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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 incur a loss for the year ended 31 December 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 incur a loss for the year ended 31 December 2010 as compared to a profit for the year ended 31 December 2009 which is mainly due to (i) the pro-rata recognition of the advertisement expenses and the deemed finance charge during the year ended 31 December 2010 according to an agreement dealing with media management services entered into between Shanghai Seven Star Advertising Co., Ltd (formally known as Shanghai Seven Star Yixi Advertising Co., Ltd), a subsidiary of the Company, and 廣東電視台 (transliterated as Guangdong Television) on 31 December 2009; (ii) the decline in gross margin of consumer communications products on the provincial satellite television sales platform; and (iii) the lower gross margin of home shopping division which is still in early stages of development.

The Company is still in the process of finalising the consolidated results of the Group for the year ended 31 December 2010. The information contained in this announcement is only a preliminary assessment by the Company based on the unaudited management accounts of the Group for the year ended 31 December 2010 which has not been confirmed nor audited by the Company’s auditors. Details of the audited consolidated results and performance of the Group for the year ended 31 December 2010 will be disclosed in the annual results announcement which is expected to be published on or before 31 March 2011.

**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  
**China Seven Star Shopping Limited**  
**NI XINGUANG**  
*Chairman*

Hong Kong, 17 February 2011

*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. Wong Chak Keung.*