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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)

**TERMINATION OF
POSSIBLE VERY SUBSTANTIAL ACQUISITION
POSSIBLE VOLUNTARY GENERAL OFFER FOR ALL THE ISSUED SHARES AND
OUTSTANDING SHARE OPTIONS OF
C Y FOUNDATION GROUP LIMITED (STOCK CODE: 1182)**

**ANNOUNCEMENT PURSUANT TO
RULE 17.10 OF THE GEM LISTING RULES**

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE

Financial adviser to China Trends Holdings Limited



This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules and Rule 3.7 of the Takeovers Code.

Reference is made the announcements of the Company dated 12 July 2010 and 12 August 2010 respectively in relation to the Possible Offer (the “**Announcements**”). Terms used herein shall bear the same meanings as those defined in the Announcements, unless otherwise defined.

The board of directors of the Company (the “**Board**”) has noticed from the recent media report that there might be certain possible regulatory issues relating to the Offeree and/or certain directors/shareholders of the Offeree and the trading in shares of the Offeree was suspended since 31 August 2010 pending the release of an announcement by the Offeree in relation to information which is considered to be price sensitive in nature. As such, the Board has decided not to proceed with the Possible Offer at this juncture.

Pursuant to Rule 31.1(c) of the Takeovers Code, neither the Company nor any person acting in concert with the Company may, except with the consent of the Executive (as defined in the Takeovers Code), within 6 months from the date of this announcement announce an offer or possible offer for the Offeree or acquire any voting rights of the Offeree if the Company or persons acting in concert with it would thereby become obliged under Rule 26 of the Takeover Code to make an offer unless there is a material change of the circumstances.

The Company and parties acting in concert with it had not dealt in any shares of the Offeree from 12 July 2010, the date on which the Company’s first announced the Possible Offer, to the date of this announcement.

By Order of the Board
China Trends Holdings Limited
Xiang Xin
Chairman

Hong Kong, 7 September 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 of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

All directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement will remain on the 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.