

[For immediate release]

**TERMINATES THE MOU OF A PROPOSED INVESTMENT IN SHANGHAI QL**

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**FOCUSES ON CAPTURING MORE MARKET OPPORTUNITIES  
AND BROADENING ROOM FOR PARTNERSHIPS**

(Hong Kong, 4 February 2008) – **China Seven Star Shopping Limited** (“China Seven Star”) (stock code: 245), a leading television shopping enterprise in China, has terminated a MOU of a proposed investment in Shanghai QL Telecommunications Co., Limited (“Shanghai QL”).

On 27 August 2007, China Seven Star entered into a memorandum of understanding with Sinolong Technology (Shanghai) Co Ltd (“Sinolong”), a wholly-owned subsidiary of the handset designer **Longcheer Holdings Limited** (“Longcheer”) (Singapore stock code: L28), and Shanghai LS Investment Co Ltd (“Shanghai LS”) for a proposed investment, acquiring 36.3% interest in Shanghai QL by a capital injection of RMB28.5 million. After in-depth negotiations, all of the three parties agreed to terminate the proposed deal.

Mr. Ni Xinguang, Chairman of China Seven Star, said, “China Seven Star, Sinolong and Shanghai LS believe unanimously that the decision to terminate the proposed investment in Shanghai QL is commercially sound, as it will give all parties more room and freedom to capture market opportunities conducive to long-term development. With the lifting of handset licensing system by the Chinese government, the handset market in China is going through revolutionary changes. The changed market will present more opportunities to China Seven Star. By working with more handset brands to boost our product mix, we are well prepared to become the largest shopless handset retailer in China.”

“The Termination of the proposed investment does not have any material impact on China Seven Star. In fact, the exchange in the detailed negotiation has enhanced understanding and trust among the partners and given us a stronger foundation for future cooperation. As a leading television shopping enterprise in China, China Seven Star will actively explore to bring high quality products to consumers in the country.” added by Mr. Ni.

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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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