

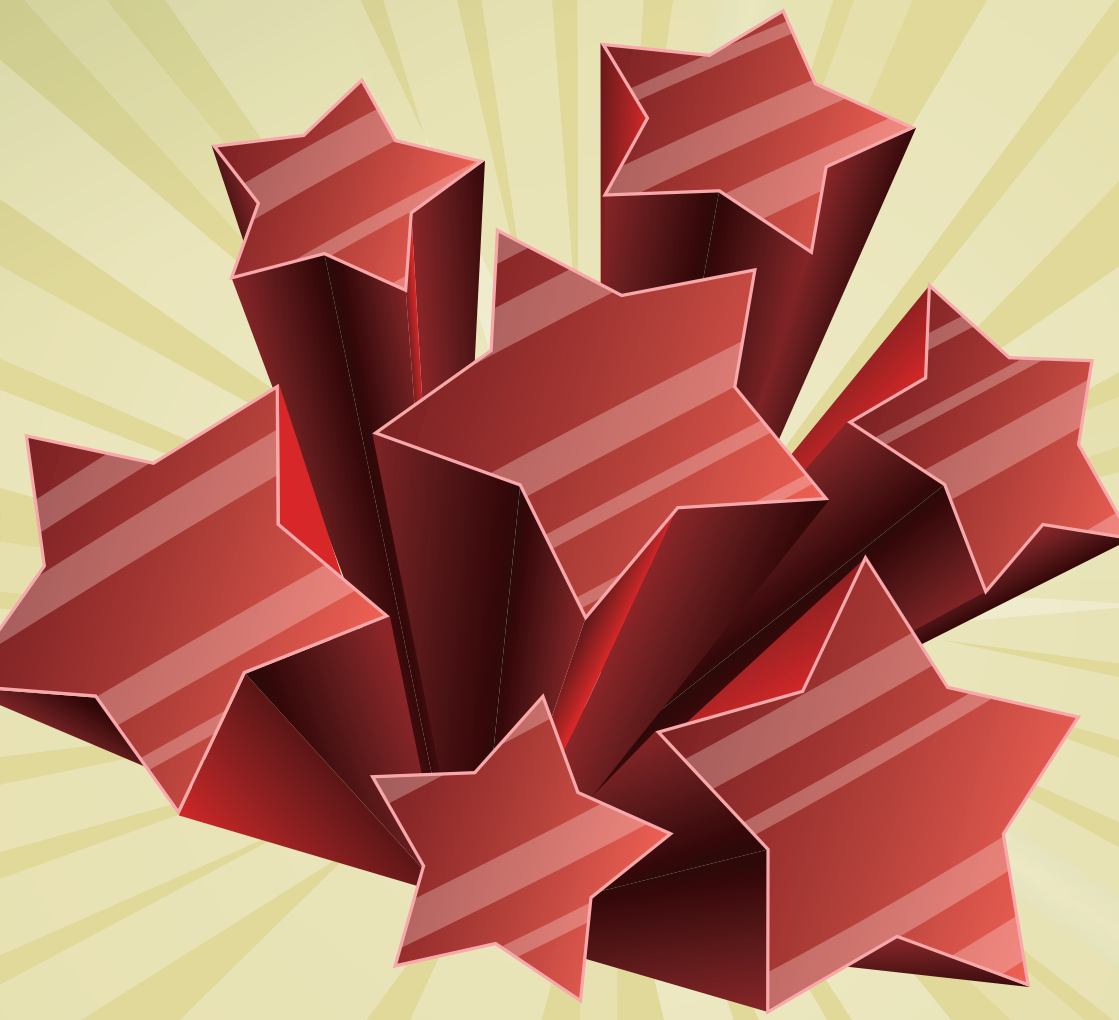


CHINA SEVEN STAR HOLDINGS LIMITED

中國七星控股有限公司

(Incorporate in Hong Kong with limited liability)
Stock Code : 245

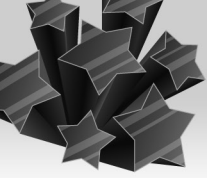
2014 INTERIM REPORT



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English text of the Interim Report shall prevail over Chinese text.



CORPORATE INFORMATION

Board of Directors

Executive Directors

Ni Xinguang (*Chairman*)

Tu Baogui (*Chief Executive Officer*)

Chen Xiaoyan (Appointed on
16 January 2014)

Independent Non-executive Directors

Wong Chak Keung

Lu Wei

Ling Yu Zhang

Audit Committee

Wong Chak Keung (*Chairman*)

Lu Wei

Ling Yu Zhang

Nomination Committee

Lu Wei (*Chairman*)

Ling Yu Zhang

Wong Chak Keung

Remuneration Committee

Ling Yu Zhang (*Chairman*)

Wong Chak Keung

Lu Wei

Company Secretary

Law Gerald Edwin

Principal Bankers

Agricultural Bank of China Limited

Bank of Shanghai Co., Ltd

China Construction Bank Corporation

China Everbright Bank Co., Ltd

Industrial and Commercial Bank of

China (Asia) Limited

Postal Savings Bank of China Co., Ltd

The Bank of East Asia, Limited

Solicitors

Hong Kong Law

Michael Li & Co.

PRC Law

Yulan & Partners

Independent Auditor

RSM Nelson Wheeler

Certified Public Accountants

Registered Office

Unit A02, 11/F

Bank of East Asia Harbour View Centre

56 Gloucester Road

Wanchai

Hong Kong

Principal Place of Business in Shanghai

No. 568 Hongxu Road

Minhang District

Shanghai

China

Share Registrar and Transfer Office

Tricor Tengis Limited

Level 22, Hopewell Centre

183 Queen's Road East

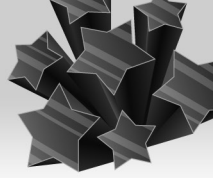
Hong Kong

Stock Code

245 HK

Website

www.sevenstar.hk

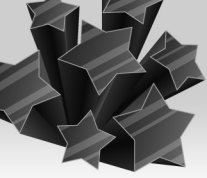


MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

In the first half year of 2014, China's Economy shows a generally stable operational status. With the steady structure adjustment, it gives a favorable transformation and upgrading momentum. According to the data from the National Bureau of Statistics, China's Gross Domestic Product (GDP for short) amounted to RMB39,725.7 billion in the first half of 2014, representing an increase of 7.4% compared to last year while growth for the first two quarters remain the same. Also, under the national consumption expansion policy, China's consumption market runs smoothly. Statistics shows that the retail sales of the consumer goods rise for 12.1%, gives an actual increase of 10.8% netting off the price factor, which shows 0.6% slowed down than the same period last year. Consumption becomes the first engine of the economic blooming, the final consumption in the first half year has contributed 54.4% of the GDP, and 4% of the economic growth, which is increased by 9.2% and 0.6% respectively than the same period last year.

As the global economy stabilises in addition to the implementation of micro-stimulus measures in China, the market growth in commodities including chemical materials is expected to pick up and follow the pace of the economic recovery. Attributed to the tight integration between China and the global economy, the consumption and trade of the Chinese industrial chemicals and products are mounting in both the domestic and overseas markets. Taking pure terephthalic acid ("PTA") as an example, the production capacity is mainly concentrated in the Asian region while the consumptions are heavy in Asia and North America. Since PTA is a chemical material in polyester fiber manufacturing which the domestic market is enormous, the production and trade of PTA in China is playing a significant role in the world. It is expected that the global economic recovery will continue to promote the development of the trading of industrial chemicals.



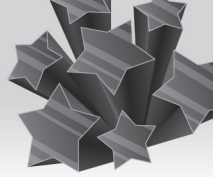
Business Review

Upon the expiry of the exclusive media management services agreement entered into by the Group and Guangdong TV Station on 31 December 2012, the Group no longer had any exclusive agency rights to advertising air time on Guangdong TV Station. After the expiry, the Group switched to the new operation model. If any of the Group's customers intended to purchase air time for advertising on Guangdong TV Station, the Group would negotiate and enter into agreement with Guangdong TV Station for the supply of air time by Guangdong TV Station and the Group would then subcontract such air time for advertising to the Group's customers. However, there was keen competition of selling of advertising air time from the second half of 2013 and the Group was unable to compete with other suppliers after losing the exclusive agency rights. As such, the Group decided to stop such business in view of the losses suffered by the Group.

In 2013, the Directors decided to place more of the Group's resources into the retail and distribution of kitchenware products. The main customers of such kitchenware products were operators of telemarketing channels. However, in the second half of 2013, sales of such kitchenware products to telemarketing operators decreased, which in turn affected the profitability of such kitchenware products. The adverse market situation has worsened after the end of 2013 due to keen competition from low pricing internet sales platforms. The Group encountered difficulty in selling kitchenware products during the first half of 2014. As a result, the Group decided to cease such business to reduce operational costs and investment losses.

The cessation of the above two businesses will further reduce the operational costs of the Group, the remaining funds will be applied to other profitable businesses for long-term development purpose.

During the first half year of 2014, the Group had added new trading of the chemical materials business. The Group had gained profit in trading chemical materials and this business had replaced the television advertising agency business to become the Group's core income source. For the six months ended 30 June 2014, the revenue generated in the trade of chemical materials business accounts for 81% of the Group's turnover. The Group will deepen chemical materials and work on its sustainable development.



In addition, the revenue of the Group's insurance agency services business had declined compare to the same period last year by 28.1% mainly due to the termination of several insurance agency services contracts during the six months ended 30 June 2014.

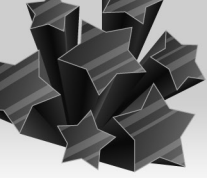
Outlook and Strategy

According to the Economic and Financial Outlook Analysis report published by the Bank of China in Beijing, the leverage risk of the global economy in the first half year of 2014 remains the same, where the global GDP increased by 2.8%, which is essentially flat with the same period last year. Compared with 2013, the slow recovery of the global economy lead to an attenuate demand for the bulk commodities, which also causes an overcapacity of most China's bulk commodities; also in year 2014, under the influence of the international economic and financial environment, the focal point of China's economic policy is switching from incentive policies to stable policies. This move will certainly bring new opportunities to China's commodity trading and twist.

In addition, according to the "China's economic situation review and the situational analysis report of importing and exporting in the first quarter of 2014 (Spring report)"* (hereinafter referred to as "report") issued by www.haiguan.info, China is now in a stable economy situation, the domestic manufacturing growth and domestic demand will constitute some downward pressure on economic growth to the country. Based on the analysis towards varies factors that we are facing in the present trading situation, the report has kept its positive judgment to the trading situation in the second half year of 2014. Our Group believes that under the prompting import and export prospects and the optimized national policy, the bulk commodity trade will have thriving new opportunities.

For the coming future, our Group will continue to deepen and explore the existing new business, further improve the business model in all aspects in order to gain more revenue. In the meanwhile, the Group will also broaden the investment visions in other areas such as real estate operation management service and operation of solar photovoltaic power stations, through the use of business modes such as joint venture, merger and acquisitions to make more substantial changes to the business restructuring.

* *Management translation*



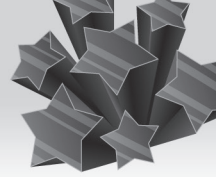
On 4 July 2014, a JV Agreement was entered into among the subsidiary of Group, Seven Star Shopping (China) Company Limited* (七星購物(中國)有限公司), Shanghai Qiangguan Enterprises Holdings Limited* (上海強冠企業集團有限公司) and Lin Wei relating to the formation of the JV Company, which is proposed to be principally engaged in provision of investment management, investment consultation, business information consultation, financial consultation and corporate sales consultation services in the PRC.

On 21 July 2014, the Company and ReneSola Ltd. ("ReneSola") entered into a non-legally binding memorandum of understanding (the "MOU") in relation to the Company's intention to acquire from ReneSola or its affiliates within 18 months from the date of entering into the MOU, the solar power plants with a capacity of not less than 200MW including but not limited to, two Solar Power Plants located in Bulgaria and two Solar Power Plants located in Romania; and the Company and ReneSola Singapore Pte. Ltd entered into a non-legally binding letter of intent in relation to the detail terms of the sale and purchase of the entire issued share capital of MG Solar Systems EOOD and Nove Eco Energy EOOD, each of which owns one of the Solar Power Plants located in Bulgaria.

Financial Review

For the six months ended 30 June 2014, the Group's unaudited consolidated turnover was approximately HK\$29,954,000, represents a decrease of approximately 62.3% from the same period of last year, mainly attributable to no revenue was generated from the Group's retail and distribution of consumer products and television advertising businesses due to (i) keen competition from low pricing internet sales platforms and (ii) keen competition of selling of advertising air time from the second half of 2013 and the Group was unable to compete with other suppliers after losing the exclusive agency rights accordingly.

* *Management translation*



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

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

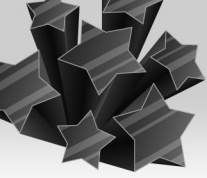
	2014	2013	Change
PRC retail and distribution of consumer products	–	24,079	-100%
Television advertising service income	–	37,319	-100%
Insurance agency service income	5,789	8,049	-28.1%
Consultancy service income	–	10,032	-100%
Trading of chemical materials	24,165	–	n/a
Turnover	29,954	79,479	-62.3%

The Group recorded a gross profit of HK\$358,000 and a gross profit margin of 1.2% which is lower than the 19.5% of the same period last year mainly due to the low gross profit generated from the new business of trading chemical materials which is at its early stage.

Due to no revenue was generated from the Group's retail and distribution of consumer products and television advertising businesses, there was no distribution costs for the six months ended 30 June 2014.

The Group recorded a loss of approximately HK\$18,759,000 for the six months ended 30 June 2014 as compared with a profit of approximately HK\$18,841,000 recorded by the Group for the six months ended 30 June 2013. This is mainly due to the following reasons:

1. The Group has recorded decreases in both revenue and gross margin for the six months ended 30 June 2014 as no revenue was generated from the Group's retail and distribution of consumer products and television advertising businesses due to (i) keen competition from low pricing internet sales platforms and (ii) keen competition of selling of advertising air time from the second half of 2013 and the Group was unable to compete with other suppliers after losing the exclusive agency rights accordingly;



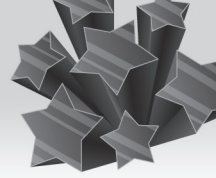
2. The Group has engaged in a new business of trading chemical materials which is at its very early stage and has a low gross profit;
3. There were write back of agency fees payable of approximately HK\$19,308,000 and write back of other payables and accruals of approximately HK\$6,207,000 for the six months ended 30 June 2013 but there was no such income for the six months ended 30 June 2014; and
4. Further allowances and write off were made for inventories of approximately HK\$7,168,000 and trade receivables of approximately HK\$1,169,000 for retail and distribution business for the six months ended 30 June 2014.

The Board did not recommend payment of an interim dividend for the six months ended 30 June 2014 (six months ended 30 June 2013: HK\$Nil).

Employee relations

As of 30 June 2014, the Group has 38 employees (at 30 June 2013: 58 employees). Total remuneration cost for the period under review was approximately HK\$4,213,000 (six months ended 30 June 2013: approximately HK\$5,210,000). No share options were granted during the period under review and no share option cost that was charged to the statement of profit or loss (six months ended 30 June 2013: HK\$Nil). Based on the existing outstanding number of share options as of 30 June 2014 and assume that no further share options are to be granted in the six months to 31 December 2014, no further share option cost will be charged to the statement of profit or 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

At 30 June 2014, the Group's cash and bank deposits (include pledged bank deposits) amounted to approximately HK\$29,137,000 (at 31 December 2013: approximately HK\$45,652,000). The gearing ratio at 30 June 2014 (total interest bearing borrowings to total assets) was 0% (at 31 December 2013: 0%), indicated that the Group's overall financial position remained strong.

As the Group had net current liabilities and net liabilities of approximately HK\$6,086,000 and approximately HK\$4,208,000 respectively, the directors of the Company have given consideration to the future liquidity of the Group. The placing of existing shares and subscription of new shares was completed on 5 August 2014, and the aggregate net proceeds of approximately HK\$18,198,000 were received. The directors also prepared a profit and cash flow forecast for the 18-month period ending 31 December 2015 and there was no significant liquidity problem.

Segment information

The details of segment information are set out in Note 3 to the condensed interim financial statements.

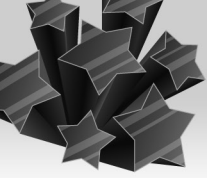
Capital structure

There were no changes to the Group's capital structure during the six months ended 30 June 2014.

Placing of existing shares and subscription of new shares

On 28 July 2014, the Company, Group First Limited ("Group First", a substantial shareholder of the Company) and a placing agent entered into a placing and subscription agreement, pursuant to which Group First agreed to place and the placing agent agreed to procure not less than six places to purchase 110,000,000 shares at placing price of HK\$0.169 per share from Group First, and Group First agreed to subscribe new shares equivalent to the number of placing shares of 110,000,000 shares at subscription price equivalent to the placing price of HK\$0.169 per share from the Company. Details are set out in the Company's announcement dated 28 July 2014.

The placing and subscription was completed on 5 August 2014, and net proceeds of approximately HK\$18,198,000 were received.



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 2014.

Charges on Group assets

Apart from the deposit of approximately HK\$312,000 (at 31 December 2013: HK\$320,000) pledged to a bank as security for a corporate card with credit limit of approximately HK\$250,000 (at 31 December 2013: HK\$256,000) granted to an executive director of the Group, and bank balances of approximately HK\$974,000 (at 31 December 2013: HK\$630,000) which have been frozen by banks based on the instructions of the courts, at 30 June 2014, there were no other charges on the Group's assets.

Exposure to exchange rate fluctuation and related hedging

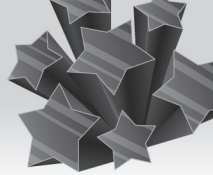
The Directors considered that the Group has certain exposure to foreign currency risk as some of its business transactions and assets are denominated in currencies other than the functional currency of respective Group entities such as Renminbi. The Group currently does not have a foreign currency hedging 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 did not have any significant contingent liabilities at 30 June 2014 (at 31 December 2013: HK\$Nil).

On behalf of the Board
China Seven Star Holdings Limited
Ni Xinguang
Chairman and executive director

Hong Kong, 28 August 2014



DIRECTORS' INTEREST IN SHARES

As at 30 June 2014, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"), are set out below:

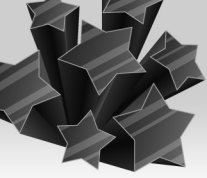
1. Aggregate long position in the shares, underlying shares and debentures of the Company and its associated corporations

Name of director	Number of shares held		Total	Percentage of the issued share capital (Note (b))
	Personal interests	Corporate interests		
Ni Xinguang ("Mr. Ni")	46,068,000	566,004,000 (Note (a))	612,072,000	27.84%

Notes:

- (a) 566,004,000 shares were owned by Group First Limited, a private company wholly owned by Mr. Ni, representing approximately 25.75% of the issued share capital of the Company.
- (b) The percentage was calculated based on the total number of 2,198,331,250 ordinary shares of the Company in issue as at 30 June 2014.

Save as disclosed above, as at 30 June 2014, none of the Directors or chief executive of the Company had any interest in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO), which were recorded in the register required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.



2. Aggregate short position in the shares, underlying shares and debentures of the Company and its associated corporations

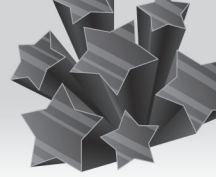
As at 30 June 2014, none of the Directors or chief executive of the Company, had any short position in the shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTIONS

The Company adopted a new share option scheme on 9 December 2013 (the "2013 Share Option Scheme") to replace the share option scheme adopted on 28 May 2004 (the "2004 Share Option Scheme"). Since then, no further option can be granted under the 2004 Share Option Scheme, but all options granted previously will remain exercisable in accordance with the terms of the 2004 Share Option Scheme and the relevant letters of offers to the respective grantees. No share options were lapsed and no share options were granted or exercised during the period under review and no share option cost was charged to the statement of profit or loss (six months ended 30 June 2013: approximately HK\$Nil). Based on the existing outstanding number of share options as of 30 June 2014 and assume that no further share options are to be granted in the six months to 31 December 2014, no further share option cost will be charged to the statement of profit or loss as share option expense.

Movements of the options, which were granted under the 2004 Share Option Scheme, during the period under review were listed below:

Category	Date of grant	Number of option shares held as at 01/01/2014	Number of option shares granted during the period	Number of option shares exercised during the period	Number of option shares lapsed during the period	Number of option shares held as at 30/06/2014	Exercise price HK\$	Exercise period
Consultants	30/04/2007	48,960	-	-	-	48,960	6.03	30/04/2008 - 29/04/2015
	30/04/2009	1,428,000	-	-	-	1,428,000	0.49	05/05/2010 - 04/05/2017
		1,476,960	-	-	-	1,476,960		



SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2014, so far as was known to the Directors of the Company, the following persons, other than the Directors and chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company, which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

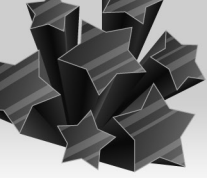
Long positions in the shares and underlying shares of the Company

Name	Capacity in which ordinary shares were held	Number of ordinary shares	Percentage of the issued share capital (Note (c))
Group First Limited	Beneficial owner (Note (a))	566,004,000	25.75%
Ye Zhu Ying ("Ms. Ye")	Interests controlled through corporation (Note (b))	231,497,650	10.53%
Best Idea International Limited	Beneficial owner (Note (b))	231,497,650	10.53%

Notes:

- Group First Limited is a private company wholly owned by Mr. Ni. Mr. Ni is an executive director of the Company. Accordingly, the 566,004,000 shares owned by Group First Limited is also deemed to be the corporate interests of Mr. Ni.
- Best Idea International Limited is a private company wholly owned by Ms. Ye. Accordingly, the 231,497,650 shares owned by Best Idea International Limited is also deemed to be the corporate interests of Ms. Ye.
- The percentage was calculated based on the total number of 2,198,331,250 ordinary shares of the Company in issue as at 30 June 2014.

All the interests disclosed under this section represent long position in the shares of the Company.



Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any party who, as at 30 June 2014, had interests or short positions in the shares and underlying shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or be directly or indirectly interested in 5% or more of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or substantial shareholders as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

RIGHTS TO ACQUIRE COMPANY'S SECURITIES

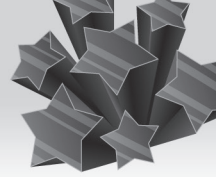
Other than as disclosed under the sections "Directors' Interest in Shares" and "Share Options" above, at no time during the period under review was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

CORPORATE GOVERNANCE

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

The Company's corporate governance practices are based on the principles and code provisions ("Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Throughout the period under review, the Company has complied with most of the Code Provisions of the CG Code, save for the deviation of the Code Provisions A.4.1, E.1.2 and A.6.7 which are explained below.



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 (the “INEDs”) is appointed for a specific term. 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, such practice meets the same objective and is no less exacting than those prescribed under Code Provision A.4.1.

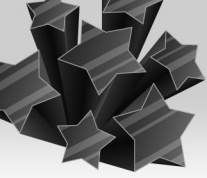
Under the Code Provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting and he should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In addition, under the Code Provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. During the period under review, Mr. Ni Xinguang (chairman of the Board) and Mr. Lu Wei (chairman of nomination committee) could not attend the annual general meeting of the Company held on 5 June 2014 due to other business engagement but they have appointed the other attended Directors as their representative at the meeting.

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 2014.

The external auditor has reviewed the interim financial information for the six months ended 30 June 2014 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 as its own code of conduct regarding Directors securities transactions. All the Directors of the Board have confirmed, following specific enquiries made by the Company, that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2014.

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.



INDEPENDENT REVIEW REPORT TO THE BOARD OF DIRECTORS OF CHINA SEVEN STAR HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 18 to 30 which comprises the condensed consolidated statement of financial position of the Company as at 30 June 2014 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review 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 HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

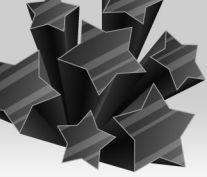
Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

RSM Nelson Wheeler

Certified Public Accountants

Hong Kong

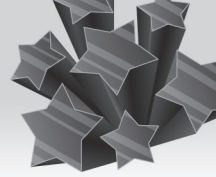
28 August 2014



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2014

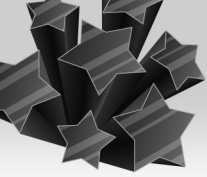
	Note	Six months ended	
		30/6/2014 (unaudited) HK\$'000	30/6/2013 (unaudited) HK\$'000
Turnover	3	29,954	79,479
Cost of sales and services		(29,596)	(64,010)
Gross profit		358	15,469
Other income		1,231	27,722
Distribution costs		–	(9,381)
Administrative expenses		(11,066)	(11,377)
Other operating expenses		(9,258)	(3,435)
(Loss)/profit from operations		(18,735)	18,998
Finance costs – interest on bank loan		–	(156)
(Loss)/profit before tax		(18,735)	18,842
Income tax expense	4	(24)	(1)
(Loss)/profit for the period	5	(18,759)	18,841
Attributable to:			
Owners of the Company		(10,860)	15,674
Non-controlling interests		(7,899)	3,167
		(18,759)	18,841
(Loss)/earnings per share	7		
Basic		HK(0.49) cent	HK0.71 cent
Diluted		N/A	N/A



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2014

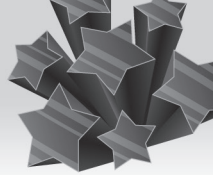
	Six months ended	
	30/6/2014	30/6/2013
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
(Loss)/profit for the period	(18,759)	18,841
Other comprehensive income:		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	394	(81)
Other comprehensive income for the period, net of tax	394	(81)
Total comprehensive income for the period	(18,365)	18,760
Attributable to:		
Owners of the Company	(16,399)	18,901
Non-controlling interests	(1,966)	(141)
	(18,365)	18,760



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2014

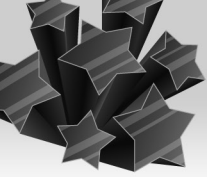
	Note	30/6/2014 (unaudited) HK\$'000	31/12/2013 (audited) HK\$'000
Non-current assets			
Fixed assets		1,653	2,505
Intangible assets		17	71
Available-for-sale financial assets		208	213
		1,878	2,789
Current assets			
Inventories		–	8,982
Trade receivables	8	278	1,594
Other receivables, prepayments and deposits		1,988	2,460
Pledged bank deposits		312	4,796
Bank and cash balances	9	28,825	40,856
		31,403	58,688
Current liabilities			
Trade and bills payables	10	21,143	26,708
Other payables and accruals		14,034	18,236
Current tax liabilities		2,312	2,376
		37,489	47,320
		(6,086)	11,368
Net current (liabilities)/assets			
		(4,208)	14,157
NET (LIABILITIES)/ASSETS			
Capital and reserves			
Share capital	11	555,919	21,983
Other reserves		785,730	1,325,205
Accumulated losses		(1,100,077)	(1,089,217)
		241,572	257,971
Equity attributable to owners of the Company		241,572	257,971
Non-controlling interests		(245,780)	(243,814)
		(4,208)	14,157
TOTAL EQUITY			
		(4,208)	14,157



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2014

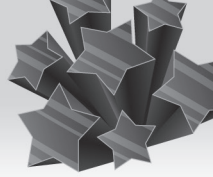
	Unaudited									
	Attributable to owners of the Company									
	Share capital	Share premium	Share-based payments reserve	Special capital reserve	Foreign currency translation reserve	Statutory surplus reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2014	21,983	533,936	670	726,699	58,038	5,862	(1,089,217)	257,971	(243,814)	14,157
Total comprehensive income for the period	-	-	-	-	(5,539)	-	(10,860)	(16,399)	(1,966)	(18,365)
Transfer (Note 11)	533,936	(533,936)	-	-	-	-	-	-	-	-
Changes in equity for the period	533,936	(533,936)	-	-	(5,539)	-	(10,860)	(16,399)	(1,966)	(18,365)
At 30 June 2014	555,919	-	670	726,699	52,499	5,862	(1,100,077)	241,572	(245,780)	(4,208)



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30 June 2013

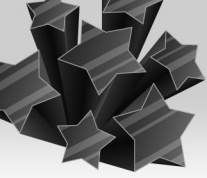
	Unaudited									
	Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Share-based payments reserve HK\$'000	Special capital reserve HK\$'000	Foreign currency translation reserve HK\$'000	Statutory surplus reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2013	21,983	533,936	8,701	726,699	51,883	5,862	(1,095,491)	253,573	(217,726)	35,847
Total comprehensive income for the period	-	-	-	-	3,227	-	15,674	18,901	(141)	18,760
Changes in equity for the period	-	-	-	-	3,227	-	15,674	18,901	(141)	18,760
At 30 June 2013	21,983	533,936	8,701	726,699	55,110	5,862	(1,079,817)	272,474	(217,867)	54,607



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2014

	Six months ended	
	30/6/2014	30/6/2013
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
NET CASH USED IN OPERATING ACTIVITIES	(17,483)	(11,979)
Purchase of fixed assets	–	(37)
Decrease in pledged bank deposits	4,382	–
Other investing cash flows (net)	377	349
NET CASH GENERATED FROM INVESTING ACTIVITIES	4,759	312
Decrease in pledged bank deposit	–	8,516
Repayment of bank loans	–	(9,944)
NET CASH USED IN FINANCING ACTIVITIES	–	(1,428)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(12,724)	(13,095)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	40,856	62,038
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	693	55
CASH AND CASH EQUIVALENTS AT END OF PERIOD, REPRESENTED BY	28,825	48,998
Bank and cash balances	28,825	48,998



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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.

In preparing these condensed financial statements, the directors of the Company have given consideration to the future liquidity of the Group. The placing of existing shares and subscription of new shares was completed on 5 August 2014, and the aggregate net proceeds of approximately HK\$18,198,000 were received (Note 15(c)). The directors also prepared a profit and cash flow forecast for the 18-month period ending 31 December 2015 and there was no indication of significant doubt on the Group’s ability to continue as going concern. The directors are therefore of the opinion that it is appropriate to prepare these condensed financial statements on a going concern basis.

These condensed financial statements should be read in conjunction with the 2013 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 2013.

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

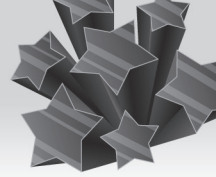
In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2014. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards; 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.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has 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, as the television advertising business did not meet the definition of an operating segment in accordance with HKFRS 8 “Operating Segment”, its information is not presented.

In the current period, the Group’s other operating segment includes the consultancy service business. This segment does not meet any of the quantitative thresholds for determining reportable segment. The information of this operating segment is included in the “other” column.



3. Segment information (continued)

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.

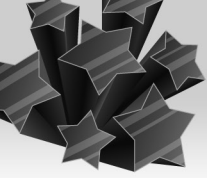
	Insurance agency HK\$'000 (unaudited)	PRC retail and distribution HK\$'000 (unaudited)	Trading of chemical materials HK\$'000 (unaudited)	Other HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Six months ended 30 June 2014					
Revenue from external customers	5,789	–	24,165	–	29,954
Intersegment revenue	–	–	–	–	–
Segment profit/(loss)	130	(9,096)	225	–	(8,741)

	Insurance agency HK\$'000 (unaudited)	PRC retail and distribution HK\$'000 (unaudited)	Television advertising HK\$'000 (unaudited)	Consultancy services HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Six months ended 30 June 2013					
Revenue from external customers	8,049	24,079	37,319	10,032	79,479
Intersegment revenue	–	–	–	–	–
Segment profit/(loss)	28	(2,556)	21,312	9,530	28,314

	Six months ended	
	30/6/2014	30/6/2013
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000

Reconciliation of segment profit or loss:

Total profit or loss of reportable segments	(8,741)	28,314
Unallocated corporate income	948	1,436
Unallocated corporate expenses	(10,942)	(10,908)
(Loss)/profit before tax	(18,735)	18,842



4. Income tax expense

	Six months ended	
	30/6/2014 (unaudited) HK\$'000	30/6/2013 (unaudited) HK\$'000
PRC tax		
– underprovision in prior years	24	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 2013: HK\$Nil).

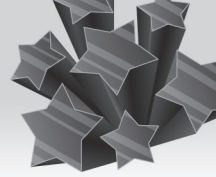
Taxes on profits assessable in the PRC have been provided at the applicable rates of tax in the PRC in which the subsidiaries operate, based on existing legislation, interpretations and practices in respect thereof.

No provision for deferred taxation has been made for both periods ended 30 June 2013 and 2014 as the tax effect of all temporary differences is not material.

5. (Loss)/profit for the period

The Group's (loss)/profit for the period is stated after charging/(crediting) the following:

	Six months ended	
	30/6/2014 (unaudited) HK\$'000	30/6/2013 (unaudited) HK\$'000
Allowance for other receivables	369	950
Allowance for trade receivables	1,169	1,493
Allowance/(reversal of allowance) for inventories	649	(4)
Amortisation of insurance agency licence	52	52
Cost of inventories sold	23,940	17,840
Depreciation	795	1,005
Directors' emoluments	1,442	1,184
Exchange losses/(gains), net	133	(452)
Fixed assets written off	–	232
Impairment loss on fixed assets	–	71
Impairment loss on prepayments and deposits	366	449
Interest income	(377)	(343)
Inventories written off	6,519	–
Loss on disposal of fixed assets	–	1
Reversal of allowance for other receivables	–	(12)
Reversal of allowance for trade receivables	–	(651)
Write back of agency fee payables	–	(19,308)
Write back of other payables and accruals	–	(6,207)



6. Dividend

The directors have resolved not to declare any interim dividend in respect of the six months ended 30 June 2014 (six months ended 30 June 2013: HK\$Nil).

7. (Loss)/earnings per share

Basic (loss)/earnings per share

The calculation of basic loss (six months ended 30 June 2013: earnings) per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of approximately HK\$10,860,000 (six months ended 30 June 2013: profit of approximately HK\$15,674,000) and the weighted average number of ordinary shares of 2,198,331,000 (six months ended 30 June 2013: 2,198,331,000) in issue during the period.

Diluted (loss)/earnings per share

No diluted loss (six months ended 30 June 2013: earnings) per share is presented as the Company did not have any dilutive potential ordinary shares during the periods ended 30 June 2013 and 2014.

8. Trade receivables

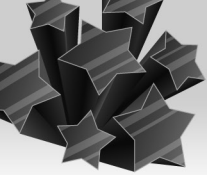
The general credit terms of insurance agency services and sales of consumer products are normally 30 days. For trading of chemical materials, the Group requires customers to pay in advance.

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

	30/6/2014 (unaudited) HK\$'000	31/12/2013 (audited) HK\$'000
0 – 90 days	188	1,211
91 – 180 days	90	378
181 – 365 days	–	4
Over 365 days	–	1
	278	1,594

9. Bank and cash balances

As set out in Note 13 to the condensed interim financial statements, certain creditors filed settlement petitions to the courts against a subsidiary of the Company. At 30 June 2014, the bank and cash balances of the Group included bank balances of approximately HK\$974,000 (at 31 December 2013: HK\$630,000) which have been frozen by banks based on the instructions of the courts.



10. Trade and bills payables

	30/6/2014 (unaudited) HK\$'000	31/12/2013 (audited) HK\$'000
Trade payables (Note)	21,143	22,232
Bills payables	–	4,476
	21,143	26,708

Note:

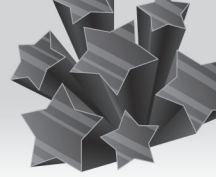
The Group normally obtains credit terms ranging from 30 to 90 days from its suppliers but certain suppliers would require the Group to pay in advance.

The aging analysis of trade payables, based on date of receipt of goods and services, is as follows:

	30/6/2014 (unaudited) HK\$'000	31/12/2013 (audited) HK\$'000
0 – 90 days	235	8,105
91 – 180 days	185	5,839
181 – 365 days	12,612	649
Over 365 days	8,111	7,639
	21,143	22,232

11. Share capital

	Number of Shares '000	Amount HK\$'000
Issued and fully paid:		
Ordinary shares		
At 1 January 2013, 31 December 2013 and 1 January 2014 (audited)	2,198,331	21,983
Transfer from share premium (Note)	–	533,936
At 30 June 2014 (unaudited)	2,198,331	555,919



11. Share capital (continued)

Note:

With effect from 3 March 2014, the new Hong Kong Companies Ordinance Cap. 622 abolished the concept of par (or nominal) value for all shares in Hong Kong incorporated companies. In addition, the concepts of share premium, capital redemption reserve and authorised share capital have been abolished. Consequently, on 3 March 2014, the Company has transferred the amount standing to the credit of the share premium of approximately HK\$533,936,000 to share capital.

At 31 December 2013, the Company had authorised shares of 3,200,000,000. It had issued approximately 2,198,331,000 ordinary shares with nominal value of HK\$0.01 each and had a share premium account of approximately HK\$533,936,000.

At 30 June 2014, the Company has issued approximately 2,198,331,000 ordinary shares with aggregate carrying amount of approximately HK\$555,919,000.

12. Related party transactions

(a) The Group had the following transactions with its related parties during the period:

	Six months ended	
	30/6/2014 (unaudited) HK\$'000	30/6/2013 (unaudited) HK\$'000
Allowance for rental receivables from a related company (Note)	–	(577)
Rental income from a related company (Note)	585	626

Note: Mr. Ni Xinguang ("Mr. Ni"), an executive director of the Company has beneficial interests in these related companies.

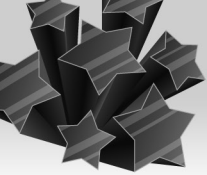
(b) At the end of the reporting period, the Group had the following balances with its related parties:

	30/6/2014 (unaudited) HK\$'000	31/12/2013 (audited) HK\$'000
Other receivables from a related company (Notes (i) and (ii))	–	277

Notes:

(i) Mr. Ni has beneficial interest in this related company.

(ii) The amount due was unsecured, interest-free and had no fixed term of repayment.



13. Litigation

During the period from November 2013 to June 2014, five suppliers (the "Plaintiffs") filed petitions to the courts in Shanghai against a subsidiary of the Company for settlement of trade debts of approximately RMB8,389,000 (equivalent to approximately HK\$10,470,000) in aggregate. Up to the date of this interim report, all hearings (including appeals) had been held, except an appeal is awaiting for pronouncement, other verdicts were in favor of the Plaintiffs.

As the claimed trade debts have been properly recognised in these condensed financial statements, the directors believe that these litigations would not have material impact to the Group and the Company.

14. Contingent liabilities

The Group did not have any significant contingent liabilities at 30 June 2014 (at 31 December 2013: HK\$Nil).

15. Events after the reporting period

- (a) On 4 July 2014, a subsidiary of the Company entered into an agreement with two independent parties for setting up a limited liability company in the PRC (the "JV Company") with registered capital of RMB3,000,000, and the subsidiary will subscribe for 70% equity interest in cash. Upon completion of the setup, the JV Company will provide management consultation services to Shaanxi Bailianan Economic Development Company (陝西百聯安經濟發展有限公司) with respect to the development and sales of a real estate project in Xian. Further, on 30 July 2014, a supplemental agreement was entered in relation to increase the registered capital of the JV Company to RMB10,000,000. Details are set out in the Company's announcements dated 4 July 2014 and 30 July 2014.
- (b) On 21 July 2014, the Company entered into a memorandum of understanding (the "MOU") with ReneSola Ltd. in relation to the acquisition of the solar power plants with a capacity of not less than 200MW within 18 months after the date of the MOU. On the same date, the Company also entered into a letter of intent with ReneSola Singapore Pte. Ltd, a subsidiary of ReneSola Ltd. in relation to the acquisition of the entire issued share capital of MG Solar Systems EOOD and Nove Eco Energy EOOD, which are principally engaged in the operation of power plants and own two solar power plants in Bulgaria. The consideration for the proposed acquisition shall be satisfied by allotting and issuing new shares. Details are set out in the Company's announcement dated 21 July 2014.
- (c) On 28 July 2014, the Company, Group First Limited ("Group First", a substantial shareholder of the Company) and a placing agent entered into a placing and subscription agreement, pursuant to which Group First agreed to place and the placing agent agreed to procure not less than six places to purchase 110,000,000 shares at placing price of HK\$0.169 per share from Group First, and Group First agreed to subscribe new shares equivalent to the number of placing shares of 110,000,000 shares at subscription price equivalent to the placing price of HK\$0.169 per share from the Company. Details are set out in the Company's announcement dated 28 July 2014.

The placing and subscription was completed on 5 August 2014, and net proceeds of approximately HK\$18,198,000 were received.

16. Approval of financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 28 August 2014.