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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
CONNECTED TRANSACTION
CHANGE IN COMMERCIAL PROPERTY OPERATING MODEL AND DISPOSAL OF 100% EQUITY INTEREST IN CHANGZHOU COMMERCIAL MANAGEMENT

Reference is made to the announcement of E-Star Commercial Management Company Limited (the "**Company**") dated 9 March 2026 (the "**Announcement**") in relation to the connected transaction regarding the change in commercial property operating model and the disposal of 100% equity interest in Changzhou Commercial Management. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board wishes to provide (i) further information and clarifications on the basis of determining the Consideration and the reasons for and benefits of the Disposal; and (ii) a clarification on the transaction classification and the title of the Announcement.

BASIS OF CONSIDERATION FOR THE DISPOSAL OF 100% EQUITY INTEREST IN CHANGZHOU COMMERCIAL MANAGEMENT

As disclosed in the section headed "The Equity Transfer Agreement – Consideration" in the Announcement, the consideration for the Disposal (the "**Consideration**") is RMB5.50 million, which shall be paid in cash and was determined after arm's length negotiations between Nanjing Xingheng and the Purchaser with reference to, among others, the historical operating results, historical financial position and future business prospects and operating environment of Changzhou Commercial Management.

The Board wishes to supplement that, in determining the Consideration, it has in particular taken into account the following factors already referred to in the Announcement:

Financial position as at 31 December 2025 and expected performance prior to Completion

As disclosed in the section headed "Financial Effects of the Disposal" in the Announcement, the unaudited net assets of Changzhou Commercial Management as at 31 December 2025 amounted to approximately RMB3.91 million, such figure is derived by taking the audited net asset value as at 31 December 2024 as a basis, adding the post-tax profit for 2025, and deducting the dividends to be distributed by Changzhou Commercial Management to its shareholders in 2025; this calculation method fairly reflects the net asset value of Changzhou Commercial Management. In considering the profits which Changzhou Commercial Management was expected to generate subsequent to 31 December 2025 but prior to Completion, account has been taken of its recent operating trend, the unaudited net profit after taxation of approximately RMB4.88 million for the year ended 31 December 2025, and the leases already entered into in respect of the Property.

Overall assessment

Taking into account (i) the premium of the Consideration over the unaudited net assets of approximately RMB3.91 million as at 31 December 2025; (ii) the profits expected to be generated by Changzhou Commercial Management subsequent to the year end but prior to Completion; (iii) its historical operating results and earnings level; (iv) the fact that, following Completion, the Group will cease to bear the lease liabilities, rental payments and associated operational risks under the Lease Agreement while continuing to receive service fee income from the Property under the brand and management output services model (as further elaborated below); (v) given the benefits of the change in operating model of the Property (as detailed below), there have been no plans to transfer Changzhou Commercial Management to a third party, the Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable, on normal commercial terms or better and in the interests of the Company and its shareholders as a whole.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND THE CHANGE IN OPERATING MODEL OF THE PROPERTY

The section headed "Reasons for and benefits of the Disposal" in the Announcement sets out the rationale for the Disposal and the related change in the operating model of the Property. The Board wishes to provide further details as follows:

Uncertainties in the surrounding commercial environment of the Property

The Property is located in Wujin District, Changzhou, where a number of existing and planned commercial properties (such as shopping malls and retail complexes) are situated. The Board has observed (i) increasing competition from the surrounding commercial properties of the Property; (ii) aged commercial properties in general may lose competitiveness in the medium to long run due to deferred maintenance; and (iii) shifting demands of commercial tenancies due to macroeconomic and local demographic factors. These factors introduce significant uncertainties to the future performance of the Property, including future demand of tenancy, occupancy rates and achievable rental levels of the Property.

Leasing risk – fixed costs and tenant uncertainties under the current sublease service model

As disclosed in the Announcement, Changzhou Commercial Management currently operates the Property under a sublease service model. Under the Lease Agreement, Changzhou Commercial Management leases the Property from Changzhou Xingshengbao under a fixed rent arrangement (subject to an annual increase of approximately 3%), and then sub-leases the Property to tenants and undertakes day-to-day operation and management.

Under this model, Changzhou Commercial Management, and hence the Group, bears substantial leasing risk, including:

– the obligation to pay fixed rental (with annual increment) and other fixed operating costs in respect of the Property for the remaining lease term, irrespective of the actual occupancy or rental income generated from tenants; and

– uncertainties as to whether existing tenants may choose not to renew or may vacate, and whether the Group may need to reduce rents or grant concessions in order to retain tenants or attract new tenants, having regard to the intensifying competition from surrounding commercial properties of the Property and the broader market environment.

In other words, under the current sublease service model, the Group must continue to bear fixed rental and operating costs even if tenants leave or rents need to be adjusted downwards, which may result in more volatile and less predictable returns from the Property.

Rationale and benefits of changing to a brand and management output services model

Through the Disposal and the entry into of the Cooperation Agreement, the operating model of the Property will be changed from a sublease service model to a brand and management output services model (the "**Change**"), under which the Group, through Nanjing Xingheng, will provide brand and management output services in respect of the Property to Changzhou Commercial Management and receive service fees therefrom.

The Board considers that the Change, together with the Disposal:

– enables the Group to avoid material disruption to tenants and operations, as the parties to the Lease Agreement will continue to be Changzhou Commercial Management and Changzhou Xingshengbao and there will be no termination, novation or amendment of the Lease Agreement in connection with the Disposal;

– allows the Group to cease bearing the fixed rental obligations, lease liabilities and associated leasing and operational risks under the Lease Agreement, as Changzhou Commercial Management will cease to be a member of the Group upon Completion; and

– permits the Group to continue to participate in the operation of the Property and receive service fees under a more asset-light and lower-risk business model, which enhances the Group's financial flexibility and is consistent with the Group's long-term strategy of reducing the commercial properties under the sublease service model with the fixed rental obligations

Having regard to (i) the heightened uncertainties arising from the competitive environment of surrounding commercial properties of the Property; (ii) the fixed rental payments and operating costs and the associated leasing and vacancy risks currently borne by the Group under the sublease service model; and (iii) the Group's continued participation in the Property and receipt of service fee income under the brand and management output services model without assuming such fixed costs and leasing risks, the Directors (including the independent non-executive Directors) continue to be of the view that the Disposal and the Change are in the interests of the Company and its shareholders as a whole.

TRANSACTION CLASSIFICATION AND CORRECTION OF THE TITLE OF THE ANNOUNCEMENT

As set out in the section headed "Listing Rules Implications" in the Announcement, based on the relevant percentage ratios (as defined under the Listing Rules), the highest applicable percentage ratio in respect of the Disposal is more than 0.1% but less than 5%. Accordingly, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement pursuant to Rule 14A.76 of the Listing Rules.

The Company wishes to clarify that, in light of the above, the Disposal does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The inclusion of the words "DISCLOSEABLE AND" in the English title and "須予披露及" in the Chinese title of the Announcement was inadvertent.

The correct title of the Announcement should read as follows:

"CONNECTED TRANSACTION – CHANGE IN COMMERCIAL PROPERTY OPERATING MODEL AND DISPOSAL OF 100% EQUITY INTEREST IN CHANGZHOU COMMERCIAL MANAGEMENT"

Save as supplemented and clarified in this announcement, all other information in the Announcement remains unchanged and shall continue to be valid.

By order of the Board
E-Star Commercial Management Company Limited
星盛商業管理股份有限公司
Huang De-Lin Benny
Chairman

Hong Kong, 9 April 2026

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