THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in E-Star Commercial Management Company Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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星盛商業
E-STAR COMMERCIAL

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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders

Lego Corporate Finance Limited
力高企業融資有限公司

Capitalised terms on this cover page shall have the same meanings as those defined in "Definitions" in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 5 to 28 of this circular and a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 29 to 30 of this circular. A letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 31 to 68 of this circular.

A notice convening the EGM of the Company to be held at 33F, Building A, Galaxy World, 1 Yabao Road, Longgang District, Shenzhen, Guangdong Province, China on Thursday, 15 January 2026 at 10 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.g-cre.com).

Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and any adjournment thereof (as the case may be) should you so wish and in such event, the proxy shall be deemed to be revoked.

All times and dates specified herein refers to Hong Kong local times and dates.

22 December 2025

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NOTICE OF EXTRAORDINARY GENERAL MEETING EGM-1

In this circular, the following expressions have the meanings set out below unless the context otherwise requires:

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"China" or "PRC"	the People's Republic of China, but for the purpose of this circular and for geographical reference only, references herein to "China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan
"Company"	E-Star Commercial Management Company Limited (星盛商業管理股份有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability on 13 September 2019, the Shares of which are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	Director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held at 33F, Building A, Galaxy World, 1 Yabao Road, Longgang District, Shenzhen, Guangdong Province, China, on Thursday, 15 January 2026 at 10 a.m. for the purpose of considering and, if thought fit, approving Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps)
"Existing Commercial Property Operational Services Framework Agreement"	the commercial property operational services framework agreement entered into by the Company and Mr. Huang on 17 October 2022
"Existing Sublease Framework Agreement"	the sublease framework agreement entered into by the Company and Mr. Huang on 17 October 2022
"Existing Tenant Management Services Framework Agreement"	the tenant management services framework agreement entered into by the Company and Mr. Huang on 17 October 2022
"GFA"	gross floor area

"Greater Bay Area"	the mainland part of the Guangdong-Hong Kong-Macau Greater Bay Area, a geographical region in China, including Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing, unless indicated otherwise
"Group"	the Company and its subsidiaries
"Independent Board Committee"	an independent committee of the Board, comprising all independent non-executive Directors, which has been appointed by the Board to advise the Independent Shareholders on the terms of the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps)
"Independent Financial Adviser" or "Lego"	Lego Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps)
"Independent Shareholders"	Shareholders other than Mr. Huang and his associates
"Independent Third Party(ies)"	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
"Latest Practicable Date"	18 December 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"Listing"	the listing of the Shares on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time

"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules
"Mr. Huang"	Mr. Huang Chu-Long, a controlling shareholder of the Company
"Mr. Huang's Companies"	associates of Mr. Huang
"New Commercial Property Operational Services Framework Agreement"	the commercial property operational services framework agreement entered into by the Company and Mr. Huang on 24 October 2025
"New Sublease Framework Agreement"	the sublease framework agreement entered into by the Company and Mr. Huang on 24 October 2025
"New Tenant Management Services Framework Agreement"	the tenant management services framework agreement entered into by the Company and Mr. Huang on 24 October 2025
"Non-exempt Agreements"	collectively the (i) New Commercial Property Operational Services Framework Agreement; (ii) New Tenant Management Services Framework Agreement; and (iii) New Sublease Framework Agreement
"percentage ratio"	the percentage ratios under Rule 14.07 of the Listing Rules
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong), as amended or supplemented from time to time
"Share(s)"	ordinary share(s) in the share capital of the Company with nominal value of HK$0.01 each
"Shareholder(s)"	holder(s) of the Shares
"sq.m."	square meter(s)

"Standard Price List(s)"	the standard price list(s) prepared in respect of each relevant agreement of continuing connected transactions entered into by the Group based on the prevailing market information and, if available, the Group's other contemporaneous transactions of similar services carried out with Independent Third Parties
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"%"	per cent

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)

Executive Directors:
Mr. Huang De-Lin Benny *(Chairman)*
Mr. Chen Qunsheng *(Chief Executive Officer)*
Mr. Ma Chaoqun

Non-executive Directors:
Mr. Huang De'An Tony
Mr. Liu Jun

Independent non-executive Directors:
Dr. Zhang Jinghua
Mr. Guo Zengli
Ms. Wan Hoi Lam

Registered Office:
71 Fort Street
PO Box 500
George Town
Grand Cayman
KY1-1106
Cayman Islands

Place of Business in Hong Kong:
Room 1704, 17/F
Wing On Centre
111 Connaught Road Central
Sheung Wan
Hong Kong

22 December 2025

To the Shareholders,

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 24 October 2025.

The purpose of this circular is to provide the Shareholders with, among other things, (i) details of the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps); (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps); and (iv) a notice convening the EGM.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 17 October 2022 and the circular of the Company dated 28 November 2022 in relation to the (1) Existing Commercial Property Operational Services Framework Agreement; (2) Existing Tenant Management Services Framework Agreement; (3) Existing Sales Referral Services Framework Agreement; (4) Existing Master Services Procurement Agreement; and (5) Existing Sublease Framework Agreement.

As the above mentioned agreements will expire on 31 December 2025 and the Company will continue to conduct the transactions contemplated thereunder upon their expiry, on 24 October 2025, the Company and Mr. Huang entered into, among others, the (1) New Commercial Property Operational Services Framework Agreement; (2) New Tenant Management Services Framework Agreement; and (3) New Sublease Framework Agreement (i.e. the Non-exempt Agreements).

The principal terms of each of the Non-exempt Agreements are set out below:

(1) New Commercial Property Operational Services Framework Agreement

Date

24 October 2025

Parties

(a) The Company; and

(b) Mr. Huang

Term

1 January 2026 to 31 December 2028 and may be extended or renewed as agreed between the parties, subject to compliance with relevant laws and regulations and the Listing Rules.

Subject matter

The Group shall provide commercial property operational services to Mr. Huang's Companies with respect to shopping centers and commercial complexes owned by Mr. Huang's Companies, including but not limited to (i) positioning, design,tenant sourcing services and consultancy services (including land sourcing assistance, site selection, engineering management, marketing strategy and other consultancy services (including trademark licensing, if any)); and (ii) operational management services after the opening of such properties (including trademark licensing, if any) (the "**Commercial Property Operational Services**").

The relevant parties shall enter into specific agreement which set out the specific provisions of the services for each specific property or project, terms of which shall be fair and reasonable, on normal commercial terms and consistent with the principal terms of the New Commercial Property Operational Services Framework Agreement in all material aspects.

Pricing policy

Under the New Commercial Property Operational Services Framework Agreement, the service fees to be charged by the Group for the Commercial Property Operational Services shall be determined after arm's length negotiations with reference to (i) the positioning, location and size of the properties, (ii) the anticipated operational cost (including labor costs) for providing such services, and (iii) the price offered by the Group to independent property owners for similar services.

Historical transaction amount

The annual caps for the three years ending 31 December 2025 under the Existing Commercial Property Operational Services Framework Agreement (as amended) are as follows:

	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ending 31 December 2025**
	RMB'000	*RMB'000*	*RMB'000*
Positioning, design, tenant sourcing and consultancy services	112,100	128,600	164,900
Operational management services	116,500	153,100	185,500
Total	**228,600**	**281,700**	**350,400**

The actual transaction amounts under the Existing Commercial Property Operational Services Framework Agreement for the two years ended 31 December 2024 and the nine months ended 30 September 2025 were as follows:

	For the year ended 31 December 2023 *RMB'000*	For the year ended 31 December 2024 *RMB'000*	For the nine months ended 30 September 2025 *RMB'000*
Positioning, design, tenant sourcing and consultancy services	103,045	56,043	29,731
Operational management services	100,263	93,108	50,857
Total	**203,308**	**149,151**	**80,588**

The utilisation rates of the annual caps under the Existing Commercial Property Operational Services Framework Agreement for the two years ended 31 December 2024 and the nine months ended 30 September 2025 were approximately 88.9%, 52.9% and 23.0%, respectively. The relatively lower utilisation rate of the annual caps for the year ending 31 December 2025 was primarily attributable to the impact of market conditions and the real estate industry landscape in recent years which have limited the growth of existing projects, and new projects have fallen short of expectations.

Proposed annual caps

The proposed annual caps under the New Commercial Property Operational Services Framework Agreement for the three years ending 31 December 2028 are set out below:

	For the year ending 31 December		
	2026 *RMB'000*	2027 *RMB'000*	2028 *RMB'000*
Positioning, design, tenant sourcing and consultancy services	82,730	94,617	114,051
Operational management services	126,526	174,246	218,152
Total	**209,256**	**268,863**	**332,203**

In respect of the consultancy services (including land sourcing assistance, site selection, engineering management, marketing strategy and other consultancy services (including trademark licensing, if any)), service fees may be charged monthly or at a fixed sum. Incentive fees will also be charged upon successful acquisition of the relevant land or properties (i.e. after the signing of the relevant transfer agreements of land use rights), which shall be determined after arm's length negotiations with reference to the location, nature, size, price of the properties, the operational cost (including labor costs) for providing such services and the prevailing market rate, as may be agreed from time to time pursuant to the specific agreements to be entered into by the relevant parties. In respect of the positioning, design, and tenant sourcing services, service fees are charged monthly or at a fixed sum which are estimated based on the total GFA of properties newly obtained or developed by Mr. Huang's Companies, where the services are provided and the service fee per square meter. In respect of the operational management services (which include trademark licensing, if any), the service fees may be charged monthly or at a fixed sum and/or calculated as a percentage of the revenue and/or profit of the relevant properties with reference to prevailing market rate. The trademark licensing fees will be categorized into positioning, design, tenant sourcing and consultancy service fees prior to the opening of the relevant projects and operational management services fees after the opening. The determination of the aforementioned service fees of the operational management services is based on prevailing market practice at the time of entering into the specific individual agreement in accordance with the measures set out in the section headed "INTERNAL CONTROL MEASURES" of this circular.

In arriving at the above proposed annual caps, the Directors have considered factors including (i) the historical transaction amounts and growth trend, which represented year-on-year growth rates of approximately 28.3% and -26.6% for the two years ended 31 December 2024, respectively; (ii) the existing contracts in respect of the land sourcing assistance services with contract value of approximately RMB12.0 million which will be recognised; (iii) the existing GFA of shopping centers and commercial complexes developed by Mr. Huang's Companies under the Group's management of 1.4 million sq.m.; and (iv) the estimation of the GFA of the commercial properties developed but not yet delivered or to be developed or owned by Mr. Huang's Companies where Commercial Property Operational Services will be provided by the Group of 120,000 sq.m., 120,000 sq.m. and 120,000 sq.m. for the three years ending 31 December 2028, respectively. Pursuant to the business plan of the Group which was determined between the Group and Mr. Huang' Companies, illustrating the details of the services to be provided by the Group, their respective GFA and proposed pricing, which comprises new projects accumulated to a total GFA of approximately 360,000 sq.m. to be undertaken by the Group for providing the Commercial Property Operational Services to Mr. Huang's Companies. Revenue of over RMB35 million, RMB60 million and RMB85 million are estimated to be recognised for the three years ending 31 December 2028, respectively for such projects.

The increase in the proposed annual caps from 2026 to 2028 is mainly due to the increase in number of projects and GFA which required services under the New Commercial Property Operational Services Framework Agreement. Having considered that the proposed annual caps are estimated with reference to the existing signed contracts (all of which will be renewed unless Mr. Huang's Companies no longer owns the relevant shopping centers and commercial complexes), the projections based on the business plans of the Group which was discussed between the Group and Mr. Huang's Companies and the growth rate of the proposed annual caps for the two years ending 31 December 2028 compared with that of the preceding year ranging from 23.6% to 28.5%, which are reasonable having considered the aforementioned historical trend for the two years ended 31 December 2024 (excluding the anomaly of the negative growth rate for the year ended 31 December 2024, which is caused by the low number of projects concerning provision of positioning, design, tenant sourcing and consultancy services as a result of the poor market sentiment in the PRC real estate market, thereby leading to a decrease in service fees), the Board considers the proposed annual caps under the New Commercial Property Operational Services Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Board is of the view that the negative growth rate for the year ended 31 December 2024 could be excluded from the aforementioned historical trends for the two years ended 31 December 2024 for the following reason, 2024 marks the year of "ensuring the delivery of housing" (保交樓) for China's real estate industry, with property companies operating cautiously and refraining from acquiring new land. However, the PRC government has demonstrably eased property market controls from 2025 onwards, together with property companies' minimal land acquisitions over the past two years, normalised land acquirements will be proceeded to replenish land reserves and resume development activities in the future. Having excluded the anomalous negative growth rate for the year ended 31 December 2024, the growth rate for the year ended 31 December 2023 stands at approximately 30%. Consequently, the Board considers that the growth rates of the proposed annual caps of 23.6% to 28.5% for the two years ending 31 December 2028 align with the aforementioned historical trend.

The Board believes that there is no reliance issue in connection with the New Commercial Property Operational Services Framework Agreement. Since its Listing, the Company has been operating independently and expanding its portfolio of commercial properties developed or owned by Independent Third Parties in Greater Bay Area and Yangtze River Delta. The percentage of revenue derived from Mr. Huang's Companies were not material, which were approximately 30% for each of the two years ended 31 December 2024 and for the six months ended 30 June 2025. The Group expects that the revenue contribution by Mr. Huang's Companies in the future will not materially deviate from the historical proportion. The Company will continue to expand its customer base of Independent Third Parties in the Greater Bay Area and Yangtze River Delta and take appropriate action to ensure it has no undue reliance on Mr. Huang.

Reasons for and benefits of entering into the New Commercial Property Operational Services Framework Agreement

The Group has been providing the Commercial Property Operational Services to Mr. Huang's Companies before the Listing. The Directors are of the view that the negative year-on-year growth rate for the year ended 31 December 2024 is an anomaly caused by the low number of projects concerning provision of positioning, design, tenant sourcing and consultancy services as a result of the poor market sentiment in the real estate market, leading to a decrease in service fees, and the provision of which is in the ordinary course of business of the Group. As the Existing Commercial Property Operational Services Framework Agreement will expire on 31 December 2025, the New Commercial Property Operational Services Framework Agreement is being entered to enable the Group to continue to provide the Commercial Property Operational Services to Mr. Huang's Companies in compliance with the Listing Rules, which could result in satisfactory synergy effect and further promote the business growth of the Group.

Most of the projects of Mr. Huang's Companies are located in the Greater Bay Area and Yangtze River Delta, which have a developed economy with huge population, making them ideal locations for commercial operations. The Directors therefore consider that providing services to the projects of Mr. Huang's Companies would enhance the Group's influence in the commercial property operational services market and brand awareness, which is conducive to the national expansion of the Group's business in the future.

In light of the above reasons and taking into account the internal control measures disclosed in the section headed "INTERNAL CONTROL MEASURES" of this circular, the Directors (including the independent non-executive Directors after taking into consideration the advice of the Independent Financial Adviser) consider that the terms of the New Commercial Property Operational Services Framework Agreement and the transactions contemplated thereunder are fair and reasonable, entered into on normal commercial terms, in the ordinary and usual course of business of the Group, and are in the interests of the Company and its shareholders as a whole.

(2) New Tenant Management Services Framework Agreement

Date

24 October 2025

Parties

(a) The Company; and

(b) Mr. Huang

Term

1 January 2026 to 31 December 2028 and may be extended or renewed as agreed between the parties, subject to compliance with relevant laws and regulations and the Listing Rules.

Subject matter

The Group shall provide (i) operational management services, including but not limited to commercial property operational management and property management services to stores and cinemas owned or operated by Mr. Huang's Companies and located in the shopping centers managed by the Group; and (ii) management services in respect of common area of shopping centers managed by the Group (the "**Tenant Management Services**") to Mr. Huang's Companies for marketing and promotional activities. In addition, Mr. Huang's Companies will pay rental to the Group for the leasing of stores located at the sublease projects of the Group (the "**Rental Income**").

The relevant parties shall enter into individual tenant management services agreement which set out the specific provisions of the Tenant Management Services and/or Rental Income for a specific project, terms of which shall be fair and reasonable, on normal commercial terms and consistent with the principal terms of the New Tenant Management Services Framework Agreement in all material aspects.

Pricing policy

The fees for the Tenant Management Services to be provided by the Group shall be determined in the specific agreement and should be set, after arm's length negotiations with reference to the prevailing market rate of similar services in the open market, the historical fee rate and the service fee charged by the Group when providing similar services to Independent Third Parties.

Whereas for the Rental Income, it should be set, after arm's length negotiations with reference to the prevailing and trend of market rentals of properties with similar locations and sizes.

Historical transaction amount

The annual caps for the three years ending 31 December 2025 under the Existing Tenant Management Services Framework Agreement are as follows:

	For the year ended 31 December 2023 *RMB'000*	**For the year ended 31 December 2024** *RMB'000*	**For the year ending 31 December 2025** *RMB'000*
Tenant Management Services	24,300	28,700	33,800
Rental Income	1,500	4,800	6,300
Total	**25,800**	**33,500**	**40,100**

The actual transaction amounts under the Existing Tenant Management Services Framework Agreement for the two years ended 31 December 2024 and nine months ended 30 September 2025 were as follows:

	For the year ended 31 December 2023 *RMB,000*	**For the year ended 31 December 2024** *RMB,000*	**For the nine months ended 30 September 2025** *RMB,000*
Tenant Management Services	23,778	21,274	12,839
Rental Income	138	334	206
Total	**23,916**	**21,608**	**13,045**

The utilisation rates of the annual caps under the New Tenant Management Services Framework Agreement for the two years and nine months ended 30 September 2025 were approximately 92.7%, 64.5% and 32.5%, respectively. The relatively low utilisation rate of the annual cap for the nine months ended 30 September 2025 was primarily due to the closure of certain shops rented by Mr. Huang's Companies from the Group operating as children's playgrounds and the adjustment of opening plans of cinemas, which in turn lead to the decrease in rent for the Tenant Management Services received by the Group.

Proposed annual caps

The proposed annual caps under the New Tenant Management Services Framework Agreement for the three years ending 31 December 2028 are set out below:

	For the year ending 31 December		
	2026	**2027**	**2028**
	RMB'000	*RMB'000*	*RMB'000*
Tenant Management Services	28,406	40,578	54,893
Rental Income	4,840	10,347	16,961
Total	**33,246**	**50,925**	**71,854**

Under the New Tenant Management Services Framework Agreement, (i) the service fees for the provision of management services are charged based on the GFA of stores under the Group's management and the monthly service fee per square meter; (ii) the service fees for the marketing and promotional activities in the common area of shopping centers under the Group's management are charged taking into account the size and location of common area to be used, daily or monthly service fee and the service period; and (iii) the Rental Income is charged based on the GFA of the stores or area leased and prevailing market rental price taking into account conditions including the facilities and services associated with the properties and the availability of properties with similar sizes at nearby locations.

In arriving at the above proposed annual caps, the Directors have considered factors including (i) the fact that Mr. Huang's Companies have completed the closures of all of the shops rented by Mr. Huang's Companies from the Group which operated as children's playgrounds as disclosed in the paragraph headed "Renewal of Continuing Connected Transactions — (2) New Tenant Management Services Framework Agreement — Historical Transaction Amount" above; (ii) the estimated area, location, and service period of common area within the shopping centers managed under the Group's newly launched entrusted management service model and sublease service model, where Mr. Huang's Companies plans to conduct

marketing and promotional activities; and (iii) the estimated total GFA in relation to the projected new stores to be opened by Mr. Huang's Companies locating at properties managed by the Group under the entrusted management service model and sublease service model as indicated by the business development plan of Mr. Huang's Companies of 8,000 sq.m., 8,000 sq.m. and 8,000 sq.m. (in respect of which both service fees for Tenant Management Services and Rental Income will be received by the Group) for the three years ending 31 December 2028, respectively. It is expected that such projected new stores, which are primarily high-end cosmetics shops or cinemas, along with the related marketing and promotion expenses, which forms a basis for raising the proposed annual caps for the three years ending 31 December 2028.

The increase in the proposed annual caps from 2026 to 2028 mainly due to the increase in number of projects which required services and the GFA for which the Tenant Management Services fees and Rental Income will be received by the Group under the New Tenant Management Services Framework Agreement. Having considered that the proposed annual caps are estimated with reference the projections based on the business plans of Mr. Huang's Companies, the Board considers the proposed annual caps under the New Tenant Management Services Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Reasons for and benefits of entering into the New Tenant Management Services Framework Agreement

As the Existing Tenant Management Services Framework Agreement will expire on 31 December 2025 and the Company will continue to conduct the transactions contemplated thereunder upon its expiry, the Company and Mr. Huang entered into the New Tenant Management Services Framework Agreement.

The transactions under the New Tenant Management Services Framework Agreement will being in revenue to the Group. The Company believes the New Tenant Management Services Framework Agreement will be mutually beneficial to the Group and Mr. Huang's Companies as the high-end cosmetics and cinemas businesses etc. operated by Mr. Huang's Companies could help attract customers to, and increase the revenue of, the malls managed and operated by the Group.

In light of the above reasons and taking into account the internal control measures disclosed in the section headed "INTERNAL CONTROL MEASURES" of this circular, the Directors (including the independent non-executive Directors after taking into consideration the advice of the Independent Financial Adviser) consider that the terms of the New Tenant Management Services Framework Agreement and the transactions contemplated thereunder are fair and reasonable, entered into on normal commercial terms, in the ordinary and usual course of business of the Group, and are in the interests of the Company and its shareholders as a whole.

(3) New Sublease Framework Agreement

Date

24 October 2025

Parties

(a) The Company; and

(b) Mr. Huang

Term

1 January 2026 to 31 December 2028 and may be extended or renewed as agreed between the parties, subject to compliance with relevant laws and regulations and the Listing Rules.

Subject matter

Under the sublease services model, the Group leases the commercial properties from the property owners and bears the operating costs of managing the commercial properties. It receives rental income and other management fees from tenants as it subleases commercial spaces within the commercial properties and provides operational management and other valued-added services.

Pursuant to the New Sublease Framework Agreement, the Group shall lease shopping centers and commercial complexes owned by Mr. Huang's Companies and thus pay rental fees to Mr. Huang's Companies (the "**Sublease Rental**"). The Sublease Rental is variable charging on a fixed proportion of the operating profit of the relevant sublease project and does not contain a fixed component.

In addition, for some new sublease agreements to be entered into with Mr. Huang's Companies pursuant to the New Sublease Framework Agreement, the Group aims to negotiate for a profit compensation clause, i.e. in the event the profit derived falls below the agreed level, Mr. Huang's Companies shall compensate the shortfall to the Company (the "**Profit Compensation**").

Such mechanism of Profit Compensation will safeguard the interest of the Group and is on better commercial terms and more favourable to the Group than those quoted by Independent Third Parties. As at the Latest Practicable Date, there were no Profit Compensation clauses for similar sublease transactions with Independent Third Parties; while for the Group's existing signed sublease agreements, reference is made to the profit level of the existing projects managed by the Group. As far as the Company is aware of based on information currently available to it, there are no similar Profit Compensation clauses for similar sublease transactions in the market to which it could make reference.

The relevant parties shall enter into specific agreement which set out the specific provisions of the lease terms for each specific sublease project, which shall be fair and reasonable, on better commercial terms and consistent with the principal terms of the New Sublease Framework Agreement in all material aspects.

Pricing policy

Under the New Sublease Framework Agreement, the rate of the Sublease Rental payable by the Group shall be determined as mutually agreed after arm's length negotiations charging on a fixed proportion of the operating profit of the relevant sublease project before excluding Sublease Rental payable by the Group, with reference to (i) the location and size of the sublease projects; (ii) prevailing and trend of market rentals of properties with similar locations and sizes to the leased properties.

The Profit Compensation receivable by the Group (if any) shall be made up to the extent that the operating profit of the sublease project, after deducting the Sublease Rental payable by the Group, falls below the mutually agreed level. In determining whether to negotiate for a profit compensation clause for new sublease agreements, the Group took into account factors including: (i) the Board's assessment on the current economic conditions and the economic outlook; and (ii) the Group's requirement on return on investment, coupled with a growth period following the opening of sublease projects, i.e. as the occupancy rate of the new projects and the turnover of the tenants of such projects as well as the turnover rent being received by the Group will be lower, resulting in lower level of operating profit for each project during the first few years after opening, the Group will proactively negotiate for a profit compensation. In the event that the Company's requirement on investment requirement could not be fulfilled and Mr. Huang's Companies refuses to provide a profit compensation clause, the Company will not enter into the relevant sublease agreement and will explore other ways of cooperation with the counterparty under the entrusted management service model or the brand and management output service model.

The calculation mechanism of the Sublease Rentals and Profit Compensation is as follows: Sublease Rental is the fixed percentage of the actual level of operation profit of the sublease project. Profit Compensation is the difference between (i) the actual level of operating profit of the project company (i.e. actual level of operating profit of the sublease project deducting Sublease Rental); and (ii) the agreed level of operating profit of the project company (as lessee).

In the event that the sublease project recorded an actual operating loss, the Profit Compensation will be the sum of the actual operating loss and the agreed level of operating profit of the project company. The Company will be compensated, quarterly, for the Profit Compensation, on a dollar-on-dollar basis.

The agreed level of operating profit is determined after arm's length negotiation between the Company and Mr. Huang's Companies with reference to the location and size of the sublease projects without taking into account whether the sublease project is a newly opened sublease project.

During the first few years after a sublease project has commenced operation, the project is still in a growth period where the actual operating profit of the project is relatively low, thereby the Profit Compensation to be received by the Group may be higher than the Sublease Rental to be paid by the Group, which results in net income to be received by the Group from Mr. Huang's Companies.

Given that the Profit Compensation arrangement (including the agreed level of profit) is determined after arm's length negotiations between the Company and Mr. Huang with reference to (i) the Group's internal requirement on return on investment; and (ii) the fact that Profit Compensation is usually only provided to the party with a better bargaining power, the Board is of the view that the pricing policy and the Profit Compensation arrangement are fair and reasonable.

Historical transaction amount

The annual caps for the three years ending 31 December 2025 under the Existing Sublease Framework Agreement were as follows:

	For the year ended 31 December		**For the year ending 31 December**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Sublease Rental to be paid to Mr. Huang's Companies	16,100	41,800	107,100
Profit Compensation to be received by the Group	19,300	83,600	84,900

The actual transaction amounts under the Existing Sublease Framework Agreement were as follows:

	For the year ended 31 December		**For the nine months ending 30 September**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Sublease Rental to be paid to Mr. Huang's Companies	–	1,794	1,131
Profit Compensation to be received by the Group	–	13,647	9,764

The utilisation rates of the annual caps of Sublease Rental and Profit Compensation for the two years and nine months ended 30 September 2025 was approximately 0%, 4.3% and 1.1%, respectively and approximately 0%, 16.3% and 11.5%, respectively. The relatively low utilisation rates were primarily due to the downturn of the real estate market, which in turn leads to the delay in opening of sublease projects. Among the sublease projects which was planned to commence operation in the two years and nine months ended 30 September 2025, only one sublease project (with a total GFA of 51,000 sq.m.) has commenced operations. The remaining three sublease projects (with a total GFA of approximately 198,000 sq.m.) are expected to be delayed and will commence operations sequentially over the next two years.

Proposed annual caps

The proposed annual caps under the New Sublease Framework Agreement for the three years ending 31 December 2028 are set out below:

	For the year ending 31 December		
	2026	**2027**	**2028**
	RMB'000	*RMB'000*	*RMB'000*
Sublease Rental to be paid to Mr. Huang's Companies	13,769	27,672	46,436
Profit Compensation to be received by the Group	79,069	86,588	124,782

In arriving at the above proposed annual caps, the Directors have considered factors including (i) the total GFA of the sublease projects based on existing sublease contracts which have been signed is approximately 292,000 sq.m. (of which 51,000 sq.m. are already in operation, with the remaining area expected to commence operations sequentially over the next two years); (ii) the total GFA of the sublease projects based on existing sublease contracts and sublease contracts are expected to be entered into between the Group and Mr. Huang's Companies for the three years ending 31 December 2028, is expected to be 249,000 sq.m. (all of which is based on existing sublease contracts), 292,000 sq.m. (all of which is based on existing sublease contracts) and 427,000 sq.m. (among which 292,000 sq.m. is based on existing sublease contracts and the remaining 135,000 sq.m. is based on sublease contracts expected to be signed), respectively, and (iii) the total GFA of sublease projects in respect of which Profit Compensation is expected to be received of 249,000 sq.m. for the three years ending 31 December 2028, based on existing sublease contracts entered into between the Group and Mr. Huang's Companies. Such growth trend in the total GFA of subleased projects forms the basis of the increase in the proposed annual caps for the two years ending 31 December 2027 and 2028.

In arriving at the proposed annual caps for Profit Compensation for the three years ending 31 December 2028, the Directors have also taken into account the operating forecast which forms the basis of calculating the Profit Compensation, in which Profit Compensation is expected to be higher than the Sublease Rental, primarily due to (i) the fact that in the first three years, a newly opened project will still be in a growth period in which the expected return is lower; (ii) the impact of amortization of renovation expenses for sublease projects (which will be borne by the Group), thereby resulting in Profit Compensation higher than the Sublease Rental. Despite the fact that the Profit Compensation is expected to be higher than that of the Sublease Rental, which implies that the Company could lease properties from Mr. Huang's Companies with net income receivable, this is purely caused by the fact that the new sublease projects will only commence operation sequentially over the next two years and are still in a growth period in which the Sublease Rental is expected to be relative low whereas the Profit Compensation is expected to be relatively high. After the three year period ending 31 December 2028, it is expected that the situation of net income receivable will be alleviated. Given the above, the Board is of the view that this would not render the arrangement non-justifiable from a commercial perspective.

The increase in the proposed annual caps from 2026 to 2028 mainly due to the increase in number of projects and the GFA where sublease rental fees will be received under the New Sublease Framework Agreement. Having considered that the proposed annual caps for the Sublease Rental are estimated with reference the contracts signed, contracts in negotiation and contracts to be entered into based on the business plans of the Group after consultation with Mr. Huang's Companies at the prevailing market rental, and the proposed annual caps for the Profit Compensation are based on the projected agreed level of profits being guaranteed, the Board considers the proposed annual caps under the New Sublease Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Reasons for and benefits of entering into the New Sublease Framework Agreement

As the Existing Sublease Framework Agreement will expire on 31 December 2025 and the Company will continue to conduct the transactions contemplated thereunder upon its expiry, the Company and Mr. Huang entered into the New Sublease Framework Agreement.

The Company believes that the New Sublease Framework Agreement would allow the Group to generate higher revenue in the long term as it would receive rental income from tenants, management fees for operational management services from tenants and common area use fees for value-added services from relevant customers. In addition, as Sublease Rental are commission-based, with some including compensation clauses, the Group could also mitigate risks in association with the sublease business model.

In light of the above reasons and taking into account the internal control measures disclosed in the section headed "INTERNAL CONTROL MEASURES" of this circular, the Directors (including the independent non-executive Directors after taking into consideration the advice of the Independent Financial Adviser) consider that the terms of the New Sublease Framework Agreement and the transactions contemplated thereunder are fair and reasonable, entered into on normal commercial terms, in the ordinary and usual course of business of the Group, and are in the interests of the Company and its shareholders as a whole.

INTERNAL CONTROL MEASURES

The Group will adopt the following internal control measures in connection with its continuing connected transactions to ensure that the terms under the Non-exempt Agreements are on normal or better commercial terms and shall be no less favourable to the Group than the market information and contemporaneous transactions of similar services provided by/transactions with Independent Third Parties or no less favourable to the Group than those offered by the Group to Independent Third Parties:

For New Commercial Property Operational Services Framework Agreement

(i) the Group will regularly examine the relevant pricing terms by collecting the relevant market information, periodically review and compare the historical and current market information and contemporaneous transactions of similar services provided by Independent Third Parties to ensure that the terms of such transactions are fair and reasonable and no more favourable to the connected persons than those charged to Independent Third Parties. The Group's investment liaison center would compile a standard price list (the "**Standard Price List**") in respect of the continuing connected transactions based on the prevailing market information (including three market comparables) and the Group's other contemporaneous transactions of similar services carried out with Independent Third Parties (if available) for approval by the management team. If the Group has no other contemporaneous transactions carried out with Independent Third Parties of similar services, the Standard Price List will be compiled by the Group's investment liaison center based on the prevailing market information collected through, among others, information exchange within the industry, industry talent from other commercial property providers recruited by the Group, and publicly available information disclosed by other listed companies for approval by the management team. The Standard Price List together with any appropriate supporting documents will be reviewed and approved by the management team of the Group;

(ii) the Group would charge Mr. Huang's Companies and other Independent third Party customers based on the Standard Price List, which will be updated when there is a material change in market conditions and will be reviewed at least semi-annually to ensure the Standard Price List maintained by the Group reflecting the prevailing market conditions;

(iii) before entering into any specific agreement for the continuing connected transactions, the Group's investment liaison center will prepare, among others, the pricing terms of the specific agreement with reference to the Standard Price List for approval by the management team of the Group;

For New Tenant Management Services Framework Agreement

(iv) the Group would compile a Standard Price List for each project based on the prevailing market rental, management fees, promotional fees and the fee scale for other miscellaneous resources for three comparable premises in the vicinity of the relevant properties and other contemporaneous transactions of similar properties operated by Independent Third Parties;

(v) before entering into any specific agreement for the continuing connected transactions, the Group will submit the specific agreement together with any comparable transactions for approval by the management team of the Group;

For New Sublease Framework Agreement

(vi) the Group's investment liaison center would obtain the prevailing market information and three contemporaneous transactions of similar sublease transactions with Independent Third Parties and compile a Standard Price List for approval by the management team of the Group;

(vii) before entering into any specific agreement for the continuing connected transactions, the Group's investment liaison center will submit the specific project investment forecast and agreement (including Profit Compensation clauses, if any) for approval by the management team of the Group;

For all continuing connected transactions under the Non-exempt Agreements

(viii) the finance management department will monitor the actual transaction amounts and alert the management team the aggregate transaction amounts on a continuing basis to ensure that the annual caps under each of the relevant framework agreements will not be exceeded;

(ix) the external auditors of the Company will conduct an annual review on the continuing connected transactions in accordance with the Listing Rules;

(x) the audit committee of the Company will review the transactions under each of the relevant framework agreements and recommend any proposals to improve the internal control measures;

(xi) the independent non-executive Directors will annually review the implementation and enforcement of the requirements and the internal control measures imposed on each of the relevant framework agreements; and

(xii) during the annual review of the continuing connected transactions, the Company would compile and provide a summary of the relevant details, including the framework agreement, the Standard Price List, the transaction amount and other relevant supporting documents as required by the external auditors of the Company and the independent non-executive Directors for their review. The independent non-executive Directors and the auditors of the Company will also review and compare the relevant terms under specific agreements, on sample basis, to ensure the continuing connected transactions are conducted in accordance with the terms of the relevant framework agreements.

INFORMATION ON THE PARTIES TO THE AGREEMENTS

The Company

The Company is an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed and traded on the Main Board of the Stock Exchange. The Company is an investment holding company and the principal activities of its subsidiaries include the provision of commercial property operational services to either owners or tenants in respect of commercial properties, which include primarily shopping centers, shopping streets and commercial complexes, and leasing commercial spaces to tenants in the PRC.

Business Models of the Company

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's services include (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 value-added services from relevant customers.

- Cost structure: The Group's 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.

For further details of the business models of the Company, please refer to page 155 of the prospectus of the Company.

Mr. Huang and Mr. Huang's Companies

Mr. Huang is a controlling shareholder of the Company indirectly holding approximately 73.89% of the issued share capital of the Company as at the Latest Practicable Date.

Mr. Huang's Companies have mainly invested in the businesses of property development, property management services for the residential properties, capital investment, leisure entertainment and industrial park operation. Mr. Huang's Companies include over 50 companies concerning continuing connected transactions, which operate independently in various businesses and are primarily operating in the Greater Bay Area and Yangtze River Delta.

LISTING RULES IMPLICATIONS

Mr. Huang is a controlling shareholder of the Company indirectly holding approximately 73.89% of the issued share capital of the Company as at the Latest Practicable Date. Mr. Huang is thus a connected person of the Company under the Listing Rules. Accordingly, the transactions under each of the Non-exempt Agreements will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under the Listing Rules in respect of the proposed annual cap in relation to each of the Non-exempt Agreements is expected to exceed 5%, each of the Non-exempt Agreements and the transactions contemplated thereunder are subject to the reporting, announcement, circular (including independent financial advice) and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

Mr. Huang De-Lin Benny, an executive Director, and Mr. Huang De'An Tony, a non-executive Director, both are sons of Mr. Huang. As such, Mr. Huang De-Lin Benny and Mr. Huang De'An Tony are regarded as having a material interest in the Non-exempt Agreements and the transactions contemplated thereunder. Therefore each of Mr. Huang De-Lin Benny and Mr. Huang De'An Tony had abstained from voting on the relevant resolutions of the Board.

Furthermore, as Mr. Liu Jun, a non-executive director, also serves as the chief financial officer of a company wholly owned by Mr. Huang, he had also abstained from voting on the relevant resolutions of the Board.

Save as disclosed above, none of other Directors has a material interest in the Non-exempt Agreements and the transactions contemplated thereunder and they are entitled to vote on the relevant resolutions of the Board.

The Company has established the Independent Board Committee comprising all the independent non-executive Directors to advise the Independent Shareholders in respect of the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps).

Lego has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps).

THE EGM

Set out on pages EGM-1 to EGM-3 of this circular is a notice convening the EGM. The EGM will be convened and held at 33F, Building A, Galaxy World, 1 Yabao Road, Longgang District, Shenzhen, Guangdong Province, China on Thursday, 15 January 2026 at 10 a.m., during which ordinary resolutions will be proposed to the Independent Shareholders and the Shareholders, respectively, to consider and, if thought fit, approve the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps). Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the resolution set out in the notice of the EGM shall be voted by way of poll.

A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.g-cre.com). Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM and any adjournment thereof (as the case may be) should the Shareholders so wish and in such event, the proxy shall be deemed to be revoked.

Pursuant to Rule 14A.36 of the Listing Rules, any shareholder who has a material interest in a proposed transaction must abstain from voting at the relevant general meeting on the relevant resolution(s). To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, as at the Latest Practicable Date, Mr. Huang and together with its associates, namely, Mr. Huang De-Lin Benny, Mr. Huang De'An Tony, Go Star Investment Holding Limited and Virtue Investment Development Limited, who held an aggregate of 751,473,000 Shares, representing 74.07% of the issued share capital of the Company, shall abstain from voting on the resolution approving the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps) at the EGM. Save as disclosed above, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the Latest Practicable Date, none of the other Shareholders will be required to abstain from voting at the EGM.

RECOMMENDATION

Taking into consideration of the reasons for and benefits of each of the Non-exempt Agreements set out in this circular, the Board (including the independent non-executive Directors after taking into consideration the advice of the Independent Financial Adviser in relation to the Non-exempt Agreements) is of the view that the terms of the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps) are fair and reasonable, on normal or better commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders and the Shareholders to vote in favour of the ordinary resolutions, as set out in the notice of the EGM to approve the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps).

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 29 to 30 of this circular, the letter from the Independent Financial Adviser as set out on pages 31 to 68 of this circular and the information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
E-Star Commercial Management Company Limited
Huang De-Lin Benny
Chairman and Executive Director

The following is the text of the letter of recommendation from the Independent Board Committee, prepared for the purpose of inclusion in this circular.

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)

22 December 2025

To the Independent Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 22 December 2025 (the "**Circular**") issued by the Company to the Shareholders of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, the terms of the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps) are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and how the Independent Shareholders should vote at the EGM, after taking into account the recommendation of the Independent Financial Adviser.

Lego has been appointed by the Board as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps). Details of the advice from the Independent Financial Adviser, together with the reasons for its opinion, the key assumptions made and the principal factors taken into consideration in arriving at such advice, are set out in its letter on pages 31 to 68 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 5 to 28 of the Circular and the general information set out in the appendix to the Circular.

Having considered the information as set out in the letter from the Board, the terms and conditions of the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps), the factors and reasons considered by,

and the opinion of the Independent Financial Adviser as set out in its letter of advice, we are of the view that the terms of the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps) are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps).

Yours faithfully
For and on behalf of the Independent Board Committee of
E-Star Commercial Management Company Limited

Dr. Zhang Jinghua	**Mr. Guo Zengli**	**Ms. Wan Hoi Lam**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the full text of the letter of advice from Lego Corporate Finance Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps), which have been prepared for the purpose of inclusion in this circular.

Lego Corporate Finance Limited
力高企業融資有限公司

22 December 2025

To the Independent Board Committee and the Independent Shareholders

Dear Sirs or Madams,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps), details of which are set out in the "Letter from the Board" (the "**Letter from the Board**") contained in the circular issued by the Company to the Shareholders dated 22 December 2025 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

References are made to (i) the announcement of the Company dated 17 October 2022 and the circular of the Company dated 28 November 2022 in relation to the Existing Commercial Property Operational Services Framework Agreement, the Existing Tenant Management Services Framework Agreement and the Existing Sublease Framework Agreement; and (ii) the announcement of the Company dated 24 October 2025.

As the abovementioned agreements will expire on 31 December 2025 and the Company will continue to conduct the transactions contemplated thereunder upon their expiry, on 24 October 2025, the Company and Mr. Huang entered into, among others, the Non-exempt Agreements.

As at the Latest Practicable Date, Mr. Huang is a controlling shareholder of the Company indirectly holding approximately 73.89% of the issued share capital of the Company. Mr. Huang is thus a connected person of the Company under the Listing Rules. As such, the transactions under each of the Non-exempt Agreements will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under the Listing Rules in respect of the proposed annual cap for each of the Non-exempt Agreements is expected to exceed 5%, each of such Non-exempt Agreements and the transactions contemplated thereunder are subject to the reporting, announcement, circular (including independent financial advice) and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether (i) the Non-exempt Agreements have been entered into in the ordinary and usual course of business of the Group based on normal commercial terms; and (ii) the terms of the Non-exempt Agreements and the transactions contemplated thereunder, as well as the proposed annual caps, are fair and reasonable so far as the Company and the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders as to whether to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps). As the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regards.

OUR INDEPENDENCE

As at the Latest Practicable Date, Lego Corporate Finance Limited did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to the independence of Lego Corporate Finance Limited. In the last two years, there was no engagement between the Company and Lego Corporate Finance Limited. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we had received or will receive any fees or benefits from the Company or any other party to the transactions. Accordingly, we consider that we are independent from the Company pursuant to the requirement under Rule 13.84 of the Listing Rules and thus we are eligible to give independent advice on the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps).

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Company and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Company (the "**Management**"); and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects at the time they were made and up to the Latest Practicable Date and may be relied upon. We have also assumed that all such statements of belief, opinions and intention of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and/or the Management. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the Management were true, accurate, complete and not misleading in all respects at the time they were made and continued to be so up to the date of the EGM.

We consider that we have reviewed sufficient information currently available, among others, (i) the announcement of the Company dated 24 October 2025; (ii) the annual report of the Company for the year ended 31 December 2024 (the "**2024 Annual Report**"); (iii) the interim report of the Company for the six months ended 30 June 2025 (the "**2025 Interim Report**"); and (iv) other information contained in this letter, to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, Mr. Huang, Mr. Huang's Companies or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation, we have considered the following principal factors and reasons:

1. Background information of the parties to the Non-exempt Agreements

The Group

The Company is an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed and traded on the Main Board of the Stock Exchange. The Company is an investment holding company and the principal activities of its subsidiaries include the provision of commercial property operational services to either owners or tenants in respect of commercial properties, which include primarily shopping centers, shopping streets and commercial complexes, and leasing commercial spaces to tenants in the PRC.

Business models of the Company

Entrusted management service model

Under this model, the Group is 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's services include (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 value-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.

For further details of the business models of the Company, please refer to page 155 of the prospectus of the Company.

Mr. Huang and Mr. Huang's Companies

Mr. Huang is a controlling shareholder of the Company indirectly holding approximately 73.89% of the issued share capital of the Company as at the Latest Practicable Date.

Mr. Huang's Companies have mainly invested in the businesses of property development, property management services for the residential properties, capital investment, leisure entertainment and industrial park operation. Mr. Huang's Companies include over 50 companies involving in the continuing connected transactions, which operate independently in various businesses and are primarily operating in the Greater Bay Area and Yangtze River Delta.

Amongst the companies ultimately owned by Mr. Huang, only the Group is principally engaged in the provision of commercial property operational services. Under the sublease service business model, the Group (as sublease service provider) will lease the commercial properties from property owners including Mr. Huang's Companies engaging in property holding and manage the commercial properties as a whole. The Group will sublease the commercial spaces within the commercial properties to tenants, including but not limited to Mr. Huang's Companies engaging in leisure entertainment or other business (as customers of the Group's sublease service). As advised by the Management, the commercial properties where the sublease projects currently expected to contribute to the annual caps in respect of rental income under the New Tenant Management Service Framework Agreement are leased by the Group from third party lessors. As at the Latest Practicable Date, save for one property showroom, there is no arrangement in both leasing commercial properties from and leasing shops to Mr. Huang's Companies.

2. New Commercial Property Operational Services Framework Agreement

a) Reasons for and benefits of entering into the New Commercial Property Operational Services Framework Agreement

As disclosed in the Letter from the Board, the Group has been providing the Commercial Property Operational Services to Mr. Huang's Companies before the Listing, and the provision of which is in the ordinary course of business of the Group. The Directors are of the view that the negative year-on-year growth rate for the year ended 31 December 2024 is an anomaly caused by the low number of projects concerning provision of location identification, design, tenant recruitment and consultancy services as a result of the poor market sentiment in the real estate market, leading to a decrease in services fees. As the Existing Commercial Property Operational Services Framework Agreement will expire on 31 December 2025, the New Commercial Property Operational Services Framework Agreement is being entered to enable the Group to continue to provide the Commercial Property Operational Services to Mr. Huang's Companies in compliance with the Listing Rules, which could result in satisfactory synergy effect and further promote the business growth of the Group.

Most of the projects of Mr. Huang's Companies are located in the Greater Bay Area and Yangtze River Delta, which have a developed economy with huge population, making them ideal locations for commercial operations. The Directors consider that providing services to the projects of Mr. Huang's Companies would enhance the Group's influence in the commercial property operational services market and brand awareness, which is conducive to the national expansion of the Group's business in the future.

We have reviewed the 2024 Annual Report and 2025 Interim Report and noted that the Group adhered to the "14th Five-Year Plan" strategy, deepening and intensifying its efforts in the Greater Bay Area and expanding in the Yangtze River Delta, as well as to achieve high-quality development through a combination of national presence and digital operations. The entering into of the New Commercial Property Operational Services Framework Agreement will provide a stable revenue stream to the Group and further consolidate the Group's leading position in the Greater Bay Area and Yangtze River Delta and expand its business nationwide, which is in line with the Group's overall business plan as disclosed in the 2024 Annual Report.

Taking into consideration that (i) the provision of Commercial Property Operational Services is the Group's principal business and the Group has been providing such services to Mr. Huang's Companies for years, which have been contributing a stable stream of revenue to the Group; (ii) the entering into of the New Commercial Property Operational Services Framework Agreement is in line with the overall business plan of the Group; (iii) the pricing terms charged by the Group should be no more favourable to Mr. Huang's Companies than those charged to Independent Third Parties in comparable transactions; (iv) the mutual beneficial relationship between the Group and Mr. Huang's Companies; and (v) the Group and Mr. Huang's Companies have established a long-standing business relationship and mutual understanding of the standards, requirements and specific needs of each other, we are of the opinion that the entering into of the New Commercial Property Operational Services Framework Agreement is within the ambit of the businesses currently run by the Group and (a) is therefore conducted in the ordinary and usual course of the Group's businesses; (b) is on normal commercial terms; (c) is fair and reasonable; and (d) is in the interests of the Group and the Shareholders as a whole.

b) Principal terms of the New Commercial Property Operational Services Framework Agreement

Date

24 October 2025

Parties

(a) The Company; and

(b) Mr. Huang

Term

1 January 2026 to 31 December 2028 and may be extended or renewed as agreed between the parties, subject to compliance with relevant laws and regulations and the Listing Rules.

Subject matter

The Group shall provide commercial property operational services to Mr. Huang's Companies with respect to shopping centers and commercial complexes owned by Mr. Huang's Companies, including but not limited to (i) positioning, design, tenant sourcing services and consultancy services (including land sourcing assistance, site selection, engineering management, marketing strategy and other consultancy services (including trademark licensing, if any)); and (ii) operational management services after the opening of such properties (including trademark licensing, if any) (the "**Commercial Property Operational Services**").

The relevant parties shall enter into specific agreement which set out the specific provisions of the services for each specific property or project, terms of which shall be fair and reasonable, on normal commercial terms and consistent with the principal terms of the New Commercial Property Operational Services Framework Agreement in all material aspects.

Pricing policy

Under the New Commercial Property Operational Services Framework Agreement, the service fees to be charged by the Group for the Commercial Property Operational Services shall be determined after arm's length negotiations with reference to (i) the positioning, location and size of the properties, (ii) the anticipated operational cost (including labor costs) for providing such services, and (iii) the price offered by the Group to independent property owners for similar services.

We have reviewed the New Commercial Property Operational Services Framework Agreement and did not note any abnormal terms or material difference between the terms of the Existing Commercial Property Operational Services Framework Agreement and the terms of the New Commercial Property Operational Services Framework Agreement.

In assessing the fairness and reasonableness of the pricing basis under the Commercial Property Operational Services transactions, we have reviewed 38 randomly selected sample contracts provided by the Company, of which (i) 10 contracts in respect of positioning, design, tenant sourcing services and consultancy services and trademark licensing with Mr. Huang's Companies; (ii) 10 contracts in respect of positioning, design, tenant sourcing services and consultancy services and trademark licensing with Independent Third Party customers; (iii) 8 contracts in respect of operational management services with Mr. Huang's Companies; and (iv) 10 contracts in respect of operational management services with Independent Third Party customers, which are comparable in terms of scope of services and within the period from 1 January 2023 to 30 September 2025 (the "**Review Period**"). We consider it fair and representative to select comparable transactions from the Review Period because it demonstrates the recent commercial properties market sentiment and the Group's contemporaneous performance for carrying out its business operations.

Based on the review of these comparable transactions, we noted that the pricing terms charged by the Group were in accordance with the pricing policy and no more favourable to Mr. Huang's Companies than those charged to Independent Third Parties in comparable transactions. In addition, we have reviewed the internal control measures in connection with the Commercial Property Operational Services transactions adopted by the Group as further discussed below. We consider the effective implementation of such internal control measures will help to ensure fair pricing of the Commercial Property Operational Services transactions. In light of the above, we concur with the Management's view that the pricing basis for the Commercial Property Operational Services transactions is fair and reasonable.

c) Historical transaction amount and proposed annual caps for the New Commercial Property Operational Services Framework Agreement

The table below sets out the annual caps under the Existing Commercial Property Operational Services Framework Agreement (as amended) for the three years ending 31 December 2025 and the actual transaction amounts of the Existing Commercial Property Operational Services Framework Agreement for the two years ended 31 December 2024 and the nine months ended 30 September 2025.

	For the year ended/ending 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Positioning, design, tenant sourcing and consultancy services	112,100	128,600	164,900
Operational management services	116,500	153,100	185,500
Total	**228,600**	**281,700**	**350,400**

	For the year ended 31 December		**For the nine months ended 30 September**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Positioning, design, tenant sourcing and consultancy services	103,045	56,043	29,731
Operational management services	100,263	93,108	50,857
Total	**203,308**	**149,151**	**80,588**
Utilisation rates *(Note)*	**88.9%**	**52.9%**	**23.0%**

Note: The utilisation rate is calculated as the historical transaction amount for the respective year/period divided by the existing annual caps for the respective year.

The proposed annual caps under the New Commercial Property Operational Services Framework Agreement for the three years ending 31 December 2028 are set out below:

	For the year ending 31 December		
	2026	**2027**	**2028**
	RMB'000	*RMB'000*	*RMB'000*
Positioning, design, tenant sourcing and consultancy services	82,730	94,617	114,051
Operational management services	126,526	174,246	218,152
Total	**209,256**	**268,863**	**332,203**

As disclosed in the Letter from the Board, in respect of the consultancy services (including land sourcing assistance, site selection, engineering management, marketing strategy and other consultancy services (including trademark licensing, if any)), service fees may be charged monthly or at a fixed sum. Incentive fees will also be charged upon successful acquisition of the relevant land or properties (i.e. after the signing of the relevant transfer agreements of land use rights), which shall be determined after arm's length negotiations with reference to the location, nature, size, price of the properties, the operational cost (including labor costs) for providing such services and the prevailing market rate, as may be agreed from time to time pursuant to the specific agreements to be entered into by the relevant parties. In respect of the positioning, design, and tenant sourcing services, monthly fixed service fees are charged monthly or at a fixed sum which are estimated based on the total GFA of properties newly obtained or developed by Mr. Huang's Companies, where the services are provided and the service fee per square meter. In respect of the operational management services (which include trademark licensing, if any), the service fees may be charged monthly or at a fixed sum and/or calculated as a percentage of the revenue and/or profit of the relevant properties with reference to prevailing market rate. The trademark licensing fees will be categorized into positioning, design, tenant sourcing and consultancy service fees prior to the opening of the relevant projects and operational management services fees after the opening.

We have discussed with the Management and were given to understand that the determination of circumstances under which the service fees of the operational management services would be charged monthly or at a fixed sum and/or calculated as a percentage of the revenue and/or profit of the relevant properties, is based on prevailing market practice at the time of entering into the specific agreement in accordance with the measures set out in the section headed "Internal control measures" of the Letter from the Board.

In assessing the fairness and reasonableness of the proposed annual caps, we have considered the following factors:

(i) We noted that the actual transaction amounts of the Existing Commercial Property Operational Services Framework Agreement for the three years ending 31 December 2025 amounting to approximately RMB203.3 million, RMB149.2 million and RMB107.5 million (if annualised, which is calculated based on the actual transaction amounts of approximately RMB80.6 million for the nine months ended 30 September 2025), with an average of approximately RMB153.3 million (the "**Average Commercial Property Operational Services Amount**"). We have discussed with the Management and were given to understand that the decrease in actual transaction amounts for the year ended 31 December 2024 and the nine months ended 30 September 2025 were primarily attributable to certain projects in respect of the positioning, design, tenant sourcing and consultancy services have been completed in 2023 and/or transitioned to commencement of operation, and the poor market sentiment of the then PRC property market resulted in the decrease in number of projects.

Taking into consideration of the Average Commercial Property Operational Services Amount of RMB153.3 million represents approximately 73.2%, 57.0% and 46.1% of the proposed annual caps under the New Commercial Property Operational Services Framework Agreement for the three years ending 31 December 2028, respectively, we consider that the proposed annual caps under the New Commercial Property Operational Services Framework Agreement are justifiable.

(ii) We have discussed with the Management and were given to understand that the Group is expected to unveil new projects for expanding commercial footprint and market influence, and deeply plough into the core areas of the Greater Bay Area and the Yangtze River Delta, which is aligned with the Group's strategic focus. In this connection, we have reviewed the business plan provided by the Group as determined between the Group and Mr. Huang's Companies, illustrating the services scope to be provided by the Group, their respective GFA and proposed pricing, for new projects to be undertaken by the Group for providing Commercial Property Operational Services to Mr. Huang's Companies. We noted that the Group is poised to launch new projects in Shenzhen and Changzhou, Jiangsu Province to enhance the influence and competitiveness of its brand in these urban hubs through sustained cooperation with Mr. Huang's Companies, so as to further consolidate the Group's leading position in the Greater Bay Area and Yangtze River Delta and expand its business nationwide.

(iii) Pursuant to the "Five-Year Action Plan for People-Centered New Urbanisation" (以人為本的新型城鎮化戰略五年行動計畫), the PRC government aims to progressively raise the urbanisation rate of the resident population (常住人口城鎮化) to nearly 70% over the next five years. In this connection, the PRC government targets to, among other things, (a) implement a new round of urban settlement for rural migrants* (實施新一輪農業轉移人口市民化行動) by implementing six strategies, namely further deepening the reform of the household registration system* (進一步深化戶籍制度改革), improving the provision of basic public services in places of residence* (健全常住地提供基本公共服務制度), promoting stable employment for rural migrants in urban areas* (促進農業轉移人口在城鎮穩定就業), guaranteeing the right of children of migrant workers to receive education in the destination country * (保障隨遷子女在流入地受教育權利), improving the diversified housing security system for rural migrants* (完善農業轉移人口多元化住房保障體系), and expanding social security coverage for rural migrants* (擴大農業轉移人口社會保障覆蓋面) ; (b) improve urbanisation in potential areas with greater development capacity* (實施潛力地區城鎮化水準提升行動) by implementing three strategies, namely nurturing characteristic industrial clusters* (培育特色優勢產業集群), facilitating the upgrading and expansion of industrial parks* (促進產業園區提級擴能), and enhancing the comprehensive carrying capacity of towns and counties* (增強城鎮綜合承載能力); and (c) foster modern metropolitan areas* (實施現代化都市圈培育行動) by implementing four strategies, namely improve intercity commuting and transport networks * (提升城際通勤效率), strengthen industrial collaboration* (強化產業分工協作), promote market integration* (加快市場一體化建設), and advance shared public services* (推進公共服務共建共用). Accordingly, the Directors are of the view, and we concur, that the supporting policy with the expected increase of the urbanisation rate in the PRC shall continue to drive growth for the PRC's commercial property management service market.

Based on the above, we consider that the proposed annual caps under the New Commercial Property Operational Services Framework Agreement for the three years ending 31 December 2028 are determined based on reasonable estimation after due and careful consideration and are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

However, the Shareholders should note that as the proposed annual caps under the New Commercial Property Operational Services Framework Agreement for the three years ending 31 December 2028 are determined based on various factors relating to future events and assumptions which may or may not remain valid for the entire period up to 31 December 2028, and they do not represent any forecasts or estimations of the Group's financial performance. Consequently, we express no opinion as to how closely the actual future transaction amounts of the continuing connected transaction will correspond with the proposed annual caps under the New Commercial Property Operational Services Framework Agreement for the three years ending 31 December 2028.

3. New Tenant Management Services Framework Agreement

a) Reasons for and benefits of entering into the New Tenant Management Services Framework Agreement

As disclosed in the Letter from the Board, as the Existing Tenant Management Services Framework Agreement will expire on 31 December 2025 and the Company will continue to conduct the transactions contemplated thereunder upon its expiry, the Company and Mr. Huang entered into the New Tenant Management Services Framework Agreement.

The transactions under the New Tenant Management Services Framework Agreement will bring in revenue to the Group. The Company believes the New Tenant Management Services Framework Agreement will be mutually beneficial to the Group and Mr. Huang's Companies as the high-end cosmetics and cinemas businesses, etc. operated by Mr. Huang's Companies could help attract customers to, and increase the revenue of, the malls managed and operated by the Group.

Taking into consideration that (i) the provision of Tenant Management Services is the Group's principal business and the Group has been providing such services to Mr. Huang's Companies for years; (ii) the pricing terms charged by the Group should be no more favourable to Mr. Huang's Companies than those charged to Independent Third Parties in comparable transactions; (iii) the mutual beneficial relationship between the Group and Mr. Huang's Companies; and (iv) the Group and Mr. Huang's Companies have established a long-standing business relationship and mutual understanding of the standards, requirements and specific needs of each other, we are of the opinion that the entering into of the New Tenant Management Services Framework Agreement is within the ambit of the businesses currently run by the Group and (a) is therefore conducted in the ordinary and usual course of the Group's businesses; (b) is on normal commercial terms; (c) is fair and reasonable; and (d) is in the interests of the Group and the Shareholders as a whole.

b) Principal terms of the New Tenant Management Services Framework Agreement

Date

24 October 2025

Parties

(a) The Company; and

(b) Mr. Huang

Term

1 January 2026 to 31 December 2028 and may be extended or renewed as agreed between the parties, subject to compliance with relevant laws and regulations and the Listing Rules.

Subject matter

The Group shall provide (i) operational management services, including but not limited to commercial property operational management and property management services to stores owned or operated by Mr. Huang's Companies and located in the shopping centers managed by the Group; and (ii) management services in respect of common area of shopping centers managed by the Group (the "**Tenant Management Services**") to Mr. Huang's Companies for marketing and promotional activities. In addition, Mr. Huang's Companies will pay rental to the Group for the leasing of stores located at the sublease projects of the Group (the "**Rental Income**").

The relevant parties shall enter into individual tenant management services agreement which set out the specific provisions of the Tenant Management Services and/or Rental Income for a specific project, terms of which shall be fair and reasonable, on normal commercial terms and consistent with the principal terms of the New Tenant Management Services Framework Agreement in all material aspects.

Pricing policy

The fees for the Tenant Management Services to be provided by the Group shall be determined in the specific agreement and should be set, after arm's length negotiations with reference to the prevailing market rate of similar services in the open market, the historical fee rate and the service fee charged by the Group when providing similar services to Independent Third Parties.

Whereas for the Rental Income, it should be set, after arm's length negotiations with reference to the prevailing and trend of market rentals of properties with similar locations and sizes.

We have reviewed the New Tenant Management Services Framework Agreement and did not note any abnormal terms or material difference between the terms of the Existing Tenant Management Services Framework Agreement and the terms of the New Tenant Management Services Framework Agreement.

In assessing the fairness and reasonableness of the pricing basis under the Tenant Management Services and the Rental Income transactions, we have reviewed 20 randomly selected sample contracts provided by the Company, of which (i) 7 contracts in respect of Tenant Management Services with Mr. Huang's Companies; (ii) 7 contracts in respect of Tenant Management Services with Independent Third Party customers; (iii) 3 contracts in respect of Rental Income with Mr. Huang's Companies; and (iv) 3 contracts in respect of Rental Income with Independent Third Party customers, which are comparable in terms of scope of services and within the Review Period. We consider it fair and representative to select comparable transactions from the Review Period because it demonstrates the recent commercial properties market sentiment and the Group's contemporaneous performance for carrying out its business operations.

Based on the review of these comparable transactions, we noted that the pricing terms charged by the Group were in accordance with the pricing policy and no more favourable to Mr. Huang's Companies than those charged to Independent Third Parties in comparable transactions. In addition, we have reviewed the internal control measures in connection with the Tenant Management Services and Rental Income transactions adopted by the Group as further discussed below. We consider the effective implementation of such internal control measures will help to ensure fair pricing of the Tenant Management Services and the Rental Income transactions. In light of the above, we concur with the Management's view that the pricing basis for the Tenant Management Services and the Rental Income transactions is fair and reasonable.

c) Historical transaction amount and proposed annual caps for the New Tenant Management Services Framework Agreement

The table below sets out the annual caps under the Existing Tenant Management Services Framework Agreement for the three years ending 31 December 2025 and the actual transaction amounts of the Existing Tenant Management Services Framework Agreement for the two years ended 31 December 2024 and the nine months ended 30 September 2025.

	For the year ended/ending 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Tenant Management Services	24,300	28,700	33,800
Rental Income	1,500	4,800	6,300
Total	**25,800**	**33,500**	**40,100**

	For the year ended 31 December		**For the nine months ended 30 September**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Tenant Management Services	23,778	21,274	12,839
Rental Income	138	334	206
Total	**23,916**	**21,608**	**13,045**
Utilisation rates *(Note)*	**92.7%**	**64.5%**	**32.5%**

Note: The utilisation rate is calculated as the historical transaction amount for the respective year/period divided by the existing annual caps for the respective year.

The proposed annual caps under the New Tenant Management Services Framework Agreement for the three years ending 31 December 2028 are set out below:

	For the year ending 31 December		
	2026	**2027**	**2028**
	RMB'000	*RMB'000*	*RMB'000*
Tenant Management Services	28,406	40,578	54,893
Rental Income	4,840	10,347	16,961
Total	**33,246**	**50,925**	**71,854**

In assessing the fairness and reasonableness of the proposed annual caps, we have considered the following factors:

(i) We noted that the actual transaction amounts of the Existing Tenant Management Services Framework Agreement for the three years ending 31 December 2025 amounting to approximately RMB23.9 million, RMB21.6 million and RMB17.4 million (if annualised, which is calculated based on the actual transaction amounts of approximately RMB13.0 million for the nine months ended 30 September 2025), with an average of approximately RMB21.0 million (the "**Average Tenant Management Services Amount**"). We have discussed with the Management and were given to understand that the decrease in actual transaction amounts for the year ended 31 December 2024 and the nine months ended 30 September 2025 were mainly attributable to the closure of certain shops rented by Mr. Huang's Companies from the Group which operated as children's playgrounds and the adjustment of opening plans of cinemas, which in turn led to the decrease in rent for the Tenant Management Services received by the Group.

Notwithstanding that the Average Tenant Management Services Amount of RMB21.0 million represents approximately 63.3%, 41.3% and 29.2% of the proposed annual caps under the New Tenant Management Services Framework Agreement for the three years ending 31 December 2028, respectively, after taking into consideration of (i) the business expansion plan as discussed below; (ii) the Group's recognition from the industry as well as Mr. Huang's Companies as discussed below; and (iii) the anticipated increasing cooperation with Mr. Huang's Companies, we consider that the proposed annual caps under the New Tenant Management Services Framework Agreement are justifiable.

(ii) We have discussed with the Management and were given to understand that the Group is expected to increase the number of cinemas to be opened in the commercial properties under the Group's management for the three years ending 31 December 2028, which will increase the Group's Rental Income as well as the service fees for (a) the provision of management services, which are charged based on the GFA; and (b) the marketing and promotional activities in the common area of shopping centers under the Group's management. In this relation, we have reviewed the business plan provided by the Group illustrating the services scope to be provided by the Group, their respective GFA and proposed pricing. We noted that there will be one additional cinema with GFA of approximately 8,000 square meters ("**SQM**") to be opened in the Greater Bay Area in each of the three years ending 31 December 2028. Such newly opened cinemas are expected to contribute (a) revenue in respect of Tenant Management Services of approximately RMB2.8 million, RMB6.0 million and RMB10.5 million for the three years ending 31 December 2028, respectively, representing approximately 9.6%, 14.7% and 19.2% of the annual caps in respect of Tenant Management

Services for the corresponding years; and (b) Rental Income of approximately RMB4.5 million, RMB10.0 million and RMB16.5 million for the three years ending 31 December 2028, respectively, representing approximately 93.6%, 96.3% and 97.2% of the annual caps in respect of Rental Income for the corresponding years.

(iii) As disclosed in the 2025 Interim Report, the Group has been widely recognised in the market for its brand system and operating strength and also received various honours. According to China Index Academy, 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). Such recognitions are expected to continue to attract collaboration with Mr. Huang's Companies, poised to drive demand and growth in PRC's commercial property market amid economic recovery.

(iv) We have discussed with the Management and were given to understand that Mr. Huang has been satisfied with the Group's Tenant Management Services. Mr. Huang is aware of the expansion plan of the Group and is willing to rent stores from shopping centres under the management of the Group shall the locations be appropriate and the rental and service fee fits the budget of Mr. Huang's Companies. Mr. Huang's Companies also have other development plans of properties which shall commence in the years ending 31 December 2026, 2027 and 2028 and shall also be managed by the Group. Hence, the total GFA of stores locating at projects and/or shopping centres of Mr. Huang's Companies to be managed by the Group will increase moderately for the three years ending 31 December 2028.

Based on the above, we consider that the proposed annual caps under the New Tenant Management Services Framework Agreement for the three years ending 31 December 2028 are determined based on reasonable estimation after due and careful consideration and are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

However, the Shareholders should note that as the proposed annual caps under the New Tenant Management Services Framework Agreement for the three years ending 31 December 2028 are determined based on various factors relating to future events and assumptions which may or may not remain valid for the entire period up to 31 December 2028, and they do not represent any forecasts or estimations of the Group's financial performance. Consequently, we express no opinion as to how closely the actual future transaction amounts of the continuing connected transaction will correspond with the proposed annual caps under the New Tenant Management Services Framework Agreement for the three years ending 31 December 2028.

4. New Sublease Framework Agreement

a) Reasons for and benefits of entering into the New Sublease Framework Agreement

As disclosed in the Letter from the Board, as the Existing Sublease Framework Agreement will expire on 31 December 2025 and the Company will continue to conduct the transactions contemplated thereunder upon its expiry, the Company and Mr. Huang entered into the New Sublease Framework Agreement.

By entering into the New Sublease Framework Agreement, the Group shall lease the whole commercial premises from Mr. Huang's Companies by paying the Sublease Rental (as defined below) and assume the risks and rewards of the commercial premises. The Company believes that the New Sublease Framework Agreement would allow the Group to generate higher revenue and raise the profitability in the long term as it would receive rental income from tenants, management fees for operational management services from tenants and common area use fees for value-added services from relevant customers, and share the operating profit of the underlying sublease projects. In addition, as Sublease Rental is purely commission-based, with the inclusion of compensation clauses, the Group could also mitigate risks in association with the sublease business model.

Taking into consideration that (i) the sublease of commercial spaces is the Group's principal business and will contribute a long-term and stable stream of revenue to the Group with potential gains from sharing of operating profit of the underlying sublease projects; (ii) the pricing terms charged to the Group by Mr. Huang's Companies should be no less favourable than those charged by Independent Third Parties in comparable transactions; and (iii) the Profit Compensation (as defined below) will safeguard the minimum income of the Group, we are of the opinion that the entering into of the New Sublease Framework Agreement is within the ambit of the businesses currently run by the Group and is in the interests of the Group and the Shareholders as a whole.

b) Principal terms of the New Sublease Framework Agreement

Date

24 October 2025

Parties

(a) The Company; and

(b) Mr. Huang

Term

1 January 2026 to 31 December 2028 and may be extended or renewed as agreed between the parties, subject to compliance with relevant laws and regulations and the Listing Rules.

Subject matter

Under the sublease services model, the Group leases commercial properties from the property owners and bears the operating costs of managing the commercial properties. It receives rental income and other management fees from tenants as it subleases commercial spaces within the commercial properties and provides operational management and other valued-added services.

Pursuant to the New Sublease Framework Agreement, the Group shall lease shopping centers and commercial complexes owned by Mr. Huang's Companies and thus pay rental fees to Mr. Huang's Companies (the "**Sublease Rental**"). The Sublease Rental is determined based on a fixed proportion of the operating profit of the relevant sublease project and does not contain a fixed component.

In addition, for sublease agreements to be entered into with Mr. Huang's Companies pursuant to the New Sublease Framework Agreement, the Group aims to negotiate for a profit compensation clause, i.e. in the event the operating profit derived falls below the agreed level, Mr. Huang's Companies shall compensate the shortfall to the Company (the "**Profit Compensation**"). Such mechanism of Profit Compensation will safeguard the interest of the Group and is on better commercial terms and more favourable to the Group than those quoted by Independent Third Parties.

The relevant parties shall enter into specific agreement which set out the specific provisions of the lease terms for each specific sublease project, which shall be fair and reasonable, on normal or better commercial terms to the Group and consistent with the principal terms of the New Sublease Framework Agreement in all material aspects.

Pricing policy

Under the New Sublease Framework Agreement, the rate of the Sublease Rental and Profit Compensation (if any) shall be determined as mutually agreed after arm's length negotiations charging on a fixed proportion of the operating profit of the relevant sublease project before excluding Sublease Rental payable by the Group with reference to (i) the location and size of the sublease projects; and (ii) prevailing and trend of market rentals and terms of sublease arrangements of properties with similar locations and sizes to the leased properties.

The level of Profit Compensation is determined based on the revenue generated from the sublease projects after deduction of Sublease Rental, other operating costs and amortisation of capital costs against the agreed level of operating profit. In determining whether to negotiate for a profit compensation clause for new sublease agreements, the Group took into account factors including: (i) the Board's assessment on the current economic conditions and the economic outlook; and (ii) the Group's requirement on return on investment, coupled with a growth period following the opening of sublease projects, as the occupancy rate of the new projects and the turnover of the tenants of such projects as well as the turnover rent being received by the Group will be lower, resulting in lower level of operating profit for each project during the first few years after opening, the Group will proactively negotiate for a profit compensation. In the event that the Company's internal requirement on return on investment could not be fulfilled and Mr. Huang's Companies refuse to provide a profit compensation clause, the Company will not enter into the relevant sublease agreement and will explore other ways of cooperation with the counterparty under the entrusted management service model or the brand and management output service model.

The calculation mechanism of the Sublease Rentals and Profit Compensation is as follows: Sublease Rental is the fixed percentage of the actual level of operation profit of the sublease project. Profit Compensation is the difference between (i) the actual level of operating profit of the project company (i.e. actual level of operating profit of the sublease project deducting Sublease Rental); and (ii) the agreed level of operating profit of the project company (as lessee).

In the event that the sublease project recorded an actual operating loss, the Profit Compensation will be the sum of the actual operating loss and the agreed level of operating profit of the project company. The Company will be compensated, quarterly, for the Profit Compensation, on a dollar-on-dollar basis. The agreed level of operating profit is determined after arm's length negotiation between the Company and Mr. Huang's Companies with reference to the location and size of the sublease projects without taking into account whether the sublease project is a newly opened sublease project.

During the first few years after a sublease project has commenced operation, the project is still in a growth period where the actual operating profit of the project is relatively low, thereby the Profit Compensation to be received by the Group may be higher than the Sublease Rental to be paid by the Group, which results in net income to be received by the Group from Mr. Huang's Companies.

Given that the Profit Compensation arrangement (including the agreed level of profit) is determined after arm's length negotiations between the Company and Mr. Huang's Companies with reference to (i) the Group's internal requirement on return on investment; (ii) the fact that Profit Compensation is usually only provided to the party with a better bargaining power; and (iii) the profitability of other operational management services with Independent Third Parties, which such service fees are charged at a percentage to the operating profit and/or with a minimal level of service fees from such services, the Board is of the view that the pricing policy and the Profit Compensation arrangement are fair and reasonable.

We have reviewed the New Sublease Framework Agreement and did not note any abnormal terms or material difference between the terms of the Existing Sublease Framework Agreement and the terms of the New Sublease Framework Agreement.

In assessing the fairness and reasonableness of the pricing policy in respect of the New Sublease Framework Agreement, we have discussed with the Management and were given to understand that no sublease arrangements with Independent Third Parties where the Group pays sublease rental fee based on a percentage of the operating profit under the underlying sublease project. Nevertheless, we have performed our independent research based on publicly available information, on a best effort basis, to review the companies that (i) are listed on the Stock Exchange; (ii) are principally engaged in provision of property management services in the PRC which is similar to the principal business of the Group; and (iii) disclosed pricing pricy of subleasing segment in their latest annual report. Based on the aforesaid criteria and using our best effort, only one company (the "**Subleasing Peer**") has been identified in our research through public information, details of which is set out below.

Company	Principal property type subleased	Relationship between the lessor and lessee	Pricing policy
Sundy Service Group Co. Ltd (Stock code: 9608)	Hotel and shops	The lessor is a wholly-owned subsidiary of the group's (lessee) connected person	The group is required to pay 60% of the rental income when the group sub-lets the shops in the hotel premise.

Despite the principal property type subleased, location and size of the properties of the Subleasing Peer are not available or different from the Group, taking into account there are no other public companies listed on the Stock Exchange that could meet our selection criteria, we consider that the Subleasing Peer could provide a reference to the market practice.

Notwithstanding the Subleasing Peer is required to pay the lessor 60% of the rental income, which is not directly comparable to the charging basis of the Sublease Rental, having considered (i) the pricing policy of the Subleasing Peer and the Sublease Rental are both determined at a proportion of the financial performance of the underlying sublease projects; and (ii) we have reviewed the subleasing business plans and budgets of the sublease projects and the signed agreements and noted that the terms of the Sublease Rental is justifiable as compared to those of the Subleasing Peer, we are of the view that the Sublease Rental charged at a ratio of the operating profit is justifiable, fair and reasonable and is on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

We also noted that in the event the operating profit of the relevant sublease project derived falls below the agreed level, Mr. Huang's Companies shall compensate the shortfall to the Company. As advised by the Management, there were no similar sublease transactions with Independent Third Parties with exactly the same profit compensation clause under the sublease service business model. Alternatively, we have extended the scope to include operational management services with service fees charged at a percentage to the operating profit and/or with a minimal level of service fees from such services. Notwithstanding the operating management services does not incur the rental cost payable to the property owners and receive the turnover rent from tenants, taking into account that the service fees under operating management services are charged at a percentage to the operating profit and/or with a minimal level of service fees from such services, which is similar or same as the service fees charged under the sublease service business model, we consider that the operating management services comparables could provide a fair comparison with the sublease service business model.

We have reviewed all signed contracts in respect of operational management services with fixed minimum service fee clause entered into between the Group (as service provider) and Independent Third Parties (as property owners). Under the operational management service model, the Group shall charge a service fee either at pre-agreed minimum level or at a percentage of the operating profit. Based on our review of the Group's operating forecast of the subleasing projects and the discussion with the Management, we noted that the pricing policy and mechanism of the Profit Compensation has made reference to the operational management services with minimum service fee clause such that the overall return of the New Sublease Framework Agreement will be no less than those under operational management services.

Having considered that (i) the sublease service model can maximise the Group's income from a project, which at the same time exposes it to higher risks as disclosed in the section headed "1. Background information of the parties to the Non-exempt Agreements – The Group – Business models of the Company", and thus the services fee charged under the sublease service model at a percentage to the operating profit and/or with a minimal level of service fees is generally higher than those of operating management services; (ii) the Profit Compensation provides the Group with downside protection mechanism on its minimum income which is comparable to those of operational management services with minimum service fee; and (iii) the turnover rent from tenants (which may be charged at a percentage to their operating profit) provide potential upside for the Group, we consider the sublease service with the Profit Compensation will generally allow the Group to earn income at least as much as those of operational management services with minimum service fee plus sharing of operating profit beyond the agreed level of operating profit, and thus the pricing policy and mechanism of the Profit Compensation are considered to be fair and reasonable so far as the Independent Shareholders are concerned.

In addition to the above, we have also conducted independent research based on publicly available information of other continuing connected transactions of companies listed on the Stock Exchange engaging in subleasing business with profit compensation arrangement from 25 October 2022 and up to the date of the New Sublease Framework Agreement. However, we are unable to identify any comparable transactions based on the aforesaid scope. Nevertheless, we extended our research scope to other continuing connected transactions of other companies listed on the Stock Exchange with profit compensation arrangement. We, on our best effort basis, identified three comparable transactions (the "**Comparable Transactions**") where the connected person would compensate the shortfall between the actual figure and the benchmark level to the listed issuer, or vice versa. Details of which is set out below.

Company	Date of announcement	Transaction	Background	Compensation mechanism
EPS Creative Health Technology Group Limited (Stock code: 3860)	6 March 2024	Incentivise to meet the performance target of company engaging in apparel supply chain management services and selling knitwear apparel products	Mr. Chan (a director of the listed issuer's subsidiary (the "**Subsidiary**") and thus a connected person of the listed issuer at subsidiary level) has undertaken to the listed issuer to procure to meet certain performance targets in respect of the profits and revenue of the Subsidiary for the performance period, the successful fulfillment of which would entitle Mr. Chan to certain performance bonuses.	If the audit confirmation shows that the total revenue of the apparel group for the performance period is less than the revenue target, Mr. Chan shall pay to the listed issuer an amount equal to 8% of the shortfall between the total revenue and the revenue target on 30 June 2026 as compensation to the listed issuer. If the audit confirmation shows that the total EBITDA of the apparel group for the performance period is less than the profit target, Mr. Chan shall pay to the listed issuer an amount equal to the shortfall between the total EBITDA and the profit target on 30 June 2026 as compensation to the listed issuer.
GCL New Energy Holdings Limited (Stock code: 451)	12 October 2023	Management services on the operation and maintenance of solar power plants	Upon completion of the disposal (the "**Disposal")** of equity interest in certain subsidiaries of the listed issuer (the "**Disposed Companies**"), the Disposed Companies will cease to be subsidiaries of the listed issuer. The subsidiary of the listed issuer (which is principally engaged in the management and operation of solar power plants in the PRC) has provided and will continue to provide the designated Disposed Companies (being the connected persons of the listed issuer after Disposal) with management services on the operation and maintenance of solar power plants.	In general, the power plant is expected to generate an annual power capacity equal to or exceeding the Assessment Threshold (as defined below).

Company	Date of announcement	Transaction	Background	Compensation mechanism
				In the event that the annual power generation capacity fails to reach the assessment threshold as determined by the designated target companies at the beginning of each year, the formula of which is set out below (the "**Assessment Threshold**") due to reasons caused by the management performance on the part of Suzhou GCL New Energy Operations Management, Suzhou GCL New Energy Operations Management will compensate the shortfall to the designated target companies in accordance with the benchmark price of the coals in the relevant solar power plants locations (the "**Benchmark Price**"), which serve as the benchmark price indicator for renewable energy in the PRC. The compensation shall not exceed 15% of the annual service fees in respect of such solar power plant payable by the designated target companies, and such compensation shall be deducted from the amount of service fees payable. If the designated target companies decides to adjust the Assessment Threshold, the adjusted Assessment Threshold (as illustrated below) shall be adopted instead.

Company	Date of announcement	Transaction	Background	Compensation mechanism
				In the event that the annual power generation capacity exceeds the Assessment Threshold due to the management performance of the Suzhou GCL New Energy Operations Management, the designated target companies shall reward Suzhou GCL New Energy Operations Management for the surplus based on the Benchmark Price. The reward shall not exceed 15% of the annual service fees for each of the designated target companies. No rewards or penalties shall be applied if the difference between the annual power generation capacity and the Assessment Threshold (or the adjusted Assessment Threshold) is within 2%. Assessment Threshold = the actual capacity of the project x the average of the attenuated hours of the solar power plant in the previous three years Adjusted Assessment Threshold = the actual capacity of the project x adjusted hours (being the number of hours measured according to the radiation level of the irradiator in the year)

Company	Date of announcement	Transaction	Background	Compensation mechanism
Zhejiang Expressway Co., Ltd. (Stock code: 576)	31 March 2023	Hotel entrusted management service	The listed issuer and Zhejiang Grand Hotel entrusted Zhejiang Communication Investment Holding Group Co., Ltd.* (浙江省交投控股集團有限公司) ("**Communication Holding**"), which is a connected person of the listed issuer, to take over the operation and management of a hotel held by Zhejiang Grand Hotel.	Upon parties' arm's length negotiation and full discussion, the hotel entrusted management agreement set out the performance commitment for Communication Holding to manage and operate Zhejiang Grand Hotel. The transaction amount under the hotel entrusted management agreement is subject to the attainment of performance commitment by Communication Holding. Communication Holding will receive from the Company/Zhejiang Grand Hotel the relevant amount if it satisfies the performance commitment. On the contrary, if Communication Holding fails to satisfy the performance commitment, it shall undertake the compensation obligations to the Company/Zhejiang Grand Hotel.

Despite the transaction nature of the Comparable Transactions are different from the Group, taking into account there are no other continuing connected transactions published on the Stock Exchange from 25 October 2022 and up to the date of the New Sublease Framework Agreement contain profit compensation clause, we consider that the Comparable Transactions provide a glimpse of the profit compensation clause in the continuing connected transactions of other listed companies in Hong Kong.

We wish to highlight that the above comparisons with the Subleasing Peers and the Comparable Transactions are for illustrative purposes only as each of the Comparable Transactions may not be entirely comparable to those of the Group in terms of the market condition, type of properties, geographical locations, size of properties, risk profile, cost structure, track record, future prospects and other relevant criteria. All these factors may affect the terms of the underlying transactions as indicated by the varied range of result in our comparison. Therefore, in forming our opinion, we have considered the results of the above comparison together with all other factors stated in this letter as a whole.

In view of the above and in particular, that (i) the occupancy rate and the profitability of the new projects will be generally lower at startup phase and it would be beneficial to the Group if the landlord could offer protection of the income of the Group by way of Profit Compensation; (ii) the Profit Compensation was determined and mutually agreed between the Group and Mr. Huang's Companies based on arms' length commercial negotiations; (iii) the Profit Compensation provides the Group with downside protection mechanism on its minimum income which is comparable to those of operational management services with minimum service fee; (iv) the sublease service business model of the Group under the New Sublease Framework Agreement will generally allow the Group to earn income at least as much as those of operational management services with minimum service fee plus sharing of operating profit beyond the agreed level of operating profit; (v) the Profit Compensation is justifiable as illustrated by the Comparable Transactions; and (vi) the New Sublease Framework Agreement is conducted in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole as discussed before, we consider the New Sublease Framework Agreement (including the Sublease Rental and Profit Compensation as a whole) is on normal commercial terms or better, and terms of which are considered to be fair and reasonable so far as the Independent Shareholders are concerned.

c) Historical transaction amount and proposed annual caps for the New Sublease Framework Agreement

The table below sets out the annual caps under the Existing Sublease Framework Agreement for the three years ending 31 December 2025 and the actual transaction amounts of the Existing Sublease Framework Agreement for the two years ended 31 December 2024 and the nine months ended 30 September 2025.

	For the year ended/ending 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Sublease Rental to be paid to Mr. Huang's Companies	16,100	41,800	107,100
Profit Compensation to be received by the Group	19,300	83,600	84,900

	For the year ended 31 December		**For the nine months ended 30 September**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Sublease Rental to be paid to Mr. Huang's Companies	–	1,794	1,130
Utilisation rates *(Note)*	**N/A**	**4.3%**	**1.1%**
Profit Compensation to be received by the Group	–	13,647	9,764
Utilisation rates *(Note)*	**N/A**	**16.3%**	**11.5%**

Note: The utilisation rate is calculated as the historical transaction amount for the respective year/period divided by the existing annual caps for the respective year.

The proposed annual caps under the New Sublease Framework Agreement for the three years ending 31 December 2028 are set out below:

	For the year ending 31 December		
	2026	**2027**	**2028**
	RMB'000	*RMB'000*	*RMB'000*
Sublease Rental to be paid to Mr. Huang's Companies	13,769	27,672	46,436
Profit Compensation to be received by the Group	79,069	86,588	124,782

In assessing the fairness and reasonableness of the proposed annual caps, we have considered the following factors:

As discussed with the Management, the relatively low utilisation rate for the historical annual caps was mainly due to (i) there were delays in respect of development of the relevant land or properties where only one project was commenced since 2024; and (ii) the profitability of existing project was low at startup phase.

As advised by the Management, Mr. Huang's Companies are aware of the expansion plan of the Group and are willing to lease the commercial properties to the Group for subleasing services shall the locations be appropriate and the rental and service fee fits the budget of Mr. Huang's Companies. We have reviewed four signed contracts entered into between the Group and Mr. Huang's Companies in relation to the sublease of properties in Shenzhen, Guangdong Province and Nanjing, Jiangsu Province. From the discussion with the Management, we were advised that (i) three properties are expected to commence operation by year end of 2025 with GFA ranging from approximately 60,000 SQM to 76,000 SQM; and (ii) one property is expected to commence operation by year end of 2026 with GFA of approximately 44,000 SQM.

Taking into consideration of (i) the total GFA of signed and contemplated sublease projects in respect of which Sublease Rental and Profit Compensation is expected to be paid/received of approximately 249,000 SQM, 292,000 SQM, 292,000 SQM for the three years ending 31 December 2028, respectively, based on the existing project and aforesaid project pipeline and assuming occupancy rate of 100% and fixed rent; and (ii) the prevailing market rates for monthly rental fee ranging from approximately RMB8 per SQM to RMB39 per SQM in similar properties in proximity, the expected annual rental fee charged to the tenants (which is calculated based on the average of approximately RMB17 per SQM) amounts to approximately RMB50.8 million, RMB59.6 million and RMB59.6 million for the three years ending 31 December 2028, respectively. We have reviewed the rental fee of commercial properties in the nearby locations of the signed sublease projects and noted that the monthly rental fee payable per SQM of the signed sublease projects are comparable to the commercial properties in the nearby locations of the signed sublease projects.

The Sublease Rental represents as a percentage of the operating profit of the relevant sublease project. For illustrative purpose only, taking into account of (i) the total GFA of the signed and contemplated sublease projects; (ii) the total revenue solely comprising the aforementioned rental income from tenants; and (iii) as advised by the Management, the operating profit margin is targeted to be comparable to the Group's net profit margin of approximately 24.0% for the year ended 31 December 2024, the expected Sublease Rental amounts to approximately RMB12.1 million, RMB14.3 million and RMB14.3 million for the three years ending 31 December 2028, respectively, representing approximately 88.4%, 51.7% and 30.8% of the proposed annual caps in respect of the Sublease Rental to be paid to Mr. Huang's Companies under the New Sublease Framework Agreement for the corresponding years. We were further advised by the Management, certain new sublease projects are expected to commence operation near the year end of 2027, including, among others, a property in Shenzhen, Guangdong Province with GFA of over 30,000 SQM.

We have discussed with the Management and were given to understand that the Group has also taken into account the budgets of underlying sublease projects which forms the basis of calculating the Profit Compensation and the Sublease Rental. Based on our review of the budgets of the sublease projects and the randomly selected six sample agreements (the "**Sample Agreements**") signed with the independent tenants under sublease service, which covered three sublease projects and both pricing models charged at a fixed sum and/or as a percentage of the operating profit, nothing has come to our attention that causes us to believe that such budget revenue in respect of the turnover rent from tenants did not follow the Sample Agreements. We have reviewed the budgets and business plans of the projects, and noted that the Profit Compensation during the first few years of commencement of the projects are generally higher than the Sublease Rental. Such higher Profit Compensation was primarily resulted from the budgeted operating profit falls below the agreed level or even suffers from operating loss at the start-up stage given that (i) the occupancy rate needs time to build up in early stage of the projects in which the budget revenue is relatively lower; (ii) the rent-free period offered by the Group to certain new tenants will result in relatively lower budget revenue; (iii) in order to attract high-quality premium brands, the Group will provide such tenants with renovation subsidies, which will increase the amortisation of capital assets; (iv) the amortization of capital assets for sublease projects will also be borne by the Group in initial useful life of relevant capital assets; and (v) more operating costs, especially the sales and marketing cost is required to promote the sublease premises and solicit new tenants.

The increase in the proposed annual caps from 2026 to 2028 was mainly due to the expected increase in number of projects and the GFA where sublease rental fees will be received from tenants. Having considered that (i) the proposed annual caps for the Sublease Rental are determined with reference to the contracts signed, contracts in negotiation and contracts to be entered into based on the business plans of the Group after consultation with Mr. Huang's Companies; (ii) the investment return forecast of the sublease projects with payback years which forms the basis of formulating the budgets and business plans in estimating the amount of Sublease Rental payable and/or Profit Compensation receivable, particularly the occupancy rate and the operating profit of the projects at start-up stage may fall below the agreed level of operating profit; (iii) the project pipelines of the Group as discussed above; and (iv) the terms of the New Sublease Framework Agreement are considered to be fair and reasonable so far as the Independent Shareholders are concerned, the Board considers the proposed annual caps under the New Sublease Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Based on the above, we consider that the proposed annual caps under the New Sublease Framework Agreement for the three years ending 31 December 2028 are determined based on reasonable estimation after due and careful consideration and are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

However, the Shareholders should note that as the proposed annual caps under the New Sublease Framework Agreement for the three years ending 31 December 2028 are determined based on various factors relating to future events and assumptions which may or may not remain valid for the entire period up to 31 December 2028, and they do not represent any forecasts or estimations of the Group's financial performance. Consequently, we express no opinion as to how closely the actual future transaction amounts of the continuing connected transaction will correspond with the proposed annual caps under the New Sublease Framework Agreement for the three years ending 31 December 2028.

5. Internal control measures

As stated in the Letter from the Board, the Group will adopt the following internal control measures in connection with its continuing connected transactions to ensure that the terms under the Non-exempt Agreements are on normal or better commercial terms and shall be no less favourable to the Group than the market information and contemporaneous transactions of similar services provided by/transactions with Independent Third Parties or no less favourable to the Group than those offered by the Group to Independent Third Parties.

For New Commercial Property Operational Services Framework Agreement,

(i) the Group will regularly examine the relevant pricing terms by collecting the relevant market information, periodically review and compare the historical and current market information and contemporaneous transactions of similar services provided by Independent Third Parties providing similar services to ensure that the terms of such transactions are fair and reasonable and no more favourable to the connected persons than those charged to Independent Third Parties. The Group's investment liaison center would compile a standard price list (the "**Standard Price List**") in respect of the continuing connected transactions based on the prevailing market information (including three market comparables) and the Group's other contemporaneous transactions of similar services carried out with Independent Third Parties (if available) for approval by the management team. If the Group has no other contemporaneous transactions carried out with Independent Third Parties of similar services, the Standard Price List will be compiled by the Group's investment liaison center based on the prevailing market information collected through, among others, information exchange within the industry, industry talent from other commercial property providers recruited by the Group, and publicly available information disclosed by other listed companies for approval by the management team. The Standard Price List together with any appropriate supporting documents will be reviewed and approved by the management team of the Group;

(ii) the Group would charge Mr. Huang's Companies and other Independent Third Party customers based on the Standard Price List, which will be updated when there is a material change in market conditions and will be reviewed at least semi-annually to ensure the Standard Price List maintained by the Group reflecting the prevailing market conditions;

(iii) before entering into any individual agreement for the continuing connected transactions, the Group's investment liaison center will prepare, among others, the pricing terms of the individual agreement with reference to the Standard Price List for approval by the management team of the Group;

For New Tenant Management Services Framework Agreement

(i) the Group would compile a Standard Price List for each project based on the prevailing market rental, management fees, promotional fees and the fee scale for other miscellaneous resources for three comparable premises in the vicinity of the relevant properties and the other contemporaneous transactions of similar properties operated by Independent Third Parties;

(ii) before entering into any individual agreement for the continuing connected transactions, the Group will submit the individual agreement together with any comparable transactions for approval by the management team of the Group;

For New Sublease Framework Agreement

(i) the Group's investment liaison center would obtain the prevailing market information and three other contemporaneous transactions of similar sublease transactions with Independent Third Parties and compile a Standard Price List for approval by the management team of the Group;

(ii) before entering into any individual agreement for the continuing connected transactions, the Group's investment liaison center will submit the specific project investment forecast and agreement (including Profit Compensation clauses, if any) for approval by the management team of the Group;

For all continuing connected transactions under the Non-exempt Agreements

(i) the finance department will monitor the actual transaction amounts and alert the management team the aggregate transaction amounts on a continuing basis to ensure that the annual caps under each of the relevant framework agreements will not be exceeded;

(ii) the external auditors of the Company will conduct an annual review on the continuing connected transactions in accordance with the Listing Rules;

(iii) the audit committee of the Company will review the transactions under each of the relevant framework agreements and recommend any proposals to improve the internal control measures;

(iv) the independent non-executive Directors will annually review the implementation and enforcement of the requirements and the internal control measures imposed on each of the relevant framework agreements; and

(v) during the annual review of the continuing connected transactions, the Company would compile and provide a summary of the relevant details, including the framework agreement, the Standard Price List, the transaction amount and other relevant supporting documents as required by the external auditors of the Company and the independent non-executive Directors for their review. The independent non-executive Directors and the auditors of the Company will also review and compare the relevant terms under individual agreements, on sample basis, to ensure the continuing connected transactions are conducted in accordance with the terms of the relevant framework agreements.

In this connection, we have reviewed the relevant internal control policies which stipulate the procedures to be complied with in conducting connected transactions and the Standard Price List for all Non-exempt Agreements (collectively the (i) New Commercial Property Operational Services Framework Agreement; (ii) New Tenant Management Services Framework Agreement; and (iii) New Sublease Framework Agreement) prepared by the Group governing the Group's transactions with Mr. Huang's Companies and Independent Third Parties. We noted that the Standard Price List is compiled based on the prevailing market information and/or the Group's contemporaneous transactions of similar services carried out with Independent Third Parties, and will be updated when there is a material change in market conditions and will be reviewed at least semi-annually to ensure the Standard Price List maintained by the Group reflecting the prevailing market conditions. Moreover, the finance department will monitor the actual transaction amounts and alert the management team the aggregate transaction amounts on a continuing basis to ensure that the annual caps under each of the relevant framework agreements will not be exceeded. Hence, we considered that there are adequate internal control measures in place to monitor and ensure the services fees charged are no more favourable to the connected persons than those charged to Independent Third Parties.

In particular, the independent non-executive Directors will review the continuing connected transactions annually to ensure (i) the transactions have been entered into under the ordinary and usual course of business of the Group; (ii) the transactions have been conducted on normal commercial terms or better; and (iii) the transactions have been entered into in accordance with the Non-exempt Agreements governing them on terms that were fair and reasonable and in the

interests of the Shareholders as a whole. Last but not least, the auditor of the Group will also review the continuing connected transactions annually, and confirm the transactions have been approved by the Board; were in all material respects, in accordance with the pricing policies of the Group and the Non-exempt Agreements; and have not exceeded the proposed annual caps set out above for the respective financial year.

In light of the abovementioned, we concur with the view of the Management that the effective implementation of these internal control measures are adequate to ensure the transactions contemplated under the Non-exempt Agreements will be conducted on normal commercial terms, no less favourable than those receivable from Independent Third Parties (if available) and not prejudicial to the interests of the Company and the Shareholders.

RECOMMENDATION

Having considered the principal factors and reasons described above, we are of the opinion that (i) the Non-exempt Agreements have been entered into in the ordinary and usual course of business of the Group based on normal commercial terms or better ; and (ii) the terms of the Non-exempt Agreements and the transactions contemplated thereunder, as well as the proposed annual caps, are fair and reasonable so far as the Company and the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders and advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Non-exempt Agreements and the transactions contemplated thereunder (including the proposed annual caps).

Yours faithfully,
For and on behalf of
Lego Corporate Finance Limited
Stanley Ng
Managing Director

Mr. Stanley Ng is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). He has over 20 years of experience in the accounting and investment banking industries.

* *for illustration purpose only*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

2.1 Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interest in the Shares

Name of Directors	Capacity/Nature of interest	Number of shares[2]	Approximate percentage of issued share capital[1]
Mr. Huang De-Lin Benny	Interest in a controlled corporation[3]	147,303,000 (L)	
	Founder of a discretionary trust[4]	1,293,000 (L)	
	Beneficial owner	86,000 (L)	
	Total	**148,682,000 (L)**	**14.66%**

Name of Directors	Capacity/Nature of interest	Number of shares[2]	Approximate percentage of issued share capital[1]
Mr. Huang De'An Tony	Beneficial owner	1,791,000 (L)	0.18%
Mr. Chen Qunsheng	Beneficial owner	212,000 (L)	0.02%
Mr. Ma Chaoqun	Beneficial owner	80,000 (L)	0.01%
Mr. Liu Jun	Beneficiary of a trust	200,000 (L)	0.02%

Notes:

(1) The calculation is based on the total number of 1,014,516,000 Company's shares in issue as at the Latest Practicable Date.

(2) The letter "L" denotes the person's long position in the shares of the Company.

(3) Such shares are held by Virtue Investment Development Limited (德瑞投資發展有限公司) ("**Virtue Investment**") as entrusted by Mr. Huang Chu-Long ("**Mr. Huang**") to hold such shares of the Company for the purpose of a share incentive scheme to be adopted after the Listing. The entire issued share capital of Virtue Investment is held by Mr. Huang De-Lin Benny, and therefore Mr. Huang De-Lin Benny is deemed or taken to be interested in the shares of the Company held by Virtue Investment under the SFO.

(4) The founder of the trust is Mr. Huang De-Lin Benny. The trust shares originate from Virtue Investment and are granted at the discretion of the Share Award Scheme.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (b) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

As at the Latest Practicable Date, Mr. Huang De'An Tony is a director of Go Star Investment Holding Limited ("**Go Star**") and Mr. Huang De-Lin Benny is a director of Virtue Investment Development Limited ("**Virtue Investment**"). Save as disclosed above, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

2.2 Substantial Shareholders' and other Shareholders' interests

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, persons or entities (other than a Director or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholders	**Capacity/Nature of interest**	**Number of shares[2]**	**Approximate percentage of issued share capital (%)[1]**
Mr. Huang	Founder of a discretionary trust[3]	601,000,000 (L)	
	Interest in controlled corporation[4]	147,303,000(L)	
	Founder of a discretionary trust[5]	1,293,000(L)	
	Total	**749,596,000 (L)**	**73.89%**
TMF (Cayman) Ltd ("**TMF (Cayman)**")[3]	Trustee	601,000,000 (L)	59.24%
Long Harmony Holding Limited ("**Long Harmony**")[3]	Interest in a controlled corporation	601,000,000 (L)	59.24%
Go Star Investment Holding Limited ("**Go Star**")[3]	Beneficial owner	601,000,000 (L)	59.24%
Virtue Investment[4]	Beneficial owner	132,516,000 (L)	
	Trustee	14,787,000 (L)	
	Total	**147,303,000 (L)**	**14.52%**

Notes:

(1) The calculation is based on the total number of 1,014,516,000 Company's shares in issue as at the Latest Practicable Date.

(2) The letter "L" denotes a long position in the shares of the Company.

(3) The entire issued share capital of Go Star is held by Long Harmony, a company incorporated in the BVI by TMF (Cayman), the trustee of the family trust, which is a discretionary trust established by Mr. Huang as the settlor and protector. The beneficiaries of the family trust are Mr. Huang's family members. Accordingly, each of Mr. Huang, TMF (Cayman) and Long Harmony is deemed to be interested in the shares of the Company held by Go Star under the SFO. Mr. Huang De'An Tony is also a director of Go Star.

(4) The entire issued share capital of Virtue Investment is held by Mr. Huang De-Lin Benny, who was entrusted by Mr. Huang to hold such shares of the Company for the purpose of a share incentive scheme to be adopted after the Listing. Pursuant to the confirmation letter signed by Mr. Huang De-Lin Benny and Mr. Huang, Mr. Huang De-Lin Benny will exercise the voting rights in Virtue Investment or exercise the voting rights in the Company through Virtue Investment in accordance with the instructions of Mr. Huang. Therefore, each of Mr. Huang and Mr. Huang De-Lin Benny is deemed to be interested in the shares of the Company held by Virtue Investment under the SFO.

(5) The founder of the trust is Mr. Huang De-Lin Benny. The trust shares originate from Virtue Investment and are granted at the discretion of the Share Award Scheme.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any other person (other than the Directors or the chief executive of the Company) who had an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing and proposed service contract with any members of the Group other than contracts expiring or determinable by the relevant members of the Group within one year without payment of compensation (other than statutory compensation).

4. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

As at the Latest Practicable Date, none of the Directors and their respective close associates were considered to have interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group or have or may have any other conflicts of interest with the Group pursuant to the Listing Rules.

5. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS OF THE GROUP AND OTHER INTERESTS

Save for the Non-exempt Agreements and the Existing Commercial Property Operational Services Framework Agreement in which Mr. Huang De-Lin Benny, an executive Director, and Mr. Huang De'An Tony, a non-executive Director, are regarded as having a material interest, none of the Directors was materially interested in any contract or arrangement which was entered into by any members of the Group and subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

To the best of the knowledge of the Directors, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any members of the Group, or were proposed to be acquired or disposed of by or leased to any members of the Group.

6. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinions or advices contained in this circular:

Name	Qualification
Lego Corporate Finance Limited	A corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Lego Corporate Finance Limited:

(a) did not have any shareholding in any members of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any members of the Group;

(b) had no interest, either direct or indirect, in any assets which had been, since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any members of the Group, or were proposed to be acquired or disposed of by or leased to any members of the Group; and

(c) had given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of their letters, opinions, reports and/or advices (as the case may be) and/or references to their names, opinions, reports and/or letters (as the case may be) in the form and context in which they respectively appear.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position of the Company since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

8. DOCUMENTS ON DISPLAY

The following documents are on display and are published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.g-cre.com) for a period of 14 days from the date of this circular:

(1) the New Commercial Property Operational Services Framework Agreement;

(2) the New Tenant Management Services Framework Agreement;

(3) the New Sublease Framework Agreement; and

(4) the written consent of the Independent Financial Adviser referred to in the paragraph headed "6. Qualification and Consent of Expert" in this appendix.

9. MISCELLANEOUS

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of E-Star Commercial Management Company Limited (the "**Company**") will be held at 33F, Building A, Galaxy World, 1 Yabao Road, Longgang District, Shenzhen, Guangdong Province, China on Thursday, 15 January 2026 at 10 a.m. for the following purposes:

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass (with or without amendments) the following resolutions as ordinary resolutions of the Company:

1. "**THAT**

   (a) the New Commercial Property Operational Services Framework Agreement (as defined in the circular of the Company dated 22 December 2025 (the "**Circular**")) and the transactions contemplated thereunder (including the proposed annual caps) be and are hereby confirmed and approved; and

   (b) the directors of the Company (the "**Directors**") be and are hereby authorised to do all such acts, deeds and things and to sign, execute and deliver all such documents as they may, in their absolute discretion, consider necessary, desirable or expedient to give effect, determine, revise, supplement or complete any matters relating to or in connection with the New Commercial Property Operational Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps)."

2. "**THAT**

   (a) the New Tenant Management Services Framework Agreement (as defined in the Circular) and the transactions contemplated thereunder (including the proposed annual caps) be and are hereby confirmed and approved; and

(b) the Directors be and are hereby authorised to do all such acts, deeds and things and to sign, execute and deliver all such documents as they may, in their absolute discretion, consider necessary, desirable or expedient to give effect, determine, revise, supplement or complete any matters relating to or in connection with the New Tenant Management Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps)."

3. "**THAT**

(a) the New Sublease Framework Agreement (as defined in the Circular) and the transactions contemplated thereunder (including the proposed annual caps) be and are hereby confirmed and approved; and

(b) the Directors be and are hereby authorised to do all such acts, deeds and things and to sign, execute and deliver all such documents as they may, in their absolute discretion, consider necessary, desirable or expedient to give effect, determine, revise, supplement or complete any matters relating to or in connection with the New Sublease Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps)."

Yours faithfully,
By order of the Board
E-Star Commercial Management Company Limited
Huang De-Lin Benny
Chairman and Executive Director

Hong Kong, 22 December 2025

Notes:

(i) A member entitled to attend and vote at the meeting may appoint one or, if he holds two or more shares of the Company, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.

(ii) Where there are joint holders of any share of the Company, any one of such joint holder may vote, either in person or by proxy, in respect of such share of the Company as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

(iii) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority shall be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof (as the case may be). The proxy form will be published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.g-cre.com).

(iv) The register of members of the Company will be closed from Monday, 12 January 2026 to Thursday, 15 January 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to determine who are eligible to attend, speak and vote at the meeting, 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 Friday, 9 January 2026. The record date for the purpose of ascertaining Shareholders' right to attend and vote at the meeting will be on Thursday, 15 January 2026.

(v) The Chinese translation of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this notice, the board of Directors 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 Dr. Zhang Jinghua, Mr. Guo Zengli and Ms. Wan Hoi Lam as independent non-executive Directors.