星盛商業
E-STAR COMMERCIAL

星盛商業管理股份有限公司
E-STAR COMMERCIAL MANAGEMENT COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 6668

INTERIM REPORT 2025

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Directors

Mr. Liu Jun
Mr. Huang De'An Tony

Independent non-executive Directors

Dr. Zhang Jinghua
Mr. Guo Zengli
Ms. Wan Hoi Lam

COMMITTEES

Audit Committee

Ms. Wan Hoi Lam *(Chairman)*
Mr. Liu Jun
Mr. Guo Zengli

Remuneration Committee

Mr. Guo Zengli *(Chairman)*
Dr. Zhang Jinghua
Mr. Liu Jun

Nomination Committee

Mr. Huang De-Lin Benny *(Chairman)*
Mr. Guo Zengli
Dr. Zhang Jinghua

AUTHORISED REPRESENTATIVES

Mr. Huang De-Lin Benny
Ms. Xu Jing

COMPANY SECRETARY

Ms. Xu Jing

INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
35th Floor, One Pacific Place
88 Queensway
Hong Kong

REGISTERED OFFICE

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Grand Cayman
KY1-1106
Cayman Islands

PLACE OF BUSINESS IN HONG KONG

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Sheung Wan
Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Guangdong Province
PRC

PRINCIPAL SHARE REGISTRAR

Appleby Global Services (Cayman) Limited
71 Fort Street
PO Box 500
George Town
Grand Cayman
KY1-1106
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKS

Industrial and Commercial Bank of China Limited
China Construction Bank Corporation
Ping An Bank Co., Ltd.

COMPANY'S HONG KONG LEGAL ADVISOR

Eric Chow & Co. in Association with Commerce & Finance Law Offices

COMPANY'S WEBSITE

www.g-cre.com

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

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

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

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

BUSINESS REVIEW

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

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

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

BUSINESS REVIEW *(Continued)*

Entrusted management service model

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

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

- Customers: The Group's customers include (i) property owners; (ii) tenants; and (iii) relevant customers in respect of value-added services.

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

- Cost structure: The Group bears the operating costs of managing the commercial property.

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

Brand and management output service model

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

- Services: The Group's services include (i) positioning, construction consultancy and tenant sourcing services; and (ii) operational management services.

- Customers: The Group's customers only include property owners.

- Revenue sources: The Group's revenue sources include (i) fixed fees for positioning, construction consultancy and tenant sourcing services from property owners; and (ii) a pre-agreed percentage of the revenue and/or profit, and/or a fixed fee, for operational management services from property owners.

- Cost structure: The Group only bears its staff costs related to the projects, a portion of which will be reimbursed by the property owners, and the property owners bear the operating costs of managing the commercial properties.

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

BUSINESS REVIEW *(Continued)*

Sublease service model

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

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

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

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

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

Note:

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

BUSINESS REVIEW *(Continued)*

Projects in Operation

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

	Commercial property	Location	Opening date (Month-Year)	Shopping Mall (sq.m.)	Car Park (sq.m.)	Total GFA in operation (sq.m.)	Operational model	Property owner
1.	Shenzhen Futian Galaxy COCO Park (North) (深圳福田星河COCO Park(北區))	Shenzhen	September 2006	45,987	21,658	67,645	Entrusted management service	Galaxy Holding Group Co., Ltd.* (星河控股集團有限公司) ("**Galaxy Holding**") and its associates
2.	Shenzhen Galaxy Top Living (深圳星河第三空間)	Shenzhen	May 2007	27,988	–	27,988	Entrusted management service	Galaxy Holding and its associates
3.	Shenzhen Galaxy Center (深圳星河中心)	Shenzhen	April 2008	72,605	–	72,605	Brand and management output service	Galaxy Holding and its associates
4.	Shenzhen Longgang Galaxy COCO Park (深圳龍崗星河COCO Park)	Shenzhen	September 2012	79,506	94,871	174,377	Entrusted management service	Galaxy Holding and its associates
5.	Shenzhen Longhua Galaxy COCO City (深圳龍華星河COCO City)	Shenzhen	November 2014	45,182	123,222	168,404	Entrusted management service	Galaxy Holding and its associates
6.	Shenzhen Longhua Galaxy iCO (深圳龍華星河iCO)	Shenzhen	December 2015	54,037	–	54,037	Brand and management output service	Independent Third Party property developers
7.	Changzhou Galaxy International Phase III Project (常州星河國際三期項目)	Changzhou	August 2016	16,990	–	16,990	Brand and management output service	Galaxy Holding and its associates
8.	Changzhou Wujin Hutang Galaxy COCO City (常州武進湖塘星河COCO City)	Changzhou	August 2016	43,632	–	43,632	Sublease service	Galaxy Holding and its associates
9.	Huizhou Galaxy COCO Garden (惠州星河COCO Garden)	Huizhou	September 2017	32,899	9,135	42,034	Brand and management output service	Galaxy Holding and its associates
10.	Ordos Galaxy COCO City (鄂爾多斯星河COCO City)	Ordos	October 2017	81,522	–	81,522	Brand and management output service	Independent Third Party property developers
11.	Shenzhen Galaxy WORLD • COCO Park (深圳星河WORLD • COCO Park)	Shenzhen	September 2018	39,721	–	39,721	Entrusted management service	Galaxy Holding and its associates
12.	Shenzhen Futian Galaxy COCO Park (South) (深圳福田星河COCO Park(南區))	Shenzhen	July 2020	43,239	–	43,239	Entrusted management service	Galaxy Holding and its associates
13.	Shenzhen Longhua Galaxy COCO Garden (深圳龍華星河COCO Garden)	Shenzhen	August 2020	3,618	–	3,618	Entrusted management service	Galaxy Holding and its associates
14.	Shenzhen Shajing Galaxy COCO Garden (深圳沙井星河COCO Garden)	Shenzhen	August 2020	8,557	–	8,557	Brand and management output service	Independent Third Party property developers
15.	Zhongshan Tianyi Galaxy COCO City (中山天奕星河COCO City)	Zhongshan	November 2020	86,938	64,790	151,728	Brand and management output service	Independent Third Party property developers
16.	Dongguan Galaxy COCO Garden (東莞星河COCO Garden)	Dongguan	October 2021	10,901	–	10,901	Brand and management output service	Independent Third Party property developers
17.	Jiaxing Galaxy COCO City (嘉興星河COCO City)	Jiaxing	July 2022	81,504	–	81,504	Sublease service	Independent Third Party property developers
18.	Guangzhou Nansha Dachong Galaxy COCO Garden (廣州南沙大涌星河COCO Garden)	Guangzhou	October 2022	18,029	–	18,029	Brand and management output service	Galaxy Holding and its associates
19.	Asian Financial Center Project (亞洲金融中心項目)	Guangzhou	November 2022	31,301	938	32,239	Brand and management output service	Galaxy Holding and its associates
20.	Commercial facilities of Shenzhen Galaxy WORLD Industrial Park (深圳星河WORLD產業園底商)	Shenzhen	April 2023	7,515	–	7,515	Brand and management output service	Galaxy Holding and its associates

BUSINESS REVIEW *(Continued)*

Projects in Operation *(Continued)*

	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
21.	Xiamen Galaxy COCO Park (廈門星河COCO Park)	Xiamen	May 2023	73,507	28,834	102,341	Sublease service	Independent Third Party property developers
22.	Rizhao Galaxy iCO (日照星河iCO)	Rizhao	September 2023	56,611	–	56,611	Entrusted management service	Independent Third Party property developers
23.	Shanshui Outlets • Lu'an Galaxy COCO City (山水奧萊•六安星河COCO City)	Lu'an	December 2023	75,692	–	75,692	Brand and management output service	Independent Third Party property developers
24.	Guangzhou Nansha Galaxy COCO Park (廣州南沙星河COCO Park)	Guangzhou	December 2023	96,018	–	96,018	Entrusted management service	Galaxy Holding and its associates
25.	Jiangyin Galaxy COCO City (江陰星河COCO City)	Wuxi	December 2023	51,226	–	51,226	Sublease service	Galaxy Holding and its associates
26.	Guangzhou Health Port Galaxy COCO Park (廣州健康港星河COCO Park)	Guangzhou	January 2024	115,802	–	115,802	Brand and management output service	Independent Third Party property developers
27.	Shanghai Pudong Galaxy COCO Garden (上海浦東星河COCO Garden)	Shanghai	May 2024	4,500	–	4,500	Brand and management output service	Galaxy Holding and its associates
	Total			1,305,027	343,448	1,648,475		

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

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

Notes:

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

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

(3) Includes Wuhan.

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

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

BUSINESS REVIEW *(Continued)*

Projects in Operation *(Continued)*

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

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

Notes:

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

(2) The area excludes car parking area.

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

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

1. Enhance asset value and strengthen benchmarking position

(1) Focus on benchmarking and upgrading

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

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

E-STAR COMMERCIAL WORK PLAN FOR THE SECOND HALF OF 2025 *(Continued)*

1. Enhance asset value and strengthen benchmarking position *(Continued)*

(1) Focus on benchmarking and upgrading *(Continued)*

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

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

(2) Precision-targeted investment promotion

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

(3) Strengthening operations to enhance profitability

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

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

E-STAR COMMERCIAL WORK PLAN FOR THE SECOND HALF OF 2025 *(Continued)*

1. Enhance asset value and strengthen benchmarking position *(Continued)*

(4) Enhancing services to strengthen stickiness

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

(5) Strictly controlling quality to ensure timely opening

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

2. Enhance digital intelligence capabilities to drive business growth

(1) Platform integration and synergy optimization

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

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

E-STAR COMMERCIAL WORK PLAN FOR THE SECOND HALF OF 2025 *(Continued)*

2. Enhance digital intelligence capabilities to drive business growth *(Continued)*

(2) Intelligent deployment of data upgrade

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

3. Strengthen cost awareness and optimize resource allocation

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

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

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

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

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

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

(1) Regional focus on resource intensive cultivation

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

(2) Continue to expand business innovations

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

EVENTS AFTER REPORTING PERIOD

There are no events subsequent to 30 June 2025 and up to the date of this report that have material impact on the Group's operating and financial performance.

FINANCIAL REVIEW

Revenue

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

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

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

- Entrusted management services: For the six months ended 30 June 2025, revenue from entrusted management services amounted to approximately RMB185.7 million, representing a period-on-period decrease of approximately 11.4% and accounting for approximately 65.3% of the total revenue of the Group. The revenue from entrusted management service decreased primarily due to the decrease in operating income as a result of the decrease in projects.

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

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

FINANCIAL REVIEW *(Continued)*

Cost of Services

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

Gross Profit and Gross Profit Margin

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

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

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

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

- Entrusted management services: For the six months ended 30 June 2025, the gross profit margin remained relatively stable as compared with the corresponding period of 2024.

- Brand and management output services: For the six months ended 30 June 2025, the gross profit margin remained relatively stable as compared with the corresponding period of 2024.

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

FINANCIAL REVIEW *(Continued)*

Other Income

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

Other Gains and Losses

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

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

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

Selling Expenses

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

Administrative Expenses

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

Finance Costs

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

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

Share of Result of a Joint Venture

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

FINANCIAL REVIEW *(Continued)*

Income Tax Expense

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

Profit for the period

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

Trade and other receivables

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

Trade and other payables

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

Contingent liabilities

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

Liquidity and capital resources

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

Bank loans and other borrowings

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

FINANCIAL REVIEW *(Continued)*

Gearing ratio

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

Foreign exchange risk

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

Net Proceeds from the Global Offering and Over-allotment Option

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

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

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

FINANCIAL REVIEW *(Continued)*

Net Proceeds from the Global Offering and Over-allotment Option *(Continued)*

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

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

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

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

NUMBER OF EMPLOYEES AND REMUNERATION POLICIES

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

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

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

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

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

PLEDGE OF ASSETS

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AND LISTING RULES

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

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

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules on the Stock Exchange as its own code of conduct for Directors in their dealings in the securities of the Company. Having made specific inquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code for the six months ended 30 June 2025. The Company's relevant employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company during the six months ended 30 June 2025.

CHANGES IN DIRECTORS' INFORMATION

During the six months ended 30 June 2025 and up to the date of this report, upon specific enquiry by the Company and confirmations from Directors, since the date of the Company's 2024 annual report, there is no change in the information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

REVIEW OF INTERIM REPORT

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

SHARE CAPITAL

The Company's total issued share capital as at 30 June 2025 was 1,014,516,000 ordinary shares.

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

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

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

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the Directors and the chief executive of the Company had the following interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

Interest in shares of the Company

Name of Directors	Capacity/Nature of interest	Number of shares[2]	Approximate percentage of issued share capital[1]
Mr. Huang De-Lin Benny	Interest in a controlled corporation[3]	147,303,000 (L)	
	Founder of a discretionary trust[4]	1,293,000 (L)	
	Beneficial owner	86,000 (L)	
	Total	**148,682,000 (L)**	**14.66%**
Mr. Huang De'An Tony	Beneficial owner	1,791,000 (L)	0.18%
Mr. Chen Qunsheng	Beneficial owner	212,000 (L)	0.02%
Mr. Ma Chaoqun	Beneficial owner	80,000 (L)	0.01%
Mr. Liu Jun	Beneficiary of a trust	200,000 (L)	0.02%

Notes:

(1) The calculation is based on the total number of 1,014,516,000 Company's shares in issue as at 30 June 2025.

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

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

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

Save as disclosed above, as at 30 June 2025, none of the Directors or the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (b) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF PERSONS OTHER THAN DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, the following persons, other than the Directors or the chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO:

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

Notes:

(1) The calculation is based on the total number of 1,014,516,000 Company’s shares in issue as at 30 June 2025.

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

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

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

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

Save as disclosed above, as at 30 June 2025, the Company had not been notified by any other person (other than the Directors or the chief executive of the Company) who had an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE INCENTIVE SCHEME

For the purpose of implementing the share incentive scheme to retain talent, promote the long-term sustainable development of the Group and achieve mutual gain for the Company, employees and Shareholders, on 1 August 2019, Virtue Investment was incorporated in the BVI as a special purpose vehicle to hold shares to be granted to eligible grantees under a share incentive scheme to be adopted at least six months after the Listing.

Mr. Huang Chu-long (“**Mr. Huang**”), a controlling shareholder of the Company, adopted the Share Award Scheme. The Share Award Scheme has a term of 10 years from the date of adoption.

On 17 April 2023, Mr. Huang granted a total of 54,800,000 awarded Shares under the Share Award Scheme to 136 eligible participants within the Group and companies controlled by Mr. Huang. As at 30 June 2025, 16,080,000 awarded Shares were outstanding.

The share incentive scheme is a discretionary incentive scheme adopted by Mr. Huang which does not involve issue of new Shares, and thus does not constitute a share scheme of the Company under Chapter 17 of the Listing Rules.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") on 21 December 2020 for the purpose of providing incentives and rewards to eligible participants for the contribution they had or may have made to the Group so as to encourage them to participate in the long-term development of the Group and to share common interests and objectives with the Group and/or to enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group.

As of 30 June 2025, no share options have been granted by the Company pursuant to the Share Option Scheme and there were no outstanding share options under the Share Option Scheme as at 30 June 2025. No share options were exercised, cancelled or lapsed under Chapter 17 of the Listing Rules during the six months ended 30 June 2025.

Given that no share options have been granted as of 30 June 2025, it is not applicable for the Company to set out the number of Shares that may be issued in respect of the share options granted under the Share Option Scheme during six months ended 30 June 2025 divided by the weighted average number of Shares of the relevant class in issue for six months ended 30 June 2025.

The total number of options available for grant under the Share Option Scheme as at 1 January 2025 and 30 June 2025 both were 100,000,000 Shares, both representing approximately 9.86% of the Company's issued share capital as at the respective dates.

RESTRICTED SHARE UNIT ("RSU") SCHEME ("RSU SCHEME")

The Company adopted the restricted share unit Scheme ("**RSU Scheme**") on 4 November 2021 to recognise and acknowledge the contributions which directors, senior management and employees of the Group determined by the Board to be eligible to participate in the RSU Scheme have made or may make to the Group and to reward the eligible participants who have achieved outstanding performance.

No shares has been purchased under the RSU Scheme during the six months ended 30 June 2025 (six months ended 30 June 2024: nil). Up to 30 June 2025, the Company has purchased an accumulated of 1,937,000 Shares under the RSU Scheme.

As of 30 June 2025, no RSUs have been granted under the RSU Scheme.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

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

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

On order of the Board
E-Star Commercial Management Company Limited
Huang De-Lin Benny
Chairman

Hong Kong
28 August 2025

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF
E-STAR COMMERCIAL MANAGEMENT COMPANY LIMITED
星盛商業管理股份有限公司
(incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of E-Star Commercial Management Company Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 24 to 48, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("**HKAS 34**") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("**HKSRE 2410**") issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
28 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
	NOTES	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Revenue	3	284,229	313,780
Cost of services		(135,548)	(151,900)
Gross profit		148,681	161,880
Other income	4	15,585	18,745
Other losses		(1,131)	(802)
Impairment losses recognised under expected credit loss model, net	5	(707)	(1,295)
Selling expenses		(6,676)	(14,688)
Administrative expenses		(26,346)	(31,752)
Finance costs		(18,451)	(18,144)
Share of result of a joint venture		–	(74)
Profit before tax		110,955	113,870
Income tax expense	6	(24,902)	(27,374)
Profit and total comprehensive income for the period	7	86,053	86,496
Profit (loss) for the period attributable to:			
– Owners of the Company		86,896	89,100
– Non-controlling interests		(843)	(2,604)
		86,053	86,496
Earnings per share			
– Basic (RMB cents)	9	8.58	8.80

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Non-current assets			
Property and equipment		778	1,152
Investment properties	10	783,532	780,445
Rental deposits	11	25,542	25,542
Finance lease receivables		4,229	4,630
Deferred tax assets		50,014	44,205
Restricted bank balance		5,000	5,000
		869,095	860,974
Current assets			
Finance lease receivables		780	741
Trade and other receivables	11	47,326	44,023
Amounts due from related parties	16	8,774	6,091
Short-term bank deposits		870,808	655,905
Cash and cash equivalents		497,609	710,599
		1,425,297	1,417,359
Current liabilities			
Trade and other payables	12	223,171	286,286
Lease liabilities		23,111	22,268
Contract liabilities		15,203	15,117
Amounts due to related parties	16	907	5,591
Tax payable		19,101	30,300
Dividend payable	8	76,793	–
		358,286	359,562
Net current assets		1,067,011	1,057,797
Total assets less current liabilities		1,936,106	1,918,771
Capital and reserves			
Share capital	13	8,487	8,487
Reserves		1,249,159	1,238,390
Equity attributable to owners of the company		1,257,646	1,246,877
Non-controlling interests		7,964	8,807
Total equity		1,265,610	1,255,684
Non-current liabilities			
Deferred tax liabilities		17,379	15,936
Lease liabilities		653,117	647,151
		670,496	663,087
		1,936,106	1,918,771

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company										
	Share capital RMB'000	Share premium RMB'000	Share redemption reserve RMB'000 (note (i))	Shares held for share award scheme RMB'000	Share-based payment reserve RMB'000	Statutory reserve RMB'000 (note (ii))	Other reserve RMB'000 (note (iii))	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2025 (audited)	8,487	417,451	51	(5,463)	1,831	109,880	(1,088)	715,728	1,246,877	8,807	1,255,684
Profit (loss) and total comprehensive income (expense) for the period	–	–	–	–	–	–	–	86,896	86,896	(843)	86,053
Dividends recognised as distributions (Note 8)	–	(77,108)	–	–	–	–	–	–	(77,108)	–	(77,108)
Transfer	–	–	–	–	–	7,348	–	(7,348)	–	–	–
Recognition of equity-settled share-based payments	–	–	–	–	981	–	–	–	981	–	981
At 30 June 2025 (unaudited)	8,487	340,343	51	(5,463)	2,812	117,228	(1,088)	795,276	1,257,646	7,964	1,265,610
At 1 January 2024 (audited)	8,506	582,632	32	(5,463)	1,010	96,972	(1,088)	574,164	1,256,765	14,905	1,271,670
Profit (loss) and total comprehensive income (expense) for the period	–	–	–	–	–	–	–	89,100	89,100	(2,604)	86,496
Repurchase and cancellation of shares	(19)	(891)	19	–	–	–	–	–	(891)	–	(891)
Dividends recognised as distributions (Note 8)	–	(120,066)	–	–	–	–	–	–	(120,066)	–	(120,066)
Transfer	–	–	–	–	–	6,673	–	(6,673)	–	–	–
Transaction cost related to repurchase of shares	–	(3)	–	–	–	–	–	–	(3)	–	(3)
Recognition of equity-settled share-based payments	–	–	–	–	402	–	–	–	402	–	402
At 30 June 2024 (unaudited)	8,487	461,672	51	(5,463)	1,412	103,645	(1,088)	656,591	1,225,307	12,301	1,237,608

Notes:

(i) Share redemption reserve records the amounts transferred from share capital upon cancellation of shares redeemed or purchased under the relevant laws in Cayman Islands.

(ii) Pursuant to the relevant laws in the People's Republic of China (the "**PRC**"), a company established in the PRC is required to transfer 10% of its profit after tax to the statutory surplus reserve. Contribution to the statutory surplus reserve is discretionary when the reserve balance reaches 50% of the registered capital of the respective company and can be used to make up for previous years' losses or, expand the existing operations or can be converted into additional capital of the company.

(iii) The other reserve represents the difference between the fair value of the consideration paid and the paid-in capital of 深圳市星河商置集團有限公司 (Shenzhen Galaxy Commercial Property Group Co. Ltd.#) ("**Galaxy Commercial Property Group**") acquired from the then shareholders of Galaxy Commercial Property Group and was accounted for as a deemed distribution to the then shareholders.

The English name of this company is translated from its registered Chinese name for identification purpose only.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
OPERATING ACTIVITIES		
Profit before tax	**110,955**	113,870
Adjustments for:		
Depreciation of property and equipment	**300**	585
Depreciation of investment properties	**23,082**	23,102
Impairment losses recognised under expected credit loss model, net	**707**	1,295
Finance costs	**18,451**	18,144
Finance income on the net investment in the lease	**(105)**	(118)
Interest income	**(14,393)**	(17,547)
Share of result of a joint venture	**–**	74
Equity-settled share-based payments	**981**	402
Loss on disposal of property and equipment	**131**	–
Others	**(315)**	305
Operating cash flow before movements in working capital	**139,794**	140,112
Increase in trade and other receivables	**(4,010)**	(6,366)
Increase (decrease) in contract liabilities	**86**	(3,650)
Decrease in trade and other payables	**(50,119)**	(41,208)
Increase in amounts due from related parties	**(2,683)**	(3,530)
Decrease (increase) in amounts due to related parties	**(4,684)**	24,314
Decrease in finance lease receivables	**362**	330
Cash generated from operations	**78,746**	110,002
Income tax paid	**(40,467)**	(38,233)
Finance income on the net investment in the lease	**105**	118
NET CASH FROM OPERATING ACTIVITIES	**38,384**	71,887

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
INVESTING ACTIVITIES		
Interest received	**5,284**	32,491
Withdrawal of short-term bank deposits	**128,000**	276,249
Placement of short-term bank deposits	**(333,794)**	(560,420)
Purchase of property and equipment	**(57)**	(377)
Payment for leasehold improvement costs in respect of investment properties	**(39,165)**	(40,972)
Redemption of financial assets at FVTPL	**–**	21,136
NET CASH USED IN INVESTING ACTIVITIES	**(239,732)**	(271,893)
FINANCING ACTIVITIES		
Repayment of lease liabilities	**(10,310)**	(12,488)
Interest paid	**(1,332)**	(711)
Repurchase of shares	**–**	(891)
Transaction costs related to repurchase of shares	**–**	(3)
NET CASH USED IN FINANCING ACTIVITIES	**(11,642)**	(14,093)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(212,990)**	(214,099)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**710,599**	546,914
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
represented by cash and cash equivalents	**497,609**	332,815

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

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

Application of amendments to a HKFRS Accounting Standard

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

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Group generates revenue primarily from provision of commercial operational services to either owners or tenants in respect of the commercial properties in the PRC under three commercial 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

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

(i) Disaggregation of revenue from contracts with customers

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

The Group acts as a principal for all of the services rendered except for certain portion of revenue generated from value-added services.

Note: Included in the value-added services, there is an amount of RMB886,000 (six months ended 30 June 2024: RMB642,000) where the Group acts as an agent.

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

A. Revenue *(Continued)*

Revenue from commercial property operational services by type of operational model *(Continued)*

(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 property to tenants.

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
For operating leases:		
Lease payments that are fixed	**16,690**	18,657
Variable lease payments	**11,330**	9,886
	28,020	28,543
For finance leases:		
Finance income on the net investment in the lease	**105**	118
Total revenue arising from leases	**28,125**	28,661

Included in the operating lease income there is a contingent rental of RMB11,330,000 (six months ended 30 June 2024: RMB9,886,000) for the six months ended 30 June 2025.

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

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. Mainland China).

Information about major customers

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Customer A (note)	**69,679**	76,119

Note: Customer A represents a group of related parties of the Group. Details of the transactions with these related parties are set out in Note 16.

4. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest income from cash equivalents and short-term bank deposits	**14,393**	17,547
Government grants (note)	**455**	603
Compensation and penalty received from tenants	**737**	595
	15,585	18,745

Note: The government grants refer to unconditional subsidies granted by the government authorities in the PRC.

5. IMPAIRMENT LOSSES RECOGNISED UNDER EXPECTED CREDIT LOSS MODEL, NET

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Net impairment losses recognised under expected credit loss model on trade receivables	**(707)**	(1,295)

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2024.

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax:		
PRC Enterprise Income Tax ("**EIT**")		
– Current period	**29,357**	38,073
– (Over) under provision in prior year	**(89)**	459
	29,268	38,532
Deferred tax	**(4,366)**	(11,158)
	24,902	27,374

6. INCOME TAX EXPENSE *(Continued)*

Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

PRC

Under the Law of the PRC on EIT (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the entities operating in the PRC is 25% for both interim periods, except for an entity established in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone in the PRC. This entity is eligible for the preferential enterprise income tax rate of 15% for four consecutive calendar years from 2022 to 2025.

7. PROFIT FOR THE PERIOD

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

8. DIVIDENDS

Dividends recognised as distributions during the period:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
2024 final dividend of HK8.3 cents per ordinary share	**77,108**	–
2023 final dividend of HK13.0 cents per ordinary share	**–**	120,066
	77,108	120,066

The Board declared the payment of an interim dividend of HK5.0 cents per ordinary share for the six months ended 30 June 2025, a total amount of approximately HK$50,726,000 of which an amount of approximately HK$97,000 related to 1,937,000 shares held by the Company under the Company's RSU Scheme (as defined in Note 14) (six months ended 30 June 2024: HK$93,000).

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

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

9. EARNINGS PER SHARE

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

Earnings

	Six months ended 30 June	
	2025 **RMB'000** **(unaudited)**	2024 RMB'000 (unaudited)
Earnings for the purpose of calculating basic earnings per share:		
Profit for the period attributable to owners of the Company	**86,896**	89,100

Number of shares

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

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

10. INVESTMENT PROPERTIES

During the current interim period, the Group incurred expenditure of RMB26,169,000 for leasehold improvement (six months ended 30 June 2024: RMB44,912,000) in connection with the right-of-use assets under sublease service model. The leases met the definition of investment property held by a lessee as a right-of-use asset and, accordingly, the Group capitalised the aforementioned expenditure as a part of initial cost of investment properties.

11. TRADE AND OTHER RECEIVABLES

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Trade and other receivables		
– Trade receivables	25,985	23,961
– Other receivables	46,883	45,604
	72,868	69,565
Analysed as:		
Non-current	25,542	25,542
Current	47,326	44,023
	72,868	69,565

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Trade receivables		
Contracts with customers		
– Third parties	45,390	48,565
– Related parties (note)	6,442	536
Less: Allowance for credit losses	(31,262)	(30,555)
	20,570	18,546
Operating lease receivables – third parties	5,415	5,415
	25,985	23,961

Note: The related parties represent a group of related parties of the Group under common control of Mr. Huang Chu-Long ("**Mr. Huang**"), the ultimate controlling shareholder of the Company.

11. TRADE AND OTHER RECEIVABLES *(Continued)*

As at 1 January 2024, the trade receivables in respect of contracts with customers and lease receivables, net of allowance for credit losses, amounted to RMB12,911,000 in total.

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

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

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

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
0 – 10 days	**5,415**	5,415

Included in the Group's trade receivables in respect of contracts with customers as at 30 June 2025 are past due debtors with aggregate carrying amount of RMB4,611,000 (2024: RMB3,790,000), of which an amount of RMB886,000 (2024: RMB2,555,000) were past due 90 days or more and not considered as in default. The Group rebutted the presumption of default under expected credit loss model for the trade receivables in respect of contracts with customers past due over 90 days as the trade debtors had no significant change in credit quality after assessing their trade debtors' background, good repayment records, continuous business relationship with the Group and certain forward-looking information, including but not limited to the reviving economic condition and consumption level in the PRC and the expected consumer traffic of the relevant commercial properties managed by the Group without undue cost or effort. The Group does not hold any collateral over these balances.

11. TRADE AND OTHER RECEIVABLES *(Continued)*

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Other receivables recognised as non-current assets:		
Rental deposits (note (i))	25,542	25,542
Other receivables recognised as current assets:		
Receivables from third-party payment platforms (note (ii))	1,059	1,960
Payments on behalf of tenants (note (iii))	1,585	936
Advance to employees (note (iv))	210	323
Other tax recoverable	14,191	11,774
Deposits	1,203	1,203
Prepayment	2,852	3,240
Others	241	626
	21,341	20,062
Total other receivables	46,883	45,604

Notes:

(i) The amount represents rental deposits under sublease service model, which includes RMB20,000,000 (2024: RMB20,000,000) paid to related parties under common control of Mr. Huang.

(ii) Customers usually pay the bills of tenants through third-party payment platforms in the commercial properties managed by the Group. The third party payment platforms normally settle the amounts received, net of handling charges, within a week after trade date. The Group will hold the money on behalf of tenants and repay to them upon monthly settlement. All receivables from third-party payment platforms were aged within one month and not past due.

(iii) The Group may pay the utilities expenses on behalf of tenants before their commencement of operations. These amounts have no specific repayment terms and will normally be settled when the tenants commence their operations.

(iv) The amount represents advancements to employees for the Group's daily operations.

12. TRADE AND OTHER PAYABLES

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Trade and other payables		
– Trade payables	30,482	40,286
– Other payables	192,689	246,000
	223,171	286,286

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Trade payables		
Contracts with suppliers		
– Third parties	26,021	37,036
– Related parties (note)	4,461	3,250
	30,482	40,286

Note: The related parties are companies under common control of Mr. Huang.

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

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
0 – 30 days	30,479	40,283
Over 90 days	3	3
	30,482	40,286

12. TRADE AND OTHER PAYABLES *(Continued)*

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Other payables		
Receipts on behalf of tenants (note (i))	56,231	68,409
Deposits received (note (ii))	58,509	55,150
Payables for leasehold improvements included in investment properties	57,666	65,868
Salary payables	11,599	44,633
Accruals and others	4,646	8,014
Other tax payables	4,038	3,926
	192,689	246,000

Notes:

(i) The balance represents funds received centrally by the Group in the commercial properties on behalf of the tenants when they carry out the business activities in the commercial properties and the balance is returned to tenants monthly. It relates to the business activity as mentioned in Note 11(ii).

(ii) The balance mainly represents security deposits received from tenants and suppliers and rental deposits from lessees.

13. SHARE CAPITAL

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

	Number of shares	Share capital HK$'000	Share capital RMB'000
Ordinary shares of HK$0.01 each			
Authorised			
At 1 January 2024, 30 June 2024, 31 December 2024 and 30 June 2025	2,000,000,000	20,000	16,755
Issued and fully paid			
At 1 January 2024	1,016,807,000	10,168	8,506
Cancellation of shares (note)	(1,530,000)	(15)	(14)
Repurchase and cancellation of ordinary shares (note)	(761,000)	(8)	(5)
At 30 June 2024, 31 December 2024 and 30 June 2025	1,014,516,000	10,145	8,487

13. SHARE CAPITAL *(Continued)*

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

Month of repurchase	Number of ordinary shares of HK$0.01 each	Price per share		Aggregate consideration paid (including transaction costs)	
		Lowest	Highest		
		HK$	HK$	HK$'000	RMB'000
December 2023	1,530,000	1.11	1.24	1,817	1,651
January 2024	761,000	1.25	1.30	980	891

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

14. SHARE INCENTIVE SCHEME

Share Option Scheme

The Company adopted a share option scheme (the "**Share Option Scheme**") on 21 December 2020 for the purpose of providing incentives and rewards to eligible participants for their contribution or would be contribution to the Group so as to encourage them to participate in the long-term development of the Group and to share common interests and objectives with the Group and/or to enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group. Any individual, being an employee, executive, director, officer, consultant, advisor, distributor, customer, supplier of the Group or such other person who the board of directors of the Company considers, in their sole discretion, to have contributed or will contribute to the Group is entitled to be offered and granted options.

Without prior approval from the Group's shareholders, (i) the total number of shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 10% of the shares in issue on which trading of the share commences on the Stock Exchange; (ii) the number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any twelve-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time; and (iii) options in excess of 0.1% of the total number of shares of the Company in issue and with a value in excess of HK$5 million may not be granted to substantial shareholders or independent non-executive directors or any of their respective associates, in the twelve-month period up to and including the date of such grant.

Options are exercisable over the vesting periods to be determined and notified by the board of directors of the Company to each grantee, but in no case after the tenth anniversary of the date of grant. The exercise price is determined by the board of directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

No minimum period for which the option has to be held before it can be exercised is specified in the Share Option Scheme.

During the six months ended 30 June 2024 and 2025, no options have been granted.

14. SHARE INCENTIVE SCHEME *(Continued)*

Restricted Share Unit Scheme

The Company adopted the Restricted Share Unit Scheme ("**RSU Scheme**") on 4 November 2021 ("**Adoption Date**"). The objective of the RSU Scheme is to recognise the contributions by certain persons, including directors, senior management and employees of the Group determined by the board of directors of the Company (the "**Eligible Participants**") and to provide incentives to recognise and acknowledge the their contributions and reward the eligible participants who have achieved outstanding performance. The RSU Scheme became effective the Adoption Date and, unless otherwise terminated or amended, will remain in force for 10 years.

Without prior approval from the Group's shareholders, (i) the total number of shares in respect of which restricted share unit ("**RSUs**") may be granted under the RSU Scheme may not exceed 5% of the issued share capital of the Company as at Adoption Date; and (ii) the number of share awarded to each Eligible Participants under the RSU Scheme shall not exceed 1% of the issued share capital of the Company as at the Adoption Date. Such 5% scheme limit and 1% individual limit are applicable throughout the ten years term of the RSU Scheme, with no annual limit contemplated.

The board of directors of the Company may, from time to time and at its sole discretion, choose the Eligible Participants to participate in the RSU Scheme and determine the number of RSUs to be awarded with any conditions, restrictions or limitations before the award of RSUs could be vested as it thinks fit, such as vesting date and conditions of the RSUs.

Existing shares may be purchased or new shares may be subscribed to satisfy the RSUs upon vesting and such shares shall be transferred or the cash amount referable to such shares shall be paid to the grantee when such RSUs are vested with the grantee in accordance with the RSU Scheme rules and the conditions of the award of such RSUs (if any).

The board of directors of the Company will issue a grant letter setting out, among others, the number, vesting conditions (if any) and vesting date of the RSUs to an Eligible Participant to be granted. The Eligible Participant may accept the grant of the award of RSUs in such manner as set out in the grant letter. Upon acceptance, the Eligible Participant becomes a grantee in the RSU Scheme. Grantee shall be entitled to receive the RSUs or cash amount referable to the RSUs upon satisfaction of the vesting conditions set out in the grant letter.

No shares were purchased under the RSU Scheme during the six months ended 30 June 2025 (six months ended 30 June 2024: nil shares). As at 30 June 2025, the Company has an accumulated of 1,937,000 shares repurchased under the RSU Scheme.

During the six months ended 30 June 2024 and 2025, no RSUs was granted.

Share Award Scheme

The board of directors of the Company was informed by Mr. Huang that he adopted a share award scheme (the "**Share Award Scheme**") on 17 April 2023. The objective of the Share Award Scheme is to recognise the contributions by certain persons, including directors, senior management and employees of the Group or other persons who make significant contribution to the Group (collectively, the "**Eligible Participants under the Share Award Scheme**") in order to optimise their performance and efficiency for the benefit of the Group, and in particular, to fulfil the strategic targets of the Group. In addition, another objective of the Share Award Scheme is to attract and retain or maintain ongoing business relationships with the Eligible Participants under the Share Award Scheme whose contributions are, or will or are expected to be, beneficial to the Group and the long-term growth and development of the Group.

The Share Award Scheme has a term of 10 years from the date of adoption, and will be funded by Mr. Huang through, among others, transfer of the entrusted Shares held by Virtue Investment Development Limited ("**Virtue Investment**"), a special purpose vehicle set up for the purpose of the Scheme under an entrusted arrangement.

14. SHARE INCENTIVE SCHEME *(Continued)*

Share Award Scheme *(Continued)*

Mr. Huang intends to use 150,000,000 Shares, representing 14.72% of the issued share capital of the Company as at 17 April 2023, held by Virtue Investment under an entrusted arrangement with Mr. Huang De-Lin Benny, the executive director and chairman of the Company, to satisfy the awards to be granted under the Share Award Scheme.

On 17 April 2023, Mr. Huang granted a total of 54,800,000 awarded shares under the Share Award Scheme to 136 Eligible Participants under the Share Award Scheme, of which 19,650,000 awarded shares were granted to the eligible participants within the Group and the rest were granted to eligible participants of companies under common control of Mr. Huang.

The awarded shares can be vested under the vesting requirements that (i) the Group's and the grantees' personal performance requirements are fulfilled, and (ii) certain consideration is paid to specific account within ten working days after the vesting date.

The table below discloses movement of awarded shares under the Share Award Scheme during the current interim period:

	Number of awarded shares
Outstanding as at 1 January 2024	12,495,000
Forfeited during the period	(2,450,000)
Outstanding as at 30 June 2024	10,045,000
Forfeited during the period	(560,000)
Outstanding as at 31 December 2024	9,485,000
Forfeited during the period	(350,000)
Exercised during the period	(1,112,000)
Lapsed during the period	(2,803,000)
Outstanding as at 30 June 2025	5,220,000

14. SHARE INCENTIVE SCHEME *(Continued)*

Share Award Scheme *(Continued)*

The closing price of the Company's shares immediately before 17 April 2023, the date of grant, was HK$1.48.

The fair values of the awarded shares determined at the date of grant using the Binomial model was HK$9,843,000.

The following assumptions were used to calculate the fair value of awarded shares:

	17 April 2023
Closing price of the Company's share on the date of grant	HK$1.48
Exercise price	HK$1.16
Expected life	Ranging from 1.06 to 3.06 years
Expected volatility	Ranging from 58.36% to 61.27%
Expected dividend yield	6.78%
Risk-free interest rate	Ranging from 3.2% to 3.23%

The Binomial model has been used to estimate the fair value of the awarded shares. The variables and assumptions used in computing the fair value of the awarded shares were based on the valuer's best estimate. Changes in variables and assumptions may result in changes in the fair value of the awarded shares.

At the end of each interim period, the Group revises its estimates of the number of shares that are expected to vest ultimately. The impact of the revision of the estimates, if any, is recognised in profit and loss, with a corresponding adjustment to the share-based payment reserve.

The Group recognised an expense of RMB981,000 (six months ended 30 June 2024: RMB402,000) in relation to awarded shares granted by the Company for the six months ended 30 June 2025.

15. CAPITAL COMMITMENTS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Capital expenditure in respect of acquisition of property and equipment contracted for but not provided in the condensed consolidated financial statements	32,178	48,928

16. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these condensed consolidated financial statements, the Group had the following significant transactions and balances with related parties:

(a) Related party balances

(i) Amounts due from related parties

Details of amounts due from related parties are stated as follows:

Nature of related parties

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Fellow subsidiaries (note)	8,774	6,091

Note: The related parties are companies under common control of Mr. Huang.

The entire balance of amounts due from related parties is trade in nature and mainly arises from commercial property operational services for fellow subsidiaries.

(ii) Amounts due to related parties

Nature of related parties

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Fellow subsidiaries (note)	907	5,591

Note: The related parties are companies under common control of Mr. Huang.

The entire balance of amounts due to related parties is trade in nature and mainly arises from the Group's ordinary course of business.

16. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Related parties transactions

In additional to the transactions or information disclosed elsewhere in these condensed consolidated financial statements, the Group entered into the following material transactions with related parties, which are fellow subsidiaries under common control of Mr. Huang and a joint venture of the Group.

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Related parties		
Revenue:		
– Commercial property operational and related services (note (i))	**60,825**	64,981
– Tenant management services (note (ii))	**8,854**	11,138
	69,679	76,119
Expense:		
– Property management and related services (note (iii))	**1,389**	1,682
– Expenses relating to short-term leases for office and other premises	**1,961**	1,901
– Interest expenses on lease liabilities (note (iv))	**1,589**	1,663
– Rental expense relating to sublease service model (note (v))	**762**	1,152
	5,701	6,398
A joint venture		
Revenue:		
– Commercial property operational and related services (note (i))	**1,814**	1,676

Notes:

(i) This category includes market positioning, design and construction consultancy, tenant sourcing services, operational management and property leasing services.

(ii) This category includes operational management services and value-added services.

(iii) This category includes property management services, catering services and hotel accommodation services.

(iv) The lease repayments of RMB3,035,000 (six months ended 30 June 2024: RMB2,947,000) were made for the six months ended 30 June 2025. Included in the lease repayments there were interest paid of RMB1,589,000 (six months ended 30 June 2024: RMB1,663,000) for the six months ended 30 June 2025.

(v) This category includes variable lease payments for operating lease of a project under sublease service model.

Under the entrusted management service model, the Group has used five offices in the shopping centres owned by fellow subsidiaries for free during the interim period.

16. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Related parties transactions *(Continued)*

Compensation of key management personnel

The remuneration of directors and other members of key management of the Group during both interim periods were as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Short-term benefits	**4,574**	3,852
Equity-settled share-based payments	**121**	63
Retirement benefits scheme contributions	**159**	109
	4,854	4,024

Fair value measurement of financial instruments

There were no transfers between Level 1, 2 and 3 during the interim period.

Fair value of the Group's financial assets and liabilities that are not measured at fair value on a recurring basis

The management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the condensed consolidated financial statements approximate their fair values.

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