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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 year ended 31 December 2011.

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 will continue to record a loss for the year ended 31 December 2011 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 2011 according to an agreement dealing with media management services entered into between Shanghai Seven Star Advertising Co., Ltd, a subsidiary of the Company, and 廣東電視台 (transliterated as Guangdong Television) on 31 December 2009; and (ii) the lower gross margin of home shopping division.

The Company is still in the process of finalising the Group's results for the year ended 31 December 2011. 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 2011 which has not been confirmed nor reviewed by the Company's auditors. Details of the unaudited consolidated results and performance of the Group for the year ended 31 December 2011 will be disclosed in the annual results announcement which is expected to be published on or before 31 March 2012.

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 and executive director

Hong Kong, 15 February 2012

As at the date of this announcement, the Board comprises (1) executive Directors: Mr. Ni Xinguang and Mr. Wang Zhiming; and (2) independent non-executive Directors: Mr. Lu Wei, Mr. Wong Chak Keung and Mr. Ling Yu Zhang.