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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)**

### **2025 ANNUAL RESULTS ANNOUNCEMENT**

#### **SUMMARY OF RESULTS**

- During the year ended 31 December 2025, the Group's revenue amounted to approximately RMB582.9 million, representing a year-on-year decrease of approximately 9.6%.
- For the year ended 31 December 2025, the Group's gross profit amounted to approximately RMB278.3 million, representing a year-on-year decrease of approximately 6.6%. Its gross profit margin amounted to approximately 47.7%, representing a year-on-year increase of approximately 1.5 percentage points.
- For the year ended 31 December 2025, the Group's profit for the year amounted to approximately RMB138.2 million, representing a year-on-year decrease of approximately 6.8%. The profit attributable to the owners of the Company amounted to approximately RMB142.6 million, representing a year-on-year decrease of approximately 7.7%.
- The Board recommends the declaration of a final dividend of HK8.5 cents per ordinary share for the year ended 31 December 2025, taking into account the interim dividend of HK5.0 cents per ordinary share declared and paid in respect of the six months ended 30 June 2025, the total dividend paid/payable for the year ended 31 December 2025 is expected to be HK13.5 cents per ordinary share, representing a full year payout ratio of approximately 87%.

## ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of E-Star Commercial Management Company Limited (the “**Company**” or “**E-Star**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025, together with comparative figures for the year ended 31 December 2024, as follows.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended December 31	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b>	4	<b>582,898</b>	644,541
Cost of services		<b>(304,630)</b>	(346,635)
<b>Gross profit</b>		<b>278,268</b>	297,906
Other income		<b>30,732</b>	37,022
Other gains and losses		<b>(3,387)</b>	(2,881)
Impairment losses recognised under expected credit loss model, net of reversal		<b>(8,026)</b>	(1,147)
Selling expenses		<b>(20,797)</b>	(26,373)
Administrative expenses		<b>(62,621)</b>	(75,448)
Finance costs		<b>(37,067)</b>	(36,430)
Share of result of a joint venture		<b>–</b>	(74)
<b>Profit before tax</b>		<b>177,102</b>	192,575
Income tax expense	5	<b>(38,865)</b>	(44,201)
<b>Profit and total comprehensive income for the year</b>	6	<b>138,237</b>	148,374
Profit (loss) for the year attributable to:			
– Owners of the Company		<b>142,631</b>	154,472
– Non-controlling interests		<b>(4,394)</b>	(6,098)
		<b>138,237</b>	148,374
<b>Earnings per share</b>			
– Basic ( <i>RMB cents</i> )	7	<b>14.09</b>	15.25

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	<b>As at 31 December</b>	
		<b>2025</b>	<b>2024</b>
		<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Non-current assets</b>			
Property and equipment		<b>905</b>	1,152
Investment properties		<b>797,073</b>	780,445
Rental deposits	9	<b>25,542</b>	25,542
Restricted bank balances		<b>10,086</b>	5,000
Finance lease receivables		<b>3,813</b>	4,630
Deferred tax assets		<b>56,217</b>	44,205
		<b><u>893,636</u></b>	<u>860,974</u>
<b>Current assets</b>			
Finance lease receivables		<b>817</b>	741
Trade and other receivables	9	<b>35,918</b>	44,023
Financial assets at fair value through profit or loss		<b>11</b>	–
Amounts due from related parties		<b>12,974</b>	6,091
Short-term bank deposits		<b>830,835</b>	655,905
Cash and cash equivalents		<b>512,599</b>	710,599
		<b><u>1,393,154</u></b>	<u>1,417,359</u>
<b>Current liabilities</b>			
Trade and other payables	10	<b>276,908</b>	286,286
Lease liabilities		<b>24,705</b>	22,268
Contract liabilities		<b>15,840</b>	15,117
Amounts due to related parties		<b>1,963</b>	5,591
Tax payable		<b>17,131</b>	30,300
		<b><u>336,547</u></b>	<u>359,562</u>
<b>Net current assets</b>		<b><u>1,056,607</u></b>	<u>1,057,797</u>
<b>Total Assets less Current Liabilities</b>		<b><u>1,950,243</u></b>	<u>1,918,771</u>

		<b>As at 31 December</b>	
		<b>2025</b>	2024
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Capital and reserves</b>			
Share capital	<i>11</i>	<b>8,487</b>	8,487
Reserves		<b>1,258,977</b>	1,238,390
		<hr/>	<hr/>
<b>Equity attributable to owners of the Company</b>		<b>1,267,464</b>	1,246,877
<b>Non-controlling interests</b>		<b>4,413</b>	8,807
		<hr/>	<hr/>
<b>Total equity</b>		<b>1,271,877</b>	1,255,684
		<hr/>	<hr/>
<b>Non-current liabilities</b>			
Deferred tax liabilities		<b>21,741</b>	15,936
Lease liabilities		<b>656,625</b>	647,151
		<hr/>	<hr/>
		<b>678,366</b>	663,087
		<hr/>	<hr/>
		<b>1,950,243</b>	1,918,771
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## NOTES

### 1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 13 September 2019 and its shares (the “**Share(s)**”) were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 26 January 2021. The addresses of the Company’s registered office is 71 Fort Street, PO Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands and principal place of business in the People’s Republic of China (the “**PRC**”) is 33rd Floor, Building A Galaxy World, 1 Yabao Road, Longgang District, Shenzhen, Guangdong Province, the PRC.

The immediate holding company and the ultimate holding company of the Company are Go Star Investment Holding Limited (“**Go Star**”) and Long Harmony Holding Limited respectively. Go Star was incorporated in the British Virgin Islands (“**BVI**”) with limited liability. Long Harmony was incorporated in the BVI by TMF (Cayman) Ltd., the trustee of the family trust. The family trust is a discretionary trust established on 4 December 2019 by Mr. Huang Chu-Long (hereinafter referred to as “**Mr. Huang**” or the “**Ultimate Controlling Shareholder**”) as the settlor, with TMF (Cayman) Ltd. acting as the trustee, and Mr. Huang acting as the protector. The beneficiaries of the family trust are Mr. Huang’s family members.

The Group is principally engaged in provision of commercial property operational services to either property owners or tenants in respect of commercial properties primarily including shopping centers, shopping streets and commercial complexes, and leasing commercial spaces to tenants in the PRC.

The functional currency of the Company is Renminbi (“**RMB**”), which is the same as the presentation currency of the consolidation financial information.

### 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

#### **Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature- dependent Electricity <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### HKFRS 18 Presentation and Disclosure in Financial Statements

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

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

### 3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL INFORMATION

#### Basis of preparation of consolidated financial information

The consolidated financial information has been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. For the purpose of preparation of the consolidated financial information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance, if applicable.

### 4. REVENUE AND SEGMENT INFORMATION

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

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

#### A. Revenue

*Revenue from commercial property operational services by type of operational model*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>By type of operational model</b>		
Entrusted management services	377,793	426,497
Brand and management output services	73,609	95,713
Sublease services	131,496	122,331
	<u>582,898</u>	<u>644,541</u>
Comprise of:		
– Revenue from contracts with customers	527,501	588,581
– Revenue from leases	55,397	55,960
	<u>582,898</u>	<u>644,541</u>

(i) Disaggregation of revenue from contracts with customers:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Commercial property operational services:		
– Positioning, construction consultancy and tenant sourcing services	<b>52,002</b>	58,125
– Operational management services	<b>370,877</b>	423,098
– Value-added services	<b>104,622</b>	107,358
	<b><u>527,501</u></b>	<u>588,581</u>

(ii) Leases

The revenue from leases arises from the lease agreements entered into between the Group and tenants under sublease service model. The Group enters into lease agreements with the property owners of commercial properties and subleases the commercial spaces within the commercial properties to tenants.

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
For operating leases:		
Lease payments that are fixed	<b>33,007</b>	37,234
Variable lease payments	<b>22,187</b>	18,497
	<b><u>55,194</u></b>	<u>55,731</u>
For finance leases:		
Finance income on the net investment in the lease	<b>203</b>	229
Total revenue arising from leases	<b><u>55,397</u></b>	<u>55,960</u>

## B. Segment information

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

### *Geographical information*

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

### *Information about major customers*

Revenue from customers contributing over 10% of the Group's total revenue during both years are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A	<u>148,654</u>	<u>184,406</u>

*Note:* Customer A represents a group of related parties of the Group under common control of Mr. Huang.

## 5. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax:		
PRC Enterprise Income Tax	45,072	66,831
Deferred tax	<u>(6,207)</u>	<u>(22,630)</u>
	<u>38,865</u>	<u>44,201</u>

## 6. PROFIT FOR THE YEAR

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration:		
– Auditor of the Company	1,120	1,360
– Non-audit services	409	507
	<u>1,529</u>	<u>1,867</u>
Depreciation of property and equipment	545	961
Depreciation of investment properties	46,222	45,731
Staff costs (including directors' emoluments):		
Salaries and other benefits	171,350	203,286
Equity-settled share-based payments	1,235	821
Retirement benefits schemes contributions	23,741	25,276
Total staff costs	<u>196,326</u>	<u>229,383</u>
Fair value (gain) loss of financial assets at FVTPL (included in other gains and losses)	(5)	120
Loss on disposal of property and equipment (included in other gains and losses)	127	3
Net exchange loss (included in other gains and losses)	<u>2,888</u>	<u>1,934</u>

## 7. EARNINGS PER SHARE

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

### Earnings

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Earnings for the purpose of basic earnings per share:		
Profit for the year attributable to owners of the Company	<u>142,631</u>	<u>154,472</u>

### Number of shares

	2025 '000	2024 '000
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>1,012,546</u>	<u>1,012,607</u>

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

## 8. DIVIDEND

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Dividends recognised as distribution during the year:		
2025 interim dividend of HK5.0 cents (2024: 2024 interim dividend of HK4.8 cents) per ordinary share	46,296	44,520
2024 final dividend of HK8.3 cents (2024: 2023 final dividend of HK13.0 cents) per ordinary share	<u>77,108</u>	<u>120,066</u>
	<u>123,404</u>	<u>164,586</u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of HK8.5 cents per ordinary share, a total amount of approximately HK\$86,234,000, of which an amount of approximately HK\$172,000 related to 2,027,000 shares held by the Company under the Company's restricted share unit scheme (the "**RSU Scheme**"), has been proposed by the Board of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

## 9. TRADE AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Trade and other receivables</b>		
– Trade receivables	12,316	23,961
– Other receivables	49,144	45,604
	<u>61,460</u>	<u>69,565</u>
 Analysed as:		
Non-current	25,542	25,542
Current	35,918	44,023
	<u>61,460</u>	<u>69,565</u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Trade receivables</b>		
<i>Contracts with customers</i>		
– Third parties	29,851	48,565
– Related parties	316	536
Less: Allowance for credit losses	(23,266)	(30,555)
	<u>6,901</u>	18,546
 Lease receivables – third parties	<u>5,415</u>	5,415
	<u>12,316</u>	<u>23,961</u>

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

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
0 – 10 days	<b>11,918</b>	20,544
11 – 30 days	–	453
31 – 60 days	–	207
61 – 90 days	–	367
Over 90 days	<b>398</b>	2,390
	<b>12,316</b>	23,961

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

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
0-10 days	<b>5,415</b>	5,415

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
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**Other receivables recognised as non-current assets**

Rental deposits	<b>25,542</b>	25,542
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**Other receivables recognised as current assets**

Receivables from third-party payment platforms	<b>1,952</b>	1,960
Payments on behalf of tenants	<b>1,253</b>	936
Advance to employees	<b>293</b>	323
Other tax recoverable	<b>16,175</b>	11,774
Deposits	<b>1,209</b>	1,203
Prepayment	<b>1,075</b>	3,240
Others	<b>1,645</b>	626
	<b>23,602</b>	20,062

<b>Total other receivables</b>	<b>49,144</b>	45,604
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## 10. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Trade and other payables</b>		
– Trade payables	41,997	40,286
– Other payables	<u>234,911</u>	<u>246,000</u>
	<b><u>276,908</u></b>	<b><u>286,286</u></b>

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Trade payables</b>		
<i>Contracts with suppliers</i>		
– Third parties	37,500	37,036
– Related parties	<u>4,497</u>	<u>3,250</u>
	<b><u>41,997</u></b>	<b><u>40,286</u></b>

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 – 30 days	41,997	40,283
Over 90 days	<u>–</u>	<u>3</u>
	<b><u>41,997</u></b>	<b><u>40,286</u></b>

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Other payables</b>		
Receipts on behalf of tenants	69,319	68,409
Deposits received	63,319	55,150
Payables for construction projects	57,717	65,868
Salary payables	31,231	44,633
Accruals	8,170	8,014
Other tax payables	<u>5,155</u>	<u>3,926</u>
	<b><u>234,911</u></b>	<b><u>246,000</u></b>

## 11. SHARE CAPITAL

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

	Number of shares	Share capital <i>HK\$'000</i>	Share capital <i>RMB'000</i>
Ordinary shares of HK\$0.01 each			
<b>Authorised</b>			
At 1 January 2024, 31 December 2024 and 31 December 2025	<u>2,000,000,000</u>	<u>20,000</u>	<u>16,755</u>
<b>Issued and fully paid</b>			
At 1 January 2024	1,016,807,000	10,168	8,506
Cancellation of shares ( <i>note (i)</i> )	(1,530,000)	(15)	(14)
Repurchase and cancellation of shares ( <i>note (ii)</i> )	<u>(761,000)</u>	<u>(8)</u>	<u>(5)</u>
At 31 December 2024, 1 January 2025 and 31 December 2025	<u>1,014,516,000</u>	<u>10,145</u>	<u>8,487</u>

The Company repurchased its own shares through the Stock Exchange as follows:

Month of repurchase	Number of ordinary shares of HK\$0.01 each	Price per share		Aggregate consideration paid	
		Lowest <i>HK\$</i>	Highest <i>HK\$</i>	<i>HK\$'000</i>	<i>RMB'000</i>
December 2023	1,530,000	1.11	1.24	1,817	1,651
January 2024	761,000	1.25	1.30	980	891

*Notes:*

- (i) The ordinary shares repurchased in December 2023 were cancelled during year ended 31 December 2024.
- (ii) The ordinary shares repurchased in January 2024 were cancelled during year ended 31 December 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

The Group is a leading commercial property operational service provider in the Greater Bay Area with a national presence. As of 31 December 2025, the Group entered into contracts to provide services for 52 commercial property projects (including 9 consultancy services projects) located in 19 cities in the People’s Republic of China (“China” or “PRC”), with an aggregate contracted gross floor area (“GFA”) of approximately 2.5 million square meters (“sq.m.”) (excluding the area under 9 consultancy services projects), 43.0% of which was developed or owned by independent third parties. Among them, 27 retail commercial properties have been opened with an aggregate opened GFA of approximately 1.6 million sq.m..

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

The Group has been widely recognised in the market for its brand system and operating strength and also received various honours. In 2025, the Group attained awards including “China’s Top Ten Commercial Property Developers 2025” (2025年中國商業地產運營十強企業) and “China’s Top 100 Commercial Property Enterprises 2025” (2025年中國商業地產運營百強企業) by China Index Academy (中指院), “2025 Commercial Real Estate Operations of Real Estate Development Enterprises TOP10” (2025年房地產開發企業商業地產運營 TOP10) by China Real Estate Association (中國房地產業協會), “2025 New Quality Operation Commercial Management Company Excellence List”(2025年度新質運營商管公司卓越榜) by Mall China, “2025 CCFA Golden Lily Shopping Center Best Marketing Innovation Practice Case” (2025年 CCFA 金百合購物中心最佳營銷創新實踐案例) by CCFA, “2025 Excellent Service Enterprise” (2025年度卓越服務企業) by the Wanshang Club (萬商俱樂部), “2025 Most Influential Commercial Management Leaders”(2025年度影響力商管領軍企業), “2025 Top 20 Shopping Center Operators”(2025年度購物中心運營商表現20) and “2025 Top 20 Commercial Property Innovation Capability Performers”(2025年度商業地產創新能力表現20) by Guandian Index Academy (觀點指數研究院), as well as “2025 TOP100 Retail Commercial Property Enterprises by Comprehensive Strength”(2025年度零售商業地產企業綜合實力TOP100) by Winshang.com (贏商網). Meanwhile, Shenzhen Futian Galaxy COCO Park (深圳福田星河 COCO Park) was awarded “2025 Shopping Centers Comprehensive Strength Excellent Performance 50”(2025 購物中心綜合實力卓越表現 50) by Guandian Index

Academy (觀點指數研究院). Shenzhen Longgang Galaxy COCO Park (深圳龍崗星河COCO Park) was awarded the Ruixing • 2025-2026 New Forces in Asset Management: Outstanding Asset Management Project (睿行•2025-2026資管新勢力優秀資管項目) by Ruihe Think Tank (睿和智庫).

On a mission to “build prosperous cities with business acumen (以商業智慧構築城市繁榮)”, the Group will be forward-looking, decisive, aggressive and creative with a high starting point, focus on the business opportunities and development concerned by customers, provide competitive products and services and continue to create outstanding value for consumers, partners, and shareholders.

## **BUSINESS REVIEW**

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

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

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

## **Entrusted management service model**

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

- **Services:** The Group provides (i) positioning, 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 market positioning, design and construction consultancy and tenant sourcing services from property owners, (ii) a pre-agreed percentage of the revenue or profit, and/or a fixed fee, for operational management services from property owners, (iii) management fees for operational management services from tenants and (iv) common area use fees for valued-added services from relevant customers.
- **Cost structure:** The Group bears the operating costs of managing the commercial property.

The entrusted management service model offers the Group a higher level of autonomy in managing the project, which it believes that it 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 to 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) market positioning, design and 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, design and 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.

With reference to the evaluation on the projects and requirements of the property owners, the Group flexibly chooses diversified cooperation models, such as entrusted management, brand and management output and sublease service, during its cooperation with the related parties and third parties, and has achieved good operating results.

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

	<b>As of 31 December 2025</b>		As of 31 December 2024	
	<b>Number of properties</b>	<b>Contracted GFA</b>	Number of properties	Contracted GFA
		<i>(000'sq.m.)</i>		<i>(000'sq.m.)</i>
Entrusted management service	<b>11</b>	<b>878</b>	12	886
Brand and management output service	<b>33</b>	<b>1,137</b>	34	1,408
Sublease service	<b>8</b>	<b>521</b>	7	416
<b>Total</b>	<b>52</b>	<b>2,536</b>	<b>53</b>	<b>2,710</b>

*Notes:*

- (1) Contracted GFA as of 31 December 2025 and 31 December 2024 excluded the GFA of 9 and 8 consultancy service projects, respectively.
- (2) In 2025, the Group conducted a comprehensive assessment from the perspective of its interests as a whole and took the initiative to negotiate with the property owners of Zhuhai International Mansion Shopping Mall (珠海國際大廈商場), Shanshui Outlets • Lu'an Galaxy COCO City (山水奧萊•六安星河 COCO City) and Zhuhai Lailai Galaxy COCO City (珠海來來星河 COCO City) and completed the rescission of the contract. At the same time, the Group successfully secured a contract for Shenzhen Longhua Galaxy COCO Garden (深圳龍華星河COCO Garden) project (Longhua COSTCO).

As of 31 December 2025, the Group provided services to 52 commercial property projects (including 9 consultancy service projects), with a contracted GFA of approximately 2.5 million sq.m. (excluding the GFA of 9 consultancy service projects). The reserve of consultancy service projects lays the foundation for the subsequent transformation into sustainable operation projects, and also provides continuous impetus for the stable growth of the Group.

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

	As of/for the year ended 31 December,							
	2025				2024			
	No. of properties	contracted		Revenue	No. of properties	contracted		Revenue
		GFA <sup>(5)</sup>	Revenue			GFA <sup>(5)</sup>	Revenue	
	sq.m.	RMB	%	sq.m.	RMB	%		
(in thousands, except for numbers of properties and percentages)								
Greater Bay Area <sup>(1)</sup>	32	1,464	442,444	75.9	33	1,563	476,359	73.9
– Shenzhen	20	848	391,420	67.2	19	777	412,948	64.1
Yangtze River Delta <sup>(2)</sup>	9	347	84,233	14.5	9	422	89,988	14.0
Central China region <sup>(3)</sup>	1	–	–	–	1	–	–	–
Other regions <sup>(4)</sup>	10	725	56,221	9.6	10	725	78,194	12.1
<b>Total</b>	<b>52</b>	<b>2,536</b>	<b>582,898</b>	<b>100.0</b>	<b>53</b>	<b>2,710</b>	<b>644,541</b>	<b>100.0</b>

Notes:

<sup>(1)</sup> Include Shenzhen, Guangzhou, Zhongshan, Huizhou, Zhuhai, Dongguan and Maoming.

<sup>(2)</sup> Include Shanghai, Nanjing, Changzhou, Wuxi, Jiaxing and Lu'an.

<sup>(3)</sup> Include Wuhan.

<sup>(4)</sup> Include Jieyang, Tianjin, Ordos, Chengdu, Rizhao, Xiamen and Jining.

<sup>(5)</sup> Contracted GFA as of 31 December 2025 and 31 December 2024 excluded the GFA of 9 and 8 consultancy service projects, respectively.

The table below sets forth average occupancy rate and GFA in operation of retail commercial property that commenced operation as at 31 December 2025.

<b>Product category</b>	<b>As of 31 December</b>		<b>As of</b>
	<b>Average occupancy rate<sup>(1)</sup></b>		<b>31 December</b>
	<b>2025</b>	2024	<b>2025</b>
	<b>%</b>	%	<b>Area of</b>
			<b>shopping</b>
			<b>centers in</b>
			<b>operation<sup>(2)</sup></b>
			<b>(000' sq.m.)</b>
COCO Park	<b>93.3</b>	93.8	<b>494</b>
COCO City and iCO	<b>93.7</b>	90.7	<b>529</b>
Others	<b>94.1</b>	93.9	<b>235</b>
<b>Total</b>	<b>93.6</b>	92.4	<b>1,257</b>

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

<sup>(2)</sup> The area excludes car park.

## Projects in Operation

The table below sets forth the opened retail commercial property projects of the Group as at 31 December 2025:

Commercial property	Location	Opening date (Month-Year)	Shopping Mall (sq.m.)	Car Park (sq.m.)	Total GFA in operation (sq.m.)	Operational model	Property owner
1. Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park (北區))	Shenzhen	September 2006	45,987	21,658	67,645	Entrusted management service	Galaxy Holding and its associates
2. Shenzhen Galaxy Top Living (深圳星河第三空間)	Shenzhen	May 2007	27,988	–	27,988	Entrusted management service	Galaxy Holding and its associates
3. Shenzhen Longgang Galaxy COCO Park (深圳龍崗星河COCO Park)	Shenzhen	September 2012	79,506	90,186	169,692	Entrusted management service	Galaxy Holding and its associates
4. Shenzhen Longhua Galaxy COCO City (深圳龍華星河COCO City)	Shenzhen	November 2014	45,182	123,222	168,404	Entrusted management service	Galaxy Holding and its associates
5. Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park)	Shenzhen	September 2018	39,721	–	39,721	Entrusted management service	Galaxy Holding and its associates
6. Shenzhen Futian Galaxy COCO Park (South) (深圳福田星河COCO Park (南區))	Shenzhen	July 2020	43,239	–	43,239	Entrusted management service	Galaxy Holding and its associates
7. Shenzhen Longhua Galaxy COCO Garden (深圳龍華星河COCO Garden)	Shenzhen	August 2020	3,618	–	3,618	Brand and management output service	Galaxy Holding and its associates
8. Shenzhen Galaxy Center (深圳星河中心)	Shenzhen	April 2008	72,605	–	72,605	Brand and management output service	Galaxy Holding and its associates
9. Shenzhen Longhua Galaxy iCO (深圳龍華星河iCO)	Shenzhen	December 2015	54,037	–	54,037	Brand and management output service	Independent Third Party property developers
10. Changzhou Galaxy International Phase III Project (常州星河國際三期項目)	Changzhou	August 2016	16,990	–	16,990	Brand and management output service	Galaxy Holding and its associates
11. Huizhou Galaxy COCO Garden (惠州星河COCO Garden)	Huizhou	September 2017	32,899	9,135	42,034	Brand and management output service	Galaxy Holding and its associates
12. Ordos Galaxy COCO City (鄂爾多斯星河COCO City)	Ordos	October 2017	81,522	–	81,522	Brand and management output service	Independent Third Party property developers
13. Shenzhen Shajing Galaxy COCO Garden (深圳沙井星河COCO Garden)	Shenzhen	August 2020	8,557	–	8,557	Brand and management output service	Independent Third Party property developers

Commercial property	Location	Opening date (Month-Year)	Shopping Mall (sq.m.)	Car Park (sq.m.)	Total		Operational model	Property owner
					operation	GFA in (sq.m.)		
14. Zhongshan Tianyi Galaxy COCO City (中山天奕星河COCO City)	Zhongshan	November 2020	86,938	64,790	151,728	Brand and management output service	Independent Third Party property developers	
15. Dongguan Galaxy COCO Garden (東莞星河COCO Garden)	Dongguan	October 2021	10,901	-	10,901	Brand and management output service	Independent Third Party property developers	
16. Guangzhou Nansha Dachong Galaxy COCO Garden (廣州南沙大涌星河COCO Garden)	Guangzhou	October 2022	18,029	-	18,029	Brand and management output service	Galaxy Holding and its associates	
17. Asian Financial Center Project (亞洲金融中心項目)	Guangzhou	November 2022	31,301	938	32,239	Brand and management output service	Galaxy Holding and its associates	
18. Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City)	Changzhou	August 2016	43,632	-	43,632	Sublease service	Galaxy Holding and its associates	
19. Jiaxing Galaxy COCO City (嘉興星河COCO City)	Jiaxing	July 2022	81,504	-	81,504	Sublease service	Independent Third Party property developers	
20. Commercial facilities of Shenzhen Galaxy WORLD Industrial Park (深圳星河WORLD產業園底商)	Shenzhen	April 2023	7,515	-	7,515	Brand and management output service	Galaxy Holding and its associates	
21. Xiamen Galaxy COCO Park (廈門星河COCO Park)	Xiamen	May 2023	73,507	28,834	102,341	Sublease service	Independent Third Party property developers	
22. Rizhao Galaxy iCO (日照星河iCO)	Rizhao	September 2023	56,611	-	56,611	Entrusted management service	Independent Third Party property developers	
23. Guangzhou Nansha Galaxy COCO Park (廣州南沙星河COCO Park)	Guangzhou	December 2023	96,018	-	96,018	Entrusted management service	Galaxy Holding and its associates	
24. Jiangyin Galaxy COCO City (江陰星河COCO City)	Wuxi	December 2023	51,226	-	51,226	Sublease service	Galaxy Holding and its associates	
25. Guangzhou Health Port Galaxy COCO Park (廣州健康港星河COCO Park)	Guangzhou	January 2024	115,802	-	115,802	Brand and management output service	Independent Third Party property developers	
26. Shanghai Pudong Galaxy COCO Garden (上海浦東星河COCO Garden)	Shanghai	May 2024	4,500	-	4,500	Brand and management output service	Galaxy Holding and its associates	
27. Shenzhen Guangming Galaxy COCO City (深圳光明星河COCO City)	Shenzhen	December 2025	28,086	-	28,086	Sublease service	Independent Third Party property developers	
Total			<u>1,257,421</u>	<u>338,763</u>	<u>1,596,184</u>			

## **WORK PLAN FOR 2026**

2026 marks the inaugural year of E-Star Commercial’s “15th Five-Year Plan”, serving as a pivotal year for the Group to build momentum, pool resources to break through challenges, and pursue progress while maintaining stability. Aligned with the theme of “Year of Lean Management,” this year’s core initiatives will focus on four strategic directions: digital empowerment, lean operations, unwavering commitment to safety standards, and asset value enhancement. These efforts will be comprehensively implemented across eight dimensions, striving to achieve high-quality, sustainable growth through targeted investments, scientific management, and digital-intelligence-driven approaches.

### **1. Deepening Asset Management Thinking to Strengthen Financial Foundations through Revenue-Driven Expenditure Control**

The Group deepens asset management thinking, anchoring core objectives in project investment returns and focusing on the steady, long-term growth of NOI for commercial properties. The Group continuously advances cost reduction and efficiency improvements, strictly implementing the “revenue-driven expenditure” budget control principle. The Group dynamically optimizes cost control indicators to ensure the cost expenditure rate consistently remains below the revenue target achievement rate.

In optimizing cost structures, the Group prioritizes meeting project quality standards while enhancing cost management frameworks in a high-quality approach. Marketing expenditures are precisely controlled in phases based on market conditions. Property management costs are deepened through refined oversight, and labor efficiency is continuously improved through process optimization and resource integration, thereby strengthening profit quality.

### **2. Lean Management Drives Experience Upgrades, Multi-Dimensional Enhancement of Operational Efficiency**

Centered on lean management, the Group focuses on core operational dimensions such as revenue per square foot, return on investment, and energy efficiency. The Group rigorously pursues key operational metrics including sales data quality, marketing precision, store opening rates, and customer satisfaction to comprehensively strengthen operational management effectiveness.

Empowering Merchants to Boost Sales: A “skill-training” merchant-empowering support system that focuses on enhancing merchants’ operational capabilities is established, while each project constructs a category matrix comprising 15-25 similar brands within core categories. Utilizing the 5P model for merchandise management, the Group refines brand-specific operational systems and concentrates resources to develop 2-3 core competitive categories. Strictly controlling marketing investment precision, the Group fully implements a “targeted deployment + closed-loop review” whole-process mechanism to continuously improve marketing return on investment.

Process Reengineering and System-Wide Operational Standardization: The Group comprehensively streamlines all operational workflows based on lean management principles and redefines the responsibilities of operational department alongside tenant sourcing, marketing, and property departments. Business systems are utilized to solidify operational processes and enhance work efficiency, enabling operational staff to focus on core value creation—such as boosting merchant sales and increasing revenue through merchant retention. The Group actively introduces high-quality external resources and advanced management models, optimizing the operational management system based on the Company’s actual operations to strengthen core competitiveness.

Experience Optimization and Create Differentiated Membership Services: The Group utilizes digital intelligence tools to precisely profile customers, launching exclusive cards such as Owner Family Cards ( 業主家人卡 ), Family Mini Cards ( 家庭 Mini 卡 ), and Park White-Collar Cards ( 園區白領卡 ). The Group implements personalized marketing campaigns tailored to individual preferences, offering premium members exclusive benefits like queue-free access and priority purchasing to create a high-quality consumer experience. Service month campaigns are continuously conducted to cultivate five core consumer-friendly scenarios and distinctive exclusive services are introduced to comprehensively enhance member loyalty and customer satisfaction.

### **3. Enhancing Tenant Sourcing Efficiency and Quality to Accelerate Occupancy, Securing First-Store and First-Launch Resources**

The Group comprehensively elevates tenant sourcing efficiency and quality, proactively securing first-store and first-launch resources to drive overall tenant sourcing and adjustment efforts through point-to-area development model.

**Differentiated Vacancy Reduction Strategy:** The Group implements targeted tenant sourcing and vacancy reduction based on project occupancy rates: for projects with occupancy rates above 95%, the Group prioritizes enhancing project operational quality and tenant sourcing and adjustment standards; for projects with occupancy rates between 90% and 95%, the Group adheres to the principle of “filling vacancies before optimization, prioritizing vacancy reduction.”; for projects with occupancy rates below 90%, the Group simultaneously advances project repositioning and vacancy reduction efforts.

**Quality Enhancement and Resource Allocation:** The Group maintains unwavering focus on long-term returns by advancing project adjustments, continuously driving brand revitalization, intensifying efforts to secure flagship stores and distinctive resources, and actively deploying innovative business formats. The Group also prioritizes resource allocation for key projects and those facing operational challenges, ensures stable operations for existing brands, cultivates core performance benchmark brands, and establishes a solid foundation for tenant sourcing and adjustment initiatives. Simultaneously, timely tenant renewals are guaranteed to improve tenant sourcing target achievement rates.

#### **4. Advancing Core Asset Upgrades to Consolidate Benchmark Leadership**

Focusing on core assets, the Group continuously enhances projects’ market benchmark status through precise adjustments and deepened positioning.

**Shenzhen Futian Galaxy COCO Park (深圳福田星河 COCO Park):** Prioritizing three core metrics—rental density, foot traffic density, and brand leasing density, it solidifies its position as the Greater Bay Area’s commercial benchmark. Phase I advances regional revitalization and upgrades such as Yonghui Superstores, enhancing thematic appeal and driving efficient traffic monetization. Phase II deepens community-oriented operations around the “Crossroads (十字路口)” concept, sourcing premium brands across seven directions, including local culture and trendy apparel, to achieve counter-cyclical transformation of Phase II.

**Shenzhen Galaxy WORLD • COCO Park (深圳星河 WORLD • COCO Park):** Leveraging the grand unveiling of Phase II, it establishes the second benchmark project of E-star Commercial. Deepening the empowerment value of light travel consumption within the park, it solidifies its status as a must-visit commercial landmark. Prioritizing the introduction of industry-leading brands, it strategically positions AI-driven and new experiential specialty formats, using anchor engines to drive the renewal of its brand matrix.

Shenzhen Longgang Galaxy COCO Park ( 深圳龍崗星河 COCO Park): It seizes development opportunities in asset securitization to accelerate project adjustments. Centering on contemporary female consumption trends, it deepens the core positioning of “she-economy ( 她經濟 )” through brand revitalization. It also focus adjustments on key areas like Bona Cinemas and first-floor retail, supplementing emerging experiential formats while upgrading retail and dining brands.

Shenzhen Longhua Galaxy COCO City ( 深圳龍華星河 COCO City): Designated 2026 as the proactive adjustment year, it advances all initiatives under the guiding principles of “securing performance, stabilizing adjustments, refining positioning, and strengthening operations.” Prioritizing lease renewals and replacements for the anchor supermarket tenant alongside implementing adjustments, a dedicated task force was established to coordinate project upgrades, tenant recruitment, and daily operations, ensuring a smooth operational transition.

## **5. Solidify Preparations for New Projects to Ensure Impressive Launches**

The Group focuses on core tasks for new project preparation and opening to ensure smooth implementation and efficient operations of the projects. Executing grand opening preparations for Shenzhen Guangming Galaxy COCO City Building A ( 深圳光明星河 COCO City A 館 ), the Group creates an immersive eco-themed consumption space centered around environmentally friendly principles. The Group also steadily advances preparations and openings for Shenzhen Longgang Galaxy COCO City ( 深圳龍崗星河 COCO City), Shenzhen Galaxy WORLD • COCO Park Phase II ( 深圳星河 WORLD • COCO Park 二期 ), and Nanjing Galaxy COCO City ( 南京星河 COCO City), continuously injecting high-quality commercial growth into the Group.

## **6. Digital Intelligence Drives Cost Reduction and Efficiency Improvements, Achieving a Leap from Tools to Decision-Making**

Centered on the full rollout of the ERP business integration system, the Group is driving management transformation from “passive monitoring” to “intelligent decision-making.”

Merchant-Side Upgrades: The Group will iterate the “Star Butler ( 星管家 )” product structure and develop an APP application. The Group also optimizes POS system functionality to enable voice announcements for QR code payments and explore online QR code ordering features.

Management-Side Transformation: The Group will achieve full ERP system implementation across projects and introduce AI technology to enable intelligent analysis of operational data and scientific decision-making.

**Data Foundation Consolidation:** The Group will establish a unified data warehouse, build a visual operational reporting system, and enable AI-powered rapid data queries and intelligent alerts for key performance indicators, achieving a fundamental shift toward “data-driven intelligent decision-making.”

**Organizational Empowerment:** The Group will explore AI+ERP and AI+BI automation management and efficiency enhancement models, promoting best practices for digital tool implementation.

## **7. Expanding Projects to Seize New Opportunities and Deepen Core Regional Layout**

Adhering to the principle of “focusing on deep cultivation and prioritizing quality over quantity,” the Group will make precise efforts in project expansion.

**Regional Focus:** The Group will deepen commercial layouts in core areas of the Greater Bay Area and Yangtze River Delta, exploring development opportunities across four project types: benchmark commercial, cultural tourism commercial, non-standard commercial, and community commercial projects.

**Model Innovation:** The Group will optimize partnership channels, broaden light-asset business types, and pioneer innovative collaboration models, such as multi-module combinations and full-process advisory services, to seize market development opportunities.

## **8. Organizational Optimization for Synergistic Development, Activating Endogenous Growth Momentum**

Centered on organizational restructuring, process optimization, and cultural leadership, the Group will activate the organization’s internal vitality to promote resource sharing and business synergy across the Group.

**Management Tool Upgrades:** The Group will introduce OKR management tools, promote outstanding practices from the Feishu Efficiency Pioneer Competition ( 飛書效率先鋒大賽 ), and deeply explore the application value of AI technology across various business scenarios.

**Talent Pipeline Development:** The Group will systematically strengthen talent pipeline development and conduct targeted specialized training for core business lines.

Resource Sharing Mechanism: The Group will deepen the centralized management mechanism for major projects, establish a group-wide resource sharing platform, and advance rotational assignments for management personnel alongside bottom-tier optimization adjustments.

The Group centers on projects and solidifies the “owner-like” mindset.

## FINANCIAL REVIEW

### Revenue

During the year ended 31 December 2025, the Group’s revenue amounted to approximately RMB582.9 million, representing a year-on-year decrease of approximately 9.6%.

The table below sets forth the breakdown of the Group’s total revenue by revenue model for the years indicated:

	Year ended 31 December			
	2025		2024	
	<i>RMB’000</i>	<i>%</i>	<i>RMB’000</i>	<i>%</i>
Entrusted management services	<b>377,793</b>	<b>64.8</b>	426,497	66.2
Brand and management output services	<b>73,609</b>	<b>12.6</b>	95,713	14.8
Sublease services	<b>131,496</b>	<b>22.6</b>	122,331	19.0
Total	<b><u>582,898</u></b>	<b><u>100.0</u></b>	<u>644,541</u>	<u>100.0</u>

- Entrusted management services: For the year ended 31 December 2025, revenue from entrusted management services amounted to approximately RMB377.8 million, representing a year-on-year decrease of approximately 11.4%, accounted for approximately 64.8% of the Group’s total revenue. The revenue from entrusted management service decreased primarily due to the decrease in operating income as a result of the decrease in projects.

- **Brand and management output services:** For the year ended 31 December 2025, revenue from brand and management output services amounted to approximately RMB73.6 million, representing a year-on-year decrease of approximately 23.1%, accounting for approximately 12.6% of the Group's total revenue. The decrease in revenue from brand and management output services was primarily attributable to the decrease in operating income due to the decrease in the income from pre-positioning, construction consultation and tenant sourcing services, as well as the decrease in projects, resulting from the impacts of market conditions and the real estate industry situation.
- **Sublease services:** For the year ended 31 December 2025, revenue from sublease services amounted to approximately RMB131.5 million, representing a year-on-year increase of approximately 7.5%, accounted for approximately 22.6% of the Group's total revenue. The increase in revenue from sublease services was mainly due to the increase in operating income as a result of the steady increase in operating income from sublease projects opened in recent years.

### **Cost of Services**

For the year ended 31 December 2025, the Group's cost of services amounted to approximately RMB304.6 million, representing a year-on-year decrease of approximately 12.1%, which was primarily attributable to the decrease in the cost of services as a result of the decrease in various operating costs (such as staff costs, environmental costs and energy costs) due to the decrease in the number of entrusted management projects, as well as the cost reduction and efficiency improvement through refined operations.

### **Gross Profit and Gross Profit Margin**

As a result of the foregoing, for the year ended 31 December 2025, the Group's gross profit amounted to approximately RMB278.3 million, representing a year-on-year decrease of approximately 6.6%.

The table below sets forth the gross profit contribution by each operational model for the Group's commercial property operational services and the respective gross profit margins for the years indicated:

	<b>Year ended 31 December</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Gross profit</b>	<b>Gross profit</b>	<b>Gross profit</b>	<b>Gross profit</b>
	<b>margin</b>	<b>margin</b>	<b>margin</b>	<b>margin</b>
	<b>RMB'000</b>	<b>%</b>	<b>RMB'000</b>	<b>%</b>
Entrusted management services	<b>205,783</b>	<b>54.5</b>	220,151	51.6
Brand and management output services	<b>54,738</b>	<b>74.4</b>	68,984	72.1
Sublease services	<b>17,747</b>	<b>13.5</b>	8,771	7.2
<b>Total/Overall</b>	<b><u>278,268</u></b>	<b><u>47.7</u></b>	<b><u>297,906</u></b>	<b><u>46.2</u></b>

For the year ended 31 December 2025, the Group's gross profit margin amounted to approximately 47.7%, representing an increase of approximately 1.5 percentage points as compared with approximately 46.2% for the same period of 2024, primarily attributable to cost reductions and improved efficiency through refined operations, which led to a decrease in various operating costs (such as staff costs, environmental costs and energy costs), thereby driving an increase in the gross profit margin. Regarding sublease services, the gross profit margin saw a significant increase. In addition to the aforementioned factors, this was driven by a rise in operating revenue resulting from the steady growth of operating income from sublease projects opened in recent years, thereby driving an increase in the gross profit margin.

## **Other Income**

For the year ended 31 December 2025, other income amounted to approximately RMB30.7 million, representing a year-on-year decrease of approximately 17.0%, primarily attributable to the decrease in bank interest income as a result of the decrease in average bank deposit rates.

## **Other Gains and Losses**

For the year ended 31 December 2025, other net loss was approximately RMB3.4 million, mainly due to foreign currency exchange losses.

## **(Impairment losses recognised) Net reversal of impairment losses under expected credit loss model**

For the year ended 31 December 2025, the Group recognised impairment losses under the expected credit loss model amounting to approximately RMB8.0 million (for the year ended 31 December 2024: impairment losses under expected credit loss model of approximately RMB1.1 million), primarily attributable to the change in the estimation of future recovery of trade receivables in light of the situation and circumstances of the projects during the reporting period.

## **Selling Expenses**

For the year ended 31 December 2025, the Group's selling expenses amounted to approximately RMB20.8 million, representing a year-on-year decrease of approximately of 21.1%, primarily due to the decrease in the number of entrusted management projects, as well as precise marketing and promotional activities to control costs effectively, which led to a decrease in selling expenses.

## **Administrative Expenses**

For the year ended 31 December 2025, the Group's administrative expenses amounted to approximately RMB62.6 million, representing a year-on-year decrease of approximately 17.0%, primarily due to the continued optimization of its organizational structure and the enhancement of management effectiveness, resulting in a decrease in administrative expenses.

## **Finance Costs**

The Group's finance costs represent interest expense on lease liabilities recognized pursuant to HKFRS 16 in respect of sublease projects.

For the year ended 31 December 2025, the Group's finance costs amounted to approximately RMB37.1 million, which was largely unchanged from the same period of the previous year.

## **Share of Result of a Joint Venture**

For the year ended 31 December 2025, the Group's share of result of a joint venture was approximately nil (for the year ended 31 December 2024: loss of approximately RMB0.1 million), mainly attributable to the Group's investment in Guangzhou Kaixing Business Management Co. Ltd.

## **Income Tax Expenses**

For the year ended 31 December 2025, the Group's income tax expenses amounted to approximately RMB38.9 million, representing a year-on-year decrease of 12.1%. This was mainly due to the decrease in profit before tax and the increase in deferred tax for the period.

## **Profit for the Year**

For the year ended 31 December 2025, the Group's profit for the year was approximately RMB138.2 million, representing a decrease of approximately 6.8% as compared with the profit for the year of approximately RMB148.4 million for the year ended 31 December 2024. Profit attributable to the owners of the Company amounted to approximately RMB142.6 million, representing a decrease of approximately 7.7% as compared with approximately RMB154.5 million for the year ended 31 December 2024.

## **Trade and Other Receivables**

The Group's trade and other receivables mainly consist of trade receivables arising from the operation services of commercial properties in respect of shopping centers, shopping streets and commercial complexes, rental deposits, receivables from third-party payment platforms, other tax recoverable, prepayments and others. As at 31 December 2025, excluding rental deposits, the current portion of the Group's trade and other receivables amounted to approximately RMB35.9 million, representing a year-on-year decrease of 18.4% as compared with that of approximately RMB44.0 million as at 31 December 2024, which was mainly attributable to the Group's proactive collection efforts on various receivables, resulting in a decrease in trade receivables.

## **Trade and other payables**

The Group's trade and other payables primarily represent amounts due to suppliers/subcontractors as well as related parties for the purchase of services and goods, receipts on behalf of tenants, deposits received from tenants, staff salaries payable, leasehold improvement payable and others. As at 31 December 2025, the Group's trade and other payables amounted to approximately RMB276.9 million, relatively flat as compared with approximately RMB286.3 million as at 31 December 2024.

## **Investment properties**

The Group's investment properties mainly refer to the right-of-use assets recognised in accordance with HKFRS 16 in respect of subleased projects. As at 31 December 2025, the Group's investment properties amounted to approximately RMB797.1 million, representing a year-on-year increase of approximately 2.1% as compared with approximately RMB780.4 million as at 31 December 2024, which was primarily due to increased renovation expenditures for sublease projects and the declining depreciation of right-of-use assets.

## **Charge of assets**

As at 31 December 2025, none of the assets of the Group were being charged.

## **Contingent liabilities**

As at 31 December 2025, the Group did not have any material contingent liabilities.

## **Liquidity and capital resources**

The Group has maintained stable financial position and sufficient liquidity and bank balances. As at 31 December 2025, the Group's short-term bank deposits and cash and cash equivalents amounted to approximately RMB1,343.4 million, remained relatively unchanged as compared with that of approximately RMB1,366.5 million as at 31 December 2024. The management believes that the Group's financial resources and future revenue will be sufficient to support the current working capital requirement and future expansion of the Group.

## **Bank loans and other borrowings**

There are no bank loans and other borrowings of the Group as at 31 December 2025 (31 December 2024: Nil).

## **Gearing ratio**

Gearing ratio is calculated based on total liabilities as at 31 December 2025 divided by total assets as at 31 December 2025. As at 31 December 2025, gearing ratio was approximately 44.4%, remaining relatively stable as compared with approximately 44.9% as at 31 December 2024.

## **Foreign exchange risk**

The Group primarily operates in the PRC and its businesses are principally conducted in RMB. As at 31 December 2025, assets and liabilities denominated in currencies other than RMB were mainly cash and cash equivalents dominated in Hong Kong dollars or United States dollars. The Group did not enter into any forward exchange contract to hedge against foreign exchange risk, but the management will continue to monitor foreign exchange risk and adopt a prudent approach to reduce the foreign exchange risk.

## Net Proceeds from the Listing and Over-allotment

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 of Hong Kong Limited (the “**Stock Exchange**”) on 26 January 2021 (the “**Listing Date**”), including the Over-allotment Option (as defined in the prospectus of the Company dated 14 January 2021 (the “**Prospectus**”)), with a total net proceeds of RMB841.8 million (the “**Net Proceeds**”) raised.

By using the allocations basis as stated in the Prospectus, the Group intended to use the Net Proceeds as follows: (i) approximately 55%, or approximately RMB463.0 million, for pursuing strategic acquisition of and investment in other small to mid-sized commercial property operational service providers in order to scale up its commercial property operational service business and expand its commercial property operational service portfolio (the “**Intended Acquisitions**”); (ii) approximately 20%, or approximately RMB168.4 million, for renovation of retail commercial properties under the sublease service model; (iii) approximately 10%, or approximately RMB84.2 million, for making minority equity investment in the project companies which own quality commercial properties; (iv) approximately 5%, or approximately RMB42.0 million, for upgrading internet-based and information systems to raise its management service quality, reduce labour costs and improve internal control; and approximately 10%, or approximately RMB84.2 million, for its general business purpose and working capital.

On 25 August 2022, the Board resolved to change the proposed use of the Net Proceeds in the following manner: (i) the original proposed allocation of approximately 55% of the Net Proceeds for the Intended Acquisitions will be re-allocated for lease expenses and renovation of retail commercial properties under the sublease service model; and (ii) the original proposed use of Net Proceeds for renovation of retail commercial properties under the sublease service model will be expanded to cover also lease expenses of retail commercial properties under the sublease service model (collectively, the “**Intended Renovations**”). For details, please refer to the interim results announcement of the Company dated 25 August 2022 (the “**Announcement**”) and the 2022 interim report of the Company.

As of 31 December 2025, a breakdown of the utilisation of Net Proceeds is as follows:

	Utilised Net Proceeds				Expected time of full utilisation
	Approximate amount of Net Proceeds after reallocation (RMB million)	Unutilised Net Proceeds as at 1 January 2025 (RMB million)	For the twelve months ended 31 December 2025 (RMB million)	Unutilised Net Proceeds as at 31 December 2025 (RMB million)	
Revised use of Net Proceeds as set out in the Announcement					
For lease expenses and renovation of retail commercial properties under the sublease service model	631.4	346.7	110.5	236.2	by end of 31 December 2028
To make minority investment in the project companies which own quality commercial properties	84.2	45.2	–	45.2	by end of 31 December 2028
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	21.0	17.5	2.9	14.6	by end of 31 December 2028
– to improve customers services	21.0	14.5	1.6	12.9	by end of 31 December 2028
For general business purpose and working capital	84.2	–	–	–	
Total	841.8	423.9	115.0	308.9	

As of 31 December 2025, save as disclosed above, the Directors are not aware of any material change in the planned use of the Net Proceeds. The remaining Net Proceeds which had not been utilised were deposited with licensed financial institution. The unutilised Net Proceeds and the above timeline of intended utilisation will be applied in the manners disclosed by the Company. However, the expected timeline for the unutilised Net Proceeds is based on the Directors' best estimation barring unforeseen circumstances, and would be subject to change based on the future development of the Group's business and the market conditions.

As at the date of this announcement, the Company further announced that the Net Proceeds will only be fully utilized by the end of 31 December 2028. For further details, please refer to the announcement published on 26 February 2026.

## **NUMBER OF EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2025, the total number of employees of the Group was 874 (2024: 954). Employees are remunerated according to their qualifications and experience, job nature and performance, and under the pay scales aligned with market conditions. Other benefits to employees include medical scheme, insurance coverage, retirement schemes, share option scheme and award of restricted share units under the restricted share unit scheme adopted by the Company on 4 November 2021.

Except for the share option scheme and award of restricted share units under the restricted share unit scheme adopted by the Company on 4 November 2021, the ultimate controlling shareholder, Mr. Huang Chu-Long adopted a share award scheme on 17 April 2023 to encourage and reward the eligible employees (including the Directors) for their contributions to the Group's results and business development. Share awards to certain employees, senior management and directors of the Group who make significant contribution to the Group were granted by Mr. Huang Chu-Long on 17 April 2023.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as disclosed in this announcement, the Company did not have other plans for material investments or capital assets as at the date of this announcement.

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

The Company has no significant investments held and no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended and as at 31 December 2025.

## **SUBSEQUENT EVENTS**

After the year ended 31 December 2025 and up to the date of this announcement, the Group had no significant events occurred which have material impact on the Group.

## **FINAL DIVIDEND**

The Board recommended the declaration of a final dividend of HK8.5 cents per ordinary share for the year ended 31 December 2025. Such proposed final dividend is subject to the approval by the shareholders of the Company (the “**Shareholder(s)**”) at the forthcoming annual general meeting of the Company scheduled to be convened and held on Friday, 5 June 2026 (the “**AGM**”).

## **ANNUAL GENERAL MEETING**

The 2026 AGM will be convened and held on Friday, 5 June 2026. A circular containing the notice of the 2026 AGM and information regarding, inter alia, the re-election of the retiring Directors and the granting of the general mandates to the Directors to issue new shares and to repurchase shares will be published and despatched to the Shareholders in due course.

## **CLOSURE OF THE REGISTER OF MEMBERS**

The register of members of the Company will be closed during the following periods:

### **(a) Attending the 2026 AGM**

For the purpose of determining the Shareholders' rights to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Tuesday, 2 June 2026 to Friday, 5 June 2026, both days inclusive, during which period no transfer of Shares will be registered.

For the purpose of determining the entitlement to attend and vote at the 2026 AGM, all transfer document 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 Monday, 1 June 2026.

### **(b) Payment of the proposed final dividend**

For the purpose of determining the Shareholders' entitlement to the proposed final dividend for the year ended 31 December 2025, the register of members of the Company will be closed from Friday, 12 June 2026 to Tuesday, 16 June 2026, both days inclusive, during which period no transfer of shares of the Company will be registered.

For the purpose of determining the entitlement to the proposed final dividend for the year ended 31 December 2025, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 11 June 2026.

It is expected that the final dividend will be paid in cash on or before Friday, 10 July 2026 to those Shareholders whose names appear on the register of members of the Company at close of business on Tuesday, 16 June 2026, being the record date of determination of entitlements of the final dividend.

## **COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as the code for dealing in securities of the Company by the Directors. Having made specific enquiry by the Company to all the Directors, the Directors confirmed that they were in compliance with the required standard as set out in the Model Code during the year ended 31 December 2025.

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

For the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

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

During the year ended 31 December 2025, the Directors are of the view that the Company had applied the principles of good corporate governance and complied with the code provisions as set out in Part 2 of the Corporate Governance Code as contained in Appendix C1 to the Listing Rules. Further information about the corporate governance practices of the Company will be set out in the annual report of the Company for the year ended 31 December 2025.

## **REVIEW OF ANNUAL RESULTS**

The audit committee of the Company has reviewed with the management and the Company’s auditor the accounting principles and practices adopted by the Group and discussed auditing, financial reporting process and internal control matters including a review of the annual results of the Group for the year ended 31 December 2025.

## **SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 25 March 2026. The work performed by Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Deloitte Touche Tohmatsu on the preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

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

The annual report of the Company for the year ended 31 December 2025 will be despatched to the Shareholders and made available on the websites of the Stock Exchange and the Company in due course.

## **APPRECIATION**

I would like to take this opportunity to express my appreciation to the Shareholders for their support, to the fellow Board members, management and staff for their dedicated efforts to the Group and to its clients, consultants and business partners for all their valuable assistance offered during the year.

On behalf of  
Board of Directors of  
**E-Star Commercial Management Company Limited**  
**Huang De-Lin Benny**  
*Chairman and executive Director*

Hong Kong, 25 March 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.*