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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

INSIDE INFORMATION PROFIT WARNING

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 consolidated loss between HK\$315 million to HK\$385 million for the year ended 31 December 2024 as compared to the loss of HK\$289,508,000 for the year ended 31 December 2023.

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 consolidated loss between HK\$315 million to HK\$385 million for the year ended 31 December 2024 as compared to the loss of HK\$289,508,000 for the year ended 31 December 2023.

Based on a preliminary review on the unaudited consolidated management accounts of the Group for the year ended 31 December 2024 and information currently available to the Board, the substantial increase in loss is mainly attributable to : (i) the substantial increase in loss arising on change in fair value of financial assets at fair value through profit or loss of approximately HK\$79 million for the year ended 31 December 2024 from HK\$27,721,000 for the year ended 31 December 2023; (ii) the substantial increase in administrative expenses by approximately 60% from HK\$95,408,000 for the year ended 31 December 2023 due to increase in headcount and operation premises of the Group during the year and; (iii) the substantial increase in marketing and selling expenses incurred in property sales and multi-media and entertainment business operations by approximately 30% from HK\$79,108,000 for the year ended 31 December 2023. The loss was partially offset by increase in gross profit generated from property development and investment operations and multi-media and entertainment business operations.

As the Group is still in the process of finalising its final results for the year ended 31 December 2024, which is expected to be published on 28 March 2025, the information contained in this announcement is only based on the preliminary assessment according to the unaudited consolidated management accounts of the Group which has not been confirmed by the Company's independent external auditors.

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, 24 March 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.