



## **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)

### **FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2016**

#### **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher 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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*This announcement, for which the directors of China Trends Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to China Trends Holdings Limited. 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.*

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The board (the “Board”) of directors (the “Directors”) of China Trends Holdings Limited (the “Company”) presents the unaudited consolidated results of the Company and its subsidiaries (together, the “Group”) for the three months ended 31 March 2016, together with the unaudited comparative figures for the corresponding period in 2015, as follows:

	<i>Notes</i>	<b>Three months ended 31 March</b>	
		<b>2016</b> <i>HK\$'000</i> <b>Unaudited</b>	<b>2015</b> <i>HK\$'000</i> <b>Unaudited</b>
<b>REVENUE</b>	3	<b>33,403</b>	16,465
Cost of sales		<u>(32,094)</u>	<u>(15,851)</u>
Gross profit		<b>1,309</b>	614
Other income and gains	3	<b>23</b>	7
Administrative and other operating expenses		<u>(3,708)</u>	<u>(1,551)</u>
<b>LOSS BEFORE TAX</b>		<b>(2,376)</b>	(930)
Income tax expenses	4	<u>–</u>	<u>–</u>
<b>LOSS FOR THE PERIOD</b>		<u><b>(2,376)</b></u>	<u>(930)</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Item that may be classified to profit or loss:			
Exchange differences on translation of foreign operations		<u><b>1,012</b></u>	<u>98</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<u><b>(1,364)</b></u>	<u>(832)</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

		<b>Three months ended</b>	
		<b>31 March</b>	
	<i>Notes</i>	<b>2016</b>	2015
		<i>HK\$'000</i>	<i>HK\$'000</i>
		<b>Unaudited</b>	Unaudited
<b>(LOSS) INCOME FOR THE PERIOD</b>			
<b>ATTRIBUTABLE TO:</b>			
Owners of the Company		(2,379)	(925)
Non-controlling interests		<u>3</u>	<u>(5)</u>
		<u><b>(2,376)</b></u>	<u><b>(930)</b></u>
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD</b>			
<b>ATTRIBUTABLE TO:</b>			
Owners of the Company		(1,377)	(828)
Non-controlling interests		<u>13</u>	<u>(4)</u>
		<u><b>(1,364)</b></u>	<u><b>(832)</b></u>
<b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
	5		
— Basic (HK cents per share)		<u><b>(0.01)</b></u>	<u><b>(0.01)</b></u>
— Diluted (HK cents per share)		<u><b>N/A</b></u>	<u><b>N/A</b></u>

Notes:

## 1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is situated at 26/F, No. 9 Des Voeux Road West, Sheung Wan, Hong Kong.

The principal activity of the Company is investment holding. The Group is principally engaged in (i) trading of electronic technology and related products, and (ii) the low carbon products applications. It mainly develops business of low-carbon digital solutions and provides media and e-commerce platforms and media advertising services.

The shares of the Company have been listed on the GEM of the Stock Exchange since 31 July 2002.

## 2. BASIS OF PREPARATION

The Group's unaudited consolidated results for the three months ended 31 March 2016 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, and accounting principles generally accepted in Hong Kong. The accounting policies adopted in preparing these first quarterly results are consistent with those used in the Company's annual audited consolidated financial statements for the year ended 31 December 2015. The first quarterly results are unaudited but have been reviewed by the Company's audit committee.

## 3. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue, other income and gains is as follows:

	Three months ended 31 March	
	2016	2015
	HK\$'000	HK\$'000
	Unaudited	Unaudited
<b>Revenue</b>		
Sales of goods	<u>33,403</u>	<u>16,465</u>
<b>Other income and gains</b>		
Bank interest income	4	3
Others	<u>19</u>	<u>4</u>
	<u>23</u>	<u>7</u>

#### 4. INCOME TAX EXPENSES

No provision for taxation has been made since the Company has tax loss during the period ended 31 March 2016 (three months ended 31 March 2015: Nil). Tax arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

#### 5. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share for the three months ended 31 March 2016 is based on the unaudited loss attributable to owners of the Company for the three months ended 31 March 2016 of approximately HK\$2,379,000 (three months ended 31 March 2015: HK\$925,000) and the weighted average number of 21,986,428,024 ordinary shares in issue during the three months ended 31 March 2016 (three months ended 31 March 2015: 6,635,001,932).

No adjustment has been made to the basic loss per share for the three months ended 31 March 2016 and three months ended 31 March 2015 in respect of a dilution as the share options during the period had an anti-dilutive effect on the basic loss per share.

#### 6. RESERVES AND NON-CONTROLLING INTERESTS

	Attributable to owners of the Company							Non-controlling interests	Total	
	Share premium account	Share option reserve	Foreign currency translation reserve	Equity component of convertible bonds	Special reserve	Capital reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
As at 1 January 2015 (Audited)	235,563	12,456	3,968	391,534	11,157	(1,638)	(596,562)	56,478	1,454	57,932
Loss for the period	-	-	-	-	-	-	(925)	(925)	(5)	(930)
Other comprehensive income	-	-	97	-	-	-	-	97	1	98
Total comprehensive income (loss) for the period	-	-	97	-	-	-	(925)	(828)	(4)	(832)
As at 31 March 2015 (Unaudited)	235,563	12,456	4,065	391,534	11,157	(1,638)	(597,487)	55,650	1,450	57,100
As at 1 January 2016 (Audited)	496,383	10,522	637	-	11,157	(1,638)	(601,436)	(84,375)	1,402	(82,973)
Loss for the period	-	-	-	-	-	-	(2,376)	(2,376)	3	(2,373)
Other comprehensive income	-	-	999	-	-	-	-	999	10	1,009
Total comprehensive income (loss)	-	-	999	-	-	-	(2,376)	(1,377)	13	(1,364)
Bonus share issued during the period	(203,998)	-	-	-	-	-	-	(203,998)	-	(203,998)
As at 31 March 2016 (Unaudited)	292,385	10,522	1,636	-	11,157	(1,638)	(603,812)	(289,750)	1,415	(288,335)

## DIVIDEND

The Directors do not recommend the payment of any dividend for the three months ended 31 March 2016 (three months ended 31 March 2015: Nil).

## FINANCIAL REVIEW

For the three months ended 31 March 2016, the Group recorded a revenue of approximately HK\$33,403,000 (three months ended 31 March 2015: HK\$16,465,000), representing an increase of approximately 102.87% as compared to that of previous period. The Group recorded an increase as compared to that of previous period in revenue was mainly due to Boss Dream (China) Limited (“Boss China”), a subsidiary of the Company, being reached a settlement from all parties from the malicious litigation from Zhengjiang New district in Zhengjiang Intermediate People’s Court mediation on 24 June 2015. As a result,, Boss China has contributed on revenue to the Group to approximately HK\$21,969,000 (three months ended 31 March 2015: nil).

Loss attributable to owners of the Company for the three months ended 31 March 2016 was approximately HK\$2,379,000 (three months ended 31 March 2015: HK\$925,000).

## DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2016, the interests of the Directors or chief executive and their associates in the ordinary shares of HK\$0.01 each (the “Shares”) and underlying Shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) are required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

### (i) Interest in issued Shares

Name	Nature of interest	Number of Shares held	Approximately percentage of interests
Kung Ching ( <i>note 2</i> )	Interested of controlled corporation	8,986,403,192 (L)	22.03%

**(ii) Interest in the underlying Shares of the Company — share option**

Name of Director	Date of grant	Exercise period	Nature of interest	Exercise price per share (note 5) HK\$	Number of underlying Shares for Share Options (note 5)	Approximately percentage of interest
Xiang Xin	6 July 2014	6 July 2014 to 5 July 2024	Beneficial interest	0.025	120,000,000 (L)	0.29%
Sun Kuan Chi	6 July 2014	6 July 2014 to 5 July 2024	Beneficial interest	0.025	60,000,000 (L)	0.15%
Zhang Zhan Liang	6 July 2014	6 July 2014 to 5 July 2024	Beneficial interest	0.025	60,000,000 (L)	0.15%
An Jing	6 July 2014	6 July 2014 to 5 July 2024	Beneficial interest	0.025	60,000,000 (L)	0.15%
Chen Yicheng	6 July 2014	6 July 2014 to 5 July 2024	Beneficial interest	0.025	60,000,000 (L)	0.15%
Zhong Keying	1 December 2014	1 December 2014 to 30 November 2024	Beneficial interest	0.025	39,000,000 (L)	0.10%

**(iii) Interest in the underlying Shares of the Company — 2021 Warrants (warrant code: 8015)**

Name	Date of grant	Exercise period	Nature of interest	Exercise price per share HK\$	Number of underlying Shares for 2021 Warrants	Approximately percentage of interest
Kung Ching ( <i>note 2</i> )	29 March 2016	29 March 2016 to 28 March 2021	Interest of controlled corporation	0.0125	1,797,280,638 (L)	4.41%

Save as disclosed above, as at 31 March 2016, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares or underlying Shares of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) are required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.



## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 March 2016, according to the register kept by the Company pursuant to section 336 of SFO, and so far as was known to the Directors or chief executive of the Company, the following persons (other than a Director or a chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying voting rights to vote in all circumstances at general meeting of any member of the Company:

### (i) interest in issued Shares

Name	Nature of interest	Number of Shares held	Approximately percentage of interests
Honour Sky International Limited	Beneficial owner	8,986,403,192 (L)	22.03%
New Times Global Capital Inc. (note 2)	Interest of controlled corporation	8,986,403,192 (L)	22.03%
Kuan Hsin Huei	Beneficial owner	2,549,872,000 (L)	6.25%
Morgan Strategic Limited	Beneficial owner	2,137,200,000 (L)	5.24%
Top Ten International s.a r.l. (note 3)	Interest of controlled corporation	2,137,200,000 (L)	5.24%
Chen Darren (note 3)	Interest of controlled corporation	2,137,200,000 (L)	5.24%

**(ii) interest in underlying Shares of the Company — 2021 Warrants (Warrant Code: 8015)**

Name	Date of grant	Exercise period	Nature of interest	Exercise price per share HK\$	Number of underlying Shares for 2021 Warrants	Approximately percentage of interest
Honour Sky International Limited	29 March 2016	29 March 2016 to 28 March 2021	Beneficial owner	0.0125	1,797,280,638 (L)	4.41%
New Times Global Capital Inc. (note 2)	29 March 2016	29 March 2016 to 28 March 2021	Interested of controlled corporation	0.0125	1,797,280,638 (L)	4.41%
Morgan Strategic Limited	29 March 2016	29 March 2016 to 28 March 2021	Beneficial owner	0.0125	427,440,000 (L)	1.05%
Top Ten International s.a r.l. (note 3)	29 March 2016	29 March 2016 to 28 March 2021	Interested of controlled corporation	0.0125	427,440,000 (L)	1.05%
Darren Chen	29 March 2016	29 March 2016 to 28 March 2021	Interested of controlled corporation	0.0125	427,440,000 (L)	1.05%

*Notes:*

1. The letter “L” denotes the long position in the Shares.
2. Honour Sky International Limited is a private company wholly and beneficially owned by New Times Global Capital Inc. Accordingly, New Times Global Capital Inc. is interested in the Shares and the underlying Shares of the Company held by Honour Sky International Limited. Ms. Kung Ching, spouse of Mr. Xiang Xin owns 100% share of New Times Global Capital Inc. and is also the director of New Times Global Capital Inc. and are taken to be interested in the Shares and underlying Shares of the Company held by Honour Sky International Limited.
3. Morgan Strategic Limited is a private company 100% owned by Top Ten International s.a r.l. (“Top Ten”) and Top Ten is a private company wholly and beneficially owned by Mr. Chen Darren. Accordingly, Top Ten and Mr. Chen Darren are interested in the Shares of the Company held by Morgan Strategic Limited.
4. The approximately percentage of interests in the Company is calculated on the basis of 40,799,557,158 Shares in issue as at 31 March 2016.
5. Exercise price and number of underlying Shares for share option has been adjusted after the completion of bonus Shares issued on and effect from 24 March 2016.

Save as disclosed above, as at 31 March 2016, no person, other than the directors and chief executive of the Company, whose interests are set out in the section “Directors’ and chief executive’s interests and short positions in Shares and underlying Shares” above, had registered an interest or short position in the Shares or underlying Shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

## **MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the period under review.

## **COMPETING INTERESTS**

None of the Directors or the management shareholders of the Company or their respective associates as defined in the GEM Listing Rules had any interest in business that competed or might compete with business of the Group during the period under review.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the period under review.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

During the period under review, the Company had complied with the requirements of the code provisions set out in the Code on Corporate Governance Practices (“CG Code”) contained in Appendix 15 of the GEM Listing Rules, except that:

1. Mr. Xiang Xin was the Chairman of the Board and Chief Executive Officer of the Company during the period ended 31 March 2016. Such practice deviates from code provision A.2.1 of the CG Code which requires that the roles of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual. After evaluation of the current situation of the Company and taking into account of the experience and past performance of Mr. Xiang, the Board is of the opinion that it is appropriate and in the best interests of the Company at the present stage for Mr. Xiang to hold both positions as the Chairman and the Chief Executive Officer of the Company as it helps to maintain the continuity of the policies and the stability of the operations of the Company.
2. The Company has no fixed terms of appointment for non-executive Directors. The independent non-executive Directors are appointed subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the relevant article under the Articles of Association of the Company. Such practice deviates from the provision A.4.1 of the CG Code which requires that non-executive Directors be appointed for a specific term. The Board has discussed and concluded the current practice of appointing independent non-executive Directors without specific terms but otherwise subject to rotation and re-election by shareholders is fair and reasonable, and does not intend to change the current practice at the moment.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code for dealing in securities of the Company by the Directors. All Directors confirmed that they complied with the required standards as set out in the Rules 5.48 to 5.67 of the GEM Listing Rules throughout the period under review.

## **AUDIT COMMITTEE**

The Company established an audit committee (the "Committee") on 16 July 2002 in accordance with the requirements of the GEM Listing Rules. The Committee currently comprises all four independent non-executive directors of the Company, Mr. Zhang Zhan Liang as the Chairman, Ms. An Jing, Mr. Chen Yicheng and Mr. Kwai Sze Kit as the member.

The Group's unaudited consolidated results for the three months ended 31 March 2016 have been reviewed by the Committee, which was of the opinion that such results have complied with the applicable accounting standards and that adequate disclosures have been made.

## **DIRECTORS OF THE COMPANY**

As at the date of this announcement, the executive directors of the Company are Mr. Xiang Xin (Chairman), Ms. Zhong Keying and Mr. Chan Cheong Yee; the non-executive director of the Company is Mr. Sun Kuan Chi; the independent non-executive directors of the Company are Mr. Zhang Zhan Liang, Ms. An Jing, Mr. Chen Yicheng and Mr. Kwai Sze Kit. Ms. Kung Ching is an alternate director to Mr. Xiang Xin.

By order of the Board  
**China Trends Holdings Limited**  
**Xiang Xin**  
*Chairman and Chief Executive Officer*

Hong Kong, 10 May 2016

*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).*