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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)

**CAPITAL REORGANISATION
AND
ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS**

References are made to the announcements of China Seven Star Shopping Limited (the “**Company**”) dated 7 November 2011, 22 March 2012 and the circular of the Company dated 29 December 2011 in relation to, among others, the Capital Reorganisation and change in board lot size (the “**Circular**”). Capitalised terms are used in this announcement shall have the same meanings as those defined in the Circular unless the context otherwise requires.

CAPITAL REORGANISATION

The Board is pleased to announce that the Capital Reduction was approved by the Court on 2 April 2012 and the sealed copy of the Court order has been duly registered by the Registrar of Companies in Hong Kong on 16 April 2012. The Company has obtained the approval from the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Consolidated Shares on 19 April 2012. Accordingly, the Capital Reorganisation will become effective on 20 April 2012. According to the timetable set out in the Circular, the dealings in the Consolidated Shares will commence at 9:00 a.m. on 20 April 2012.

ADJUSTMENTS IN RELATION TO THE OUTSTANDING SHARE OPTIONS

As a result of the Capital Reorganisation becoming effective and in accordance with the terms of the share option scheme adopted by the Company on 28 May 2004 and mandate limit refreshed on 5 December 2006, the exercise price and the number of the Consolidated Shares to be issued upon exercise of the outstanding share options will be adjusted in the following manner with effect from 20 April 2012. Such adjustments have been reviewed and confirmed by the Company's auditor, RSM Nelson Wheeler.

| Date of grant | Exercise period | Immediately prior to the Capital Reorganisation becoming effective | | Immediately after the Capital Reorganisation becoming effective | |
|-------------------|--------------------------------------|--|---|---|---|
| | | Exercise price per outstanding share option | Number of Shares to be issued upon exercise of the share option | Adjusted exercise price per outstanding share option | Number of Shares to be issued upon exercise of the share option |
| 8 March 2007 | 8 March 2007 – 7 March 2015 | 0.722 | 5,000,000 | 3.61 | 1,000,000 |
| 8 March 2007 | 8 March 2008 – 7 March 2015 | 0.722 | 5,000,000 | 3.61 | 1,000,000 |
| 8 March 2007 | 8 March 2009 – 7 March 2015 | 0.722 | 5,000,000 | 3.61 | 1,000,000 |
| 8 March 2007 | 8 March 2010 – 7 March 2015 | 0.722 | 5,000,000 | 3.61 | 1,000,000 |
| 30 April 2007 | 30 April 2008 – 29 April 2015 | 1.230 | 240,000 | 6.15 | 48,000 |
| 30 April 2009 | 5 May 2010 – 4 May 2017 | 0.100 | 7,000,000 | 0.50 | 1,400,000 |
| 10 September 2010 | 10 September 2010 – 9 September 2013 | 0.150 | 7,000,000 | 0.75 | 1,400,000 |
| 11 November 2010 | 11 November 2010 – 10 November 2013 | 0.160 | 135,000,000 | 0.80 | 27,000,000 |

By Order of the Board
China Seven Star Shopping Limited
NI XINGUANG
Chairman and Executive Director

Hong Kong, 19 April 2012

As at the date of this announcement, the Board comprises Mr. Ni Xinguang and Mr. Wang Zhiming as executive Directors and Mr. Lu Wei, Mr. Wong Chak Keung and Mr. Ling Yu Zhang as independent non-executive Directors.