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China Sinostar Group Company Limited
中國華星集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 485)

VOLUNTARY ANNOUNCEMENT
BUSINESS UPDATE

This announcement is made by China Sinostar Group Company Limited (the "**Company**", and together with its subsidiaries, the "**Group**") on a voluntary basis. The purpose of this announcement is to provide shareholders of the Company (the "**Shareholders**") and potential investors with the latest business development of the Group.

References are made to the annual report for the year ended 31 March 2025 of the Company (the "**Annual Report**"). Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Annual Report.

Business Update of Bagua Town Project II

The Group, through the acquisition of a subsidiary in the PRC, acquired the land use right of a parcel of land for the development of Bagua Town Project II (the "**Land**") during the year ended 31 March 2020.

To the best knowledge of the Directors, the Natural Resources Bureau of Huanren Manchu Autonomous County (the "**Bureau**"), which is obliged to deliver to the Group vacant possession of the Land pursuant to the land grant contract of the Land, has been negotiating with affected original occupants regarding their relocation over the years. Two remaining holdout households have requested for exorbitant relocation compensations from the Bureau and negotiations with these holdout households are still in progress as at the date of this announcement. After repeated demands and requests made to the Bureau for the delivery of vacant possession of the Land and based on the latest discussions with the Bureau, the Bureau has recently obtained forced demolition orders against these two remaining holdout households. It is expected that vacant possession of the Land will be delivered to the Group by the end of September 2025.

In addition, the Group has applied to the Bureau for an increase in total gross floor area of the properties to be erected on the Land. Currently, the Bureau has agreed in principle to an increase of total gross floor area from 14,700 sq.m. to 19,700 sq.m., but the formal approval has yet to be obtained as of the date of this announcement.

Assuming the delivery of vacant possession of the Land to the Group by the Bureau by the end of September 2025, the construction of Bagua Town Project II is expected to commence in October 2025 and targeted to be completed by the end of December 2026, whereas marketing and sale of completed units shall commence in early 2027.

The Group plans to fund the construction of Bagua Town Project II through a combination of internal cash flows, secured loans, equity fundraising, government subsidies and pre-sale proceeds.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
China Sinostar Group Company Limited
Wang Xing Qiao
Executive Director and Chief Executive Officer

Hong Kong, 27 August 2025

As at the date of this announcement, the Board comprises Mr. Wang Jing and Mr. Wang Xing Qiao as executive Directors; Ms. Zhao Hongxia as non-executive Director; and Mr. Su Bo, Mr. Tang Shengzhi and Mr. Zeng Guanwei as independent non-executive Directors.