



CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

Stock code : 326



INTERIM
REPORT
2025



CONTENTS

	Page
Corporate Information	2
Condensed Consolidated Income Statement	3
Condensed Consolidated Statement of Comprehensive Income	4
Condensed Consolidated Statement of Financial Position	5
Condensed Consolidated Statement of Changes in Equity	7
Condensed Consolidated Statement of Cash Flows	8
Notes to the Condensed Consolidated Financial Statements	9
Independent Review Report	31
Management Discussion and Analysis	32
Other Information	42

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Heung Wah Keung (*Chairman*)
Ms. Chen Ming Yin, Tiffany (*Vice Chairman*)
Ms. Li Yuk Sheung

Independent Non-Executive Directors

Mr. Hung Cho Sing
Mr. Ho Wai Chi, Paul
Mr. Tai Kwok Leung, Alexander

AUDIT COMMITTEE

Mr. Ho Wai Chi, Paul (*Chairman*)
Mr. Hung Cho Sing
Mr. Tai Kwok Leung, Alexander

REMUNERATION COMMITTEE

Mr. Hung Cho Sing (*Chairman*)
Ms. Chen Ming Yin, Tiffany
Mr. Tai Kwok Leung, Alexander

NOMINATION COMMITTEE

Mr. Tai Kwok Leung, Alexander (*Chairman*)
Mr. Hung Cho Sing
Ms. Li Yuk Sheung

AUTHORISED REPRESENTATIVES

Ms. Li Yuk Sheung
Ms. Wong Shuk Han, Dorothy

COMPANY SECRETARY

Ms. Wong Shuk Han, Dorothy

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM10
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 3409
Shun Tak Centre, West Tower
168-200 Connaught Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court, 22 Victoria Street
PO Box HM 1179
Hamilton HM EX
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Macau) Limited
Bank of China (Hong Kong) Limited
The Bank of East Asia, Limited
Industrial and Commercial Bank of China (Asia) Limited

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

LEGAL ADVISERS

Robertsons
Appleby
Clifford Chance
Leonel Alberto Alves Advogado e Notario Privado

STOCK CODE

326

WEBSITE

www.chinastar.com.hk
www.irasia.com/listco/hk/chinastar

The board of directors (the “Board”) of China Star Entertainment Limited (the “Company”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30th June 2025 together with comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June 2025

		Six months ended 30th June	
	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue	4	256,521	193,317
Cost of sales		(180,130)	(135,376)
Gross profit		76,391	57,941
Other revenue and other income	5	5,275	15,523
Administrative expenses		(81,719)	(63,697)
Marketing, selling and distribution expenses		(35,214)	(49,464)
Loss arising on change in fair value of financial assets at fair value through profit or loss		(771)	(11,003)
Gain arising on change in fair value of investment property		-	2,173
Other operating expenses		(45,734)	(10,235)
Loss from operations		(81,772)	(58,762)
Finance costs	6	(51,868)	(75,071)
Loss before tax	7	(133,640)	(133,833)
Income tax credit/(expense)	8	38	(406)
Loss for the period		(133,602)	(134,239)
(Loss)/profit for the period attributable to:			
Owners of the Company		(110,875)	(135,480)
Non-controlling interests		(22,727)	1,241
		(133,602)	(134,239)
Loss per share	9		
Basic and diluted		HK(4.56) cents	HK(5.57) cents

The accompanying notes form an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 30th June 2025*

	Six months ended 30th June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the period	(133,602)	(134,239)
Other comprehensive (loss)/income		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<u>(3,464)</u>	<u>693</u>
Total comprehensive loss for the period	<u>(137,066)</u>	<u>(133,546)</u>
Total comprehensive (loss)/income for the period attributable to:		
Owners of the Company	<u>(114,339)</u>	<u>(134,787)</u>
Non-controlling interests	<u>(22,727)</u>	<u>1,241</u>
	<u>(137,066)</u>	<u>(133,546)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th June 2025

	Notes	At 30th June 2025 HK\$'000 (Unaudited)	At 31st December 2024 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	11	350,065	358,420
Investment property		171,306	150,297
Intangible assets		228	310
Prepayment		37,754	37,442
		<u>559,353</u>	<u>546,469</u>
Current assets			
Inventories		7,419	3,534
Stock of properties	12	3,094,366	3,081,340
Film rights		3,215	3,215
Films in progress		50	—
Investment in films	13	25,171	26,112
Trade receivables	14	4,095	1,922
Deposits, prepayment and other receivables		378,281	404,639
Financial assets at fair value through profit or loss	15	11,939	11,802
Amount due from non-controlling interest		5	53
Time deposits		171	168
Cash and bank balances and restricted cash	16	98,827	126,257
		<u>3,623,539</u>	<u>3,659,042</u>
Total assets		<u><u>4,182,892</u></u>	<u><u>4,205,511</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

At 30th June 2025

	Notes	At 30th June 2025 HK\$'000 (Unaudited)	At 31st December 2024 HK\$'000 (Audited)
Capital and reserves			
Share capital	17	24,288	24,278
Reserves		1,915,191	2,029,540
Equity attributable to owners of the Company		1,939,479	2,053,818
Non-controlling interests		(22,193)	582
Total equity		1,917,286	2,054,400
Non-current liabilities			
Lease liabilities		9,943	11,277
Bank and other borrowings	19	1,192,306	1,340,986
Deferred tax liabilities		3,603	2,970
		1,205,852	1,355,233
Current liabilities			
Trade payables	18	100,175	76,729
Deposits received, accruals and other payables		143,894	91,312
Receipts in advance		66,513	69,306
Lease liabilities		6,372	6,909
Bank and other borrowings	19	458,816	270,144
Amounts due to non-controlling interests		283,984	281,478
		1,059,754	795,878
Total liabilities		2,265,606	2,151,111
Total equity and liabilities		4,182,892	4,205,511
Net current assets		2,563,785	2,863,164
Total assets less current liabilities		3,123,138	3,409,633

The accompanying notes form an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June 2025

	Attributable to owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Exchange reserve HK\$'000	Bonus convertible bonds reserve HK\$'000	Retained earnings/ (accumulated losses) HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1st January 2024 (Audited)	24,608	1,543,627	519,961	835	1,132	570,979	2,661,142	(659)	2,660,483
(Loss)/profit for the period	–	–	–	–	–	(135,480)	(135,480)	1,241	(134,239)
Other comprehensive income for the period	–	–	–	693	–	–	693	–	693
Total comprehensive income/(loss) for the period	–	–	–	693	–	(135,480)	(134,787)	1,241	(133,546)
Shares repurchased and cancelled	(330)	(26,597)	–	–	–	–	(26,927)	–	(26,927)
Cost attributable to repurchase and cancellation of shares	–	(114)	–	–	–	–	(114)	–	(114)
At 30th June 2024 (Unaudited)	24,278	1,516,916	519,961	1,528	1,132	435,499	2,499,314	582	2,499,896
At 1st January 2025 (Audited)	24,278	1,516,916	519,961	2,126	1,132	(10,595)	2,053,818	582	2,054,400
Loss for the period	–	–	–	–	–	(110,875)	(110,875)	(22,727)	(133,602)
Other comprehensive loss for the period	–	–	–	(3,464)	–	–	(3,464)	–	(3,464)
Total comprehensive loss for the period	–	–	–	(3,464)	–	(110,875)	(114,339)	(22,727)	(137,066)
Acquisition of partial interest of a subsidiary	–	–	–	–	–	–	–	(48)	(48)
Conversion of bonus convertible bonds (the "Bonus CBs")	10	1,121	–	–	(1,131)	–	–	–	–
At 30th June 2025 (Unaudited)	24,288	1,518,037	519,961	(1,338)	1	(121,470)	1,939,479	(22,193)	1,917,286

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 30th June 2025*

	Six months ended 30th June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash generated from operating activities	33,504	71,254
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	451	12,746
Dividend received	4	–
Payment for purchases of property, plant and equipment	(164)	(9,203)
Payment for entering new lease	–	(552)
Placement of time deposits with original maturities more than three months	(3)	(6)
Net cash generated from investing activities	288	2,985
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from a director	–	30,000
Interest paid	(31,103)	(67,509)
Proceed from bank and other borrowings	114,000	50,000
Repayment of bank borrowing	(115,436)	(114,013)
Repayment of lease liabilities	(5,520)	(6,382)
Payment for repurchase of shares	–	(26,927)
Transaction cost attributable to repurchase of shares	–	(114)
Net cash used in financing activities	(38,059)	(134,945)
Decrease in cash and cash equivalents	(4,267)	(60,706)
Cash and cash equivalents at the beginning of the reporting period	22,844	110,457
Effect of foreign exchange rate changes	(7,452)	5,162
Cash and cash equivalents at the end of the reporting period	11,125	54,913
Cash and bank balances		

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th June 2025

I. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group (the “Interim Financial Information”) 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 (the “HKICPA”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The preparation of the Interim Financial Information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The Interim Financial Information contains unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and financial performance of the Group since the 2024 annual financial statements. The unaudited condensed consolidated financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with the HKFRS Accounting Standards.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

2. ACCOUNTING POLICIES

The Interim Financial Information have been prepared on the historical cost basis except for investment property and certain financial instruments that are measured at fair values at the end of the reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Other than additional or change in accounting policies resulting from application of amendments to HKFRS Accounting Standards and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the Interim Financial Information for the six months ended 30th June 2025 are the same as those presented in the Group's audited consolidated financial statements for the year ended 31st December 2024.

The Interim Financial Information are presented in Hong Kong dollar and all values are rounded to the nearest thousand ("HK\$'000") except when otherwise indicated.

Application of amendments to HKFRS Accounting Standards

The accounting policies adopted are consistent with those set out in the Group's annual consolidated financial statements for the year ended 31st December 2024, except for the Amendments to HKAS 21 *Lack of Exchangeability* that is effective in the current interim period. The Amendments to HKAS 21 do not have a material impact on the results and financial positions of the Group. The Group has not early adopted any new or amended standards that are not yet effective for the current interim period.

3. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the directors of the Company, being the chief operating decision maker (the "CODM"), for the purpose of monitoring segment performance and allocating resources between segments and that are used to make strategic decisions.

The Group has three reportable segments – film related business operations, property development and investment operations and multi-media and entertainment business operations. The segmentations are based on the information about the operations of the Group that management uses to make decisions.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

3. SEGMENT INFORMATION (Continued)

The Group's reportable segments are strategic business units that operate different activities. They are managed separately because each business has different markets and requires different marketing strategies.

Particulars of the Group's reportable segments are summarised as follows:

Film related business operations	–	Investment, production, distribution and licensing of films and television drama series and provision of other film related services including artist management services
Property development and investment operations	–	Investment and development of properties and building management services
Multi-media and entertainment business operations	–	Development, promotion and operation in multi-channel network e-commerce platform and development and sales of private label products

Segment information about these operations is presented as below:

(a) An analysis of the Group's revenue and results by operating segments

	Segment revenue		Segment results	
	Six months ended 30th June 2025	2024	Six months ended 30th June 2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Film related business operations	314	1,166	(1,185)	(3,243)
Property development and investment operations	133,013	179,147	(92,251)	(65,113)
Multi-media and entertainment business operations	123,194	13,004	(3,837)	(25,165)
	<u>256,521</u>	<u>193,317</u>	<u>(97,273)</u>	<u>(93,521)</u>
Reconciliation from segment results to loss before tax				
Unallocated corporate income			1,051	14,613
Loss arising on change in fair value of financial assets at fair value through profit or loss ("FVTPL")			(771)	(11,003)
Unallocated corporate expenses			<u>(36,647)</u>	<u>(43,922)</u>
Loss before tax			<u>(133,640)</u>	<u>(133,833)</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

3. SEGMENT INFORMATION (Continued)

(a) An analysis of the Group's revenue and results by operating segments (Continued)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for both periods.

Segment results represent the loss suffered by each segment without allocation of central administrative expenses and partial finance costs under the heading of "unallocated corporate expenses", partial other revenue and other income under the heading of "unallocated corporate income" and loss arising on change in fair value of financial assets at FVTPL. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(b) An analysis of the Group's financial position by operating segments

	At 30th June 2025 HK\$'000 (Unaudited)	At 31st December 2024 HK\$'000 (Audited)
ASSETS		
Segment assets		
– Film related business operations	276,539	278,591
– Property development and investment operations	3,630,301	3,663,314
– Multi-media and entertainment business operations	121,500	147,429
Total segment assets	4,028,340	4,089,334
Unallocated assets	154,552	116,177
	4,182,892	4,205,511
LIABILITIES		
Segment liabilities		
– Film related business operations	8,444	7,304
– Property development and investment operations	1,652,711	1,831,575
– Multi-media and entertainment business operations	65,475	80,064
Total segment liabilities	1,726,630	1,918,943
Unallocated liabilities	538,976	232,168
	2,265,606	2,151,111

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

3. SEGMENT INFORMATION (Continued)

(b) An analysis of the Group's financial position by operating segments (continued)

For the purposes of resource allocation and performance assessment between segments:

- all assets are allocated to reportable segments, other than partial inventories, amount due from non-controlling interest, partial deposits, prepayment and other receivables, financial assets at FVTPL, partial cash and bank balances and partial property, plant and equipment for central administrative purposes; and
- all liabilities are allocated to reportable segments, other than partial deposits received, accruals and other payables, partial lease liabilities and partial other borrowings.

(c) Geographical information

The following table sets out information about geographical location of (i) revenue from external customers and (ii) non-current assets. The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of non-current assets is based on the physical location of the assets.

	Revenue from external customers		Non-current assets	
	Six months ended		At 30th	At 31st
	30th June		June	December
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Hong Kong	4	451	49,713	45,410
Macau	133,013	179,147	323,734	327,706
Taiwan	10	—	171,436	150,322
The People's Republic of China (the "PRC")	123,494	13,719	14,470	23,031
	<u>256,521</u>	<u>193,317</u>	<u>559,353</u>	<u>546,469</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

4. REVENUE

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	Six months ended 30th June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Disaggregation of revenue from contracts with customers		
Distribution fee income	14	190
Artist management service income	300	976
Sales of properties	132,359	178,681
Building management service fee income	654	466
Multi-media sales and commission income	123,194	13,004
Revenue from contracts with customers	256,521	193,317
Revenue from contracts with customers		
Timing of revenue recognition		
A point in time	255,867	192,851
Over time	654	466
Revenue from contracts with customers	256,521	193,317

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

5. OTHER REVENUE AND OTHER INCOME

	Six months ended 30th June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Dividend income	4	—
Bank interest income	451	212
Loan interest income	—	12,693
Catering operations	2,241	1,626
Retail sales	513	110
Gain on termination of lease	1,013	—
Sundry income	1,053	882
	<u>5,275</u>	<u>15,523</u>

6. FINANCE COSTS

	Six months ended 30th June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interests on bank borrowings	35,477	65,754
Interests on other borrowings	43,799	10,100
Interests on amount due to a director and an associate	2,636	367
Interests on amounts due to non-controlling interests	2,506	792
Interests on lease liabilities	563	1,151
	<u>84,981</u>	<u>78,164</u>
Interest capitalised to stock of properties	(33,113)	(3,093)
	<u>51,868</u>	<u>75,071</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging/(crediting):

	Six months ended 30th June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Amortisation of intangible assets (included in marketing, selling and distribution expenses)	90	90
Cost of sales:		
– Cost of properties sold	112,949	132,076
– Cost of multi-media and entertainment business	67,181	3,300
	180,130	135,376
Depreciation of property, plant and equipment	8,022	12,688
Employee benefit expenses (included directors' remunerations)	42,902	43,620
Expense relating to short-term leases	2,355	1,504
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	33	40
Gain arising on change in fair value of investment property	–	(2,173)
Loss arising on change in fair value of financial assets at FVTPL	771	11,003
Net foreign exchange (gain)/loss	(10,649)	5,400
Other operating expenses:		
– Other cost of sales	1,790	1,110
– Reversal of allowance for expected credit loss ("ECL") on trade receivables	–	(42)
– Write-down of stock of properties	43,944	9,167
	45,734	10,235

8. INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30th June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Deferred tax	(38)	406

Under the two-tiered profits tax rates regime of Hong Kong, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

8. INCOME TAX (CREDIT)/EXPENSE (Continued)

The directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the unaudited condensed consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

No provision for Hong Kong Profits Tax has been made for both periods as the Group have no assessable profits arising in Hong Kong or taxable profits were wholly absorbed by estimated tax losses brought forward.

The PRC subsidiaries are subject to the PRC enterprise income tax at 25% for both periods. Macau subsidiaries are subject to Macau complementary tax at the maximum progressive rate of 12% on the estimated assessable profit for both periods. The Taiwan subsidiary is subject to Taiwan corporate tax, the first NT\$120,000 taxable income of Taiwan subsidiary is exempted from corporate tax and taxable income above NT\$120,000 is taxed at 20%.

No provision for PRC enterprise income tax, Macau complementary tax and Taiwan corporate tax has been made for both periods as the Group has no assessable profit arising in the PRC, Macau and Taiwan.

9. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company are based on the following data:

	Six months ended 30th June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to owners of the Company		
for the purpose of basic and diluted loss per share	(110,875)	(135,480)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

9. LOSS PER SHARE (Continued)

	Six months ended 30th June	
	2025	2024
	'000	'000
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	2,428,911	2,431,723

Pursuant to the deed polls of the Bonus CBs, the Bonus CBs conferred the holders with the same economic interests attached to the shareholders of the Company. Accordingly, 4,645 (30th June 2024: 1,060,317) fully paid ordinary shares of HK\$0.01 each which shall be convertible from an aggregated amount of approximately HK\$1,000 (30th June 2024: HK\$265,000) outstanding Bonus CBs are included in the weighted average number of ordinary shares for calculating the basic loss per share for the six months ended 30th June 2025 and 30th June 2024.

No diluted loss per share was presented as there was no potential ordinary shares in issue for both periods.

10. DIVIDEND

No interim dividend was paid or proposed during the six months ended 30th June 2025 and 30th June 2024.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30th June 2025, the Group acquired property, plant and equipment amounted to HK\$164,000 (six months ended 30th June 2024: HK\$30,496,000).

During the six months ended 30th June 2024, a portion of the stock of properties located in Macau with a carrying amount of HK\$265,957,000 was transferred to "property, plant and equipment" as the Group changed the usage to owner-occupation.

At 30th June 2025, the Group's properties with in aggregate carrying amounts of HK\$299,677,000 (31st December 2024: HK\$307,195,000) have been pledged for secured bank facilities and secured other borrowing granted to the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

12. STOCK OF PROPERTIES

	At 30th June 2025 HK\$'000 (Unaudited)	At 31st December 2024 HK\$'000 (Audited)
Completed properties held for sale and properties under development held for sale		
At the beginning of the reporting period	3,081,340	3,734,939
Additions	136,806	194,957
Interest capitalised	33,113	29,286
Transfer to property, plant and equipment	–	(265,957)
Write down of stock of properties	(43,944)	(28,481)
	3,207,315	3,664,744
Recognised as cost of sales	(112,949)	(583,404)
At the end of the reporting period	3,094,366	3,081,340

The stock of properties is located in Macau and held under medium-term leases.

At 30th June 2025, the Group's completed properties held for sale under stock of properties with carrying amounts of HK\$1,292,330,000 (31st December 2024: HK\$1,410,480,000) have been pledged for secured bank facilities granted to the Group. Properties under development held for sale with carrying amount of HK\$1,802,036,000 (31st December 2024: HK\$1,670,860,000) have been pledged to secure other borrowing granted to the Group.

The completed properties held for sale are expected to be recovered within one year. Others properties held for sale are expected to be recovered after more than one year.

At 30th June 2025, the director had assessed the net realisable value of Group's completed properties held for sale and properties under development held for sale with reference to sale proceeds received after the end of the reporting period less costs incurred, or by management estimates based on prevailing market conditions, and concluded that HK\$43,944,000 (six month ended 30th June 2024: HK\$9,167,000) write-down of carrying amounts of completed properties held for sale and properties under development held for sale are considered necessary as the carrying amounts are greater than net realisable value.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

13. INVESTMENT IN FILMS

	At 30th June 2025 HK\$'000 (Unaudited)	At 31st December 2024 HK\$'000 (Audited)
Investment in films production	25,171	26,112

Investment in films production represents fund advanced to licensed production houses for co-financing the production of films. The investment is governed by the relevant investment agreement entered into between the Group and the production house whereby the Group is entitled to benefits generated from the distribution of the related film. The amount will be recoverable by the Group from a pre-determined share of the net distribution revenue of the respective co-financed film to be provided and confirmed by the relevant production house.

All investments which entitles the Group to receive cash flows that are not solely payments of principal and interest are carried at fair value.

14. TRADE RECEIVABLES

	At 30th June 2025 HK\$'000 (Unaudited)	At 31st December 2024 HK\$'000 (Audited)
Trade receivables	4,735	2,562
Less: allowance for ECL	(640)	(640)
	4,095	1,922

The following is an aging analysis of trade receivables, presented based on the invoice dates and net of allowance for ECL:

	At 30th June 2025 HK\$'000 (Unaudited)	At 31st December 2024 HK\$'000 (Audited)
0 to 30 days	3,962	1,922
31 to 60 days	133	–
	4,095	1,922

The average credit period granted to customers ranges from 30 to 90 days.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30th June 2025 HK\$'000 (Unaudited)	At 31st December 2024 HK\$'000 (Audited)
Listed securities classified as held for trading investments:		
– Equity securities listed in Hong Kong	11,939	11,802

At the end of the reporting period, all financial assets at FVTPL are stated at fair value. Fair value of listed securities classified as held for trading investments (other than a suspended equity security listed in Hong Kong) are determined with reference to quoted market closing price.

The fair value of the Group's equity securities listed in Hong Kong at the date of approval of these condensed consolidated financial statements were approximately HK\$14,872,000.

16. CASH AND BANK BALANCES AND RESTRICTED CASH

At 30th June 2025, the restricted cash of HK\$87,702,000 (31st December 2024: HK\$103,413,000) mainly represents sale deposits and proceeds and the remaining funds held in creditworthy bank's accounts as required by the relevant agreements and are being used to fund repayment of the applicable secured bank borrowings amounted to HK\$942,394,000 (31st December 2024: HK\$1,057,829,000) and are being used to fund repayment of other borrowings amounted to HK\$402,422,000 (31st December 2024: HK\$272,315,000) and to finance the construction costs, design and sales expenses of the related project.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

17. SHARE CAPITAL

	Number of shares		Amount	
	At 30th June 2025 '000 (Unaudited)	At 31st December 2024 '000 (Audited)	At 30th June 2025 HK\$'000 (Unaudited)	At 31st December 2024 HK\$'000 (Audited)
Ordinary shares of HK\$0.01 each				
Authorised:				
At the beginning/end of the reporting period	<u>50,000,000</u>	<u>50,000,000</u>	<u>500,000</u>	<u>500,000</u>
Issued and fully paid:				
At the beginning of the reporting period	<u>2,427,851</u>	<u>2,460,851</u>	<u>24,278</u>	<u>24,608</u>
Shares repurchased and cancelled (Note i)	<u>-</u>	<u>(33,000)</u>	<u>-</u>	<u>(330)</u>
Conversion of Bonus CBs (Note ii)	<u>1,055</u>	<u>-</u>	<u>10</u>	<u>-</u>
At the end of the reporting period	<u>2,428,906</u>	<u>2,427,851</u>	<u>24,288</u>	<u>24,278</u>

Note:

- (i) During the six months ended 30th June 2024, the Company repurchased and cancelled its own shares on the Stock Exchange as follows:

Month of repurchase	Number of ordinary shares '000	Price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
January 2024	<u>33,000</u>	<u>0.82</u>	<u>0.79</u>	<u>26,927</u>

For the six months ended 30th June 2024, the Company repurchased 33,000,000 ordinary shares at an aggregate consideration of HK\$26,927,000 and transaction costs of HK\$114,000. 33,000,000 ordinary shares were cancelled on 29th January 2024. The directors considered that the Company's ordinary shares were trading at a discount to the net asset value per share, the repurchase would increase the net asset value per share of the Company.

- (ii) On 14th May 2025, a holder of the Bonus CBs exercised its conversion rights attaching to the Bonus CBs with an aggregate principal amount of approximately HK\$264,000 into approximately 1,055,000 ordinary shares of the Company at a conversion price of HK\$0.25 per share.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

18. TRADE PAYABLES

The following is an aging analysis of trade payables, based on invoice dates:

	At 30th June 2025 HK\$'000 (Unaudited)	At 31st December 2024 HK\$'000 (Audited)
0 to 30 days	47,167	4,460
31 to 60 days	1,445	2,705
61 to 90 days	1,026	2,462
Over 90 days	50,537	67,102
	100,175	76,729

The average credit period granted by suppliers ranges from 30 to 90 days.

19. BANK AND OTHER BORROWINGS

	At 30th June 2025 HK\$'000 (Unaudited)	At 31st December 2024 HK\$'000 (Audited)
Secured bank borrowings (Note a)	1,034,700	1,138,815
Unsecured other borrowings (Note b)	49,000	35,000
Secured other borrowings (Note c)	567,422	437,315
	1,651,122	1,611,130
Carrying amounts repayable:		
Within one year	458,816	270,144
More than one year but less than two years	1,100,000	1,260,000
More than two years but less than five years	92,306	80,986
	1,651,122	1,611,130
Less: amounts due within one year	(458,816)	(270,144)
Amount due after one year	1,192,306	1,340,986

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

19. BANK AND OTHER BORROWINGS (Continued)

Notes:

- (a) At 30th June 2025, term loan of HK\$942,394,000 (31st December 2024: HK\$1,057,829,000) are secured by the Group's property, completed properties held for sale under stock of properties and restricted cash with aggregate carrying amounts of HK\$1,620,448,000 (31st December 2024: HK\$1,460,572,000), quota capital of China Star Creative Development Limited, personal guarantee provided by Mr. Heung Wah Keung ("Mr. Heung") and Ms. Chen and corporate guarantee provided by the Company together as securities, interest bearing at HIBOR for three or six month period selected by the Group plus margin of 2.85% (31st December 2024: 2.85%) per annum and maturing on 12th December 2026. At 30th June 2025, the effective interest rate of the term loan was 7.3% (31st December 2024: 7.2%) per annum.

At 30th June 2025, term loan at the principal amount of NT\$342,000,000 (31st December 2024: NT\$342,000,000) is secured by the Group's investment property with carrying amounts of HK\$171,306,000 (31st December 2024: HK\$150,297,000), personal guarantee provided by Ms. Chen, interest bearing at floating interest rate of 2-year NT\$ deposit at Chunghwa Post Co., Ltd plus margin 1.43% per annum and maturing on 12th March 2028. At 30th June 2025, the effective interest rate of the term loan was 2.8% (31st December 2024: 3.15%) per annum.

- (b) At 30th June 2025, other borrowing from Ms. Chen of HK\$35,000,000 (31st December 2024: HK\$35,000,000) are unsecured, interest bearing at 13.5% per annum and will mature on 20th November 2025.

At 30th June 2025, other borrowings of HK\$10,000,000 (31st December 2024: Nil) are unsecured, interest bearing at 8% per annum and will mature on 3rd September 2025.

At 30th June 2025, other borrowings of HK\$4,000,000 (31st December 2024: Nil) are unsecured, interest bearing at 1.5% per month and will mature on 22nd November 2025.

- (c) At 30th June 2025, other borrowings of HK\$165,000,000 (31st December 2024: HK\$165,000,000) are secured by the Group's leasehold land and building with aggregate carrying amounts of HK\$41,699,000 (31st December 2024: HK\$42,799,000), property of Ms. Chen, personal guarantee provided by Mr. Heung and Ms. Chen and corporate guarantee provided by the Company together as securities, interest bearing at 13.5% per annum and will mature on 20th November 2025.

At 30th June 2025, other borrowings of HK\$402,422,000 (31st December 2024: HK\$272,315,000) are secured by first legal mortgage over the leasehold land and properties to be erected on Property C7 with carrying amount as stock of properties and restricted cash with aggregate carrying amounts of HK\$1,819,598,000 (31st December 2024: HK\$1,670,860,000), personal guarantee provided by Mr. Heung and Ms. Chan and corporate guarantee provided by the Company together as securities, interest bearing at 18% per annum and will mature on 2nd November 2026.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

20. PLEDGE OF ASSETS

- (a) At 30th June 2025, the Group's property, completed properties held for sale under stock of properties and restricted cash with aggregate carrying amounts of HK\$1,620,448,000 (31st December 2024: HK\$1,460,572,000), quota capital of China Star Creative Development Limited, personal guarantee provided by Mr. Heung and Ms. Chen and corporate guarantee provided by the Company together as securities, have been pledged to secure the banking facilities granted to the Group.

At 30th June 2025, the Group's properties under development held for sale under stock of properties and restricted cash with aggregate carrying amounts of HK\$1,819,598,000 (31st December 2024: HK\$1,670,860,000), personal guarantee provided by Mr. Heung and Ms. Chen and corporate guarantee provided by the Company together as securities, have been pledged to secure the borrowing facilities granted to the Group.

- (b) At 30th June 2025, the Group's time deposits with the amount of HK\$171,000 (31st December 2024: HK\$168,000) are pledged as guarantee to Macau Government for development of stock of properties located in Macau.
- (c) At 30th June 2025, the Group's investment property with carrying amount of HK\$171,306,000 (31st December 2024: HK\$150,297,000) has been pledged to secure banking facilities granted to the Group.
- (d) At 30th June 2025, the Group's property with carrying amounts of HK\$41,699,000 (31st December 2024: HK\$42,799,000) are pledged to secure other borrowings granted to the Group.

21. COMMITMENTS

The Group had the following outstanding commitments at the end of the reporting period:

	At 30th June 2025 HK\$'000 (Unaudited)	At 31st December 2024 HK\$'000 (Audited)
Authorised and contracted, but not provided for:		
– Development expenditure for stock of properties in Macau	889,701	1,025,212
– Development expenditure for catering operations in Macau	16,046	16,046
– Film rights, films in progress and film deposits	17,227	17,147
	<u>922,974</u>	<u>1,058,405</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

- (a) Fair value of the Group's financial instruments that are measured at fair value on a recurring basis

Fair value hierarchy	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
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At 30th June 2025 (Unaudited)

Fair value on a recurring basis

Financial assets at FVTPL

Equity securities listed in Hong Kong	11,939	–	–	11,939
Investment in films, at fair value – films under post-production/ distribution stage	–	–	25,171	25,171
	<u>11,939</u>	<u>–</u>	<u>25,171</u>	<u>37,110</u>

At 31st December 2024 (Audited)

Fair value on a recurring basis

Financial assets at FVTPL

Equity securities listed in Hong Kong	11,802	–	–	11,802
Investment in films, at fair value – films under post-production/ distribution stage	–	–	26,112	26,112
	<u>11,802</u>	<u>–</u>	<u>26,112</u>	<u>37,914</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(a) Fair value of the Group's financial instruments that are measured at fair value on a recurring basis (Continued)

The Group's policy is to recognise transfers into and out of fair value hierarchy at the end of the date of the events or change in circumstance that caused the transfer.

During the six months ended 30th June 2025 and year ended 31st December 2024, there were no transfer between Level 1 and Level 2, or transfer into or out of Level 3.

The following table presents the changes in financial assets at FVTPL which are classified as Level 3 category for the six months ended 30th June 2025 and year ended 31st December 2024:

	HK\$'000
Investment in films, at fair value	
At 1st January 2024 (Audited)	96,512
Loss arising on change in fair value	(69,433)
Exchange adjustments	(967)
At 31st December 2024 (Audited) and at 1st January 2025	26,112
Exchange adjustments	(941)
At 30th June 2025 (Unaudited)	25,171

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

- (a) **Fair value of the Group's financial instruments that are measured at fair value on a recurring basis (Continued)**

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable input	Relation of significant unobservable inputs to fair value
Investment in films under post-production/distribution stage, at fair value	Discounted cash flows approach	Discount rate of 11% (31st December 2024: 11%)	The discount rate is negatively correlated to the fair value measurement of investment in films at fair value

In estimating the fair value of an asset, the management of the Company work closely with Graval to establish the appropriate valuation techniques and inputs to the model. The management of the Company reports the findings to the directors at the end of each reporting period to explain the cause of fluctuations in fair value of the asset.

Information about the valuation techniques and inputs used in determining the above fair value are disclosed above.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

23. MATERIAL RELATED PARTY TRANSACTIONS

- (a) During the period under review, the Group entered into the following transactions with its related parties:

	At 30th June 2025 HK\$'000 (Unaudited)	At 31st December 2024 HK\$'000 (Audited)
Balances with substantial shareholder and directors of the Company		
Amount due to a director (included in other borrowings)	35,000	35,000
Amounts due to directors and their associate (included in other payables) (Note)	29,300	21,500

Note: Amounts due to directors included amounts due to Ms. Chen and Mr. Heung which are unsecured, non-interest bearing and repayable on demand.

	Six months ended 30th June 2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Transactions with substantial shareholder and director of the Company		
Loan interest income (included in other revenue and other income)	-	12,693
Interest expenses on amount due to a director and an associate (included in finance costs)	(2,636)	(367)

- (b) During the six months ended 30th June 2025, Mr. Heung and Ms. Chen had provided personal guarantee to a financing company for the Group's other borrowing amounting to HK\$165,000,000 (31st December 2024: HK\$165,000,000). The provision of personal guarantee by Mr. Heung and Ms. Chen remains in full force and effect.
- (c) During the six months ended 30th June 2025, Ms. Chen had provided personal guarantee to a bank for the Group's term loan amounting to HK\$92,306,000 (31st December 2024: HK\$80,986,000). The provision of personal guarantee by Ms. Chen remains in full force and effect.
- (d) During the six months ended 30th June 2025, Mr. Heung and Ms. Chen had provided personal guarantee to a bank for the Group's term loan amounting to HK\$1,700,000,000 (31st December 2024: HK\$1,700,000,000). The provision of personal guarantee by Mr. Heung and Ms. Chen remains in full force and effect.
- (e) During the six months ended 30th June 2025, Mr. Heung and Ms. Chen had provided personal guarantee to a lender for the Group to obtain available borrowing facilities with the amounts of HK\$550,000,000 (31st December 2024: HK\$550,000,000). The provision of personal guarantee by Mr. Heung and Ms. Chen remains in full force and effect.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30th June 2025

24. MAJOR NON-CASH TRANSACTIONS

- (a) During the six months ended 30th June 2025, the Group entered into new lease arrangements for the offices. On the lease commencement, the Group recognised right-of-use assets and lease liabilities of HK\$8,411,000.
- (b) During the six months ended 30th June 2024, the Group transferred a portion of the stock of properties located in Macau at cost of HK\$265,957,000 to "property, plant and equipment" as the Group changed the usage to owner-occupation.
- (c) During the six months ended 30th June 2024, the Group had acquired property, plant and equipment amounting to HK\$21,293,000 which the consideration was paid during the year ended 31st December 2023.
- (d) During the six months ended 30th June 2024, the Group entered into financing arrangement with a finance provider that certain trade payables amounting to HK\$45,380,000 were settled by the finance provider on behalf of the Group.
- (e) During the six months ended 30th June 2024, the Group entered into financing arrangement with a non-controlling shareholder of a subsidiary that certain trade payables amounting to HK\$25,000,000 were settled by the non-controlling shareholder on behalf of the Group.

25. EVENTS AFTER THE REPORTING PERIOD

There is no significant event took place subsequent to end of the reporting period.

26. APPROVAL AND AUTHORISATION FOR ISSUE OF THE INTERIM FINANCIAL INFORMATION

The Interim Financial Information were approved and authorised for issue by the Board of Directors on 29th August 2025.



國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

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Hong Kong

REPORT OF REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of China Star Entertainment Limited ("the Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 3 to 30, which comprise the condensed consolidated statement of financial position as of 30th June 2025 and the related condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the 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 "HKICPA"). 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* issued by the HKICPA. 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.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Lee Pak Kin
Practising Certificate Number: P08262

Hong Kong, 29th August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the six months ended 30th June 2025, the Group recorded revenue of HK\$256,521,000 from HK\$193,317,000 for the last corresponding period, representing an increase of 33%. The increase mainly related to multi-media and entertainment business operations that contributed revenue of HK\$123,194,000 (Six months ended 30th June 2024: HK\$13,004,000) and was partially offset by the decrease in revenue of property development and investment operations of HK\$133,013,000 (Six months ended 30th June 2024: HK\$179,147,000).

Loss for the period amounted to HK\$133,602,000 (Six months ended 30th June 2024: HK\$134,239,000). The loss mainly included marketing, selling and distribution expenses amounted to HK\$35,214,000 (Six months ended 30th June 2024: HK\$49,464,000), other operating expenses amounted to HK\$45,734,000 (Six months ended 30th June 2024: HK\$10,235,000), finance costs amounted to HK\$51,868,000 (Six months ended 30th June 2024: HK\$75,071,000) and administrative expenses of HK\$81,719,000 (Six months ended 30th June 2024: HK\$63,697,000). The loss was improved by gross profit amounted to HK\$76,391,000 (Six months ended 30th June 2024: HK\$57,941,000).

Loss attributable to owners of the Company for the six months ended 30th June 2025 amounted to HK\$110,875,000, representing a decrease of 18% from HK\$135,480,000 for the last corresponding period.

DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30th June 2025 (Six months ended 30th June 2024: nil).

BUSINESS REVIEW

The Group has three reportable segments – (1) film related business operations; (2) property development and investment operations; and (3) multi-media and entertainment business operations.

Of the total revenue for the period, HK\$314,000 or 0% was generated from film related business operations, HK\$133,013,000 or 52% was generated from property development and investment operations, and HK\$123,194,000 or 48% was generated from multi-media and entertainment business operations.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

BUSINESS REVIEW (Continued)

Film Related Business Operations

Film related business operations included investment, production, distribution and licensing of films and television drama series and provision of other film related services including artist management services.

In the first half of the year 2025, revenue from film related business operations amounted to HK\$314,000 (Six months ended 30th June 2024: HK\$1,166,000) and its segment loss amounted to HK\$1,185,000 (Six months ended 30th June 2024: HK\$3,243,000). The Group currently has no film or TV drama series in production and this period's revenue was mainly sub-distribution fees and artist management fees. A new production of the Group has completed script writing, the production schedule of this film will postponed to a later stage due to the unfavorable market situation in film industry. The Group has passive investment in a film which is expected to release in Chinese new year 2026 and the Group normally will not intervene the distribution schedule of this kind of investment. Recently, short dramas and internet movies are supported by customers in different platforms. The Group is considering investment in these platforms by using its extensive experience in film industry.

Property Development and Investment Operations

Property development and investment operations included investing and development of properties and property management of Tiffany House. The Group mainly has two projects in Macau, namely (i) Lot C7 do Plano de Urbanizacao da Baia de Praia Grande, located in the Nam Van Lakes Zone, at Avenida Doutor Stanley Ho, registered with the Macau Land and Real Estate Registry under no. 23070 (the "Property C7"); and (ii) Tiffany House located at Rua De Luis Gonzaga Gomes and Rua De Xiamen, Macau.

The Property C7 is a lot of land with site area of 4,669 square meters which are developing for residential and parking purpose with the maximum allowed height of the building of 46.7 meters above sea level and maximum utilization rate of 5.58 (parking not included) according to the Urbanistic Conditions Plan issued by Land and Urban Construction Bureau on 29th June 2023. The Property C7 is developing into a thirteen storey building and one basement and will have a gross floor area of (a) residential – 25,832 square meters, (b) commercial – 215 square meters and (c) parking – 3,930 square meters. The Group has entered into an operation entrustment agreement and a main sale agreement with a well-known Macau property developer and entrust it to assist for design, development and construction, sales and finance arrangement of the Property C7. The Group considered that this professional arrangement for the Property C7 can speed up the construction process and assist the later sales. The construction work of the Property C7 commenced on 14th December 2023. The Property C7 is formally named as "Lake Yoho" and will provide 312 residential units with 15 villas, one commercial unit, and 144 carparks and 30 motorcycle parks at the underground level. The Property C7 has completed its topping out on 24th January 2025 and obtained its presale permit on 13th January 2025. The occupation permit is expected to obtain in mid-year 2026. The presale of Lake Yoho started in end of June 2025 and has received subscriptions for more than 50 residential units with sales consideration over HK\$300 million as at 30th June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

BUSINESS REVIEW (Continued)

Property Development and Investment Operations (Continued)

Tiffany House is located adjacent to Macao Polytechnic Institute and next to Golden Lotus Square, and is a couple of blocks away from Macau Fisherman's Wharf and Sands Casino. Tiffany House has a gross floor area of (a) residential – 31,192 square meters, including 3,819 square meters for clubhouse, (b) commercial – 3,716 square meters and (c) parking – 11,250 square meters. It provides 230 residential units in two towers, with units ranging from studio flats to four-bedroom apartments as well as special units and 272 carparks and 75 motorcycle parks in three underground levels. A prestigious clubhouse decided by Mr. William Chang, a famous art director and star designer in Hong Kong which provides a wide range of facilities including swimming pool, gym room, well equipped kitchen, yoga and dance room, etc. Tiffany House obtained its occupational permit in December 2019 and started sales in October 2022. Tower 1 of Tiffany House has 115 residential units and gross floor area of approximately 161,000 square feet and Tower 2 which facing Golden Lotus Square and Guia Hill has 115 residential units and gross floor area of approximately 175,000 square feet. During the period, sales of 17 residential units with gross area of approximately 21,000 square feet, 4 carparks and 2 motorcycle parks were completed with aggregate consideration of HK\$132,359,000. As at 30th June 2025, there were 109 residential units with gross area of approximately 197,000 square feet, 239 carparks and 68 motorcycle parks unsold, of which 11 residential units with gross area of approximately 18,000 square feet and 3 carparks have signed the provisional agreements with aggregate consideration of HK\$110,658,000.

In the first half of the year 2025, revenue from property development and investment operations amounted to HK\$133,013,000 (Six months ended 30th June 2024: HK\$179,147,000), a decrease of 26% and its segment loss amounted to HK\$92,251,000 (Six months ended 30th June 2024: HK\$65,113,000). All revenue in this period came from sales in Tiffany House and building management service fees income. The segment loss was mainly included finance costs for the bank loan of Tiffany House (the "Term Loan") amounted to HK\$34,168,000 (Six months ended 30th June 2024: HK\$64,465,000) and the write-down of stock of properties amounted to HK\$43,944,000 (Six months ended 30th June 2024: HK\$9,167,000). The finance costs continued the burden for the performance of the property development and investment operations. Write down of stock of properties represented the shortfall of the carrying amount of unsold individual unit prices compared with their estimated selling prices. In the first half of year 2025, the property market continues to be sluggish, and the market has a strong wait-and-see atmosphere, particularly the Macau property market. The Group will continue to speed up the process of property sales in order to decrease the principal amount of the Term Loan and its finance costs.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

BUSINESS REVIEW (Continued)

Multi-media and Entertainment Business Operations

杭州英明向太多媒體有限公司 (“YMXT”), a wholly owned subsidiary of the Company in China which principal activities are multi-media and entertainment business operations which included development, promotion and operation of livestreaming e-commerce in multi-channel network e-commerce platform and development and sales of private label products. YMXT has operated various livestreaming channels in Douyin including our main Douyin account 向太陳嵐, 向太奢品 and 向樣官方旗艦店 to enhance our customer base. 向太奢品 is the first seller in Douyin for brand bags.

During the period, we have launched several private label products to increase our product variety. Our private label products become increasingly recognise in the market, quickly becoming synonymous with “quality, premium and lifestyle” and thereby, our brand is gaining millions of returning customers.

In the first half of the year 2025, our total gross merchandise value (“GMV”) (after sales return) was RMB295,154,000. Revenue from multi-media and entertainment business operations amounted to HK\$123,194,000 (Six months ended 30th June 2024: HK\$13,004,000) and its segment loss amounted to HK\$3,837,000 (Six months ended 30th June 2024: HK\$25,165,000). The revenue included HK\$72,588,000 sales from private label products. During the period, YMXT has successfully increased its revenue and improved its loss position. With our private label products “向樣” become more popular in the market and the Company’s continuous improvements in supply chain management capabilities and the expansion of its product portfolio, we are able to collaborate with more e-commerce platforms and tailor our product portfolio to meet the diverse needs of target consumers of different platforms. This would ensure that consumers receive consistently high-quality products, brand experience and services through different platforms. With increasing competition in the livestreaming e-commerce industry, the commission margin and income from traditional livestreaming is unavoidable influenced.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

BUSINESS REVIEW (Continued)

Other Business Operations

For the commercial mall in Tiffany House, the Group intends to develop it into shopping mall which can provide restaurants, shops and daily necessities to the tenants in Tiffany House and the nearby residents. The Group has opened a restaurant, a café and a convenient store and these business operations are still in early stages, thus we do not classify them into new and reportable business segments. In the first half of year 2025, although their performance are improved, these operations were still operated at a loss. They need time to increase their customers and reach a balance between income and expenditure.

Geographical Segments

For the geographical segments, revenue of HK\$133,013,000 or 52% was sourced from Macau, revenue of HK\$123,494,000 or 48% was sourced from China and revenue of HK\$14,000 or 0% was sourced from other territories during the period. Revenue from Macau mainly represented property sales of Tiffany House in Macau and revenue from China mainly represented income from multi-media and entertainment business operations.

Administrative Expenses

For the six months ended 30th June 2025, administrative expenses amounted to HK\$81,719,000 (Six months ended 30th June 2024: HK\$63,697,000), representing an increase of 28%. The increase mainly included administrative expenses incurred in the multi-media and entertainment business operations, catering operations and the operation of retail sales. During the period, although headcount decreased, employee benefit expenses classified as administrative expenses amounted to HK\$31,952,000 as compared to HK\$29,083,000, increased by 10%.

Marketing, Selling and Distribution Expenses

For the six months ended 30th June 2025, marketing, selling and distribution expenses amounted to HK\$35,214,000 (Six months ended 30th June 2024: HK\$49,464,000), representing a decrease of 29%. These expenses mainly included marketing and selling expenses of Tiffany House which mainly included engagement of consultancy parties and agency commission and marketing expenses incurred in multi-media and entertainment business operations which included advertising expenses in maintaining the publicity of the livestreaming channels such as the Douyin accounts and the number of followers. The decrease is mainly caused by the decrease in revenue and its agency commission of the property development and investment operations business.

Finance Costs

For the six months ended 30th June 2025, finance costs amounted to HK\$51,868,000 (Six months ended 30th June 2024: HK\$75,071,000) were charged to the condensed consolidated income statement which mainly included interests financing the construction costs of Tiffany House. The decrease was caused by decrease in principal amount of the Term Loan (as defined below). Finance costs on the Construction Loan (defined as below) financing construction costs of the Property C7 amounted to HK\$33,113,000 (Six months ended 30th June 2024: HK\$3,093,000) were capitalized to stock of properties.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30th June 2025, the Group had total assets of HK\$4,182,892,000 (31st December 2024: HK\$4,205,511,000) and net current assets of HK\$2,563,785,000 (31st December 2024: HK\$2,863,164,000), representing a current ratio of 3.4 (31st December 2024: 4.6). The Group had cash and bank balances, time deposits and restricted cash in aggregate amount of HK\$98,998,000 (31st December 2024: HK\$126,425,000).

As at 30th June 2025, the Group had total borrowing of HK\$1,667,437,000 (31st December 2024: HK\$1,629,316,000) which mainly comprised the Term Loan of HK\$942,394,000 (31st December 2024: HK\$1,057,829,000), a secured bank loan (the "Secured Loan") of HK\$92,306,000 (31st December 2024: HK\$80,986,000), a secured term loan from a finance company (the "Short Term Loan") of HK\$165,000,000 (31st December 2024: HK\$165,000,000), an unsecured loan from a related company (the "Director Loan") of HK\$35,000,000 (31st December 2024: HK\$35,000,000), a secured property loan (the "Construction Loan") and its accrued interests of HK\$402,422,000 (31st December 2024: HK\$272,315,000) and other short term borrowings in aggregate amount of HK\$14,000,000 (31st December 2024: nil) and lease liabilities of HK\$16,315,000 (31st December 2024: HK\$18,186,000).

The purpose of the Term Loan is to finance the construction costs and any other soft costs in relation to Tiffany House and secured by first legal mortgage over properties of Tiffany House with carrying amount as property, stock of properties and restricted cash in aggregate amount of HK\$1,620,448,000, interest bearing at Hong Kong Interbank Offered Rate ("HIBOR") for three or six month period selected by the borrower plus margin of 2.85% per annum (reduced from HIBOR plus 3% to HIBOR plus 2.85% with effect from 17th June 2024) for each interest period and its repayment schedules are as follows:

Instalments	Repayment Date (counting from 13th December 2022)	Minimum Repayment Amount (HK\$)
1	12 months	50,000,000
2	18 months	160,000,000
3	24 months	160,000,000
4	30 months	160,000,000
5	36 months	160,000,000
6	42 months	160,000,000
7	48 months (final maturity)	850,000,000

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE (Continued)

There is a clause in the Term Loan that mandatory prepayment in an amount of 90% of the net sales proceeds from Tiffany House (net deduction of direct expenses to be accepted by the lender) or dispositions of any properties or assets of Tiffany House unless otherwise approved by the lender. The remaining sales proceeds from Tiffany House after the repayment shall be deposited into a charge account, and can only be used for the payment of interest of the Term Loan. The original Term Loan facility was HK\$1,700,000,000, after an aggregate repayment of HK\$757,606,000, the outstanding balance is HK\$942,394,000 which has fulfilled the minimum repayment requirement in the first 30 months. During the six months ended 30th June 2025, the Group repaid principal of HK\$115,435,000 and has to repay further principal of HK\$92,394,000 within the next 12 months in order to fulfill the minimum repayment amount.

The Secured Loan is in original currency of New Taiwan Dollar 342,000,000, secured by investment property in carrying amount of HK\$171,306,000 (31st December 2024: HK\$150,297,000), interest bearing at floating rate of 2-year New Taiwan Dollar deposit at Chungwa Post Co., Ltd plus margin 1.43% per annum (i.e. 2.80% as at 30th June 2025) which will mature on 12th March 2028.

The Short Term Loan is secured by the Group's property in carrying amount of HK\$41,699,000 (31st December 2024: HK\$42,799,000), personal guarantee provided by Mr. Heung Wah Keung and Ms. Chen Ming Yin Tiffany, being directors and controlling shareholders of the Company, interest bearing at 13.5% per annum and will mature on 20th November 2025.

The Director Loan is unsecured, interest bearing at 13.5% per annum and will mature on 20th November 2025. The source of fund for the Director Loan was same as the Short Term Loan. The repayment of the Director Loan is deferred after the Short Term Loan.

The purpose of the Construction Loan is to finance the construction costs, design and sales expenses of the Property C7. The facility amount of the Construction Loan is HK\$550,000,000, secured by first legal mortgage over the leasehold land and properties to be erected on Property C7 with carrying amount as stock of properties and restricted cash in aggregate amount of HK\$1,819,598,000 and will mature twenty-eight months after the date of drawdown, i.e. 2nd November 2026. Interest is payable annually at the rate of 18% per annum.

Other short term borrowings are unsecured, interest bearing from 8% to 18% per annum and will mature within six months from date of drawdown.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE (Continued)

As at 30th June 2025, the Group had bank and other credit facilities amounting to HK\$2,466,746,000 which were utilized to the extent of HK\$2,130,986,000. The Group's gearing was acceptable during the period with total debts of HK\$1,667,437,000 (31st December 2024: HK\$1,629,316,000) against owners' equity of HK\$1,939,479,000 (31st December 2024: HK\$2,053,818,000). This represents a gearing ratio, calculated in the basis of the Group's total borrowings over owners' equity of 86% (31st December 2024: 79%). The gearing position of the Group is expected to improve when the Property C7 can obtain its occupation permit which is expected to be mid-2026 and completion of the sale properties can take place.

As at the date of approving these interim results and as at 30th June 2025, the fair value of the Group's equity securities listed in Hong Kong held at 30th June 2025 was approximately HK\$14,872,000 and HK\$11,939,000 (excluding the value of one suspend trading security at both dates, if any) respectively. During the six months ended 30th June 2025, the Group acquired HK\$3,300,000 equity securities listed in Hong Kong and disposed proceeds of HK\$2,392,000 equity securities listed in Hong Kong. The loss arising on change in fair value of financial assets at fair value through profit and loss was HK\$771,000. As at 30th June 2025, no single equity security's fair value held by the Group accounted for 5% or more of the total assets of the Group.

During the period, HK\$264,000 bonus convertible bonds were converted into approximately 1,055,000 fully paid ordinary Shares at the conversion price of HK\$0.25 per Share.

During the period, no awards were outstanding, granted, vested, lapsed, expired or cancelled.

During the period, no share options of the Company were outstanding, granted, exercised, lapsed, expired or cancelled.

CHARGES OF ASSETS

As at 30th June 2025, property, stock of properties and certain bank accounts in aggregate carrying amount of HK\$1,620,448,000 and quota capital of China Star Creative Development Limited, a wholly owned subsidiary of the Company which is engaged in the business of property development and investment has been pledged for banking facilities of HK\$1,700,000,000 granted to the Group; stock of properties and certain bank accounts in aggregate carrying amount of HK\$1,819,598,000 has been pledged for the Construction Loan facility of HK\$550,000,000 granted to the Group; time deposit in amount of HK\$171,000 has been pledged as guarantee to Macau government for deposits in the development of stock of properties in Macau; the Group's property in carrying amount of HK\$41,699,000 has been pledged for the Short Term Loan facility; and investment property in carrying amount of HK\$171,306,000 has been pledged for the Secured Loan facility.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

EXCHANGE RISK AND HEDGING

Majority of the Group's transactions, assets and liabilities are denominated in Hong Kong Dollar, Macau Pataca, United States Dollar, New Taiwan Dollar and Renminbi. The exposure to fluctuation in exchange rates in Renminbi mainly arises from multi-media and entertainment business operations in China and receipts and expenditure incurred in film investment, production and distribution. The Group has closely monitor its exposure to this fluctuation and consider appropriate hedging activities if necessary. The exposure to fluctuation in other currencies is considered to be minimal and no hedge activity is considered necessary.

COMMITMENTS

As at 30th June 2025, outstanding commitments by the Group amounted to HK\$922,974,000, of which HK\$889,701,000 as development expenditure for stock of properties in Macau, HK\$16,046,000 for development expenditure of catering operations in Macau and HK\$17,227,000 for film rights, films in progress and film deposits.

CONTINGENT LIABILITIES

On 18th June 2025, a civil claim was brought by a decoration company (the "Plaintiff") against China Star Creative Development Limited ("CSCDL"), a wholly-owned subsidiary of the Company, in regard of a renovation project of a restaurant located in Tiffany House for an unsettled renovation costs of MOP10,797,000 and retention of MOP777,000 and interest for overdue payment of MOP1,354,000. On 10th July 2025, the Plaintiff and CSCDL entered into a settlement agreement pursuant to which CSCDL agreed to settle MOP4,000,000 on the date of the settlement agreement and the balance MOP7,574,000 (the "Balancing Claim") before 31st December 2025 (excluding overdue interest). The case will closed upon the settlement of the Balancing Claim.

As at 30th June 2025, the Group had no other material contingent liability.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

There were no significant investments, material acquisitions or disposals during the period.

EMPLOYEES AND REMUNERATION POLICY

As at 30th June 2025, the Group employed 247 staff (30th June 2024: 291 staff) with employee benefit expenses (included directors' remuneration) of HK\$42,902,000 (30th June 2024: HK\$43,620,000), of which HK\$31,952,000 (30th June 2024: HK\$29,083,000) classified as administrative expenses and HK\$10,950,000 (30th June 2024: HK\$14,537,000) classified as marketing, selling and distribution expenses, an overall decrease of 2%. The decrease mainly included decrease in headcount as some sections of our multi-media and entertainment business operations in China are outsourced to third parties. The directors believe that the quality of its employees is the single most important factor in sustaining the Group's reputation and improving its profitability. The staff are remunerated based on their work performance, professional experience and prevailing industry practices. Apart from basic salaries, pension fund, housing allowances, meal allowances, medical schemes and discretionary bonuses, share options and share awards are awarded to certain staff according to the assessment of individual performance.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

IMPORTANT EVENTS AFFECTING THE GROUP SINCE 30TH JUNE 2025

As at the date of approving these interim results, the Board is not aware of any important events affecting the Group which had occurred since 30th June 2025.

PROSPECT

Macau property market remains cautious and are closely tied to its gaming industry, tourism sector, and broader economic in China. Therefore, Macau housing demand is mostly driven by local end-users. In first half of the year 2025, China has stabilize the real estate market through a series of stimulus measures and policies. Further and stronger stimulus policies could help restore consumer confidence and boost domestic consumption, favouring the recovery of the property market. Property C7 started presale in the end of June 2025 and achieved positive market response and remarkable sales are recorded up to the date of this report. The Group is confident for the sales of this project in terms of its superior and unique location. New source of income and cashflow for the Group is expected to arise in the coming few months when the Property C7 can obtain its occupation permit in around mid-year 2026. New sales campaign of Tiffany House will launch in the following few months. The Group will continue with the timely sale of unsold residential units in Tiffany House.

The Group's livestreaming e-commerce business has facing increasing competition. Our directors, Chen Ming Yin Tiffany and Heung Wah Keung are key opinion leaders and they are influencers and celebrities who play a crucial role in driving sales through livestreaming by leveraging their large followings to promote products effectively. More types of private label products launched in the market will increase our customer bases but some of these products did not perform as expected. Having more than two years' experience in the market, the Group will continue to review and position this business segment and its development. In the face of challenges, the Group has initiated changes to consolidate its strengths and explore new growth areas for transformation of the business. The future of livestreaming e-commerce in China still looks promising, driven by sustained growth, technological innovation, and evolving consumer preferences.

In recent years, there are growing demand for healthcare products and supplements since people are rising health awareness and aging population are increasing. The Group has cooperated with a global famous nutrition research and development company and launched our first healthcare product in probiotics and prebiotics "ivywell" in July 2025. This means that the Group's business has moved towards healthcare segment. By starting investing into this new business, the Group considered that we can explore the investment opportunity in premium healthcare market.

Looking forward, the Group will continue to grasp favorable opportunities brought by its multi-media and entertainment business and will enhance the development of its healthcare operations business and will strive to achieve high quality development and successfully monetizing the value of its property development projects.

OTHER INFORMATION

CHANGES IN INFORMATION OF DIRECTOR

The changes in information of director as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2024 Annual Report of the Company are set out below:

- (i) Mr. Heung Wah Keung resigned as a member of the Nomination Committee of the Company with effect from 24th June 2025; and
- (ii) Ms. Li Yuk Sheung was appointed as a member of the Nomination Committee of the Company with effect from 24th June 2025.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30th June 2025, the interests of the directors and their associates in the shares and the underlying shares of the Company and its associated corporations, as recorded in the register ("Register of Interests") maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO") or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Interests in ordinary shares of the Company

Name of director	Capacity	Number of Shares held	Approximate percentage of Interests held
Mr. Heung Wah Keung	Interest of controlled corporation	1,640,375,595*	67.5%
Ms. Chen Ming Yin, Tiffany	Interest of controlled corporation	1,640,375,595*	67.5%

All interests stated above represent long positions.

- * These shares are held by Heung Wah Keung Family Endowment Limited ("HWKFE") which is beneficially owned as to 50% by Mr. Heung Wah Keung and as to 50% by Ms. Chen Ming Yin, Tiffany.

Other than as disclosed above, as at 30th June 2025, none of the directors or chief executives of the Company or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the Register of Interests or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION (Continued)

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or the spouse or children under 18 years of age of such director, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 30th June 2025, the register of substantial shareholders maintained by the Company under Section 336 of the SFO showed that, other than the interests disclosed above in respect of certain directors, the following shareholders had an interest of 5% or more in the issued share capital of the Company:

Name of shareholder	Capacity	Number of shares or underlying shares held	Approximate percentage of interests held
HWKFE	Beneficial owner	1,640,375,595	67.5%

All interests stated above represent long positions.

Other than as disclosed above, the Company has not been notified of any other interests or short positions representing 5% or more of the Company's issued share capital as at 30th June 2025.

SHARE SCHEMES

Share Option Scheme

Pursuant to an ordinary resolution passed at an annual general meeting of the Company held on 29th June 2022, the Company adopted a new share option scheme (the "Share Option Scheme") to replace the share option scheme adopted on 28th June 2012. The Company amended the Share Option Scheme (the "Amended Share Option Scheme") by ordinary resolution of the shareholders of the Company in the annual general meeting held on 29th June 2023. The details of the Amended Share Option Scheme were disclosed in the Company's circular dated 6th June 2023.

Apart from the Amended Share Option Scheme, the Company has no other share option scheme in place as at 30th June 2025.

OTHER INFORMATION (Continued)

SHARE SCHEMES (Continued)

Share Award Scheme

The Company adopted the share award scheme (the "Share Award Scheme") by ordinary resolution of the shareholders of the Company in the annual general meeting held on 29th June 2023. The purposes and objectives of the Share Award Scheme are to recognise the contributions by certain eligible participants, provide them with incentives in order to retain them for the continual operation and development of the Group, and attract suitable personnel for further development of the Group. The details of the Share Award Scheme were disclosed in the Company's circular dated 6th June 2023.

During the six months ended 30th June 2025, no share options and awards were granted, exercised/vested, expired, lapsed or cancelled. As at 1st January 2025 and 30th June 2025, there were no outstanding share options under the Amended Share Option Scheme and no unvested awards under the Share Award Scheme.

As at 1st January 2025 and 30th June 2025, the number of options and awards available for grant under the Share Award Scheme, the Amended Share Option Scheme and any other share scheme(s) of the Company is 242,890,615.

For the six months ended 30th June 2025, there is no share that may be issued in respect of options and awards granted the Share Award Scheme, the Amended Option Scheme and any other share scheme(s) of the Company, representing 0% of the weighted average number of issued shares of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain a high standard of corporate governance practices. The Company has applied the principles and complied with all the applicable code provisions laid down in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules during the period from 1st January 2025 to 30th June 2025.

OTHER INFORMATION (Continued)

ADOPTION OF THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the “Model Code”) as set out in Appendix C3 to the Listing Rules for securities transactions by directors of the Company. All directors of the Company have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code during the six months ended 30th June 2025. The Model Code also applies to other specified senior management of the Group.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30th June 2025.

AUDIT COMMITTEE

The audit committee of the Company comprises Messrs. Ho Wai Chi, Paul, Hung Cho Sing and Tai Kwok Leung, Alexander, all being independent non-executive directors. Mr. Ho Wai Chi, Paul is the chairman of the audit committee.

The audit committee of the Company has met and discussed with the Company’s independent auditors, and has reviewed the accounting principles and practices adopted by the Group and the unaudited condensed consolidated financial statements of the Group for the six months ended 30th June 2025 and is of the view that such statements have been prepared in compliance with the applicable accounting standards, the Listing Rules and other applicable legal requirements and that adequate disclosure has been made.

OTHER INFORMATION (Continued)**BOARD OF DIRECTORS**

As at the date of this report, 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.

By Order of the Board
Heung Wah Keung
Chairman

Hong Kong, 29th August 2025