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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)

**DISCLOSEABLE TRANSACTION**  
**RELATING TO THE ACQUISITION OF THE SHARE CAPITAL**  
**OF FULL SMART ASIA LIMITED**

**SECOND SUPPLEMENTAL AGREEMENT**

Reference is made to the announcement made by the Company on 7 January 2011, 7 March 2011, 31 May 2011 and 29 June 2011 in relation to the Acquisition.

**SECOND SUPPLEMENTAL AGREEMENT**

Following further negotiations, the Company, the Vendor and the Guarantor have, on 23 December 2011 (after trading hours), entered into a second supplemental agreement to vary the terms of the Agreement and First Supplemental Agreement in respect of the Acquisition, with effect from 1 January 2012, (i) the Company and the Vendor have agreed to turn HK\$22,800,000 deposit paid by the Company into 20% of the Sale Share; and (ii) the Company reserve the right to acquire the remaining 80% of the Sale Share before 1 January 2015 by paying HK\$113,740,000 Convertible Bonds and HK\$91,460,000 Promissory Note to the Vendor when the net asset value (after the Company's assessment or audited) of the Target Group reach HK\$228,000,000.

Since the total financial commitments of the Group under the second supplemental

agreement exceeds 5% but is less than 25% under the applicable percentage ratio under the GEM Listing Rules, the second supplemental agreement constitutes a discloseable transaction and accordingly is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules. If the Company acquire the remaining 80% of the Sale Share from the Vendor, the notice of the EGM and other information as required under the GEM Listing Rules will be despatched to the Shareholder.

Reference is made to the announcement (the “**First Announcement**”) of the Company dated 7 January 2011 in relation to the major transaction on the acquisition of the entire issued share capital of Full Smart Asia Limited, the announcement (the “**Second Announcement**”) of the Company dated 7 March 2011 in relation to the delay in despatch of the circular (the “**Circular**”) containing, among other things, the details of the Acquisition and a notice of the EGM to the Shareholders, the announcement (the “**Third Announcement**”) of the Company dated 31 May 2011 in relation to the further delay in despatch of the Circular in respect of a major transaction, and the announcement (the “**Fourth Announcement**”) of the Company dated 29 June 2011 in relation to the supplemental agreement (the “**First Supplemental Agreement**”). Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the First Announcement.

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If the Company acquire the remaining 80% of the Sale Share, circular will be despatched to the Shareholder. If the conditions have not been fulfilled (or as the case may be, waived by the Company) on or before 1 January 2015, or such later date as the Vendor and the Company may agree, the acquisition of remaining 80% of the Sale Share shall cease and terminate, and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Save as set out above, all other terms of the Agreement remains in force and effect.

**As the acquisition of the remaining 80% of the Sale Share remains subject to the fulfillment (or if applicable, waiver) of the conditions, Shareholders and potential investors should exercise caution when dealing in the Shares.**

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

Hong Kong, 23 December 2011

*As at the date of this announcement, the executive Directors are Mr. Xiang Xin, Mr. Liang Xiaojin and Mr. Chen Banyan; and the independent non-executive Directors are Mr. Zhang Zhan Liang, Mr. Kwok Chi Hung and Ms. An Jing.*

*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.*

*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](http://www.8171.com.hk).*