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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 in accordance with Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that it is expected that the Company may record a loss for the 6 months ended 30 June 2008.

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") pursuant to Rule 13.09 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 Company may record a loss for the six months ended 30 June 2008.

For the six months ended 30 June 2008, in addition to the tough market environment continuing from last year that negatively impacted the group's performance, which may continue to subsist in the short run, the tragic Wen Chuan earthquake in Sishuan of the People's Republic of China and stricter shipping and delivery guidelines implemented for the Beijing Olympics also hampered our ability to effectively address the customers' demand, especially in the second quarter of 2008. The aforementioned factors had affected the Company's ability to generate revenue and may lead to a loss in the first half year of 2008.

In June 2008, the group revised its business model with a goal to overcome the unfavorable industry specific issues; since the change in business model is still in the preliminary stage of transformation, it has yet to realize its full effectiveness.

As the Company is still in the process of finalising the Company's unaudited consolidated results for the six months ended 30 June 2008, the Company has not yet quantified the amount of loss for the six months ended 30 June 2008. The information contained in this announcement is only a preliminary assessment by the management of the Company and is not based on any figures or information which has been audited or reviewed by the Company's auditors. Potential investors and shareholders of the Company are advised to read carefully the unaudited consolidated results announcements of the Company for the six

months ended 30 June 2008 which is expected to be published on or before 26 September 2008.

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

5 September 2008

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.