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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 326)

INSIDE INFORMATION
REDUCTION IN LOSS

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the Shareholders and potential investors that the Group is expected to record a loss attributable to owners of the Company between HK$50 million to HK$62 million for the six months ended 30 June 2026, representing a decrease of approximately 44% to 55% as compared to a loss attributable to owners of the Company of HK$110,875,000 for the six months ended 30 June 2025.

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

This announcement is made by China Star Entertainment Limited (the "**Company**", together with its subsidiaries as the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that the Group is expected to record a loss attributable to owners of the Company between HK$50 million to HK$62 million for the six months ended 30 June 2026, representing a decrease of approximately 44% to 55% as compared to a loss attributable to owners of the Company of HK$110,875,000 for the six months ended 30 June 2025.

Based on a preliminary review on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2026 and information currently available to the Board, the decrease in loss is mainly attributable to the decrease in write-down of the stock of properties amounted to approximately HK$16 million (Six months ended 30 June 2025 : HK$43,944,000); and decrease in revenue and the corresponding marketing, selling and distribution expenses by approximately 60% to 70% with improvement in gross profit margin; and also decrease in administrative expenses.

As the Group is still in the process of finalising its interim results for the six months ended 30 June 2026, which is expected to be published on 28 August 2026, the information contained in this announcement is only based on the preliminary assessment according to the unaudited consolidated management accounts of the Group and the information currently available to the Board, which has not been reviewed by the Company's independent external auditors or approved by the audit committee of the Company and may be subject to further adjustments and changes.

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

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

Hong Kong, 26 August 2026

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.