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**CHINA SEVEN STAR SHOPPING LIMITED**

**中國七星購物有限公司**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 245)

**PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a loss for the six months ended 30 June 2010.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by China Seven Star Shopping Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors (the "Board") of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a loss for the six months ended 30 June 2010 as compared to a profit for the six months ended 30 June 2009 which is expected mainly due to (i) the pro-rata recognition of the advertisement expenses under an agreement dealing with media management services entered on 31 December 2009 by a subsidiary of the Company, Shanghai Seven Star Yixi Advertising Co., Ltd, with 廣東電視台 during the six months ended 30 June 2010 whilst the commission income under such agreement is back-end loaded; (ii) the near market saturation of the lower selling price consumer communications products on the provincial satellite television sales platform; and (iii) the home shopping division is still in early stages of development and is yet to produce favorable results.

As the Company is still in the process of finalising the Group's interim results for the six months ended 30 June 2010, the information contained in this announcement is only based on a preliminary assessment by the Board with reference to the management accounts of the Group and on the information available for the time being, and is not based on any data or information which has been audited or reviewed by the Company's auditors.

Financial information and other details of the Group will be disclosed in the interim results announcement of the Group for the six months ended 30 June 2010. The shareholders of the Company and potential investors are advised to read carefully such interim results announcement which is expected to be published on or before 31 August 2010.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**NI XINGUANG**  
*Chairman*

Hong Kong, 6 August 2010

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Ni Xinguang and Mr. Wang Zhiming; and three independent non-executive Directors, namely Mr. Chan Wai Sum, Mr. Lu Wei and Mr. Ho Wai Ip.