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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 audited results of the Company for the year ended 31 December 2007 may experience a significant loss as compared with that for the year ended 31 December 2006.

**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 audited results of the Company for the year ended 31 December 2007 may experience a significant loss as compared with that for the year ended 31 December 2006. Such loss is mainly due to the operating loss of the Company attributed to the soaring advertising costs and competitive environment in the industry, and an impairment loss of the goodwill which arised out of the acquisition of Top Pro Limited, Smartest Limited and Shanghai Pei Lian Trading Company Limited by the Company. Such acquisition was completed on 11 April 2006. Two sums of HK\$28.422 million and HK\$219.241 million representing such goodwill were booked in the year ended 31 December 2006 and the six months ended 30 June 2007 respectively. However, due to the change in the business strategy of the Company and the operating environment in the television shopping industry in the People’s Republic of China in the second half of the year 2007, the Board has decided to make a full provision for impairment loss of such goodwill.

The Company is expected to announce the Company’s annual results for the year ended 31 December 2007 on 28 April 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*

23 April 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.*