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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 it is expected that the Group will record substantial increase in profit for the financial year ended 31 December 2018 as compared with the last year.

**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 it is expected that the Group will record substantial increase in profit for the financial year ended 31 December 2018 as compared with the last year. Profit for the year will range from HK\$1,050 million to HK\$1,090 million as compared to profit of HK\$73,336,000 for the year ended 31 December 2017. Based on a preliminary review on the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 and information currently available to the Board, the substantial increase in profit is mainly attributable to the gain on disposal on the entire equity interest in Charming Era Investment Limited, Exceptional Gain Profits Limited and Most Famous Enterprises Limited and their respective subsidiaries of HK\$1,465,231,000 which represented the hotel and gaming service operations of the Group and has been detailed disclosed in the interim report for the period ended 30 June 2018. Such profit is partially offset by the substantial increase in the recognition of loss arising on change in fair value of financial assets at fair value through profit or loss which mainly represented the decrease in market value of the Group’s equity securities listed in Hong Kong. For the year ended 31 December 2017, the Group recognized gain arising on change in fair value of financial assets at fair value through profit and loss of HK\$210,791,000.

As the Group is still in the process of finalising its annual results for the year ended 31 December 2018, which is expected to be published in late March 2019, 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 2019

*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.*