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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) RESULTS OF THE RIGHTS ISSUE AND (2) ADJUSTMENTS TO THE CONVERTIBLE BONDS AND THE SHARE OPTIONS

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that as at 4:00 p.m. on Wednesday, 30 June 2010, being the latest time for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares, a total of 1,117 valid acceptances and applications had been received for a total of 11,815,289,175 Rights Shares, which comprise: (i) 566 valid acceptances of the provisional allotment under the PALs in respect of a total of 3,067,677,523 Rights Shares; and (ii) 551 valid applications for excess Rights Shares under the EAFs in respect of a total of 8,747,611,652 Rights Shares. In aggregate, they represented approximately 3.50 times of the total number of 3,374,958,000 Rights Shares available under the Rights Issue. The total number of 8,747,611,652 excess Rights Shares being applied for by the Qualifying Shareholders also represented approximately 28.47 times of 307,280,477 Rights Shares available for application under the EAFs. As a result of the over-subscription of the Rights Shares, the Underwriters' obligations under the Underwriting Agreement in respect of the Underwritten Shares have been fully discharged.

The Rights Issue became unconditional after 4:00 p.m. on Tuesday, 6 July 2010.

Certificates for fully-paid Rights Shares in respect of valid acceptances of Rights Shares under PALs and successful applications for excess Rights Shares under EAFs are expected to be despatched by ordinary post to those entitled thereto, at their own risk, on Thursday, 8 July 2010. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (without interest) are expected to be despatched by ordinary post to those entitled thereto, at their own risk, on Thursday, 8 July 2010.

Dealings in the fully-paid Rights Shares on the Stock Exchange are expected to commence from 9:30 a.m. on Monday, 12 July 2010.

ADJUSTMENTS TO THE CONVERTIBLE BONDS AND THE SHARE OPTIONS

As a result of the Rights Issue, adjustment has been made to the conversion price of the outstanding Convertible Bonds and adjustments have been made to the exercise price and the number of Shares falling to be allotted and issued upon exercise of the subscription rights attaching to the outstanding Share Options as described in this announcement below.

Reference is made to the prospectus of the Company dated 15 June 2010 (the “**Prospectus**”). Unless the context otherwise requires, terms used herein shall have the same meanings as those defined in the Prospectus.

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EXCESS APPLICATION

Regarding the 8,747,611,652 excess Rights Shares being applied for by way of application under the EAFs, the Board has resolved to allot the 307,280,477 Rights Shares available for excess application under the EAFs in accordance with the following principles stated in the circular of the Company dated 26 May 2010:

The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on a sliding scale, with reference to the number of the excess Rights Shares being applied for under each application (i.e., Qualifying Shareholders applying for a smaller number of excess Rights Shares are allocated with a higher percentage of successful application but will receive less number of Rights Shares; whereas Qualifying Shareholders applying for larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive higher number of Rights Shares). However, no preference will be given to topping-up odd lots to whole board lots.

Number of excess Rights Shares applied for	Number of valid excess applications	Total number of excess Rights Shares applied for	Total number of Rights Shares Allotted	Basis of allotment	Approximate percentage of allocation based on the total number of excess Rights Shares applied for in this category
1 to 4,000	5	18,680	18,680	excess Rights Shares applied for in full	100.00%
4,001 to 8,000	14	111,650	55,825	Approximately 50.00% of the excess Rights Shares applied for (round down to the nearest share)	50.00%
8,001 to 12,000	42	503,958	176,358	Approximately 35.00% of the excess Rights Shares applied for (round down to the nearest share)	35.00%
12,001 to 50,000	21	819,536	180,284	Approximately 22.00% of the excess Rights Shares applied for (round down to the nearest share)	22.00%

Number of excess Rights Shares applied for	Number of valid excess applications	Total number of excess Rights Shares applied for	Total number of Rights Shares Allotted	Basis of allotment	Approximate percentage of allocation based on the total number of excess Rights Shares applied for in this category
50,001 to 80,000	30	2,363,020	425,332	Approximately 18.00% of the excess Rights Shares applied for (round down to the nearest share)	18.00%
80,001 to 110,000	72	7,101,227	1,178,786	Approximately 16.60% of the excess Rights Shares applied for (round down to the nearest share)	16.60%
110,001 to 150,000	29	3,531,267	529,678	Approximately 15.00% of the excess Rights Shares applied for (round down to the nearest share)	15.00%
150,001 to 450,000	55	15,085,222	1,991,238	Approximately 13.20% of the excess Rights Shares applied for (round down to the nearest share)	13.20%
450,001 to 550,000	32	15,964,057	1,883,752	Approximately 11.80% of the excess Rights Shares applied for (round down to the nearest share)	11.80%
550,001 to 650,000	12	7,247,840	739,278	Approximately 10.20% of the excess Rights Shares applied for (round down to the nearest share)	10.20%

Number of excess Rights Shares applied for	Number of valid excess applications	Total number of excess Rights Shares applied for	Total number of Rights Shares Allotted	Basis of allotment	Approximate percentage of allocation based on the total number of excess Rights Shares applied for in this category
650,001 to 850,000	21	16,035,520	1,507,336	Approximately 9.40% of the excess Rights Shares applied for (round down to the nearest share)	9.40%
850,001 to 1,100,000	48	47,424,124	4,173,304	Approximately 8.80% of the excess Rights Shares applied for (round down to the nearest share)	8.80%
1,100,001 to 1,450,000	30	37,078,698	2,743,812	Approximately 7.40% of the excess Rights Shares applied for (round down to the nearest share)	7.40%
1,450,001 to 3,450,000	38	85,283,494	5,287,566	Approximately 6.20% of the excess Rights Shares applied for (round down to the nearest share)	6.20%
3,450,001 to 6,000,000	36	160,810,577	8,683,764	Approximately 5.40% of the excess Rights Shares applied for (round down to the nearest share)	5.40%
6,000,001 to 10,000,000	23	198,885,098	9,148,711	Approximately 4.60% of the excess Rights Shares applied for (round down to the nearest share)	4.60%

Number of excess Rights Shares applied for	Number of valid excess applications	Total number of excess Rights Shares applied for	Total number of Rights Shares Allotted	Basis of allotment	Approximate percentage of allocation based on the total number of excess Rights Shares applied for in this category
10,000,001 to 15,000,000	7	91,412,800	3,656,512	Approximately 4.00% of the excess Rights Shares applied for (round down to the nearest share)	4.00%
15,000,001 to 30,000,000	15	337,810,993	12,161,193	Approximately 3.60% of the excess Rights Shares applied for (round down to the nearest share)	3.60%
30,000,001 to 70,000,000	9	389,117,893	13,619,125	Approximately 3.50% of the excess Rights Shares applied for (round down to the nearest share)	3.50%
70,000,001 to 100,000,000	7	669,999,999	22,779,999	Approximately 3.40% of the excess Rights Shares applied for (round down to the nearest share)	3.40%
100,000,001 to 400,000,000	4	964,999,999	31,844,999	Approximately 3.30% of the excess Rights Shares applied for (round down to the nearest share)	3.30%
Over 400,000,000	1	5,696,006,000	184,494,945	Approximately 3.24% of the excess Rights Shares applied for (round down to the nearest share)	3.24%
Total	<u>551</u>	<u>8,747,611,652</u>	<u>307,280,477</u>		

The Directors consider that the above allocation of the excess Rights Shares is on a fair and equitable basis in accordance with the allocation method as described above.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, set out below is the shareholding structure of the Company immediately before and after completion of the Rights Issue:

Name of shareholders	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Morgan Strategic	160,720,000	19.05	803,600,000	19.05
Other public Shareholders	<u>683,019,500</u>	<u>80.95</u>	<u>3,415,097,500</u>	<u>80.95</u>
Total	<u>843,739,500</u>	<u>100.00</u>	<u>4,218,697,500</u>	<u>100.00</u>

DESPATCH OF CERTIFICATES FOR FULLY-PAID RIGHTS SHARES

Certificates for fully-paid Rights Shares in respect of valid acceptances of Rights Shares under PALs and successful applications for excess Rights Shares under EAFs are expected to be despatched by ordinary post to those entitled thereto, at their own risk, on Thursday, 8 July 2010. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (without interest) are expected to be despatched by ordinary post to those entitled thereto, at their own risk, on Thursday, 8 July 2010.

Dealings in the fully-paid Rights Shares on the Stock Exchange are expected to commence from 9:30 a.m. on Monday, 12 July 2010.

ADJUSTMENTS TO THE CONVERTIBLE BONDS AND THE SHARE OPTIONS

Adjustment to the Convertible Bonds

Pursuant to the terms and conditions of the Convertible Bonds, the conversion price of the Convertible Bonds has been adjusted from HK\$0.125 per Share to HK\$0.037 per Share as a result of the Rights Issue. Such adjustment became effective retroactively on 15 June 2010, being the commencement of the day next following the Record Date. Save for the above adjustment, all other terms and conditions of the Convertible Bonds remain unchanged.

The above adjustment in relation to the conversion price of the Convertible Bonds has been reviewed by Ascenda Cachet CPA Limited, the auditors of the Company.

Adjustment to the Share Options

Pursuant to the terms and conditions of the Share Option Scheme, the requirements set out in Rule 23.03(13) of the GEM Listing Rules and the letter issued by the Stock Exchange on 5 September 2005 containing, among other things, a supplementary guidance on Rule 23.03(13) of the GEM Listing Rules (the “**Supplementary Guidance**”), the exercise price and the number of Shares falling to be allotted and issued upon exercise of the subscription rights attaching to the outstanding Share Options have been adjusted in the following manner as a result of the Rights Issue:

Exercisable period	Exercise price per Share immediately before the Rights Issue becoming unconditional (HK\$)	Number of Shares falling to be allotted and issued on the exercise of the outstanding Share Options immediately before the Rights Issue becoming unconditional	Exercise price per Share immediately after the Rights Issue becoming unconditional (HK\$)	Number of Shares falling to be allotted and issued on the exercise of the outstanding Share Options immediately after the Rights Issue becoming unconditional
9 April 2008 to 8 April 2013	0.28	27,500,000	0.0935	82,352,941

The above adjustments in relation to the Share Options, which have become effective after 4:00 p.m. on Tuesday, 6 July 2010 (after the Rights Issue became unconditional), have been reviewed by Ascenda Cachet CPA Limited, the auditors of the Company in accordance with the terms and conditions of the Share Option Scheme, the requirements set out in Rule 23.03(13) of the GEM Listing Rules and the Supplementary Guidance.

On behalf of the board of
China Trends Holdings Limited
Xiang Xin
Chairman

Hong Kong, 6 July 2010

As at the date of this announcement, the executive Directors are Mr. Xiang Xin, Mr. Yang Gaocai, Mr. Wong Chak Keung and Mr. Law Gerald Edwin and the independent non-executive Directors are Mr. Zhang Zhan Liang, Ms. Lu Yuhe and Mr. Kwok Chi Hung.

This announcement, for which the directors of the Company 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions 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 Company website at www.8171.com.hk.