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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 27 June 2025.

Shareholders and prospective investors should note that the Shares may not have a genuine market and the shareholding in the Company may have been concentrated in the hands of a few Shareholders.

In view of the high concentration of shareholding in a small number of the Shareholders, the Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the concentration of the shareholding of China Star Entertainment Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 27 June 2025.

The Company noted that an announcement (the “**SFC Announcement**”) was published by the Securities and Futures Commission (the “**SFC**”) on 11 July 2025.

As disclosed in the SFC Announcement, SFC has recently completed an enquiry into the shareholding of the Company. The SFC findings suggested that, as at 27 June 2025, 19 shareholders and their related parties held an aggregate of 578,865,000 shares of the Company (the “**Shares**”), representing 23.83% of the issued Shares. Such shareholding, together with 1,640,375,595 Shares (representing 67.54% of the issued Shares) held by the Company's Chairman and Vice Chairman, represented 91.37% of the issued Shares. As such, only 209,665,556 Shares (representing 8.63% of the issued Shares) were in the hands of other Shareholders.

According to the SFC Announcement, as at 27 June 2025, the shareholding structure of the Company was as follows:

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Mr. Heung Wah Keung & Ms. Chen Ming Yin Tiffany (Note 1)	1,640,375,595	67.54
19 shareholders and their related parties	578,865,000	23.83
Other shareholders	209,665,556	8.63
Total	<u>2,428,906,151</u>	<u>100.00</u>

Note 1: 1,640,375,595 Shares were held by Heung Wah Keung Family Endowment Limited, which is beneficially owned 50% each by Mr. Heung Wah Keung, an Executive Director and Chairman of the Company, and Ms. Chen Ming Yin Tiffany, an Executive Director and Vice Chairman of the Company. According to Part XV of the Securities & Futures Ordinance, Mr. Heung Wah Keung and Ms. Chen Ming Yin Tiffany were both deemed to be interested in 1,640,375,595 Shares.

The SFC Announcement further stated that:

(a) The closing price of the Shares gained 215% from HK\$0.53 on 18 March 2025 to HK\$1.67 on 27 June 2025; and

(b) As at 10 July 2025, the Shares closed at HK\$3.41, representing an increase of 543.4% from the closing price of HK\$0.53 on 18 March 2025.

The board (the “**Board**”) of the directors of the Company (the “**Directors**”) wishes to clarify that the above information is extracted from the SFC Announcement and the Board has not independently verified such information other than (i) the shareholdings held by Heung Wah Keung Family Endowment Limited and the deemed interests of Mr. Heung Wah Keung and Ms. Chen Ming Yin Tiffany according to the latest available disclosure of interests notice filed pursuant to Part XV of the Securities & Futures Ordinance; and (ii) the information set out in paragraphs (a) to (b) above. Please refer to the SFC Announcement for further information.

The Board has resolved to take steps to verify the matters mentioned in the SFC Announcement. Further announcement will be made by the Company to update the market as soon as practicable.

PUBLIC FLOAT

Based on the information currently available to the Board, the Directors confirm, to the best of their knowledge, information and belief after making reasonable enquiries, the Company confirms that not less than 25% of the Company’s issued Shares are in the hands of the public as at 27 June 2025 and as at the date of this announcement, and the Company is able to comply with the minimum public float requirement under the Rules Governing the Listing of Securities on the Stock Exchange.

Shareholders and prospective investors should note that the Shares may not have a genuine market and the shareholding in the Company may have been concentrated in the hands of a few Shareholders.

In view of the high concentration of shareholding in a small number of the Shareholders, the Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

By Order of the Board
China Star Entertainment Limited
Heung Wah Keung
Chairman

Hong Kong, 14 July 2025

As at the date of this announcement, the executive directors of the Company are Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany and Ms. Li Yuk Sheung; the independent non-executive directors of the Company are Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Tai Kwok Leung, Alexander.