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**CHINA SEVEN STAR SHOPPING LIMITED**

**中國七星購物有限公司**

(於香港註冊成立之有限公司)

(股份代號：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 year ending 31 December 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 based on the information currently available to the Company, it is expected that the Company may record a loss for the year ended 31 December 2008.

For the second half of 2008, the market environment remains to be tough for the television shopping business in China. In addition to the stricter shipping and delivery guidelines implemented for the Beijing Olympics that has been disclosed in our announcement dated 5 September 2008, the Company also suffered from high volatility in business revenues due to keen competitive pressure. Despite active cost control measures undertaken by the Company, the cost savings was inadequate to compensate for the margin erosion experienced; and hence it is expected that the Company may record a loss for the six-month period ended 31 December 2008 on its operation. Combined with the loss of HK\$66,666,000 reported in the 2008 interim financial results, the Board expects the full year result of the Company will remain in a loss position.

As the Company is still in the process of finalising the Company's audited consolidated results for the year ended 31 December 2008, the Company has not yet quantified the amount of loss for the year of 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 audited consolidated results announcements of the Company for the year ended 31 December 2008 which is expected to be published on or before 28 April 2009.

**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*

29 December 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.