

INTERIM RESULTS

The board of directors of China Star Entertainment Limited (the "Company") presents the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2005 together with comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30th June, 2005 HK\$'000 (Unaudited)	2004 HK\$'000 (Unaudited) and restated
Turnover	4	46,411	108,067
Cost of sales and services		(28,936)	(69,203)
Gross profit		17,475	38,864
Other income and revenue		5,762	3,073
Unrealised gain on investment of available-for-sale financial assets		1,452	-
Administrative expenses		(31,886)	(25,495)
Marketing and distribution expenses		(12,964)	(28,525)
Unrealised loss on investment of available-for-sale financial assets		-	(8,664)
Impairment loss recognised in respect of film rights deposits		-	(2,000)
Amortisation of goodwill on acquisition of subsidiaries		-	(7,725)
Loss from operations	5	(20,161)	(30,472)
Finance costs		(910)	(690)
Share of results of associates		(5,357)	(15,878)
Gain on disposal of subsidiaries	19	-	7,524
Loss before taxation and minority interests		(26,428)	(39,516)
Taxation	6	(47)	(131)
Loss for the period		(26,475)	(39,647)
Attributable to:			
Equity holders of the Company		(26,458)	(39,546)
Minority interests		(17)	(101)
		(26,475)	(39,647)
Dividends		-	-
Basic and diluted loss per share	7	5.49 cents	13.02 cents

The accompanying notes form an integral part of these financial statements.