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# CHINA STAR ENTERTAINMENT LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 326)

## INSIDE INFORMATION 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 consolidated loss between HK\$90 million to HK\$100 million for the year ended 31 December 2022 as compared to the corresponding figure of HK\$156,515,000 for the year ended 31 December 2021.

**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 consolidated loss between HK\$90 million to HK\$100 million for the year ended 31 December 2022 as compared to the corresponding figure of HK\$156,515,000 for the year ended 31 December 2021.

Based on a preliminary review on the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 and information currently available to the Board, the decrease in loss is mainly attributable to: (i) substantial decrease by approximately HK\$127 million for recognition of loss arising on change in fair value of financial assets at fair value through profit or loss from HK\$152,413,000 for the year ended 31 December 2021 which mainly represented financial assets stated at fair values held by the Group included equity securities listed in Hong Kong, call option embedded in loan to a director and investment in films; and (ii) decrease by approximately HK\$4 million for other operating expenses from HK\$24,977,000 for the year ended 31 December 2021; and was partially offset by the following two factors (i) increase by approximately HK\$24 million for administrative, marketing and distribution expenses from HK\$75,221,000 for the year ended 31 December 2021; and (ii) decrease by approximately HK\$54 million for other revenue and other income from HK\$102,903,000 for the year ended 31 December 2021 which mainly included loan interest income.

As the Group is still in the process of finalising its annual results for the year ended 31 December 2022, which is expected to be published in 30 March 2023, 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, 27 March 2023

*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. Tai Kwok Leung, Alexander.*