

INTERIM RESULTS

The board of directors of China Star Entertainment Limited (the "Company") presents the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2004 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30TH JUNE, 2004

		Six months ended	
	NOTES	30.6.2004 HK\$'000 (unaudited)	30.6.2003 HK\$'000 (unaudited)
Turnover	3	108,067	102,783
Cost of sales and services		(69,203)	(86,111)
Gross profit		38,864	16,672
Other operating income		3,073	3,401
Administrative expenses		(25,495)	(31,485)
Marketing and distribution expenses		(28,525)	(25,507)
Other operating expenses		(10,664)	-
Amortisation of goodwill on acquisition of subsidiaries		(7,725)	(8,791)
Loss from operations	4	(30,472)	(45,710)
Finance costs		(690)	(631)
Share of results of associates		(15,878)	5,246
Gain on disposal of subsidiaries		7,524	-
Loss on disposal of an associate		-	(283)
Gain on expiry of warrants		-	23,868
Loss before taxation		(39,516)	(17,510)
Taxation	5	(131)	(97)
Loss before minority interests		(39,647)	(17,607)
Minority interests		101	301
Net loss for the period		(39,546)	(17,306)
Basic and diluted loss per share	6	(13.02) cents	(7.57) cents