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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)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013

The Board of Directors (the "Board") of China Seven Star Shopping Limited (the "Company") announces the unaudited interim financial results of the Company and its subsidiaries (hereinafter together referred as the "Group") for the six months ended 30 June 2013 together with the comparative figures of the corresponding period in 2012, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2013

	Note	Six months ended **30/6/2013** **(unaudited)** ***HK$'000***	30/6/2012 (unaudited) *HK$'000*
Turnover	*3*	**79,479**	331,871
Cost of sales and services		**(64,010)**	(269,711)
Gross profit		**15,469**	62,160
Other income		**27,722**	2,333
Distribution costs		**(9,381)**	(16,451)
Administrative expenses		**(11,377)**	(16,184)
Other operating expenses		**(3,435)**	(1,054)
Profit from operations		**18,998**	30,804
Finance costs	*4*	**(156)**	(8,445)
Profit before tax		**18,842**	22,359
Income tax expense	*5*	**(1)**	(1)
Profit for the period	*6*	**18,841**	22,358
Attributable to:			
Owners of the Company		**15,674**	8,528
Non-controlling interests		**3,167**	13,830
		18,841	22,358
			(Restated)
Earnings per share	*8*		
Basic		**HK0.71 cent**	HK0.57 cent
Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2013

	Six months ended	
	30/6/2013	30/6/2012
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Profit for the period	**18,841**	22,358
Other comprehensive income:		
Items that will be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**(81)**	585
Other comprehensive income for the period, net of tax	**(81)**	585
Total comprehensive income for the period	**18,760**	22,943
Attributable to:		
Owners of the Company	**18,901**	6,409
Non-controlling interests	**(141)**	16,534
	18,760	22,943

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2013

	Note	**30/6/2013 (unaudited) *HK$'000***	31/12/2012 (audited) *HK$'000*
Non-current assets			
Fixed assets	*9*	**4,558**	5,759
Intangible assets		**123**	173
Available-for-sale financial assets		**210**	207
		4,891	6,139
Current assets			
Inventories		**19,088**	15,618
Trade and bills receivables	*10*	**17,168**	52,829
Other receivables, prepayments and deposits		**25,752**	12,277
Pledged bank deposits		**4,130**	12,641
Bank and cash balances		**48,998**	62,038
		115,136	155,403
Current liabilities			
Agency fee payables		**1,190**	20,311
Trade and bills payables	*11*	**22,323**	18,471
Other payables and accruals		**39,586**	74,665
Bank loans		**–**	9,944
Current tax liabilities		**2,321**	2,304
		65,420	125,695
Net current assets		**49,716**	29,708
NET ASSETS		**54,607**	35,847
Capital and reserves			
Share capital		**21,983**	21,983
Other reserves		**1,330,308**	1,327,081
Accumulated losses		**(1,079,817)**	(1,095,491)
Equity attributable to owners of the Company		**272,474**	253,573
Non-controlling interests		**(217,867)**	(217,726)
TOTAL EQUITY		**54,607**	35,847

NOTES

1. Basis of preparation

These condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed financial statements should be read in conjunction with the 2012 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2012 except as stated below.

2. Adoption of new and revised Hong Kong financial reporting standards

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2013. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years except as stated below.

a. Amendments to HKAS 1 "Presentation of Financial Statements"

Amendments to HKAS 1 titled Presentation of Items of Other Comprehensive Income introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

The amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the change. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

b. HKFRS 13 "Fair Value Measurement"

HKFRS 13 "Fair Value Measurement" establishes a single source of guidance for all fair value measurements required or permitted by HKFRSs. It clarifies the definition of fair value as an exit price, which is defined as a price at which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under market conditions, and enhances disclosures about fair value measurements.

The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

Except for available-for-sale financial assets, the carrying amounts of the Group's financial assets and liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. Segment information

In the current period, segment assets and liabilities of the Group are not reported to the Group's chief operating decision makers regularly. As a result, reportable segment assets and liabilities have not been presented in these condensed financial statements.

	PRC retail and distribution	**Television advertising**	**Consultancy services**	**Insurance agency**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Six months ended 30 June 2013					
Revenue from external customers	**24,079**	**37,319**	**10,032**	**8,049**	**79,479**
Intersegment revenue	**–**	**–**	**–**	**–**	**–**
Segment profit/(loss)	**(2,556)**	**21,312**	**9,530**	**28**	**28,314**
Six months ended 30 June 2012					
Revenue from external customers	25,580	301,539	–	4,752	331,871
Intersegment revenue	–	–	–	–	–
Segment profit/(loss)	(6,969)	36,312	–	179	29,522

	Six months ended	
	30/6/2013	30/6/2012
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Reconciliation of segment profit or loss:		
Total profit or loss of reportable segments	**28,314**	29,522
Interest income	**343**	158
Unallocated corporate income	**1,093**	38
Unallocated corporate expenses	**(10,908)**	(7,359)
Profit before tax	**18,842**	22,359

4. Finance costs

	Six months ended	
	30/6/2013	30/6/2012
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Notional non-cash interest accretion on pre-agreed periodic payments on exclusive advertising agency right	**–**	8,104
Interest on bank loans	**156**	341
	156	8,445

5. Income tax expense

	Six months ended	
	30/6/2013	30/6/2012
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
PRC tax		
— underprovision in prior years	**1**	1

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit in Hong Kong during the period (six months ended 30 June 2012: HK$Nil).

Taxes on profits assessable in the PRC have been provided at the applicable rates of tax in the PRC in which the subsidiaries operate, based on existing legislation, interpretations and practices in respect thereof.

No provision for deferred taxation has been made for both periods ended 30 June 2012 and 2013 as the effect of all temporary difference is not material.

6. Profit for the period

Profit for the period is arrived at after charging/(crediting):

	Note	Six months ended 30/6/2013 (unaudited) HK$'000	30/6/2012 (unaudited) HK$'000
Allowance for other receivables		**950**	419
Allowance for trade receivables		**1,493**	34
Amortisation of exclusive advertising agency right		**–**	263,564
Amortisation of insurance agency licence		**52**	51
Cost of inventories sold		**17,840**	19,703
Depreciation		**1,005**	915
Directors' emoluments		**1,184**	1,162
Exchange (gains)/losses		**(452)**	214
Fixed assets written off		**232**	332
Impairment loss on fixed assets		**71**	–
Impairment loss on prepayments and deposits		**449**	4
Interest income		**(343)**	(158)
Loss on disposal of fixed assets		**1**	–
Reversal of allowance for inventories		**(4)**	–
Reversal of allowance for other receivables		**(12)**	–
Reversal of allowance for trade receivables		**(651)**	(372)
Write back of agency fee payables	*(a)*	**(19,308)**	–
Write back of other payables and accruals	*(b)*	**(6,207)**	(922)
Write back of trade payables		**–**	(120)

Notes:

(a) After further negotiation between Guangdong Television and the Group during the current period, it was concluded that certain amount of agency fee payables was reduced and be written back accordingly. A supplementary agreement was entered for the aforesaid reduction.

(b) Write back of other payables and accruals represents the waiver of amount due to a non-controlling shareholder of a subsidiary.

7. Dividend

The Directors have resolved not to declare any interim dividend in respect of the six months ended 30 June 2013 (six months ended 30 June 2012: HK$Nil).

8. Earnings per share

Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the period attributable to owners of the Company of approximately HK$15,674,000 (six months ended 30 June 2012: approximately HK$8,528,000) and the weighted average number of ordinary shares of 2,198,331,000 (six months ended 30 June 2012: 1,494,865,000 as adjusted to reflect the share consolidation in April 2012 and the open offer in August 2012) in issue during the period.

Diluted earnings per share

No diluted earnings per share is presented as the Company did not have any dilutive potential ordinary shares during the periods ended 30 June 2012 and 2013.

9. Capital expenditure

During the period, the Group incurred approximately HK$37,000 (six months ended 30 June 2012: approximately HK$1,300,000) on additions to fixed assets.

10. Trade and bills receivables

	30/6/2013	31/12/2012
	(unaudited)	(audited)
	HK$'000	*HK$'000*
Trade receivables *(Note)*	**17,168**	49,960
Bills receivables	**–**	2,869
	17,168	52,829

Note:

The Group's turnover represented television advertising service income, sales of consumer products, consultancy service income and insurance agency service income. For television advertising business, the Group generally requires customers to pay in advance, but grants a credit period of 30 to 120 days to some customers. The payment terms of the sales of consumer products are normally from 30 to 180 days. The consultancy service income is paid in accordance with the terms of the respective agreements. The payment terms of insurance agency services provided are normally at 30 days.

The aging analysis of trade receivables as at the statement of financial position date, based on the invoice date, and net of allowance, is as follows:

	30/6/2013	31/12/2012
	(unaudited)	(audited)
	HK$'000	*HK$'000*
0 – 90 days	**15,283**	49,066
91 – 180 days	**647**	517
181 – 365 days	**1,095**	272
Over 365 days	**143**	105
	17,168	49,960

11. Trade and bills payables

	30/6/2013	31/12/2012
	(unaudited)	(audited)
	HK$'000	*HK$'000*
Trade payables *(Note)*	**18,509**	18,471
Bills payables	**3,814**	–
	22,323	18,471

Note:

The Group normally obtains credit terms ranging from 30 to 90 days from its suppliers.

The aging analysis of trade payables as at the statement of financial position date, based on date of receipt of goods, is as follows:

	30/6/2013	31/12/2012
	(unaudited)	(audited)
	HK$'000	*HK$'000*
0 – 90 days	**6,364**	8,294
91 – 180 days	**389**	61
181 – 365 days	**1,480**	5
Over 365 days	**10,276**	10,111
	18,509	18,471

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

In the first half of 2013, amidst the uncertainties of global economy, China's economic growth will continue to slowdown. According to the data from National Bureau of Statistics, China's Gross Domestic Product ("GDP") amounted to RMB24,800.9 billion in the first half of 2013, representing an increase of 7.6% compared to last year while growth for second quarter rolled back by 0.2% compared to the first quarter. Nevertheless, there was a slight rise in China's consumption market. The total retail sales of consumer goods recorded RMB11,076.4 billion, an actual increase of 11.4% netting off the price factors. As there is a further rise in consumer sentiment, China's consumption market is expected to gradually improve in the second half of the year.

Under the influences of macroeconomic environment and a series of political reforms such as "Limit on Entertainment Programs"* and "Television Commercials Ban"*, China's advertising market had suffered from a certain degree of hit in 2012. However, the "12th Five-Year Plan of Advertising Industry"* promulgated by the State Administration for Industry and Commerce ("SAIC") in May 2012 will be continued to implement in the next few years. It aims to enhance the competitiveness of advertising enterprises, to integrate structure of advertising industry and to improve the legal and regulatory system for advertising industry. Mr. Mao Zhang, director of SAIC of China, has announced on the "National Trade and Industry Advertising Conference"* that, as of the end of last year, the turnover of advertising business in China recorded RMB469.8 billion and the overall market scale of advertising industry was ranked as the second in the world. Along with the position development of advertising industry under strong national support, the advertising market will have a steady development.

Business Review

The Group's principal activity remains as television advertising agency and related businesses. The television advertising agency business was still the major revenue source of the Group in the first half of 2013. On 31 December 2009, the Group entered into an exclusive media management services agreement with the satellite television channel of Guangdong Television ("GSTV") for a team of three years. Such agreement has expired on 31 December 2012. After further in-depth discussion, the Group considered that the immense cost of exclusive advertising agency would affect the Group's results in financial statements. Upon the expiry of the agreement on 31 December 2012, the Group has decided not to renew the exclusive media management services agreement and changed the operation model with GSTV to subcontracting model. The Group believes that the change in operation model can further lower the operating cost and improve the Group's profit margin.

During the year, the Group has added consultancy services, which mainly assists customers to identify and acquire domestic properties, and provides services such as financing, property design and marketing for consultation fee. For the six months ended 30 June 2013, the revenue of consultancy services accounted for approximately 12.6% of the Group's turnover.

* *Management translation*

In recent years, the Group's revenue from insurance agency services has recorded an increase over to the same period last year. The services mainly cover a variety of life insurance and financial assets insurance. For the six months ended 30 June 2013, insurance agency services accounted for approximately 10.1% of the Group's turnover.

Furthermore, leveraging on the Group's diligence and efforts, the Group's retail and wholesale kitchenware business started to develop rapidly on television shopping and online shopping platform. For the six months ended 30 June 2013, the revenue from retail and wholesale kitchenware business was approximately HK$24,079,000 which accounted for 30.3% of the Group's turnover. The Group will continue to enhance the retail and wholesale kitchenware business to sustain a stable growth.

Outlook and Strategy

The Chinese government emphasized the primary task for 2013 is to expand the domestic demand, improve the capacity of national consumption and to boost the household consumer sentiment. According to the 32nd "Statistical Report on Internet Development in China" issued by China Internet Network Information Center ("CNNIC"), the internet penetration rate was 44.1%, a growth of 2% compared with the end of 2012. Among all new internet users, the proportion of users accessing to the internet through mobile phones reached over 70%. Meanwhile, for online advertising and shopping, according to the data from iResearch Consulting Group, the market scale of China online advertising amounted to RMB23.3 billion in the second quarter of 2013, an increase of 17.4% over previous quarter. Online shopping market transactions in China reached RMB437.1 billion, an increase of 45.3% over the same period last year. With the gradual popularity of mobile phones and tablet PCs, online shopping platform has become the new trend and also provide new opportunities for the industry. The Group will seize this new trend of online platform generation and will promote an efficient development of the online retail kitchenware business.

In addition, in order to strengthen the basic universal standards of media shopping industry and protect the interest of consumer. Professional Committee of Media Shopping, China General Chamber of Commerce ("SCTRIC") has formulated the media industry standard, "Operational Requirements for Media Shopping"*, which will be duly implemented on 1 November 2013. This standard strictly regulates the requirements of various areas in media shopping, such as products, advertisement, call centers, logistics and delivery, inventory return and personnel. Meanwhile, SCTRIC has also made an application to the Ministry of Commerce for adopting "Television Shopping Enterprise Service Evaluation Guidelines"* as new industry standard, for ensuring a healthy growth of media shopping industry. This standard will regulate the corporate governance of current television shopping industry, so as to crack down unscrupulous traders and enhance consumers' confidence in the industry. It is expected that more relevant regulatory standards will be applied for and implemented to adjust the professional standards of the industry, which allows consumers to gain more confidence in using media shopping platform and creates a favorable environment for future development of the industry. The Group will closely monitor the long term development of the media shopping industry; grasp the great opportunities from the industry in the future; further expand and enhance the Group's current business; improve the quality of the Group's professional services; and identify new advertising business to diverse the Group's overall businesses. Meanwhile, in responded to the Chinese government, the Group will expand in multiple areas, especially becoming service-oriented enterprise, so as to generate more business opportunities in the near future.

* *Management translation*

Financial Review

For the six months ended 30 June 2013, the Group's unaudited consolidated turnover was approximately HK$79,479,000, represents a decrease of approximately 76.1% from the same period of last year, mainly attributable to the decrease of advertising sales in PRC after the termination of the three years exclusive media management agreement with Guangdong Television on 31 December 2012. Excluding the advertising sales contribution of approximately HK$37,319,000 to the turnover, the Group recorded a retail revenue of approximately HK$24,079,000 (first half of 2012: approximately HK$25,580,000), a decrease of approximately 5.9% year-on-year. The reason for the decline was mainly due to the decrease of the retail customers demand on kitchenware products.

The breakdown of the Group's turnover recognized in the unaudited consolidated statement of profit and loss was as follows:

For the six months ended 30 June, in HK$'000

	2013	2012	Change
PRC retail and distribution of consumer products	**24,079**	25,580	-5.9%
Television advertising	**37,319**	301,539	-87.6%
Insurance agency service	**8,049**	4,752	+69.4%
Consultancy services	**10,032**	–	n/a
Turnover	**79,479**	331,871	-76.1%

The Group recorded a gross profit of HK15,469,000 and a gross profit margin of 19.5% which is slightly higher than the 18.7% of the same period last year mainly due to (i) the improvement of gross margin of sales of kitchenware products and (ii) the profitable return generated from the new business of property development consultancy services.

This year the Group recorded an other income of HK$27,722,000 which mainly consists of write back of agency fee payables and write back of other payables and accruals as set out in Note 6 to the announcement.

The Board did not recommend payment of an interim dividend for the six months ended 30 June 2013 (first half of 2012: HK$Nil).

Employee relations

As of 30 June 2013, the Group has 58 employees (as at 30 June 2012: 79 employees). Total remuneration cost for the period under review was approximately HK$5.2 million (six months ended 30 June 2012: approximately HK$5.7 million). No share options were granted during the period under review and no share option cost that was charged to the statement of profit and loss (six months ended 30 June 2012: approximately HK$Nil). Based on the existing outstanding number of share options as of 30 June 2013 and assume that no further share options are to be granted in the six months to 31 December 2013, no further share option cost will be charged to the statement of profit and loss.

The employees are remunerated based on their work performance, professional experience and prevailing industry practices. The remuneration policy and package of the Group's employees are periodically reviewed by the Group's management. In addition, the Group adopts a share option scheme for eligible employees (including Directors) to provide incentives to participants for their contributions and continuing efforts to promote the interests of the Group.

Liquidity and financial resources

As at 30 June 2013, the Group's cash and bank deposits (include pledged bank deposits) amounted to approximately HK$53 million (31 December 2012: approximately HK$75 million). The gearing ratio as at 30 June 2013 (total interest bearing borrowings to total assets) was 0% (31 December 2012: 6.2%), indicated that the Group's overall financial position remained strong.

Segment information

The details of segment information are set out in Note 3 to the announcement.

Capital structure

There were no changes to the Group's capital structure during the six months ended 30 June 2013.

Material acquisitions and disposals of subsidiaries and associates

The Group did not have any material acquisitions or disposals of subsidiaries or associates during the six months ended 30 June 2013.

Charges on Group assets

Apart from the deposits of approximately HK$3,814,000 pledged to a bank to secure bills payables of approximately HK$3,814,000 as set out in Note 11 to the announcement above and the deposits of approximately HK$316,000 pledged to a bank as securities for two corporate cards with credit limit of approximately HK$252,000 in aggregate granted to one executive director and one ex-executive director (who resigned on 28 June 2013 and the corporate card had been returned to the Company after his resignation) of the Group, as at 30 June 2013, there were no charges on the Group's assets.

Exposure to exchange rate fluctuation and related hedging

The Directors considered that the Group has certain exposure to foreign currency risk as some of its business transactions and assets are denominated in currencies other than the functional currency of respective Group entities such as Renminbi. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Contingent liabilities

The Group had no material contingent liabilities as at 30 June 2013 (31 December 2012: HK$Nil).

CORPORATE GOVERNANCE

Compliance with the Code on Corporate Governance Practices of the Listing Rules

The Board of Directors of the Company has applied the principles and complied with all the applicable provisions and where applicable, the recommended practices of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange for the six months ended 30 June 2013 except for deviation from Code provision A.4.1 of the Code.

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

None of the existing independent non-executive Directors ("INEDs") of the Company is appointed for a specific term and this constitutes deviation.

Although the INEDs are not appointed for a specific term, the Company believes that as all Directors are subject to retirement by rotation and re-election at the annual general meeting at least once for every three years pursuant to the articles of associations of the Company (the "Articles"), such practice meets the same objective and is no less exacting than those prescribed under Code provision A.4.1.

Review of Accounts

Disclosure of financial information in this report complies with Appendix 16 of the Listing Rules.

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group and in the course has discussed with the management, the internal controls and financial reporting matters related to the preparation of the unaudited condensed consolidated financial statements for the six months ended 30 June 2013.

The external auditor has reviewed the interim financial information for the six months ended 30 June 2013 in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules.

The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the six months ended 30 June 2013, and they all confirmed that they have fully complied with the required standard set out in the Model Code and its code of conduct regarding director's securities transactions.

OTHER INFORMATION

Pre-emptive Rights

There is no provision for pre-emptive rights under the Articles which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Purchase, Sale or Redemption of the Company's Listed Securities

During the period under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited ("HKEX") at www.hkexnews.hk under "Latest Listed Company Information" and on the website of the Company at www.sevenstar.hk respectively.

The interim report of the Company for the six months ended 30 June 2013 will be despatched to the shareholders and published on the websites of the HKEX and the Company in due course.

On behalf of the Board
Ni Xinguang
Chairman and executive director

Hong Kong, 29 August 2013

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