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E-Star Commercial Management Company Limited
星盛商業管理股份有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6668)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE DISCRETIONARY INVESTMENT MANAGEMENT AGREEMENT AND FURTHER DELAY IN THE USE OF NET PROCEEDS

Reference is made to the announcement (the "**Announcement**") of E-Star Commercial Management Company Limited (the "**Company**") dated 9 January 2026 in relation to the entry into the Discretionary Investment Management Agreement with the Manager, which constitutes a discloseable transaction. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

On 16 January 2026, the Company and the Manager entered into a supplemental agreement to the Discretionary Investment Management Agreement. Pursuant to which, the Company and the Manager has agreed that (i) the asset in the Portfolio will primarily be invested in USD money market funds and will only be invested in IPO placements when there are suitable market opportunities; other than the Management Fee and Performance Fee, no other fee will be charged by the Manager.

Furthermore, this announcement is made to provide shareholders and potential investors with further information in relation to the Discretionary Investment Management Agreement.

FURTHER INFORMATION OF THE DISCRETIONARY INVESTMENT MANAGEMENT AGREEMENT

The Investment Policy and Objectives

On the prerequisite of ensuring the safety and liquidity of the necessary financial resources for the operation of the Company's principal business, it will prudently invest its idle cash with a view to optimizing its fund allocation efficiency and obtaining steady returns. The investment objective of the Portfolio is to achieve capital appreciation through money market funds and IPO placements. The Manager will only allocate asset in the Portfolio for investments such as IPO placements (primarily focusing on companies to be listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")) when appropriate and attractive investment opportunities arise.

When making investment in IPO placements, the Company/Manager will identify appropriate and attractive investment targets taking into account the following factors:

(a) Industry and prospect: the landscape and prospect of growth would be taken into account, in which the Company will prioritize investing in companies operating in industries with growth potential that align with national industrial policies (e.g. technology, high-end manufacturing, biopharmaceuticals, consumption, etc.);

(b) Reasonable valuation: the Company will only invest in investment targets with reasonable valuation. In assessing whether the valuation is reasonable, the Company/Manager will consider: (i) fundamentals and quality of growth of the company: pay attention to both revenue and profit growth rates, whilst also considering the certainty of achieving such growth; and (ii) the development stage and profitability: For mature and profitable companies, the Company/Manager will assess the valuation based on metrics such as P/E ratio, P/B ratio and compare them with their industry peers. For companies which are yet to make any profit, the Company/Manager will assess the valuation based on P/S ratio, P/R&D ratio with an emphasis on revenue growth rate, market size/potential and the path to achieving profitability. Whilst the Company does not set a quantitative threshold when analysing the aforementioned financial ratios, it will conduct qualitative analysis in assessing such ratios dynamically; and

(c) Shareholders and cornerstone investors: the reputation of the cornerstone investors and the level of the existing shareholders, for example, whether the cornerstone investors include top-tier and reputable investment funds, private equity funds or venture capitals.

There is no upper limit as to the proportion of the Portfolio which may invest in IPO placements. When there are no suitable opportunities in the IPO placement market, the asset of the Portfolio will be invested in USD money market funds which will generate steady interest income for capital preservation purposes in order to strike a balance between risk and return.

Save as the investments as set out in the investment objectives, the Manager is prohibited from engaging other investment in securities, derivatives transactions, non-standard debt assets and any other investments which carry unlimited liabilities. As of the date of this announcement, the Company has deposited HK$50.0 million into the Account. When making individual investment under the Discretionary Investment Management Agreement, the Company will comply with the relevant Listing Rules requirements including but not limited to Chapter 14 of the Listing Rules and the guidelines as set out in the Listing Regulation and Enforcement Newsletter and will make disclosures and/or obtain shareholders' approval when necessary.

Whilst there is no guaranteed rate of return by the Manager under the Discretionary Investment Management Agreement, the Company will prudently invest its idle cash with a view to optimizing its fund allocation efficiency and obtaining steady returns. Since the asset in the Portfolio will primarily be invested in USD money market funds (which mainly comprises of USD-denominated and settled short-term deposits and high quality money market instruments issued by governments, quasi-governments, international organisations, financial institutions and corporations and the amount of return is foreseeable despite a lack of guaranteed return) to generate steady interest income if there are no appropriate and attractive investment opportunities, the Board is of the view that: (i) the lack of a guaranteed return is in line with the Company's risk management measures, fair and reasonable and in there interest of the Company and its shareholders; and (ii) the total investment amount (which is not a committed amount) is justified having considered the inherent level of investment risks involved.

Risk Management and Control Measures

Despite the fact that completion discretion for the Account has been delegated to the Manager, with a view to ensuring that the Manager manages the Portfolio in accordance with the Company's investment objective, risk appetite and compliance requirement, the Company still reserves the following key surveillance and management powers and have established a participation mechanism which is regular, systematic and data-driven:

– prior to the execution of the Discretionary Investment Management Agreement, the Company has communicated with the Manager to discuss the investment objectives (including but not limited to the target return, risk appetite) and the permissible/prohibited investments. The Company will also have meeting with the Manager on a regular basis to review the investment strategies to assess whether the existing investment strategies are in line with the risk appetite and investment objectives of the Company;

– the Manager will deliver a monthly statement to the Company such that we can regularly monitor the performance of the Portfolio and determine whether to partially or completely withdraw the Investment; and

– the Company's financial management department will regularly assess the consistency, efficacy of risk management, the timeliness and completeness of compliance record and information disclosure.

In order to manage the risks related to the Investment, the Company will implement the following risk management measures:

– Limit and cushion management: in order to control downside risks, the Company will only make additional investment beyond the HK$50.0 million deposited into the Account upon accumulating sufficient return from the Portfolio as financial cushion and will strictly adhere to the total investment amount of up to HK$200.0 million at all times. The Company will only consider whether to make additional investment if the investment return exceeds its internal rate of return of its cash management, other factors such as the cash management strategies and the level of risk-free rate will also be taken into account;

– Concentration control: as the allocation successfully obtained by the Company under IPO placements are limited, the remaining funds in the Portfolio will be invested in USD money market funds with high liquidity to control and diversify the investment risks;

– Continuous monitoring on performance and net asset value: the Company's financial management department will monitor the investment performance and net asset value of the Portfolio on a real time basis. The Company will meet the Manager biannually for reviewing the investment strategies, and for the financial management department to assess the risk management, compliance record and information disclosure. However, in the event that there is a loss of 5% or above of the net asset value of the Portfolio, the Company will request for an urgent meeting with the Manager to discuss the investment strategies in order to ensure that the Investment is in line with the Company's investment policies and objectives. When the investment performance does not reach the Company's expectation (that is, lower than the internal rate of return of our cash management, which is determined with reference to market risk free rate such as the yield of the United States Treasury), the financial management department will report to the Investment Committee and recommend the investment to be withdrawn. Under the Discretionary Investment Management Agreement, the Company may withdraw the investment by giving ten business days' notice in writing to the Manager, or terminate the Discretionary Investment Management Agreement with one month's prior written notice; and

– Dynamic risk management and report: the financial management department will assess the credit ratings and solvency of the Manager and monitor the key risk indicators of the Portfolio and report any potential risks to the Investment Committee on a timely basis.

As a licensed corporation under the SFO, the Manager has also established a comprehensive risk management and internal control policies, so as to provide effective external control of the Company's financial investment activities, including but not limited to its operation manual, investment management policies, risk monitoring and reporting measures and specific measures in relation to bonds, funds and alternative investments. The legal and compliance department, risk management department, internal audit department and the external auditors of the Manager also forms a part of the Manager's independent supervision mechanism which will constantly review and oversee the business operation and internal control of the Manager.

The Board formed the view that the Investment is in line with the Company's risk management measures, fair and reasonable and in the interest of the Company and its shareholders and that the total investment amount of HK$200 million is justified having considered the inherent level of investment risks involved for the following reasons:

(i) the asset in the Portfolio will primarily be invested in USD money market funds and will only be invested in IPO placements when there are suitable market opportunities;

(ii) the underlying assets of the USD money market fund are primarily low-risk assets (which mainly comprises of USD-denominated and settled short-term deposits and high quality money market instruments issued by governments, quasi-governments, international organizations, financial institutions and corporations) with a stead return (the investment return of the USD money market fund was approximately 4% in 2025). It is submitted that the nature and risks of such USD money market fund are similar to time deposits which are in line with the Company's risk management measures; and

(iii) the fact that the Company/Manager will only invest in IPO placements if and when there are appropriate and attractive investment targets, the selection criteria of which are set out above; and the HK$200 million is an upper limit but not a committed amount. The Company will only make additional investment after assessing the investment performance of the Manager.

Approval and Oversight Mechanisms

The Company's approval and oversight mechanisms are set out below:

– Financial management department: responsible for the daily execution of the Investment, liaison with the Manager, real-time monitoring in respect of investment performance, risks exposure and compliance status and regular reporting to the Investment Committee. The financial management department will monitor the investment performance and net asset value of the Portfolio by reviewing the monthly statement. If the Company participates in any IPO placements under the Discretionary Investment Management Agreement, the financial management department will also closely monitor the stock market and maintain close communication with the Manager in respect of the IPO market condition. the financial management department will monitor the key risk indicator of the Portfolio and report any potential risks to the Investment Committee on a monthly basis and will report any potential risks to the Investment Committee. The director of the financial management department will be responsible for the risk management, monitoring, approval and oversight of the Investment and he has almost 20 years of experience in the finance and accounting. He has over 10 years of experience working as an auditor and was involved in the annual audits and audits in relation to domestic and overseas listing. He also has approximately 3 years of experience in compliance and risk management working for an investment management company. He is qualified as a certified public accountant, certified tax agent in PRC and a fund practitioner.

– Investment Committee: with the delegation of the Board, the investment committee is responsible for the approval of the Investment, the risk limit and contingency plan. The investment committee will review the regular reports provided by the financial management department and make material investment decisions and decide whether to withdraw the Investment in part or in full in the event that there is any anomalies or material risks of the Portfolio. If any investment constitutes a notifiable transaction under the Listing Rules, additional approval from the Board will be required. The investment committee comprises of Mr. Huang De-Lin Benny ("**Mr. Huang**"), Mr. Chen Qunsheng ("**Mr. Chen**") and Mr. Ma Chaoqun ("**Mr. Ma**"). Each of them is an executive Director of the Company. Mr. Huang possesses over ten years of experience in investment and supervision, currently serving as a Director of Shenzhen Capital Group Co., Ltd. and overseeing investment-related business at Galaxy Holding Group Co., Ltd.*. Mr. Chen has held senior management positions at multiple companies, with responsibilities including supervising their investment performance. Mr. Ma holds professional qualifications in fund management and possesses over twenty years of experience in financial management and capital markets, having led and supervised investment-related business at respective companies he has served.

– Board: as the ultimate corporate governance organization of the Company, the Board is responsible for approving the investment policies, risk appetite and the total investment amount and oversee the investment performance and risks to be undertaken under the Investment. Where any investment constitutes a notifiable transaction, the investment decision has to be made by the Board.

The Company will strictly adhere to the above approval and oversight mechanisms in regulating its financial investment activities and to ensure that such activities are carried out under controllable risks with a view to providing financial return which could support the principal business of the Company.

Term and Termination of the Discretionary Investment Management Agreement

Despite the fact that the Discretionary Investment Management Agreement does not have a specific term, the Board is of the view that this is fair and reasonable and is in the interest of the Company and its shareholders as a whole because the Company can terminate the Discretionary Investment Management Agreement by giving the Manager not less than 1 month's written notice.

Details of Management Fee and Performance Fee

The Manager shall be entitled to a Management Fee with respect to each segregated trust account of the Account, calculated as follows:

(a) 0% per annum on the Net Asset Value attributable to transactions related to IPOs;

(b) 0.05% per annum on the Net Asset Value of the segregated trust account attributable to money market funds (For the avoidance of doubt, no management fee shall be charged on the portion of the amount invested in the ABCI USD Money Market Fund to avoid double-charging);

No other Management Fee will be charged by the Manager.

The Management Fee will be accrued daily and calculated as follows:

H= E x P x 1/365

Where:

H is the accrued daily management fee of the Portfolio;

E is the total amount of Investment of the Portfolio, being the Net Asset Value; and

P is the management fee percentage, being 5bps.

The Manager shall also be entitled to receive Performance Fee from the Company, which will be calculated, accrued and payable to the Manager when shares of the target company(ies) are allocated to the Portfolio in each IPO (each a "**Transaction**"). The Performance Fee will be 2% of the allocation amount ("**Allocation Amount**") relating to shares of the Target Company(ies) allocated to the Portfolio in each Transaction. The Allocation Amount shall be calculated by multiplying the number of shares of the relevant Target Company to the Portfolio by the IPO price or purchase price of such shares of the relevant Target Company.

Prior to the execution of the Discretionary Investment Management Agreement with the Manager, the Company discussed with a number of other asset management companies in respect of the provision of similar services and compared the pricing policy of different companies. As such, the Board is of the view that the pricing policy of the Manager is fair and reasonable and is on normal commercial terms.

SOURCE OF FUNDS

The planned total investment amount of up to HK$200 million will be funded by its existing available cash reserve and will not apply any unutilized IPO proceeds for payment under the Discretionary Investment Management Agreement. Taking into account the Company's dividend policy and objective of enhancing shareholders' value, the Board is of the view that the current level of idle cash kept by the Company is fair and reasonable and is in the interest of the Company and its shareholder.

FURTHER DELAY IN THE USE OF NET PROCEEDS

Reference is also made to the prospectus of the Company dated 14 January 2021 (the "**Prospectus**"). A total of 270,640,000 ordinary shares of HK$0.01 each in the share capital of the Company (the "**Share(s)**") were issued at HK$3.86 per Share in connection with the listing (the "**Listing**") of the Shares on the Main Board of the Stock Exchange, including the Over-allotment Option (as defined in the Prospectus), with a total net proceeds of RMB841.8 million (the "**Net Proceeds**") raised.

As of 31 December 2025, approximately RMB310.7 million (unaudited) of the Net Proceeds have yet to be utilized. The Company still intends to use the remaining balance of the Net Proceeds in accordance with the proposed application set out in the announcement dated 25 August 2022. However, since COVID-19, the PRC real estate market has been experiencing a downturn, which in turn leads to the delay in opening of sublease projects. The number of projects under the sublease service model which would incur lease expenses and renovation costs is lower than originally expected and therefore the Company could not utilize the Net

Proceeds according to the original expected timeline and it is currently expected that the Net Proceeds will only be fully utilized by the end of 31 December 2028. The details of the implementation plans are set out in the below table:

Use of Unutilized Proceeds	Amount of Unutilized Proceeds as of 31 December 2025 (Unaudited) *(RMB million)*	Implementation Plans Year ending 31 December 2026 *(RMB million)*	Year ending 31 December 2027 *(RMB million)*	Year ending 31 December 2028 *(RMB million)*
For lease expenses and renovation of retail commercial properties under the sublease service model	238.0	128.8	75.0	34.2
To make minority investment in the project companies which own quality commercial properties	45.2	–	–	45.2
To upgrade information technology systems to raise the Group's management service quality, reduce labor costs and improve internal control, among which:				
– to enhance intelligent operation data center, which includes real time remote onsite monitoring, tenant's business data analysis, operational early-warning and tenant mix optimization based on tenant's business data analysis	14.6	3.0	8.9	2.7
– to improve customer services	12.9	2.0	2.4	8.5
For general business purpose and working capital	–	–	–	–
Total	**310.7**	**133.8**	**86.3**	**90.6**

By Order of the Board
E-Star Commercial Management Company Limited
Huang De-Lin Benny
Chairman

Hong Kong, 26 February 2026

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

* *For identification only*