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**RULE 13.09 ANNOUNCEMENT
MEMORANDUM OF UNDERSTANDING
IN RESPECT OF THE PROPOSED ACQUISITION**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board is pleased to announce that on 25 September 2007, the Company has entered into the non-binding Memorandum of Understanding with Party A and Party B in relation to the proposed acquisition by the Company of shares in the Target Group.

Uniscope is a company incorporated in Hong Kong and its principal business is sales of mobile handset main board. SH Co 1 is a company established in the PRC and is principally engaged in the design of mobile handset printed circuit board and the development of plug-in software. SH Co 2 is a company established in the PRC and its principal business is sourcing and sales of mobile handset and component.

The Board wishes to emphasize that no formal agreement in relation to the Proposed Acquisition has been entered into as at the date of this announcement. As the Proposed Acquisition may or may not proceed, public investors and shareholders of the Company are urged to exercise caution when dealing in the Shares.

The Proposed Acquisition may or may not constitute notifiable transaction under the Listing Rules. The Company will comply with the applicable provisions of the Listing Rules in relation to such possible notifiable transaction.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

THE MEMORANDUM OF UNDERSTANDING

Date of the Memorandum of Understanding

25 September 2007

Parties to the Memorandum of Understanding

- (a) the Company; and
- (b) Party A and Party B. The Directors confirmed that to the best of their knowledge, information and belief having made all reasonable enquiry, Party A and Party B are Independent Third Parties.

Summary of the terms of the Memorandum of Understanding

The Proposed Acquisition

Under the Memorandum of Understanding, it is proposed that the Company will acquire (a) 50% of the equity interest in Uniscope from Party A; (b) regarding the equity interest of SH Co 1, 25% from Party A and 25% from Party B; and (c) regarding the equity interest of SH Co 2, 25% from Party A and 25% from Party B. Uniscope is a company incorporated in Hong Kong and its principal business is sales of mobile handset main board. SH Co 1 is a company established in the PRC and is principally engaged in the design of mobile handset printed circuit board and the development of plug-in software. SH Co 2 is a company established in the PRC and its principal business is sourcing and sales of mobile handset and component.

Consideration

The aggregate consideration payable by the Company to Party A and Party B for the Proposed Acquisition shall be 50% of the product of :-

- (i) the average of the total net profits after tax of the Target Group for the three years following the date of entering into the formal agreement in relation to the Proposed Acquisition; and
- (ii) a profit-earning ratio of 5.

Each of Party A and Party B is entitled to 50% of the aggregate consideration payable by the Company as aforesaid.

Exclusivity

Under the Memorandum of Understanding, Party A and Party B have agreed that they will not, within 90 days from the date of the Memorandum of Understanding, negotiate with any third party for the transfer of any equity interest in the Target Group.

BENEFITS OF THE PROPOSED ACQUISITION

The Group is mainly engaged in television shopping and consumer retail business in the PRC and began selling mobile handset products on its existing television shopping platform in January 2007. The Directors believe that the Target Group's strength in mobile handset and component sourcing will build up the Group's supply chain of mobile handset products for sale in the PRC. Together with the proposed investment in Shanghai QL Telecommunications Co Ltd (details of the non-binding memorandum of understanding in respect of such proposed investment has been published in the Company's announcement dated 27 August 2007), the Directors believe that the Proposed Acquisition shall allow the Group to stay abreast of market trends and design and manufacture personalized consumer electronics products including mobile handsets that meet consumers' preferences, hence boost overall marketing performance, increase customer satisfaction and enhance the Group's profitability.

GENERAL

The Memorandum of Understanding does not constitute the Parties' legally binding commitments as to the Proposed Acquisition. The Company will commence its due diligence review of the Target Group as soon as practicable and, if considered as appropriate by the Company, will proceed with the Proposed Acquisition. Further announcement(s) will be made by the Company once formal agreement in relation to the Proposed Acquisition is entered into.

The Board wishes to emphasize that no formal agreement in relation to the Proposed Acquisition has been entered into as at the date of this announcement. As the Proposed Acquisition may or may not proceed, public investors and shareholders of the Company are urged to exercise caution when dealing in the Shares.

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DEFINITIONS

“Board”	the board of Directors of the Company
“Company”	China Seven Star Shopping Limited (Stock code: 245), a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	such persons who are independent of and not connected nor acting in concert with the Directors, chief executive, management shareholders or substantial shareholders of the Company or its subsidiaries, or any of their respective associates

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Understanding”	the Memorandum of Understanding dated 25 September 2007 entered into between the Parties setting out the basic understanding between the Parties in connection with the Proposed Acquisition
“Parties”	the Company, Party A and Party B
“Party A”	顧新惠, an individual
“Party B”	熊碧輝, an individual
“PRC”	the People’s Republic of China
“Proposed Acquisition”	the proposed acquisition by the Company of 50% of the equity interest in Uniscope, SH Co 1 and SH Co 2 respectively, as contemplated under the Memorandum of Understanding
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	shares of HK\$0.10 each in the issued share capital of the Company
“SH Co 1”	上海優思通信有限公司, a company established in the PRC owned as to 50% by Party A and 50% by Party B
“SH Co 2”	上海浦歌電子有限公司, a company established in the PRC owned as to 50% by Party A and 50% by Party B
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Uniscope, SH Co 1 and SH Co 2
“Uniscope”	Uniscope Electronics Co., Limited, a company incorporated under the laws of Hong Kong wholly owned by Party A

By Order of the Board
NI XINGUANG
Chairman

Hong Kong, 25 September 2007

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.