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## **CHINA STAR ENTERTAINMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 326)

### **POSITIVE PROFIT ALERT**

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 six months ended 30 June 2014 is expected to increase by approximately 85% to 95% as compared to HK\$60,789,000 for the six months ended 30 June 2013.

**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 six months ended 30 June 2014 is expected to increase by approximately 85% to 95% as compared to HK\$60,789,000 for the six months ended 30 June 2013. Based on a preliminary review on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2014 and information currently available to the Board, such increase is mainly attributable to (i) substantial decrease in impairment loss recognised in respect of the intangible assets of the gaming promotion operations of approximately HK\$34 million from HK\$41,036,000 in the corresponding period of the previous year; (ii) the absence of share-based payment expenses of HK\$8,747,000 recorded in the six months ended 30 June 2013; (iii) increase in other revenue of approximately HK\$11 million from the corresponding period of the previous year which mainly included increase in loan interest income; and (iv) decrease in finance costs of approximately HK\$11 million from the corresponding period of the previous year which mainly caused by the full conversion of the outstanding 8% convertible bonds of the Company into shares of the Company on 31 March 2014 and thus decrease the interest expenses for the period. The effect of such increase is partially offset by approximately 6% decrease in the figure of gross profit as compared to the corresponding period of the previous year due to decrease in turnover .

As the Group is still in the process of finalising its interim results for the six months ended 30 June 2014, which is expected to be published on 28 August 2014, 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 review 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    Mung Kin Keung**  
*Co-Chairman        Co-Chairman*

Hong Kong, 15 August 2014

*As at the date of this announcement, the executive directors of the Company are Mr. Heung Wah Keung, Mr. Mung Kin 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.*