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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)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of the shareholders of China Seven Star Shopping Limited (the “**Company**”) will be held at Plaza 1 & 2, Hotel Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on 20 January 2012 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

#### SPECIAL RESOLUTION

1. “**THAT** pursuant to the circular of the Company dated 29 December 2011 (the “**Circular**”), (a copy of which has been produced to the EGM marked “A” and signed by the chairman of the EGM for the purpose of identification) condition upon: (i) the High Court of Hong Kong making an order confirming the Capital Reduction (as defined in the Circular) pursuant to sections 58 to 60 of the Companies Ordinance; (ii) the registration by the Registrar of Companies in Hong Kong a copy of the Court Order and a copy of the minute containing the required particulars pursuant to section 61 of the Companies Ordinance; and (iii) the compliance with any conditions as may be imposed by the Court in relation to the Capital Reduction,
  - (a) the nominal value of each issued shares of HK\$0.10 (an “**Issued Share**”) in the issued share capital of the Company be reduced to HK\$0.002 by cancelling the paid-up capital to the extent of HK\$0.098 on each Issued Share and the Directors be and are hereby authorised to apply the credit arising therefrom in the sum of HK\$718,121,542.222 to eliminate part of the Company’s accumulated losses as at 30 November 2011 (which amounted to approximately HK\$1,898,407,000) (the “**Reduction of Issued Share Capital**”);
  - (b) the nominal value of each authorised but unissued shares of HK\$0.10 (an “**Unissued Share**”) in the authorised but unissued share capital of the Company be diminished to HK\$0.002 by cancelling the authorised but unissued share capital to the extent of HK\$0.098 on each Unissued Share (together with Reduction of Issued Share Capital as the “**Capital Reduction**”);

- (c) every five shares of HK\$0.002 each in the issued and unissued share capital of the Company be consolidated into one share of HK\$0.01 each in the issued and unissued share capital of the Company (together with Capital Reduction as the “**Capital Reorganisation**”); and
  - (d) any one or more of the Directors be and is/are hereby authorised to do all such acts and things, and to sign, approve and execute any documents, including under seal where applicable, which in his/their opinion may be necessary, desirable or expedient to implement and/or to give effect to the Capital Reorganisation, including but not limited to seeking confirmation from the Court, authorising Counsel to provide any undertaking on behalf of the Company as necessary to the Court in relation to the Capital Reduction.”
2. “**THAT** the articles of association of the Company (the “**Articles**”) be and are hereby amended in the following manner:

(a) Article 2

- (i) By adding the following new definition in the existing Articles after the definition of “special resolution”:

““substantial shareholder” means a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the rules of The Stock Exchange of Hong Kong Limited from time to time) of the voting power at any general meeting of the Company;”

(b) Article 80

By deleting the words “At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll subject to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or any other applicable laws of Hong Kong.” in the existing Article 80 and substituting with the following:

“A resolution put to the vote of a general meeting shall be decided by way of a poll save that the Chairman may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), such proxy shall have one vote on a show of hands. For the purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its members; and (ii) relate to the Chairman’s duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all members a reasonable opportunity to express their views.”

(c) Article 107(A)

By deleting paragraph (ii)(1)(e) of the existing Article 107(A) in its entirety and replaced with the word [“RESERVED”].

(d) Article 133

By adding a new sentence “Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.” in the last sentence of the existing Article 133 after the words “this Article.”

3. To consider and, if thought fit, pass the following resolution, with or without amendments, as a special resolution of the Company:

“**THAT** the Articles of the Company in the form of the document marked “A” and produced to this meeting and for the purpose of identification signed by the Chairman of this meeting, which consolidates all of the proposed amendments referred to in Resolution 2 above and all previous amendments made pursuant to resolutions passed by the members of the Company at general meetings be approved and adopted as the new Articles of the Company in substitution for and to the exclusion of the existing Articles of the Company with immediate effect.”

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

Hong Kong, 29 December 2011

**Registered and principal office:**

Suite 1206, 12/F.  
Great Eagle Centre  
23 Harbour Road  
Wanchai  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he so wish.

3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's registrar and transfer office, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
4. In the case of joint holders of shares, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holder are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.

*As at the date of this notice, the board of directors of the Company comprises (1) executive directors: Mr. Ni Xinguang and Mr. Wang Zhiming; and (2) independent non-executive directors: Mr. Lu Wei, Mr. Wong Chak Keung and Mr. Ling Yu Zhang.*