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E-Star Commercial Management Company Limited

星盛商業管理股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6668)

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

SUMMARY OF RESULTS

- Revenue of the Group for the six months ended 30 June 2025 amounted to approximately RMB284.2 million, representing a period-on-period decrease of 9.4%.
- The Group's overall gross profit margin for the six months ended 30 June 2025 amounted to approximately 52.3%, representing a period-on-period increase of approximately 0.7 percentage point.
- Profit attributable to the owners of the Company for the six months ended 30 June 2025 amounted to approximately RMB86.9 million, representing a period-on-period decrease of approximately 2.5%.
- The Board declared the payment of an interim dividend of HK5.0 cents per ordinary share for the six months ended 30 June 2025.

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the “**Board**”) of directors (the “**Director(s)**”) of E-Star Commercial Management Company Limited (the “**Company**” or “**E-Star Commercial**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025, together with comparative figures for the corresponding period in 2024, as follows.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | | Six months ended 30 June | |
|--|------|--------------------------|------------------|
| | | 2025 | 2024 |
| | NOTE | RMB'000 | RMB'000 |
| | | (Unaudited) | (Unaudited) |
| Revenue | 3 | 284,229 | 313,780 |
| Cost of services | | <u>(135,548)</u> | <u>(151,900)</u> |
| Gross profit | | 148,681 | 161,880 |
| Other income | | 15,585 | 18,745 |
| Other losses | | (1,131) | (802) |
| Impairment losses recognised under expected credit loss model, net | | (707) | (1,295) |
| Selling expenses | | (6,676) | (14,688) |
| Administrative expenses | | (26,346) | (31,752) |
| Finance costs | | (18,451) | (18,144) |
| Share of result of a joint venture | | <u>–</u> | <u>(74)</u> |
| Profit before tax | | 110,955 | 113,870 |
| Income tax expense | 4 | <u>(24,902)</u> | <u>(27,374)</u> |
| Profit and total comprehensive income for the period | 5 | 86,053 | 86,496 |
| Profit (loss) for the period attributable to: | | | |
| Owners of the Company | | 86,896 | 89,100 |
| Non-controlling interests | | <u>(843)</u> | <u>(2,604)</u> |
| Earnings per share | | | |
| – Basic (RMB cents) | 7 | <u>8.58</u> | <u>8.80</u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | 30 June | 31 December |
|----------------------------------|-------------|------------------------|-----------------|
| | | 2025 | 2024 |
| | <i>NOTE</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | | (Unaudited) | (Audited) |
| Non-current assets | | | |
| Property and equipment | | 778 | 1,152 |
| Investment properties | | 783,532 | 780,445 |
| Rental deposits | | 25,542 | 25,542 |
| Finance lease receivables | | 4,229 | 4,630 |
| Deferred tax assets | | 50,014 | 44,205 |
| Restricted bank balances | | 5,000 | 5,000 |
| | | <hr/> 869,095 | <hr/> 860,974 |
| Current assets | | | |
| Finance lease receivables | | 780 | 741 |
| Trade and other receivables | 8 | 47,326 | 44,023 |
| Amounts due from related parties | | 8,774 | 6,091 |
| Short-term bank deposits | | 870,808 | 655,905 |
| Cash and cash equivalents | | 497,609 | 710,599 |
| | | <hr/> 1,425,297 | <hr/> 1,417,359 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

| | | 30 June 2025 | 31 December 2024 |
|---|------|------------------------|----------------------|
| | NOTE | RMB'000 (Unaudited) | RMB'000 (Audited) |
| Current liabilities | | | |
| Trade and other payables | 9 | 223,171 | 286,286 |
| Lease liabilities | | 23,111 | 22,268 |
| Contract liabilities | | 15,203 | 15,117 |
| Amounts due to related parties | | 907 | 5,591 |
| Tax payable | | 19,101 | 30,300 |
| Dividend payable | | 76,793 | – |
| | | <u>358,286</u> | <u>359,562</u> |
| Net current assets | | <u>1,067,011</u> | <u>1,057,797</u> |
| Total assets less current liabilities | | <u>1,936,106</u> | <u>1,918,771</u> |
| Capital and reserves | | | |
| Share capital | 10 | 8,487 | 8,487 |
| Reserves | | <u>1,249,159</u> | <u>1,238,390</u> |
| Equity attributable to owners of the company | | <u>1,257,646</u> | <u>1,246,877</u> |
| Non-controlling interests | | <u>7,964</u> | <u>8,807</u> |
| Total equity | | <u>1,265,610</u> | <u>1,255,684</u> |
| Non-current liabilities | | | |
| Deferred tax liabilities | | 17,379 | 15,936 |
| Lease liabilities | | <u>653,117</u> | <u>647,151</u> |
| | | <u>670,496</u> | <u>663,087</u> |
| | | <u>1,936,106</u> | <u>1,918,771</u> |

NOTES TO THE FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The financial information has been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

2. PRINCIPAL ACCOUNTING POLICIES

The financial information has been prepared on the historical cost basis.

The accounting policies and methods of computation used in the financial information for the six months ended 30 June 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to a HKFRS accounting Standard

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s financial information:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to a HKFRS Accounting Standard in the current interim 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 this financial information.

3. REVENUE AND SEGMENT INFORMATION

The Group generates revenue primarily from provision of commercial operational services to either owners or tenants in respect of the commercial properties in the Chinese Mainland under three commercial operational models as described below:

- Entrusted management service model;
- Brand and management output service model; and
- Sublease service model.

Revenue

Revenue from commercial property operational services by type of operational model

| | Six months ended 30 June | |
|---|---------------------------------|--------------------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| | (Unaudited) | (Unaudited) |
| Entrusted management services | 185,706 | 209,691 |
| Brand and management output services | 34,439 | 43,458 |
| Sublease services | 64,084 | 60,631 |
| | 284,229 | 313,780 |
| Comprise of: | | |
| – Revenue from contracts with customers | 256,104 | 285,119 |
| – Revenue from leases | 28,125 | 28,661 |
| | 284,229 | 313,780 |

Disaggregation of revenue from contracts with customers

| | Six months ended 30 June | |
|--|-------------------------------|-------------------------------|
| | 2025 | 2024 |
| | <i>RMB'000</i> (Unaudited) | <i>RMB'000</i> (Unaudited) |
| Commercial property operational services: | | |
| – Market positioning, design and construction consultancy and tenant sourcing services | 20,985 | 29,180 |
| – Operational management services | 182,235 | 198,323 |
| – Value-added services | 52,884 | 57,616 |
| | <u>256,104</u> | <u>285,119</u> |
| Timing of revenue recognition: | | |
| – Over time | 254,618 | 276,678 |
| – A point in time | 1,486 | 8,441 |
| | <u>256,104</u> | <u>285,119</u> |
| Type of customers: | | |
| – Property owners | 77,521 | 94,514 |
| – Tenants and other customers | 178,583 | 190,605 |
| | <u>256,104</u> | <u>285,119</u> |

Segment Information

The Group's operations are solely derived from provision of commercial property operational services in the Chinese Mainland. For the purposes of resources allocation and performance assessment, the chief operating decision maker (i.e. the chief executive of the Group) reviews the overall results and financial position of the Group as a whole. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

Geographical information

No geographical segment information is presented as the Group's operation is mainly in the Chinese Mainland and all its non-current assets are situated in the Chinese Mainland. All of the Group's revenue from external customers is attributable to the group entities' place of domicile (i.e. the Chinese Mainland).

4. INCOME TAX EXPENSE

| | Six months ended 30 June | |
|---|--------------------------|-----------------|
| | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited) |
| Current tax: | | |
| People's Republic of China Enterprise Income Tax, net | <u>29,268</u> | <u>38,532</u> |
| Deferred tax | <u>(4,366)</u> | <u>(11,158)</u> |
| | <u>24,902</u> | <u>27,374</u> |

5. PROFIT FOR THE PERIOD

| | Six months ended 30 June | |
|--|--------------------------|----------------|
| | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited) |
| Profit for the period is arrived at after charging (crediting): | | |
| Staff costs (including directors' emoluments) | | |
| Salaries and other benefits | 76,827 | 86,376 |
| Equity-settled share-based payments | 981 | 402 |
| Retirement benefit scheme contributions | <u>11,911</u> | <u>12,244</u> |
| Total staff costs | <u>89,719</u> | <u>99,022</u> |
| Depreciation of property and equipment | 300 | 585 |
| Depreciation of investment properties | <u>23,082</u> | <u>23,102</u> |
| | <u>23,382</u> | <u>23,687</u> |
| Gross rental income from investment properties | (28,125) | (28,661) |
| Less: direct operating expenses incurred for investment properties during the period | <u>27,405</u> | <u>27,615</u> |
| | <u>(720)</u> | <u>(1,046)</u> |

6. DIVIDENDS

Dividends recognised as distributions during the period:

| | Six months ended 30 June | |
|--|--------------------------|----------------|
| | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited) |
| 2024 final dividend of HK8.3 cents per ordinary share | 77,108 | – |
| 2023 final dividend of HK13.0 cents per ordinary share | – | 120,066 |
| | <u>77,108</u> | <u>120,066</u> |

The Board declared the payment of an interim dividend of HK5.0 cents per ordinary share for the six months ended 30 June 2025, a total amount of approximately HK\$50,726,000, of which an amount of approximately HK\$97,000 related to 1,937,000 shares held by the Company under the Company's Restricted Share Unit Scheme ("RSU Scheme") (six months ended 30 June 2024 : HK\$93,000).

During the six months ended 30 June 2025, a final dividend of HK8.3 cents per ordinary share for the year ended 31 December 2024, a total amount of approximately HK\$84,205,000 (equivalent to approximately RMB77,108,000), was declared, of which an amount of approximately HK\$161,000 (equivalent to approximately RMB147,000) related to 1,937,000 shares held by the Company under the RSU Scheme. The dividends had been paid on 10 July 2025.

During the six months ended 30 June 2024, a final dividend of HK13.0 cents per ordinary share for the year ended 31 December 2023, a total amount of approximately HK\$131,887,000 (equivalent to approximately RMB120,066,000), was declared, of which an amount of approximately HK\$252,000 (equivalent to approximately RMB229,000) related to 1,937,000 shares held by the Company under the RSU Scheme. The dividends had been paid on 10 July 2024.

7. EARNINGS PER SHARE

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

Earnings

| | Six months ended 30 June | |
|---|--------------------------|----------------|
| | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited) |
| Earnings for the purpose of calculating basic earnings per share: | | |
| Profit for the period attributable to owners of the Company | <u>86,896</u> | <u>89,100</u> |

Number of shares

| | Six months ended 30 June | |
|--|--------------------------|-------------|
| | 2025 | 2024 |
| | '000 | '000 |
| | (Unaudited) | (Unaudited) |
| Weighted average number of ordinary shares for the purpose of calculating basic earnings per share | 1,012,579 | 1,012,635 |

No diluted earnings per share for both interim periods were presented as there were no potential ordinary shares in issue.

8. TRADE AND OTHER RECEIVABLES

| | 30 June 2025 RMB'000 (Unaudited) | 31 December 2024 RMB'000 (Audited) |
|---|---|---|
| Trade and other receivables | | |
| – Trade receivables | 25,985 | 23,961 |
| – Other receivables | 46,883 | 45,604 |
| | 72,868 | 69,565 |
| Analysed as: | | |
| Non-current | 25,542 | 25,542 |
| Current | 47,326 | 44,023 |
| | 72,868 | 69,565 |
| Trade receivables | | |
| <i>Contracts with customers</i> | | |
| – Third parties | 45,390 | 48,565 |
| – Related parties | 6,442 | 536 |
| Less: Allowance for credit losses | (31,262) | (30,555) |
| | 20,570 | 18,546 |
| Operating lease receivables – third parties | 5,415 | 5,415 |
| | 25,985 | 23,961 |

The Group grants credit terms of 10 to 30 days to its customers from the date of invoices. The following is an ageing analysis of the trade receivables in respect of contracts with customers, net of allowance of credit losses, presented based on the invoice date at the end of each reporting period:

| | 30 June 2025 RMB'000 (Unaudited) | 31 December 2024 RMB'000 (Audited) |
|--------------|---|---|
| 0-10 days | 15,597 | 15,129 |
| 11-30 days | 391 | 453 |
| 31-60 days | 2,946 | 207 |
| 61-90 days | 374 | 367 |
| Over 90 days | 1,262 | 2,390 |
| | 20,570 | 18,546 |

The following is an ageing analysis of the lease receivables presented based on the revenue recognition date at the end of each reporting period:

| | 30 June 2025 RMB'000 (Unaudited) | 31 December 2024 RMB'000 (Audited) |
|-----------|---|---|
| 0-10 days | 5,415 | 5,415 |

9. TRADE AND OTHER PAYABLES

| | 30 June 2025 RMB'000 (Unaudited) | 31 December 2024 RMB'000 (Audited) |
|---------------------------------|---|---|
| Trade and other payables | | |
| – Trade payables | 30,482 | 40,286 |
| – Other payables | 192,689 | 246,000 |
| | <u>223,171</u> | <u>286,286</u> |

| | 30 June 2025 RMB'000 (Unaudited) | 31 December 2024 RMB'000 (Audited) |
|---------------------------------|---|---|
| Trade payables | | |
| <i>Contracts with suppliers</i> | | |
| – Third parties | 26,021 | 37,036 |
| – Related parties | 4,461 | 3,250 |
| | <u>30,482</u> | <u>40,286</u> |

The credit period granted by suppliers of the Group normally ranges between 30 to 90 days. The following is an ageing analysis of trade payables based on the invoice date at the end of each reporting period:

| | 30 June 2025 RMB'000 (Unaudited) | 31 December 2024 RMB'000 (Audited) |
|--------------|---|---|
| 0-30 days | 30,479 | 40,283 |
| Over 90 days | 3 | 3 |
| | <u>30,482</u> | <u>40,286</u> |

10. SHARE CAPITAL

Details of the Company's shares are disclosed as follows:

| | Number of shares | Share capital <i>HK\$'000</i> | Share capital <i>RMB'000</i> | | |
|---|---|-------------------------------------|------------------------------------|---------------------------------|----------------|
| Ordinary shares of HK\$0.01 each | | | | | |
| Authorised | | | | | |
| At 1 January 2024, 30 June 2024, 31 December 2024 and 30 June 2025 | <u>2,000,000,000</u> | <u>20,000</u> | <u>16,755</u> | | |
| Issued and fully paid | | | | | |
| At 1 January 2024 | <u>1,016,807,000</u> | <u>10,168</u> | <u>8,506</u> | | |
| Cancellation of shares <i>(note)</i> | (1,530,000) | (15) | (14) | | |
| Repurchase and cancellation of shares <i>(note)</i> | <u>(761,000)</u> | <u>(8)</u> | <u>(5)</u> | | |
| At 30 June 2024, 31 December 2024 and 30 June 2025 | <u>1,014,516,000</u> | <u>10,145</u> | <u>8,487</u> | | |
| | | | | | |
| Month of repurchase | Number of ordinary shares of HK\$0.01 each | Price per share | | Aggregate consideration paid | |
| | | Lowest <i>HK\$</i> | Highest <i>HK\$</i> | <i>HK\$'000</i> | <i>RMB'000</i> |
| December 2023 | 1,530,000 | 1.11 | 1.24 | 1,817 | 1,651 |
| January 2024 | 761,000 | 1.25 | 1.30 | 980 | 891 |

Note : The ordinary shares repurchased in December 2023 and January 2024 were cancelled in February 2024.

OVERVIEW

The Group is a leading commercial property operational service provider in the Greater Bay Area with a national presence. As of 30 June 2025, the Group provided services for 52 commercial property projects located in 21 cities in China, with an aggregate contracted gross floor area (“GFA”) of approximately 2.65 million square meters (“sq.m.”) (excluding the GFA under 8 consultancy services projects), approximately 45.8% of which was developed or owned by independent third parties. Among them, 27 retail commercial properties have been opened with an aggregate opened GFA of approximately 1.65 million sq.m..

The Group owns a comprehensive and highly-recognised brand system, primarily including “COCO Park” for city shopping centers (城市型購物中心) targeting consumers in the city, “COCO City” and “iCO” for regional shopping centers (區域型購物中心) targeting consumers within a five-kilometer radius from such shopping centers, “COCO Garden” for community shopping centers (社區型購物中心) targeting consumers within a one-to-three-kilometer radius from such shopping centers and “Top Living (第三空間)” for its high-end home furnishing shopping center.

The Group has been widely recognised in the market for its brand system and operating strength with various honours received. In the first half of 2025, the Group attained awards including “China’s Top Ten Commercial Property Developers 2025” (2025年中國商業地產運營十強企業) and “China’s Top 100 Commercial Property Enterprises 2025” (2025年中國商業地產運營百強企業) by China Index Academy (中指院), “2025 Commercial Real Estate Operations of Real Estate Development Enterprises TOP10” (2025年房地產開發企業商業地產運營TOP10) by China Real Estate Association (中國房地產業協會), “Shopping Mall Industry New Media Marketing Star List” (購物中心行業新媒體營銷星秀榜) by Mall China, “2025 CCFA Golden Lily Shopping Center Best Marketing Innovation Practice Case” (2025年CCFA金百合購物中心最佳營銷創新實踐案例) by CCFA, “2025 Excellent Service Enterprise” (2025年度卓越服務企業) by the Wanshang Club (萬商俱樂部), as well as “2025 Golden Lamp Award -Headquarters Management Award” (2025年金燈獎“總部管理大獎”) by Meichen (美陳網). Meanwhile, Shenzhen Futian Galaxy COCO Park (深圳福田星河COCO Park) was awarded “2025 Shopping Centers Comprehensive Strength Excellent Performance 50” (2025購物中心綜合實力卓越表現50) by Guandian Index Academy (觀點指數研究院).

BUSINESS REVIEW

The Group is a commercial property operational service provider focusing on improving the results of operations of commercial properties, primarily shopping centers, shopping streets and commercial complex, for property owners through its professional management. Its commercial property operational services comprise:

- market positioning, design and construction consultancy and tenant sourcing services: primarily including market positioning, business planning consultancy, design and construction consultancy and tenant sourcing services;
- operational management services: primarily including formulating operation strategies, conducting marketing and promotional events, tenant management services, property management services and rent collection services;
- property leasing services: including sublease of commercial spaces in the commercial properties managed under the sublease service model to tenants; and
- value-added services: primarily including management of common areas in the shopping centers which customers can rent for a short period for pop-up shops and promotional settings, and management of advertising spaces, such as LED boards and interior and exterior facades of the shopping centers.

The Group provides commercial property operational services under three operational models, namely, the entrusted management service model, the brand and management output service model and the sublease service model. Under different operational models, the Group has different levels of involvement in the management of commercial properties and provides different combinations of services to different customer groups.

Entrusted management service model

Under this model, it was entrusted by the property owners with full authority to manage the commercial properties. The Group employs the entire management team, including the general project manager and members of functional departments.

- Services: The Group provides (i) market positioning, design and construction consultancy and tenant sourcing services; (ii) operational management services; and (iii) value-added services.

- Customers: The Group's customers include (i) property owners; (ii) tenants; and (iii) relevant customers in respect of value-added services.
- Revenue sources: The Group's revenue sources include (i) fixed fees for positioning, construction consultancy and tenant sourcing services from property owners; (ii) a pre-agreed percentage of the revenue or profit, and/or a fixed fee, for operational management services from property owners; (iii) management fees for operational management services from tenants; and (iv) common area use fees for valued-added services from relevant customers.
- Cost structure: The Group bears the operating costs of managing the commercial property.

The entrusted management service model offers the Group a higher level of autonomy in managing the project, which it believes can achieve better operating results and increase its revenue, and limits its credit risk as certain cash flows may pass through.

Brand and management output service model

Under this model, the Group, as professional managers, manages commercial properties for the property owners. It only employs the core management team for the projects, usually consisting of the general project manager and/or heads of certain functional departments. The property owner is responsible for employing most of the project personnel. The core management team assigned by the Group will lead and supervise the project personnel employed by property owners in managing the project.

- Services: The Group's services include (i) positioning, construction consultancy and tenant sourcing services; and (ii) operational management services.
- Customers: The Group's customers only include property owners.
- Revenue sources: The Group's revenue sources include (i) fixed fees for positioning, construction consultancy and tenant sourcing services from property owners; and (ii) a pre-agreed percentage of the revenue and/or profit, and/or a fixed fee, for operational management services from property owners.
- Cost structure: The Group only bears its staff costs related to the projects, a portion of which will be reimbursed by the property owners, and the property owners bear the operating costs of managing the commercial properties.

Under this model, the Group does not need to inject substantial capital and human resources, which results in a generally higher gross profit margin as compared to the other two models and facilitates its fast geographic expansion.

Sublease service model

Under this model, the Group leases the commercial property from the property owner and subleases commercial spaces within the commercial property to tenants. The Group is solely responsible for the management and operating results of the commercial property, and employs the entire management team of the project.

- **Services:** The Group's services include (i) property leasing services; (ii) operational management services; and (iii) value-added services.
- **Customers:** The Group's customers include (i) tenants; and (ii) relevant customers in respect of value-added services.
- **Revenue sources:** The Group's revenue sources include (i) rent from tenants; (ii) management fees for operational management services from tenants; and (iii) common area use fees for value-added services from relevant customers.
- **Cost structure:** The Group bears the operating costs of managing the commercial properties and pays rent to the property owner periodically.

Under the sublease service model, the Group may offer to renovate or decorate the commercial property in accordance with the lease agreement with the property owner. The sublease service model can maximise the Group's income from a project, which at the same time exposes it to higher risks. As a result, the Group takes a very prudent approach in adopting the sublease service model and consider adopting such model for projects with high growth potential.

The table below sets forth the breakdown of the Group's total contracted GFA and number of commercial properties as at the dates by operational model for the period indicated:

| | As of 30 June 2025 | | As of 31 December 2024 | |
|--|--|--|--|--|
| | <i>Number of properties</i> | <i>Contracted GFA ('000 sq.m.)</i> | <i>Number of properties</i> | <i>Contracted GFA ('000 sq.m.)</i> |
| Entrusted management services | 12 | 886 | 12 | 886 |
| Brand and management output services ⁽¹⁾ | 33 | 1,345 | 34 | 1,408 |
| Sublease services | 7 | 416 | 7 | 416 |
| Total | <u>52</u> | <u>2,647</u> | <u>53</u> | <u>2,710</u> |

Note:

- (1) In the first half of 2025, the Group conducted a comprehensive assessment from the perspective of its interests as a whole and took the initiative to negotiate with the property owners of Zhuhai Galaxy COCO Park (珠海星河COCO Park) and completed the rescission of the contract.

Projects in Operation

The table below sets forth the opened retail commercial property projects of the Group as at 30 June 2025:

| Commercial property | Location | Opening date (Month-Year) | Shopping Mall (sq.m.) | Car Park (sq.m.) | Total GFA in operation (sq.m.) | Operational model | Property owner |
|--|-----------|------------------------------|-----------------------------|------------------------|---|-------------------------------------|--|
| 1. Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park (北區)) | Shenzhen | September 2006 | 45,987 | 21,658 | 67,645 | Entrusted management service | Galaxy Holding Group Co., Ltd.* (星河控股集團有限公司) (“Galaxy Holding”) and its associates |
| 2. Shenzhen Galaxy Top Living (深圳星河第三空間) | Shenzhen | May 2007 | 27,988 | – | 27,988 | Entrusted management service | Galaxy Holding and its associates |
| 3. Shenzhen Galaxy Center (深圳星河中心) | Shenzhen | April 2008 | 72,605 | – | 72,605 | Brand and management output service | Galaxy Holding and its associates |
| 4. Shenzhen Longgang Galaxy COCO Park (深圳龍崗星河COCO Park) | Shenzhen | September 2012 | 79,506 | 94,871 | 174,377 | Entrusted management service | Galaxy Holding and its associates |
| 5. Shenzhen Longhua Galaxy COCO City (深圳龍華星河COCO City) | Shenzhen | November 2014 | 45,182 | 123,222 | 168,404 | Entrusted management service | Galaxy Holding and its associates |
| 6. Shenzhen Longhua Galaxy iCO (深圳龍華星河iCO) | Shenzhen | December 2015 | 54,037 | – | 54,037 | Brand and management output service | Independent Third Party property developers |
| 7. Changzhou Galaxy International Phase III Project (常州星河國際三期項目) | Changzhou | August 2016 | 16,990 | – | 16,990 | Brand and management output service | Galaxy Holding and its associates |
| 8. Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City) | Changzhou | August 2016 | 43,632 | – | 43,632 | Sublease service | Galaxy Holding and its associates |
| 9. Huizhou Galaxy COCO Garden (惠州星河COCO Garden) | Huizhou | September 2017 | 32,899 | 9,135 | 42,034 | Brand and management output service | Galaxy Holding and its associates |
| 10. Ordos Galaxy COCO City (鄂爾多斯星河COCO City) | Ordos | October 2017 | 81,522 | – | 81,522 | Brand and management output service | Independent Third Party property developers |
| 11. Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park) | Shenzhen | September 2018 | 39,721 | – | 39,721 | Entrusted management service | Galaxy Holding and its associates |
| 12. Shenzhen Futian Galaxy COCO Park (South) (深圳福田星河COCO Park (南區)) | Shenzhen | July 2020 | 43,239 | – | 43,239 | Entrusted management service | Galaxy Holding and its associates |
| 13. Shenzhen Longhua Galaxy COCO Garden (深圳龍華星河COCO Garden) | Shenzhen | August 2020 | 3,618 | – | 3,618 | Entrusted management service | Galaxy Holding and its associates |
| 14. Shenzhen Shajing Galaxy COCO Garden (深圳沙井星河COCO Garden) | Shenzhen | August 2020 | 8,557 | – | 8,557 | Brand and management output service | Independent Third Party property developers |
| 15. Zhongshan Tianyi Galaxy COCO City (中山天奕星河COCO City) | Zhongshan | November 2020 | 86,938 | 64,790 | 151,728 | Brand and management output service | Independent Third Party property developers |

| Commercial property | Location | Opening date (Month-Year) | Shopping Mall (sq.m.) | Car Park (sq.m.) | Total GFA in operation (sq.m.) | Operational model | Property owner |
|---|-----------|------------------------------|-----------------------------|------------------------|---|--|--|
| 16. Dongguan Galaxy COCO Garden (東莞星河COCO Garden) | Dongguan | October 2021 | 10,901 | – | 10,901 | Brand and management output service | Independent Third Party property developers |
| 17. Jiaxing Galaxy COCO City (嘉興星河COCO City) | Jiaxing | July 2022 | 81,504 | – | 81,504 | Sublease service | Independent Third Party property developers |
| 18. Guangzhou Nansha Dachong Galaxy COCO Garden (廣州南沙大涌星河COCO Garden) | Guangzhou | October 2022 | 18,029 | – | 18,029 | Brand and management output service | Galaxy Holding and its associates |
| 19. Asian Financial Center Project (亞洲金融中心項目) | Guangzhou | November 2022 | 31,301 | 938 | 32,239 | Brand and management output service | Galaxy Holding and its associates |
| 20. Commercial facilities of Shenzhen Galaxy WORLD Industrial Park (深圳星河WORLD產業園底商) | Shenzhen | April 2023 | 7,515 | – | 7,515 | Brand and management output service | Galaxy Holding and its associates |
| 21. Xiamen Galaxy COCO Park (廈門星河COCO Park) | Xiamen | May 2023 | 73,507 | 28,834 | 102,341 | Sublease service | Independent Third Party property developers |
| 22. Rizhao Galaxy iCO (日照星河iCO) | Rizhao | September 2023 | 56,611 | – | 56,611 | Entrusted management service | Independent Third Party property developers |
| 23. Shanshui Outlets • Lu'an Galaxy COCO City (山水奧萊•六安星河COCO City) | Lu'an | December 2023 | 75,692 | – | 75,692 | Brand and management output service | Independent Third Party property developers |
| 24. Guangzhou Nansha Galaxy COCO Park (廣州南沙星河COCO Park) | Guangzhou | December 2023 | 96,018 | – | 96,018 | Entrusted management service | Galaxy Holding and its associates |
| 25. Jiangyin Galaxy COCO City (江陰星河COCO City) | Wuxi | December 2023 | 51,226 | – | 51,226 | Sublease service | Galaxy Holding and its associates |
| 26. Guangzhou Health Port Galaxy COCO Park (廣州健康港星河COCO Park) | Guangzhou | January 2024 | 115,802 | – | 115,802 | Brand and management output service | Independent Third Party property developers |
| 27. Shanghai Pudong Galaxy COCO Garden (上海浦東星河COCO Garden) | Shanghai | May 2024 | 4,500 | – | 4,500 | Brand and management output service | Galaxy Holding and its associates |
| Total | | | <u>1,305,027</u> | <u>343,448</u> | <u>1,648,475</u> | | |

The table below sets forth a breakdown of the Group's total contracted GFA as at the dates, and total revenue by geographic region for the period indicated:

| Region | As at/for the six months ended 30 June 2025 | | | | As at/for the six months ended 30 June 2024 | | | |
|---|--|--------------|----------------|----------|--|--------------|----------------|----------|
| | <i>Contracted</i> | | | | <i>Contracted</i> | | | |
| | | <i>GFA</i> | <i>Revenue</i> | | | <i>GFA</i> | <i>Revenue</i> | |
| | <i>No. of</i> | | | | <i>No. of</i> | | | |
| | <i>properties</i> | <i>sq.m.</i> | <i>RMB</i> | <i>%</i> | <i>properties</i> | <i>sq.m.</i> | <i>RMB</i> | <i>%</i> |
| <i>(in thousands, except for numbers of properties and percentages)</i> | | | | | | | | |
| Greater Bay Area ⁽¹⁾ | 32 | 1,500 | 212,938 | 74.9 | 33 | 1,511 | 226,573 | 72.2 |
| – Shenzhen | 19 | 777 | 186,135 | 65.5 | 19 | 777 | 195,938 | 62.4 |
| Yangtze River Delta ⁽²⁾ | 9 | 422 | 42,499 | 15.0 | 9 | 422 | 45,078 | 14.4 |
| Central China region ⁽³⁾ | 1 | – | – | – | 1 | – | – | – |
| Other regions ⁽⁴⁾ | 10 | 725 | 28,792 | 10.1 | 11 | 837 | 42,129 | 13.4 |
| Total ⁽⁵⁾ | 52 | 2,647 | 284,229 | 100.0 | 54 | 2,770 | 313,780 | 100.0 |

Notes:

⁽¹⁾ Includes Shenzhen, Guangzhou, Zhongshan, Huizhou, Dongguan, Zhuhai and Maoming.

⁽²⁾ Includes Shanghai, Nanjing, Changzhou, Wuxi, Jiaxing and Lu'an.

⁽³⁾ Includes Wuhan.

⁽⁴⁾ Include Jieyang, Tianjin, Ordos, Chengdu, Rizhao, Xiamen and Jining.

⁽⁵⁾ Contracted GFA as of 30 June 2025 and 30 June 2024 both excluded the GFA of 8 consultancy service projects.

The table below sets forth average occupancy rate and GFA in operation of retail commercial properties that have commenced operation as at the dates:

| Product category | Average occupancy rate ⁽¹⁾ | | Area of shopping centers in operation ⁽²⁾ | |
|-------------------|---------------------------------------|-------------|--|--------------|
| | 30 June | 31 December | 30 June | 31 December |
| | 2025 | 2024 | 2025 | 2024 |
| | % | % | ('000 sq.m.) | ('000 sq.m.) |
| COCO Park | 93.9 | 93.8 | 494 | 494 |
| COCO City and iCO | 90.9 | 90.7 | 576 | 576 |
| Others | 93.7 | 93.9 | 235 | 235 |
| Total | 92.5 | 92.4 | 1,305 | 1,305 |

Notes:

⁽¹⁾ The occupancy rate is calculated based on internal records and is calculated by dividing the actual leased area of retail commercial properties at the end of each relevant period by the available leased area. The occupancy rate is only applicable to retail commercial properties that the Group has provided tenant solicitation services, and the occupancy rate may fluctuate in different periods within a year.

⁽²⁾ The area excludes car parking area.

E-STAR COMMERCIAL WORK PLAN FOR THE SECOND HALF OF 2025

2025 is the concluding year of the “14th Five-Year Plan” of E-Star Commercial, and is also a critical point for the transition of the Group. The Company will focus on the theme of “Year of Cost Efficiency”, resolutely implement the “Focus Strategy”, adhere to the bottom-line thinking, and make every effort to promote the improvement of cost efficiency and the appreciation of asset value. Building on the work done in the first half of the year, in the second half of 2025, the Group’s core focus are in the following four aspects:

1. Enhance asset value and strengthen benchmarking position

(1) Focus on benchmarking and upgrading

Key projects continually advance tenant repositioning and brand portfolio enhancements to drive asset appreciation.

Shenzhen Futian Galaxy COCO Park (深圳福田星河 COCO Park) consolidates its benchmark status: Shenzhen Futian Galaxy COCO Park (North) reinforces its youth-centric positioning and footfall density via elevated ground-floor fashion tenants, dynamic F&B and trendy retail rotations, and ‘subdivision-to-premium’ space repurposing, sharpening its avant-garde edge as the Greater Bay Area’s commercial flagship. Shenzhen Futian Galaxy COCO Park (South) prioritizes anchor tenant introductions to revitalize the projects, with focused activation of the iconic ‘Crossroads Quarter.’ By infusing attitude-driven content operations and optimizing consumption scenarios and tenant mix, the initiatives enhance visitor conversion rates and sales performance, ultimately driving asset value appreciation.

Shenzhen Galaxy WORLD • COCO Park (深圳星河 WORLD•COCO Park) pioneers as the Greater Bay Area’s vibrant new hub: the comprehensive upgrade leverages twin-tower architectural iconicity to amplify commercial recognition, establishing a viable pathway as the region’s dynamic hub. Through content innovation and scenario reconstruction, it optimizes the overall business environment and brand structure, attracting like-minded partners to co-create the future – ultimately elevating the project’s market appeal and core competitiveness.

Shenzhen Longgang Galaxy COCO Park (深圳龍崗星河 COCO Park) cultivates emotional residency and light luxury lifestyle: by integrating young-family gathering spaces, female-centric social destinations, and all time experience functions – with Sam’s Club as the anchor traffic generator – it establishes itself as a regional flagship MALL blending light luxury lifestyle with emotional residency.

(2) Precision-targeted investment promotion

Diversified investment promotion strategies such as “strategic joint development” (戰略聯發), “premiere brand” (首進品牌) and “innovative brand” (創新品牌) are adopted to enhance the brand attractiveness and market influence of the project through providing customized investment promotion policies and quality services, so as to effectively reduce the vacancy rate of the stores and increase the overall occupancy rate of the project. We have developed tailor-made leasing strategies per vacancy across different projects, aimed at precise vacancy reduction. By flexibly formulating investment promotion strategies, we have achieved rapid development of the project and ensured stable growth of the Company’s revenue. After tenants signed the contracts, we have strengthened the supervision mechanism to accelerate the process of commercial tenants’ on-site renovation and strive to enable commencement of operation ahead of schedule, so as to increase the occupancy rate and rental income of the project.

(3) *Strengthening operations to enhance profitability*

Through refined management and strategy optimization, we continued to enhance the operational efficiency and asset value of our operating projects to ensure steady improvement in rental and sales. We focus on supporting the benchmark tenants and high-yield tenants, driving overall sales through the performance of the head brand and strengthening competitiveness; for the projects in the growth period, we focus on the nodes of marketing activities, rapidly iterating the brand to accurately meet the needs and promote the sales; for the tenants with difficulties in their operation, we will provide value-added services such as marketing training and legal consultation to help them improve their capabilities and enhance their sense of belonging and loyalty, and on the other hand, we will accelerate our efforts to reserve high-quality brands, optimize the brand portfolio to maintain the vitality of the mall.

Building on a solid foundation of rental income, we will expand into diversified revenue channels in the second half of the year. We will develop and utilize resources such as shopping mall advertising spaces, venue rentals, and value-added service; upgrade advertising spaces through unified planning to attract high-quality customers; optimize venue rental processes and launch diverse packages to meet event needs. We will also leverage our brand and resource advantages to engage in external collaborations such as business consultations and trainings, thereby broadening our revenue sources.

(4) *Enhancing services to strengthen stickiness*

The Group will continue to optimize its service system with customer satisfaction as the core focus. The customer service team will optimize team configuration and training to enhance professionalism, refine service details, and accelerate response times. In terms of mall environment, we will increase cleaning efforts and introduce smart devices, optimize the wayfinding system, and add more user-friendly signs; establish a regular inspection system for facility maintenance to ensure the normal operation of equipment such as elevators and air conditioning. For members, we will offer benefits such as exclusive discounts and double points, optimize services based on feedback, and create a differentiated experience to enhance customer stickiness and loyalty.

(5) *Strictly controlling quality to ensure timely opening*

In the second half of the year, three new projects – Shenzhen Guangming Galaxy COCO City (深圳光明星河 COCO City), Shenzhen Galaxy WORLD • COCO Park Phase II (深圳星河 WORLD • COCO Park 二期), and Nanjing Galaxy COCO City (南京星河 COCO City) – are scheduled to open. Each project will strictly control all construction and preparation phases to ensure timely and high-quality openings. In terms of engineering, on-site management will be strengthened, progress will be advanced according to schedule while ensuring quality and safety, and a regular inspection and rectification system will be established. Investment promotion will be initiated in advance to ensure an occupancy rate exceeding 80% at opening, while also assisting merchants in completing renovations, training, and other pre-opening preparations. On the operational side, comprehensive plans will be developed, professional teams will be assembled and trained in advance to ensure smooth operations after opening.

2. Enhance digital intelligence capabilities to drive business growth

(1) *Platform integration and synergy optimization*

In the first half of the year, the smart business system continued to play its role, with the B-end system “Star Butler” (星管家) mini-program officially launched and operational, successfully achieving online and paperless merchant services, significantly improving merchant service quality, operational efficiency, and satisfaction. In the second half of the year, the Star Butler mini-program will focus on optimizing and upgrading around merchants’ high-frequency, essential scenarios and management efficiency needs. On one hand, it will streamline service processes through simplified system tools, adding modules such as key renovation node management, a knowledge platform, store operation guidance, patrol management, and value-added services to precisely address pain points in merchants’ actual operations. On the other hand, it will advance the second-phase development of the mini-program, aiming to achieve standardization, normalization, and data-driven management in merchant services, providing strong support for operational data accumulation and asset value preservation and appreciation.

The Group will continue to optimize the digital intelligence platform covering the entire scenario of “C-end consumers, B-end merchants and building management” to achieve real-time data interoperability and business synergy. Integration of the existing financial management system, investment management system, etc., and construction of the leasing settlement (ERP) system is expected to realize the integration of business and finance so as to enhance efficiency. The Group will continue strengthening the construction of the C-end marketing platform, enhancing the intelligent and convenient consumption experience of consumers, and drilling into the transaction function of the COCO Club membership mini-program to promote the active conversion of transactions on the platform, enriching the online marketing scenarios, and enabling offline business diversion.

(2) *Intelligent deployment of data upgrade*

The Group will improve the management specifications of the data middle platform, introduce AI algorithms to optimize the breadth and depth of data application, promote the iterative upgrading of the BI data platform, and assist in the improvement of business operation; deploy IoT temperature and humidity sensors, and dynamically adjust the air conditioning operation strategy by time division and zone, so as to enhance the customer experience and energy saving and reduction of consumption.

3. Strengthen cost awareness and optimize resource allocation

(1) *Precise management and control to reduce costs and consumption*

During the preparation period of new projects, we strengthen the cost awareness, dynamically track various preparation costs, precisely plan capital input, reduce unnecessary expenses, and integrate product design and other related lines for cost optimization, so as to avoid ineffective cost expenditures.

Starting from optimizing energy use and reducing expenses, the project in operation will carry out the following areas regarding energy saving and consumption reduction: in terms of air conditioning systems, we will renovate air conditioning equipment to enhance cooling efficiency; optimize system operation logic to reduce unnecessary equipment running time; strengthen equipment maintenance and servicing to reduce the load on cooling systems; implement inverter technology modification to effectively reduce energy consumption; and revamp the steam circuit to enable residual heat recycle and reuse.

(2) *In-depth promotion of the Hundred Rivers Plan*

We will actively promote the “Hundred Rivers Plan” (百川計劃), carry out refined management of the revenue structure of the parking lot, build a dynamic monitoring mechanism for property costs, optimize the parking fee strategy and the application of intelligent equipment, and reduce manpower costs to improve the revenue of the parking lot.

4. Intensive regional cultivation and expansion, business innovation and efficiency improvement

(1) *Regional focus on resource intensive cultivation*

Continuing with the 14th Five-Year Plan strategy, we will deepen and intensify our efforts in the Greater Bay Area and expand in the Yangtze River Delta at an opportune time. We will carefully categorize the target cities and formulate targeted expansion strategies, focusing on areas where resources are available to ensure the smooth commencement and transformation of projects.

(2) *Continue to expand business innovations*

We will continuously promote standardized asset-light business and steadily develop our main business. At the same time, we will explore new opportunities in community for commercial and non-commercial projects and promote the diversified development of mixed-use projects. We will actively explore innovative light-asset business models, expand non-listed commercial full consultancy business, split special service projects stage by stage, attempt breakthroughs in core business and enhance business competitiveness, while focusing on operational performance to ensure project stability and efficient operation of resources.

EVENTS AFTER REPORTING PERIOD

There are no significant events subsequent to 30 June 2025 that have material impact on the Group’s operating and financial performance as at the date of this announcement.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2025, the Group's revenue amounted to approximately RMB284.2 million, representing a period-on-period decrease of approximately 9.4%.

The table below sets forth the breakdown of the Group's total revenue by operational model for the periods indicated:

| | For the six months ended 30 June | | | |
|--------------------------------------|----------------------------------|--------------|----------------|--------------|
| | 2025 | | 2024 | |
| | (Unaudited) | | (Unaudited) | |
| | RMB'000 | % | RMB'000 | % |
| Entrusted management services | 185,706 | 65.3 | 209,691 | 66.8 |
| Brand and management output services | 34,439 | 12.1 | 43,458 | 13.8 |
| Sublease services | 64,084 | 22.6 | 60,631 | 19.4 |
| Total | 284,229 | 100.0 | 313,780 | 100.0 |

- Entrusted management services: For the six months ended 30 June 2025, revenue from entrusted management services amounted to approximately RMB185.7 million, representing a period-on-period decrease of approximately 11.4% and accounting for approximately 65.3% of the total revenue of the Group. The revenue from entrusted management service decreased primarily due to the decrease in operating income as a result of the decrease in projects.
- Brand and management output services: For the six months ended 30 June 2025, revenue from brand and management output services amounted to approximately RMB34.4 million, representing a period-on-period decrease of approximately 20.8% and accounting for approximately 12.1% of the total revenue of the Group. The decrease in the revenue from brand and management output services was primarily attributable to the decrease in operating income due to the decrease in the service income from pre-positioning of consultation projects, construction consultation and tenant sourcing services, resulting from the impacts of market conditions and the real estate industry situation.

- Sublease services: For the six months ended 30 June 2025, revenue from sublease services amounted to approximately RMB64.1 million, representing a period-on-period increase of approximately 5.7% and accounting for approximately 22.6% of the total revenue of the Group. The increase in revenue from sublease services was mainly due to the increase in operating income as a result of the steady increase in operating income from sublease projects opened in recent years.

Cost of Services

For the six months ended 30 June 2025, the Group's cost of services amounted to approximately RMB135.5 million, representing a period-on-period decrease of approximately 10.8%, which was mainly due to the decrease in the cost of services as a result of the decrease in various operating costs (such as staff costs, environmental costs and energy costs) due to the decrease in the number of entrusted management projects, as well as the cost reduction and efficiency improvement through refined operations.

Gross Profit and Gross Profit Margin

For the six months ended 30 June 2025, the Group's gross profit amounted to approximately RMB148.7 million, representing a period-on-period decrease of approximately 8.2%.

The table below sets forth the gross profit and the respective gross profit margins by operational model for the periods indicated:

| | For the six months ended 30 June | | | |
|--------------------------------------|----------------------------------|-------------|----------------|-------------|
| | 2025 | | 2024 | |
| | (Unaudited) | | (Unaudited) | |
| | <i>RMB'000</i> | <i>%</i> | <i>RMB'000</i> | <i>%</i> |
| Entrusted management services | 107,144 | 57.7 | 121,503 | 57.9 |
| Brand and management output services | 25,835 | 75.0 | 32,675 | 75.2 |
| Sublease services | 15,702 | 24.5 | 7,702 | 12.7 |
| Total | 148,681 | 52.3 | 161,880 | 51.6 |

For the six months ended 30 June 2025, the overall gross profit margin amounted to approximately 52.3%, representing an increase of approximately 0.7 percentage point as compared with approximately 51.6% for the corresponding period of 2024.

- Entrusted management services: For the six months ended 30 June 2025, the gross profit margin remained relatively stable as compared with the corresponding period of 2024.
- Brand and management output services: For the six months ended 30 June 2025, the gross profit margin remained relatively stable as compared with the corresponding period of 2024.
- Sublease services: For the six months ended 30 June 2025, the gross profit margin amounted to approximately 24.5%, representing an increase of approximately 11.8 percentage points as compared with approximately 12.7% for the corresponding period of 2024. The increase in the gross profit margin was primarily due to the steady increase in operating income from sublease projects opened in recent years, as well as the cost reduction and efficiency improvement through refined operations, which led to the increase in gross profit margin.

Other Income

For the six months ended 30 June 2025, other income amounted to approximately RMB15.6 million, primarily representing bank interest income.

Other Gains and Losses

For the six months ended 30 June 2025, net other losses amounted to approximately RMB1.1 million, primarily representing foreign exchange gains and losses.

Impairment Losses Recognised under Expected Credit Loss Model, Net of Reversal

For the six months ended 30 June 2025, the Group's impairment losses recognised under expected credit loss model amounted to approximately RMB0.7 million (six months ended 30 June 2024: impairment losses recognised under expected credit loss model amounted to approximately RMB1.3 million), mainly due to the change of estimation on future collection of trade receivables according to the facts and circumstances in respect of the projects during the reporting period.

Selling Expenses

For the six months ended 30 June 2025, the Group's selling expenses amounted to approximately RMB6.7 million, representing a period-on-period decrease of approximately 54.5%, primarily due to the decrease in the number of entrusted management projects, as well as precise marketing and promotional activities to control costs effectively, which led to a decrease in selling expenses.

Administrative Expenses

For the six months ended 30 June 2025, the Group's administrative expenses amounted to approximately RMB26.3 million, representing a period-on-period decrease of approximately 17.0%, primarily due to the continued optimization of its organizational structure and the enhancement of management effectiveness, resulting in a decrease in administrative expenses.

Finance Costs

The Group's finance costs mainly refer to interest expense on lease liabilities recognised in accordance with HKFRS 16 in respect of subleased projects.

For the six months ended 30 June 2025, the Group's finance costs amounted to approximately RMB18.5 million, which was largely unchanged from the same period of the previous year.

Share of Result of a Joint Venture

For the six months ended 30 June 2025, the Group's share of result of a joint venture was approximately nil (six months ended 30 June 2024: loss of approximately RMB0.1 million), mainly derived from the Group's investment in Guangzhou Kaixing Business Management Co., Ltd. (廣州凱星商業管理有限公司).

Income Tax Expense

For the six months ended 30 June 2025, the Group's income tax expense amounted to approximately RMB24.9 million, representing a period-on-period decrease of approximately 9.0%, primarily attributable to the decrease in profit before tax.

Profit for the period

The Group's profit for the six months ended 30 June 2025 amounted to approximately RMB86.1 million, representing a period-on-period decrease of approximately 0.5%. The profit attributable to the owners of the Company amounted to approximately RMB86.9 million, representing a period-on-period decrease of approximately 2.5%.

Trade and other receivables

The Group's trade and other receivables primarily arose from trade receivables arising from commercial property operational services within the shopping centers, shopping streets and commercial complexes, receivables from third-party payment platforms, other tax recoverable, prepayments and others. As at 30 June 2025, the Group's trade and other receivables were approximately RMB47.3 million, representing an increase of approximately 7.5% as compared with that as at 31 December 2024, primarily due to the increase in other tax recoverable as a result of the increase in engineering investment for projects in the Group's pipeline and the increase in trade receivables as a result of the cyclical difference in the settlement of management service fees between the Group and the property owners.

Trade and other payables

The Group's trade and other payables primarily represent amounts due to suppliers/ subcontractors as well as related parties for the purchase of services and goods, receipts on behalf of tenants, deposits received from tenants, salary payables, payables for leasehold improvements and others. As at 30 June 2025, the Group's trade and other payables amounted to approximately RMB223.2 million, representing a decrease of approximately 22.0% as compared with that as at 31 December 2024, primarily due to the decrease in salary payables to employees and various payables as a result of the payment of the year-end bonus provided in the previous year and the payment of various payables.

Contingent liabilities

As at 30 June 2025, the Group did not have any significant contingent liabilities.

Liquidity and capital resources

The Group has maintained stable financial position and sufficient liquidity and bank balances. As at 30 June 2025, the Group's short-term bank deposits and cash and cash equivalents amounted to approximately RMB1,368.4 million, which was largely unchanged from approximately RMB1,366.5 million as at 31 December 2024. The management believes that the Group's financial resources and future revenue will be sufficient to support the current working capital requirements and future expansion of the Group.

Bank loans and other borrowings

As at 30 June 2025, the Group had no bank loans and other borrowings (31 December 2024: nil).

Gearing ratio

Gearing ratio is calculated based on total liabilities divided by total assets. As at 30 June 2025, gearing ratio was approximately 44.8%, which was largely unchanged as compared with approximately 44.9% as at 31 December 2024.

Foreign exchange risk

The Group primarily operates in Mainland China and its businesses are principally conducted in Renminbi. As at 30 June 2025, the Group's financial assets and liabilities are mainly denominated in Renminbi while the financial assets and liabilities denominated in currencies other than Renminbi, such as Hong Kong dollars or United States dollars, are mainly cash and cash equivalents. The Group did not enter into any forward exchange contract to hedge against foreign exchange risk, but the management will continue to monitor foreign exchange risk and adopt a prudent approach to reduce the foreign exchange risk.

Net Proceeds from the Global Offering and Over-allotment Option

A total of 270,640,000 ordinary shares of HK\$0.01 each in the share capital of the Company (the “**Share(s)**”) were issued at HK\$3.86 per Share in connection with the listing of the Shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 26 January 2021, including the Over-allotment Option (as defined in the prospectus of the Company dated 14 January 2021 (the “**Prospectus**”)).

The net proceeds from the Global Offering (as defined in the Prospectus) amounted to approximately RMB777.0 million and the additional net proceeds received by the Company from the partial exercise of the Over-allotment Option (as defined in the Prospectus) on 18 February 2021 was approximately RMB64.8 million (collectively, the “**Net Proceeds**”).

Since the listing of the Shares on the Stock Exchange on 26 January 2021, the Group has always been proactively seeking for appropriate target(s) for acquisition. However, in light of resurgence of the pandemic, the Group considers it will be exposed to increased risk when pursuing such acquisition opportunities. Meanwhile, the real estate industry in the PRC is currently experiencing dynamic changes. Certain commercial property developers are generally less willing to invest in renovation of self-operated commercial property. As a result, various opportunities of long-term lease assets with high quality and low price emerge in the market. In order to improve the Group’s funds utilization and to generate greater return to the Group and the shareholders of the Company (“**Shareholder(s)**”), on 25 August 2022, the Board resolved to change the proposed use of the Net Proceeds to capture the opportunities in the sublease service market and enable the Group to enjoy long-term sustainable revenue from sublease projects. For details, please refer to the interim results announcement of the Company dated 25 August 2022 and the 2022 interim report of the Company, respectively.

As of 30 June 2025, an analysis of the utilisation of Net Proceeds is as follows:

| Revised use of Net Proceeds as set out in the announcement of the Company dated 25 August 2022 | Approximate % of Net Proceeds | Net Proceeds | Unused Net Proceeds | | Utilised Net Proceeds | | Expected time of full utilisation |
|--|-------------------------------|---------------|----------------------|---------------------------------------|-----------------------|--|-----------------------------------|
| | | | as at 1 January 2025 | for the six months ended 30 June 2025 | as of 30 June 2025 | Unutilised Net Proceeds as of 30 June 2025 | |
| | | (RMB million) | (RMB million) | (RMB million) | (RMB million) | (RMB million) | |
| For lease expenses and renovation of retail commercial properties under the sublease service model | 75% | 631.4 | 346.7 | 52.3 | 337.0 | 294.4 | by end of 31 December 2026 |
| To make minority equity investment in the project companies which own quality commercial properties | 10% | 84.2 | 45.2 | – | 39.0 | 45.2 | by end of 31 December 2026 |
| To upgrade information technology systems to raise the Group's management service quality, reduce labor costs and improve internal control, among which: | | | | | | | |
| – to enhance intelligent operation data center, which includes real time remote onsite monitoring, tenant's business data analysis, operational early-warning and tenant mix optimization based on tenant's business data analysis | 2.5% | 21.0 | 17.5 | 0.7 | 4.2 | 16.8 | by end of 31 December 2026 |
| – to improve customers services | 2.5% | 21.0 | 14.5 | 0.9 | 7.4 | 13.6 | by end of 31 December 2026 |
| For general business purpose and working capital | 10% | 84.2 | – | – | 84.2 | – | – |
| Total | 100% | 841.8 | 423.9 | 53.9 | 471.8 | 370.0 | |

The unutilised Net Proceeds have been placed with licensed banks as at the date of this announcement.

For the unutilised net proceeds of approximately RMB370.0 million as at the end of the reporting period, the Company intends to use them in the same manner and proportions as described in the announcement of the Company dated 25 August 2022 and proposes to use the unutilised Net Proceeds in accordance with the expected timetable disclosed in the table above.

NUMBER OF EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the total number of employees of the Group was 840 (31 December 2024: 954). Employees are remunerated according to their qualifications and experience, job nature and performance, and under the pay scales aligned with market conditions. As part of the Group's retention strategy, it offers employees performance-based cash bonuses and other incentives in addition to basic salaries including medical scheme, insurance coverage, retirement schemes, share option scheme and award of restricted share units under the restricted share unit scheme adopted by the Company on 4 November 2021.

Except for the share option scheme and award of restricted share units under the restricted share unit scheme adopted by the Company on 4 November 2021, the ultimate controlling Shareholder, Mr. Huang Chu-Long, adopted a share award scheme on 17 April 2023 to encourage and reward the eligible employees (including the Directors) for their contributions to the Group's results and business development. Share awards to certain employees, senior management or directors of the Group or other persons who make significant contribution to the Group were granted on 17 April 2023 resulting in the share-based payment expenses of approximately RMB981,000 included in the above staff costs for the first half of 2025 (six months ended 30 June 2024: RMB402,000).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

During the six months ended 30 June 2025, save for the expansion plans as set out in the section headed "Future Plans and Use of Proceeds – Use of Proceeds" in the Prospectus, the Group had no specific plan for material investment or acquisition of major capital assets or other businesses.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2025.

PLEDGE OF ASSETS

As of 30 June 2025, none of the assets of the Group were pledged (31 December 2024: nil).

COMPLIANCE WITH 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 Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange as its own code of conduct for Directors in their dealings in the securities of the Company. Having made specific inquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code for the six months ended 30 June 2025.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares) during the six months ended 30 June 2025.

There were no treasury shares held by the Company as at 30 June 2025 and the date of this announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standard of corporate governance practices and procedures and complying with the statutory and regulatory requirements with an aim to maximising the values and interests of the Shareholders as well as enhancing the transparency and accountability to the stakeholders.

During the six months ended 30 June 2025, the Directors are of the view that the Company had applied the principles of good corporate governance and complied with the code provisions as set out in Part 2 of the Corporate Governance Code as contained in Appendix C1 to the Listing Rules. Further information about the corporate governance practices of the Company will be set out in the interim report of the Company for the six months ended 30 June 2025.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board declared the payment of an interim dividend of HK5.0 cents per ordinary share for the six months ended 30 June 2025 (six months ended 30 June 2024: HK4.8 cents per ordinary share).

The register of members of the Company will be closed from Friday, 28 November, 2025 to Monday, 1 December 2025, both days inclusive, during which period no transfer of Shares will be registered. For the purpose of determining the entitlement to the proposed interim dividend for the six months ended 30 June 2025, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 27 November, 2025. It is expected that the proposed interim dividend will be paid on or around Friday, 19 December 2025 to the Shareholders whose names appear on the register of members of the Company at the close of business on Monday, 1 December 2025.

REVIEW OF INTERIM RESULTS

The unaudited interim financial information for the six months ended 30 June 2025 has been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants, by Deloitte Touche Tohmatsu, the auditor of the Company. The audit committee of the Company (comprising Ms. Wan Hoi Lam and Mr. Guo Zengli, each an independent non-executive Director and Mr. Liu Jun, a non-executive Director) has reviewed with the management of the Company the accounting principles and practice adopted by the Group and discussed internal controls, risk management and financial reporting matters including the review of the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) as well as the website of the Company (www.g-cre.com).

The interim report of the Company for the six months ended 30 June 2025 will be despatched to the Shareholders and made available on the websites of the Stock Exchange and the Company in due course.

By order of the Board
E-Star Commercial Management Company Limited
Huang De-Lin Benny
Chairman and executive Director

Hong Kong, 28 August 2025

As at the date of this announcement, the Board comprises Mr. Huang De-Lin Benny, Mr. Chen Qunsheng and Mr. Ma Chaoqun as executive Directors; Mr. Huang De'An Tony and Mr. Liu Jun as non-executive Directors; and Ms. Wan Hoi Lam, Mr. Guo Zengli and Dr. Zhang Jinghua as independent non-executive Directors.