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## **CHINA TRENDS HOLDINGS LIMITED**

**中國趨勢控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8171)

### **FURTHER DELAY IN DESPATCH OF CIRCULAR AND EXTENSION OF CONDITIONS FULFILLMENT DATE**

#### **FURTHER DELAY IN DESPATCH OF CIRCULAR**

As the parties to the Sale and Purchase Agreement subsequently agreed to base the amendments to the structure and terms of the Acquisition on the financial information in the audited financial statements to be prepared by the auditors of the Company on the Target and the auditors of the Company only commenced its audit work on the Target during the last week, additional time is required for the parties to the Sale and Purchase Agreement to finalise the amendments to the terms of the Sale and Purchase Agreement and/or the changes to the structure and terms of the Acquisition, the despatch of the Circular will be further delayed from 31 December 2008 to on or before 28 February 2009.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rules 19.38 and 20.49 of the GEM Listing Rules such that the despatch of the Circular is to be further postponed to on or before 28 February 2009.

#### **EXTENSION OF LONG STOP DATE**

As disclosed in the First Announcement, completion of the Acquisition is conditional on the fulfillment or waiver of certain conditions on or before 31 December 2008, or such later date as the Vendor and the Company may agree. As some of conditions contained in the Sale and Purchase Agreement remain to be satisfied as at the date of this announcement, the parties to the Sale and Purchase Agreement have on 30 December 2008 entered into a letter to extend the latest date for fulfillment or waiver of the conditions as stipulated in the Sale and Purchase Agreement to 31 March 2009.

Reference is made to the announcement (the “**First Announcement**”) dated 10 October 2008 issued by the Company in relation to the discloseable and connected transaction, the announcement (the “**Second Announcement**”) dated 31 October 2008 issued by the Company in relation to the delay in despatch of the circular (the “**Circular**”) containing, among other things, containing details of the Acquisition, letter from the independent board committee of the Company, letter from the independent financial adviser of the Company, information regarding the Group and a notice of the EGM and the announcement dated 28 November 2008 issued by the Company in relation to the further delay in despatch of the Circular. Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the First Announcement.

## **FURTHER DELAY IN DESPATCH OF CIRCULAR**

Pursuant to Rules 19.38 and 20.49 of the GEM Listing Rules, the Company is required to despatch the Circular to the shareholders of the Company within 21 days after the publication of the First Announcement, which shall be on or before 31 October 2008. As disclosed in the Third Announcement, the Company had applied to the Stock Exchange for a waiver from strict compliance with Rules 19.38 of the GEM Listing Rules such that the despatch of the Circular was delayed to on or before 31 December 2008.

As set out in the Third Announcement, the parties to the Sale and Purchase Agreement have been in negotiation to amend certain terms of the Sale and Purchase Agreement, which may lead to changes to the structure and terms of the Acquisition as announced in the First Announcement. It is expected that the amendments may lead to additional acquisition of the interests in the Target by the Company.

As the parties to the Sale and Purchase Agreement subsequently agreed to base the amendments to the structure and terms of the Acquisition on the financial information in the audited financial statements to be prepared by the auditors of the Company on the Target and the auditors of the Company only commenced its audit work on the Target during the last week, additional time is required for the parties to the Sale and Purchase Agreement to finalise the amendments to the terms of the Sale and Purchase Agreement and/or the changes to the structure and terms of the Acquisition, the despatch of the Circular will be further delayed from 31 December 2008 to on or before 28 February 2009.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rules 19.38 and 20.49 of the GEM Listing Rules such that the despatch of the Circular is to be further postponed to on or before 28 February 2009.

## **EXTENSION OF LONG STOP DATE**

As disclosed in the First Announcement, completion of the Acquisition is conditional on the fulfillment or waiver of certain conditions on or before 31 December 2008, or such later date as the Vendor and the Company may agree. As some of conditions contained in the Sale and Purchase Agreement remain to be satisfied as at the date of this announcement, the parties to the Sale and Purchase Agreement have on 30 December 2008 entered into a letter to extend the latest date for fulfillment or waiver of the conditions as stipulated in the Sale and Purchase Agreement to 31 March 2009.

As the parties to the Sale and Purchase Agreement are in negotiation to amend certain terms of the Sale and Purchase Agreement, the Directors believe that the extension of the latest date for fulfillment or waiver of the conditions is fair and reasonable and in the interest of the Company and its shareholders as a whole. The change will not lead to any material adverse impact to the Group.

Apart from the above, there have been no other changes to the terms and conditions of the Sale and Purchase Agreement.

By order of the Board  
**China Trends Holdings Limited**  
**Xiang Xin**  
Chairman

Hong Kong, 31 December 2008

*As at the date of this announcement, the executive Directors are Mr. Xiang Xin, Mr. Im Kai Chuen Stephen, Mr. Wong Chak Keung, Mr. Yang Xiao Ming and Mr. Cho Hui Jae and the independent non-executive Directors are Mr. Sze Lin Tang, Mr. Leung Wing Kin and Mr. Zhang Zhan Liang.*

*This announcement, for which the Directors collectively and individually accept full responsibilities, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumption that are fair and reasonable.*

*This announcement will remain on GEM website on the "Latest Company Announcements" page for at least 7 days from the date of its posting and the website of the Company at [www.8171.com.hk](http://www.8171.com.hk) .*