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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 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 profit of the Group for the year ended 31 December 2015 is expected to decrease by approximately 46% to 52% as compared to HK\$210,011,000 for the year ended 31 December 2014.

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 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 (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the profit of the Group for the year ended 31 December 2015 is expected to decrease by approximately 46% to 52% as compared to HK\$210,011,000 for the year ended 31 December 2014. Based on a preliminary review on the unaudited consolidated management accounts of the Group for the year ended 31 December 2015 and information currently available to the Board, such decrease is mainly attributable to (i) approximately 26% to 32% decrease in the figure of gross profit from HK\$650,142,000 in the previous year due to significant decrease in revenue from service income from gaming operations as a result of the recession in gaming industry in Macau; and (ii) the incur of share-based payment expenses of approximately HK\$52 million related to share options granted in this year. The effect of such decrease is partially offset by: (1) substantial increase in the amount of approximately HK\$92 million in gain arising on change in fair value of financial assets classified as held for trading investments from HK\$8,110,000 in the previous year; and (2) increase in the amount of approximately HK\$53 million in interest income represented in other revenue from HK\$37,584,000 in the previous year .

As the Group is still in the process of finalising its annual results for the year ended 31 December 2015, which is expected to be published on 29 March 2016, the information contained in this announcement is only based on the preliminary assessment according to the unaudited consolidated management accounts of the Group and are subject to the audit 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, 14 March 2016

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. Tang Chak Lam, Gilbert.