Landlord agreed to lease the leased premises, namely all the shops at Basement Level 1 of Panyu Aoyuan Plaza, which is located at No. 281 Fude Road, Panyu District, Guangzhou, Guangdong Province, to Guangzhou Panyu Yuexi for lawful commercial business operations in accordance with the Lease Agreement for a term of 10 years commencing from 1 February 2026 to 31 January 2036. Further details of the transaction are set out in the announcement of the Company dated 23 January 2026.

Save as disclosed above, there have been no other material events occurring after the end of the Year and up to the date of this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sjwt.net). The annual report of the Company for the Year containing all the information required by the Listing Rules will be published on the above websites and will be despatched to the Shareholders (if requested) in accordance with the Listing Rules in due course.

By the order of the Board
Starjoy Wellness and Travel Company Limited
Liang Jinrong
Chairman

Hong Kong, 27 March 2026

* *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 Ms. Liang Jinrong and Mr. Tao Yu; the non-executive Directors are Mr. Ruan Yongxi and Mr. Kam Min Ho Andrew; and the independent non-executive Directors are Mr. Hung Ka Hai Clement, Dr. Li Zijun and Mr. Wang Shao.