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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China Trends Holdings Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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)

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ALLOT  
AND ISSUE NEW SHARES  
AND REPURCHASE BY THE COMPANY OF ITS OWN SHARES;**  
**(2) PROPOSED RE-ELECTION OF DIRECTORS;**  
**(3) REFRESHMENT OF THE SCHEME MANDATE LIMIT;  
AND**  
**(4) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of the Company to be held at 26/F, No. 9 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 30 June 2009 at 11:00 a.m. is set out on pages 13 to 17 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular.

Whether or not you are able to attend the annual general meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and deposit the same at the offices of the Company’s branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

*This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for seven days from the date of its publication.*

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## CHARACTERISTICS OF GEM

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**GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“AGM”	the annual general meeting of the Company to be convened and held to consider and, if thought fit, to approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate, the re-election of Directors and the proposed refreshment of the Scheme Mandate Limit
“Articles”	the articles of association of the Company, and “Article” shall mean an article of the Articles
“associate(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“CG Code”	the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules
“Company”	China Trends Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Company Law”	the Companies Law of the Cayman Islands for the time being in force
“Directors”	the directors of the Company
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the issued share capital of the Company at the date of the passing such resolution
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	1 June 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

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## DEFINITIONS

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“Options”	options to be granted by the Company to subscribe for Shares in accordance with the Share Option Scheme
“PRC”	People’s Republic of China
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company at the date of the passing such resolution
“Scheme Mandate Limit”	the 10% limit on grant of Options by the Company under the Share Option Scheme and any other share option scheme(s) of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 16 July 2002
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr Xiang Xin  
Mr Im Kai Chuen Stephen  
Mr Wong Chak Keung  
Mr Cho Hui Jae

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Independent non-executive Directors:*

Mr Zhang Jun  
Mr Leung Wing Kin  
Mr Zhang Zhan Liang

*Head office and principal place  
of business in Hong Kong:*

26/F, No. 9 Des Voeux Road West  
Sheung Wan  
Hong Kong

2 June 2009

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ALLOT  
AND ISSUE NEW SHARES  
AND REPURCHASE BY THE COMPANY OF ITS OWN SHARES;  
(2) PROPOSED RE-ELECTION OF DIRECTORS;  
(3) REFRESHMENT OF THE SCHEME MANDATE LIMIT; AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

At the AGM to be held at 26/F, No. 9 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 30 June 2009 at 11:00 a.m. resolutions will be proposed, among other matters:

- (a) to grant the General Mandate and Repurchase Mandate to the Directors;
- (b) to re-elect the Directors; and

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## LETTER FROM THE BOARD

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- (c) to refresh the Scheme Mandate Limit.

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for the grant of the General Mandate and the Repurchase Mandate, the re-election of the Directors, the proposed refreshment of the Scheme Mandate Limit and to give you the notice of the AGM.

### **GENERAL MANDATE AND REPURCHASE MANDATE**

The General Mandate and the Repurchase Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, or any other applicable law of the Cayman Islands to be held; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

#### **General Mandate**

The Company has in issue an aggregate of 703,739,500 Shares as at the Latest Practicable Date. Subject to the passing of the proposed resolution for the approval of the General Mandate and in accordance with the terms therein, the Company would be allowed to allot and issue up to a maximum of 140,747,900 Shares, representing 20% of the aggregate nominal amount of the issued Shares at the time of the passing of the resolution approving the General Mandate on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM.

The Directors have no immediate plans to issue any new Shares which may fall to be issued under the share option scheme or any scrip dividend scheme which may be approved by the Shareholders.

#### **Repurchase Mandate**

Under the GEM Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors of the Repurchase Mandate. The explanatory statement required by the GEM Listing Rules to be included in this circular is set out in Appendix I.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

According to Article 87(1), one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. In addition, according to Article 86(3), any Director appointed by the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election. Mr. Cho Hui Jae shall retire from office at the AGM and, being eligible, offer himself for re-election at the AGM.

In accordance with Article 86(3), Mr Im Kai Chuen Stephen and Mr Zhang Jun, the newly appointed Directors shall retire from their offices at the AGM. Being eligible, each of Mr Im Kai Chuen Stephen and Mr Zhang Jun will offer himself for re-election at the AGM.

At the AGM, an ordinary resolution will be proposed to re-elect each of Mr Im Kai Chuen Stephen and Mr Cho Hui Jae as executive Director and Mr Zhang Jun as independent non-executive Director.

Particulars relating to Mr Im Kai Chuen Stephen, Mr Cho Hui Jae and Mr Zhang Jun are set out in Appendix II to this circular.

### REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Share Option Scheme was adopted by the Company on 16 July 2002. Pursuant to the GEM Listing Rules and the Share Option Scheme, the total number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme of the Company must not exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme. The Scheme Mandate Limit may be refreshed by the Shareholders in general meeting in accordance with the rules of the Share option Scheme.

As at the Latest Practicable Date, the Company had a total of 37,500,000 Options outstanding, representing approximately 5.33% of the issued Shares of the Company. The Directors have proposed to refresh the Scheme Mandate Limit so as to enable the Company to grant further Options to eligible participants to provide opportunities and incentives for them to work towards enhancing the values of the Company and the Shares.

As at the Latest Practicable Date, the Company had an aggregate of 703,739,500 Shares in issue and assuming no additional Shares will be issued or repurchased from the Latest Practicable Date up to the date of the AGM, it is expected that, upon the approval of the refreshment of the Scheme Mandate Limit of the Share Option Scheme at the AGM, the Directors will be authorised to grant Options to subscribe up to 70,373,950 Shares, representing 10% of the number of Shares in issue as at the Latest Practicable Date.



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## LETTER FROM THE BOARD

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The Options previously granted under the Share Option Scheme (including but not limited to those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme) will not be counted for purpose of calculating the Scheme Mandate Limit as refreshed. The Directors consider that such refreshment of the Scheme Mandate Limit of the Share Option Scheme is in the interest of the Company and the Shareholders as a whole.

No outstanding Options of the Company will be lapsed as a result of the refreshment of the Scheme Mandate Limit of the Share Option Scheme and the aggregate number of Shares which may be issued upon the exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme at any time should not exceed 30% of the Shares in issue from time to time. No Options shall be granted under any scheme(s) of the Company or any of its subsidiaries if this will result in the 30% limit being exceeded.

Save for the Share Option Scheme, the Company has no other share option scheme as at the Latest Practicable Date.

The proposed refreshment of the Scheme Mandate Limit is conditional upon:

1. the passing of the ordinary resolution by the Shareholders at the AGM to approve the proposed refreshment of the Scheme Mandate Limit of the Share Option Scheme; and
2. the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

An application will be made to the Stock Exchange for the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, 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 circular 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 circular misleading; (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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## LETTER FROM THE BOARD

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### **ACTION TO BE TAKEN**

Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy accompanying this circular in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The completion and return of a form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof in person if you so wish.

### **RECOMMENDATION**

The Directors believe that the proposed grant of the General Mandate and the Repurchase Mandate, the proposed re-election of Directors, and the proposed refreshment of the Scheme Mandate Limit are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the above resolutions to be proposed at the AGM.

### **GENERAL**

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully  
For and on behalf of the Board of  
**China Trends Holdings Limited**  
**Xiang Xin**  
*Chairman*

This Appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide the requisite information to you for your consideration of the Repurchase Mandate.

## **1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES**

The GEM Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates and a connected person is prohibited from knowingly selling his/her/its securities to the Company.

As at the Latest Practicable Date, no connected person (within the meaning ascribed to it in the GEM Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 703,739,500 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 70,373,950 Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date.

## **3. REASONS FOR THE REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

## **4. FUNDING OF REPURCHASES**

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under the Cayman Islands law and the memorandum of association and articles of association of the Company for such purpose.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December 2008, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

## 5. SHARE PRICES

The highest and lowest closing prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months were as follows:

Month	Highest HK\$	Lowest HK\$
<b>2008</b>		
June	0.229	0.150
July	0.240	0.181
August ( <i>note 1</i> )	0.188	0.155
September ( <i>note 1</i> )	Suspended	Suspended
October ( <i>note 1</i> )	0.130	0.060
November	0.080	0.046
December	0.095	0.052
<b>2009</b>		
January	0.094	0.060
February ( <i>note 2</i> )	0.125	0.070
March ( <i>note 2</i> )	0.120	0.110
April ( <i>note 3</i> )	Suspended	Suspended
May ( <i>note 3</i> )	Suspended	Suspended
June (up to the Latest Practicable Date) ( <i>note 3</i> )	Suspended	Suspended

*Notes:*

1. The Shares of the Company was suspended in trading during the period from 14 August 2008 to 14 October 2008.
2. The Shares of the Company was suspended in trading during the period from 19 February 2009 to 13 March 2009.
3. The Shares of the Company was suspended in trading during the period from 1 April 2009 up to the Latest Practicable Date.

## 6. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM and exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules and applicable laws of the Cayman Islands.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders are interested in more than 10% of the Shares then in issue and in the event that the Directors exercise the Repurchase Mandate in full, shareholding percentage of the substantial Shareholders under the SFO would be as follows:

	<b>Approximate percentage of shareholding as at the Latest Practicable Date</b>	<b>Approximate percentage of shareholding if the Repurchase Mandate is exercised in full</b>
Morgan Strategic Limited	22.83%	25.37%
Lo Wai Chi	14.24%	15.82%
Jo Won Seob	11.53%	12.82%

The Directors are not aware of any consequence which may arise under the Takeovers Code as consequences of any purchase made under the Repurchase Mandate. However, the Company may not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

## **7. SHARES REPURCHASE MADE BY THE COMPANY**

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

The details of the Directors who will retire from office at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

**Mr Im Kai Chuen Stephen**

Mr Im Kai Chuen Stephen (“Mr Im”), aged 36, has been in the financial sector in Hong Kong for more than 10 years. Mr Im is graduated from the University of Toronto, Canada with a bachelor degree in economics. Before joining the Company, Mr Im had extensive experience in credit risk control management and compliance while he was working for Emperor Securities Limited and MasterLink Securities (Hong Kong) Corporation Limited. Mr Im gained the board experience of private trustee, corporate finance, private equity and equity capital market related businesses while he was working for HSBC Republic Bank (Suisse) SA And Vinco Finance Group Limited. Mr Im is a registered person permitted to carry out type 1 and type 9 regulated activities (as defined under Schedule 5 to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) relating to the dealing of securities and asset management respectively.

Mr Im has not entered into a service contract with the Company. Mr Im is not appointed for a specific term and will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles. The emolument of Mr Im is to be determined by the board of Directors as authorized by the Shareholders at the AGM with reference to Mr Im’s contributions, relevant duties and responsibilities within the Company. For the year ended 31 December 2008, Mr Im received emoluments of HK\$102,000.

Mr Im has not held any directorship in other listed company in the past three years. Mr Im is not connected with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

Saved as disclosed herein, there is no other information relating to Mr Im that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules. As at the Latest Practicable Date, Mr Im has no interest in the shares of the Company within the meaning of Part XV of the SFO.

**Mr Cho Hui Jae**

Mr Cho, aged 70, holds a bachelor degree in electrical engineering from Yonsei University in Korea. Mr Cho has over 40 years of experience in the field of electronics and telecommunications in Korea and Hong Kong.

Mr Cho has not entered into a service contract with the Company. Mr Cho is not appointed for a specific term and will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles. The emolument of Mr Cho is to be determined by the board of Directors as authorized by the Shareholders at the AGM with reference to Mr Cho's contributions, relevant duties and responsibilities within the Company. For the year ended 31 December 2008, Mr Cho did not receive any emoluments.

Mr Cho has not held any directorship in other listed company in the last three years. Mr Cho is not connected with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company other than he is the father of Mr Jo Won Seob who is a substantial shareholder of the Company.

Saved as disclosed herein, there is no other information relating to Mr Cho that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules. As at the Latest Practicable Date, Mr Cho hold 5,000,000 Options in the Company, representing approximately 0.85% of the issued share capital of the Company. Save as disclosed above, he does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

**Mr Zhang Jun**

Mr Zhang Jun ("Mr Zhang"), aged 45, is currently a partner of Zhong Huan Certified Public Accountants. He is a member of Chinese Institute of Certified Public Accountants and Chinese Certified Tax Agents Association. He has over 20 years of experience in accounting, auditing and taxation sectors.

Mr Zhang has not entered into a service contract with the Company. Mr Zhang is not appointed for a specific term and will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles. The emolument of Mr Zhang is to be determined by the board of Directors as authorized by the Shareholders at the AGM with reference to Mr Zhang's contributions, relevant duties and responsibilities within the Company. For the year ended 31 December 2008, Mr Zhang did not receive any emoluments.

Mr Zhang has not held any directorship in other listed company in the last three years. Mr Zhang is not connected with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

Saved as disclosed herein, there is no other information relating to Mr Zhang that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules. As at the Latest Practicable Date, Mr Zhang has no interest in the shares of the Company within the meaning of Part XV of the SFO.

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## NOTICE OF THE AGM

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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)

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an annual general meeting of Quasar Communication Technology Holdings Limited (the “**Company**”) will be held at 26/F, No. 9 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 30 June 2009 at 11:00 a.m. to consider and, if thought fit, pass the following resolutions:

1. to receive and consider the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditors of Company for the year ended 31 December 2008;
2. to re-elect the Directors and to authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration;
3. to re-appoint the Company’s auditors and to authorise the Board to fix their remuneration;
4. to consider, as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued Shares and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);



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## NOTICE OF THE AGM

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(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association (the “**Articles**”) of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

(aa) 20 per cent of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution; and

(bb) (provided that resolution no. 6 is passed) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this Resolution:

“**Relevant Period**” means the period from the date of the passing of this Resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated or revised) of the Cayman Islands (the “**Companies Law**”) or any other applicable law of the Cayman Islands to be held; and

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to

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## NOTICE OF THE AGM

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fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. to consider, as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Act and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined below) shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, the Companies Law or any other applicable law of the Cayman Islands to be held; and
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

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## NOTICE OF THE AGM

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6. “**THAT** subject to the ordinary resolutions nos. 4 and 5 above being duly passed, the unconditional general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with unissued Shares pursuant to resolution no. 4 above be and is hereby extended by the addition thereon of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company subsequent to the passing of this resolution, provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of the issued Shares on the date of the passing of resolution no. 5.”

7. To consider and, if thought fit, pass the following resolution, with or without amendments, as an Ordinary Resolution:

“**THAT** subject to and conditional upon the granting by the Listing Committee of the Stock Exchange of, the listing of and permission to deal in, the Shares to be issued pursuant to the exercise of options granted under the refreshed scheme mandate limit (the “Scheme Mandate Limit”) under the share option scheme adopted by written resolution of the Company on 16 July 2002 in the manner as set out in paragraph (a) of this resolution below,

(a) the refreshment of the Scheme Mandate Limit of up to 10% of the Shares of the Company in issue as at the date of passing of this resolution be and is hereby approved; and

(b) the directors of the Company be and are hereby authorized to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

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

Hong Kong, 2 June 2009

*Registered office:*  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place  
of business in Hong Kong:*  
26/F, No. 9 Des Voeux Road West  
Sheung Wan  
Hong Kong

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*Notes:*

1. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting 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. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's branch registrar and transfer office in Hong Kong, Tricor Abacus Limited, at 26th, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he so wish.
3. In relation to proposed resolution no. 2 above, Mr. Im Kai Chuen Stephen, Mr. Zhang Jun and Mr. Cho Hui Jae will retire from their offices of Directors at the above meeting and being eligible, will offer themselves for re-election at the annual general meeting.
4. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares of the Company under the GEM Listing Rules. The Directors have no immediate plans to issue any new shares of the Company other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by shareholders.
5. In relation to proposed resolution no. 5 above, the directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the GEM Listing Rules is set out in Appendix I to this circular.