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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)

**(I) RESULTS OF THE OPEN OFFER OF 732,777,083 OFFER SHARES
ON THE BASIS OF ONE OFFER SHARE FOR EVERY TWO SHARES
HELD ON THE RECORD DATE; AND
(II) ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS**

RESULTS OF THE OPEN OFFER

The Board is pleased to announce that all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated in accordance with its terms.

At 4:00 p.m. on Thursday, 9 August 2012, being the Latest Time for Acceptance, a total of 17 valid acceptances of Offer Shares were received for a total of 415,324,265 Offer Shares, representing approximately 56.68% of the total number of the Offer Shares available for subscription under the Open Offer.

The Open Offer became unconditional at 4:00 p.m. on Tuesday, 14 August 2012. Based on the results of the Open Offer as set out above, the Open Offer was under-subscribed by 317,452,818 Offer Shares. In accordance with the terms of the Underwriting Agreement, the Underwriter has procured places, each of which and its respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons, to subscribe for all the 317,452,818 Offer Shares.

It is expected that the share certificates for the Offer Shares in respect of the valid acceptances of the Offer Shares under the Application Forms will be despatched to those relevant Shareholders' addresses (as shown on the register of members of the Company) by ordinary post on Monday, 20 August 2012 at their own risks.

Dealing in the Offer Shares is expected to commence on the Stock Exchange at 9:00 a.m. on Tuesday, 21 August 2012.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

As a result of the Open Offer, adjustments will be made to the exercise prices and the number of the outstanding share options granted by the Company pursuant to the Share Option Scheme in accordance with their terms. The details of the adjustments are set out in this announcement.

Reference is made to the prospectus of China Seven Star Shopping Limited (the “**Company**”) dated 25 July 2012 (the “**Prospectus**”) in relation to, among other matters, the Open Offer. Unless otherwise defined in this announcement, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

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Underwriting arrangements

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Despatch of share certificates and commencement of dealings in Offer Shares

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SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge and information, the shareholding structure of the Company immediately before and after completion of the Open Offer is as follows:

	Immediately before completion of the Open Offer		Immediately after completion of the Open Offer	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Substantial Shareholders:				
Group First Limited and its associates	415,448,000	28.35	623,172,000	28.35
Hou Chong Yu	169,737,767	11.58	254,606,650	11.58
Public				
Underwriter and/or the placees procured by the Underwriters	—	—	317,452,818	14.44
Other public Shareholders	<u>880,368,400</u>	<u>60.07</u>	<u>1,003,099,782</u>	<u>45.63</u>
Total	<u><u>1,465,554,167</u></u>	<u><u>100.00</u></u>	<u><u>2,198,331,250</u></u>	<u><u>100.00</u></u>

ADJUSTMENTS IN RELATION TO THE OUTSTANDING SHARE OPTIONS

As a result of the Open Offer and in accordance with the terms of the Share Option Scheme and the mandate limit of the Share Option Scheme refreshed on 5 December 2006, the exercise price and the number of Shares to be allotted and issued upon exercise of the outstanding share options will be adjusted in the following manner with effect from 20 August 2012. Such adjustments have been reviewed and confirmed by the Company's auditor, RSM Nelson Wheeler.

Date of Grant	Exercisable period	Before adjustments		After adjustments	
		Exercise price per outstanding share option (HK\$)	Number of Shares to be issued upon exercise of the share option	Adjusted exercise price per outstanding share option (HK\$)	Number of Shares to be issued upon exercise of the share option
8 March 2007	8 March 2007– 7 March 2015	3.61	1,000,000	3.54	1,020,000
8 March 2007	8 March 2008– 7 March 2015	3.61	1,000,000	3.54	1,020,000
8 March 2007	8 March 2009– 7 March 2015	3.61	1,000,000	3.54	1,020,000
8 March 2007	8 March 2010– 7 March 2015	3.61	1,000,000	3.54	1,020,000
30 April 2007	30 April 2008– 29 April 2015	6.15	48,000	6.03	48,960
30 April 2009	5 May 2010– 4 May 2017	0.50	1,400,000	0.49	1,428,000
10 September 2010	10 September 2010– 9 September 2013	0.75	1,400,000	0.74	1,428,000
11 November 2010	11 November 2010– 10 November 2013	0.80	27,000,000	0.78	27,540,000

By Order of the Board
China Seven Star Shopping Limited
Ni Xinguang
Chairman and executive Director

Hong Kong, 17 August 2012

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