

[Immediate Release]

**CHINA SEVEN STAR'S 2007 TURNOVER SURGED 6.4 TIMES**

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**ENHANCES COST-EFFECTIVENESS
STRENGTHENS FOUNDATION FOR TV SHOPPING BUSINESS**

(28 April 2008, Hong Kong) — One of the China's leading television shopping enterprises, China Seven Star Shopping Limited ("China Seven Star" or "the Group") (stock code: 245), announced today its annual results for the year ended 31 December 2007.

With Sever Star (Shanghai) joined the Group in the fourth quarter of 2006, its first full year contribution elevated the Group's turnover substantially by 6.4 times to HK\$680 million. To solidify the Group's results in the future, goodwill in relation to the acquisition of Top Pro Group was recognized as impairment loss, coupled with the increased advertising cost, loss attributable to the equity holders of the Company amounted to HK\$385 million. The board of directors does not recommend the payment of dividend for the year ended 31 December 2007 (2006: HK\$Nil).

During the year under review, retail revenue increased by 10.1 times to HK\$659 million, accounted for 96.9% of the Group's total turnover, while revenue from media management services was HK\$20.32 million.

Mr. Ni Xinguang, Chairman of the Group, said, "The television shopping industry in the PRC is currently in transformation. And the lack of disciplined operators in the industry is the main reason that prevented the market from developing to its full potential. Meanwhile, the coexistence and direct competition of television shopping channels and infomercials possess threat to the industry, and the significant increase in advertising cost further intensifies the situation. In face of the difficulties, China Seven Star has implemented a series of cost-saving measures and improved the logistics system to enhance the efficiency and improve the Group's profit margin accordingly."

During the year, the Group continued its product diversification strategy to introduce more household products apart from its popular handsets and insurance products. The Group's product strategy is underscored by the principle of "designing for the home and professional delivery" and applied in the most popular household product categories (3C, kitchen ware, jewelry and accessories, beauty and health). The Group has endeavored to build a professional management team and consolidate upstream resources to realize penetration of all market segments and ensure to operate a supply chain with strong core competitiveness.

The Group has in place brand building measures targeting at nourishing customer loyalty, boosting the reputation of different brand, and creating favorable words of mouth, thereby lower media cost. By encouraging repeated purchases, the Group hopes to raise sales while lowering costs. The Group will strive to raise the brand profile of "Seven Star" to highlight integrity of the brand. It will also step up after-sales services including setting up a strata membership system complemented by the award of scores from purchase, introducing a national service hotline, etc., with the aim of retaining loyal customers and creating greater value for the Group.

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With continuous improvement in the social security system, steady increase in the income level and continuous rise in the living standards of the PRC residents, their consumption power and expenses are expected to become stronger, which helps to maintain the retail sales growth momentum, hence favoring the development of the Group. China Seven Star expects that the needs of family shopping service will continue to increase. With the digitalization of television transmission signal after 2010, consumers' homes will become intelligent information centres. In the long term, television shopping business has great potentials and investment values.

Mr. Ni added, "In 2008, the Group will proactively enhance its cost effectiveness by focusing resources on potential provinces and cities. The Group planned to purchase more airtime in provincial television channels that would lower the cost and enhance sales effectiveness as compared to its nationwide advertisement broadcast in the past. Moreover, the Group will continuously upgrade its logistics management system to strengthen its nationwide sales and distribution modules so as to enhance its logistics and operation efficiencies."

"Looking ahead, China Seven Star will remain pragmatic and cautious given the weak business environment in the short run. The Group will seek to realize the full potential of its resources and pursue fine management to create the most effective marketing mechanism covering from promotion to sales, logistics and after-sale support and with the complement of the Internet, product catalogs and call-center. The Group will solidify its leadership in the TV shopping sector and strive to expand market coverage by applying its advantages in cost and inventory, and mastery of a medium that transcend boundaries, and offering products with strong margins. Furthermore, the Group will also actively explore potential business partners and actualize product diversification, in order to lay a firm foundation for upcoming television shopping market opportunities in PRC in the long run." Mr. Ni concluded.

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About China Seven Star Shopping Limited

China Seven Star is one of the largest players in the PRC TV shopping market. On an integrated platform of television commercials, call centers and sales outlets, China Seven Star sells and distributes a great variety of consumer products including digital and electronic products, kitchenware, learning products, fitness equipment, cosmetics and health food, etc.

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