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CHINA SEVEN STAR SHOPPING LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 245)

ANNOUNCEMENT

Reference is made to the announcement of the Company dated 27 August 2007 in which it was stated that the Company has entered into a non-binding Memorandum of Understanding with Party A and Party B on 27 August 2007 in relation to the Proposed Investment. The Proposed Investment is subject to certain conditions and the entering into of definitive legally binding documents.

The Company announces that, due to commercial reasons, the Company has now decided and the Parties have agreed not to proceed with the Proposed Investment.

Public investors and shareholders of the Company are advised to exercise caution when dealing in the Shares.

Reference is made to the announcement of the Company dated 27 August 2007 (the “**Announcement**”) in relation to the Proposed Investment. Unless otherwise defined herein, capitalized terms herein shall have the same meanings as those defined in the Announcement.

In the Announcement, it was stated that the Company has entered into a non-binding Memorandum of Understanding with Party A and Party B on 27 August 2007, under which it is proposed that the Company will invest RMB28,500,000.00 in JV Co by way of capital injection (the “**Proposed Investment**”). The Proposed Investment is subject to certain conditions and the entering into of definitive legally binding documents.

The Company announces that, due to commercial reasons, the Company has now decided and the Parties have agreed not to proceed with the Proposed Investment.

Public investors and shareholders of the Company are advised to exercise caution when dealing in the Shares.

By Order of the Board
NI XINGUANG
Chairman

4 February 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.