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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 year ended 31 December 2014 is expected to increase by approximately 120% to 140% as compared to HK\$91,339,000 for the year ended 31 December 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 year ended 31 December 2014 is expected to increase by approximately 120% to 140% as compared to HK\$91,339,000 for the year ended 31 December 2013. Based on a preliminary review on the unaudited consolidated management accounts of the Group for the year ended 31 December 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 to approximately HK\$13 million from HK\$42,727,000 in the previous year; (ii) increase in other revenue of approximately HK\$36 million from the previous year which majority included increase in loan interest income; (iii) decrease in administrative expenses by approximately 9% to 13% from the previous year which mainly included decrease in depreciation of property, plant and equipment, decrease in casino management fees and the absence of share-based payment expenses this year; and (vi) decrease in finance costs of approximately HK\$25 million from 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 year. The effect of such increase is partially offset by approximately 3% to 7% decrease in the figure of gross profit as compared to the previous year due to decrease in turnover .

As the Group is still in the process of finalising its annual results for the year ended 31 December 2014, which is expected to be published on 25 March 2015, 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 Mung Kin Keung
Co-Chairman Co-Chairman

Hong Kong, 16 March 2015

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.