

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

EXPECTED DECREASE IN LOSS

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 Group is expected to record a reduction of not less than 60% in its consolidated loss for the year ended 31 December 2020 as compared to the corresponding figure of HK\$335,731,000 for the year ended 31 December 2019.

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 of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a reduction of not less than 60% in its consolidated loss for the year ended 31 December 2020 as compared to the corresponding figure of HK\$335,731,000 for the year ended 31 December 2019. Based on a preliminary review on the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 and information currently available to the Board, the decrease in loss is mainly attributable to the substantial decrease in: (i) impairment loss recognised in respect of film rights and film in progress of approximately HK\$26 million for the year ended 31 December 2020 from HK\$135,521,000 for the year ended 31 December 2019; and (ii) recognition of loss arising on change in fair value of financial assets at fair value through profit or loss of approximately HK\$97 million for the year ended 31 December 2020 from HK\$183,582,000 for the year ended 31 December 2019.

As the Group is still in the process of finalising its annual results for the year ended 31 December 2020, which is expected to be published in 30 March 2021, 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, 22 March 2021

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.