



CHINA SEVEN STAR SHOPPING LIMITED

中國七星購物有限公司

(Incorporated and existing under the laws of Hong Kong with limited liability)

(Stock Code: 245)

**COMPLETION OF THE PLACING AND THE SUBSCRIPTION
AND
EXERCISE OF THE VENDOR OPTION**

Placing Agent and Sole Bookrunner



SBI E2-Capital Securities Limited

The board of Directors (the "Board") are pleased to announce that the Placing Agent, has successfully placed 500,000,000 existing Shares and exercised the Vendor Option in full to place an additional 75,000,000 existing Shares on behalf of the Vendor at the Placing Price of HK\$0.68 per Share, to not less than six independent placees, comprising professional institutional investors and individual investors. Completion of the Placing and exercise of the Vendor Option in full took place on 14 February 2007.

The Board is also pleased to announce that all the conditions under the Subscription Agreement have been fulfilled and the Subscription was completed on 26 February 2007

Reference is made to the announcement of the Company dated 13 February 2007 (the "Announcement") in relation to, among other things, the Placing of existing Shares and the Subscription for new Shares. Unless otherwise defined herein, Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that the Placing Agent has successfully placed a total of 500,000,000 existing Shares and exercised the Vendor Option in full to place an additional 75,000,000 existing Shares on behalf of the Vendor to not less than six independent placees, at the Placing Price of HK\$0.68 per Placing Share. The placees comprised professional institutional investors and individual investors who are third parties independent of and not connected with the Group and its connected persons or any of their respective associates. Of the 575,000,000 existing Shares placed, 572,000,000 Shares were placed to institutional investors and 3,000,000 Shares were placed to individual investors. Completion of the Placing and exercise of the Vendor Option in full took place on 14 February 2007.

The Placing Shares represent 11.33 % of the issued share capital of the Company as at the date of the Announcement and approximately 10.18% of the issued share capital of the Company as enlarged by the Subscription.

To the best of the Directors' and the Placing Agent's knowledge, information and belief, having made all reasonable enquiries, the placees and their ultimate beneficial owners are third parties independent of and not connected with the Group and its connected persons or any of their respective associates.

The Board is also pleased to announce that all the conditions under the Subscription Agreement have been fulfilled and the Subscription was completed on 26 February 2007.

The shareholding structure of the Company before and after the completion of the Placing and the Subscription is as follows:

	Immediately before the Placing, the Subscription and exercise of the Vendor Option		Immediately after the Placing and exercise of the Vendor Option in full, but before the Subscription		Immediately after the Placing, the exercise of the Vendor Option in full and the Subscription	
	(Number of Shares)	%	(Number of Shares)	%	(Number of Shares)	%
Vendor and its associates including:	2,004,670,000	39.50	1,429,670,000	28.17	2,004,670,000	35.49
(i) Mr. Ni (Note 1)	58,780,000	1.16	58,780,000	1.16	58,780,000	1.04
(ii) Mr. Wang (Note 1)	57,780,000	1.14	57,780,000	1.14	57,780,000	1.02
Sub-total:	2,121,230,000	41.80	1,546,230,000	30.47	2,121,230,000	37.55
The Placees	-	-	575,000,000	11.33	575,000,000	10.18
Other public Shareholders	2,953,012,000	58.20	2,953,012,000	58.20	2,953,012,000	52.27
Sub-total:	2,953,012,000	58.20	3,528,012,000	69.53	3,528,012,000	62.45
Total (Note 3)	5,074,242,000	100.00	5,074,242,000	100.00	5,649,242,000	100.00

	As of the date of this announcement	
	(Number of Shares)	%
Vendor and its associates including:	2,004,670,000	35.49
(i) Mr. Ni (Note 1)	58,780,000	1.04
(ii) Mr. Wang (Note 1)	57,780,000	1.02
Sub-total:	2,121,230,000	37.55
Keywise Capital Management (HK) Limited (Note 2)	373,520,000	6.61
INVENCO Hong Kong Limited (Note 2)	313,820,000	5.56
UBS AG (Note 2)	355,290,000	6.29
Sub-total:	1,042,630,000	18.46
Other public Shareholders	2,485,382,000	43.99
Total	5,649,242,000	100.00

Notes:

- The Vendor, being the controlling Shareholder (within the meaning of the Listing Rules), is a private investment company beneficially owned as to 60% by Mr. Ni and 40% by Mr. Wang, which holds 2,004,670,000 Shares as at the date of this announcement. Mr. Ni and Mr. Wang, both are executive Directors, have personal interest in 58,780,000 Shares and 57,780,000 Shares respectively. Accordingly, Mr. Ni, Mr. Wang and the Vendor together hold 2,121,230,000 Shares, representing approximately 37.55% of the issued share capital of the Company as of the date of this announcement.
- Keywise Capital Management (HK) Limited, INVENCO Hong Kong Limited and UBS AG are independent institutional investors who are, to the Directors' best knowledge, information and belief and having made all reasonable enquiries, independent of the Company and its connected persons (as defined in the Listing Rules).
- The above figures are calculated based on a total of 5,074,242,000 Shares in issue as of 13 February 2007 (the date of the Announcement). In addition, as at the date of this announcement, the Company has outstanding share options which are convertible into 243,630,000 Shares.

By Order of the Board
China Seven Star Shopping Limited
Ni Xinguang
Chairman

Hong Kong, 26 February 2007

As at the date of this announcement, the Board comprises Messrs. Ni Xinguang and Wang Zhiming who are executive directors and Messrs. Chan Wai Sum, Tang Chi Wing and Lu Wei who are independent non-executive directors.