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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)

**CLARIFICATION ANNOUNCEMENT**

Reference is made to the announcement of China Trends Holdings Limited (the “**Company**”) dated 10 December 2009 in relation to the discloseable transaction - acquisition of the entire equity interest in Nopo International involving issue of consideration shares (the “**Announcement**”). Unless otherwise defined herein, terms used in this announcement shall have the same meaning as defined in the Announcement.

**EFFECTS ON SHAREHOLDING STRUCTURE**

The Board wishes to clarify and further disclose that the Vendor is principally engaged in investment holding and will become a substantial shareholder of the Company upon completion of the Acquisition.

The existing and enlarged shareholding structure of the Company immediately before and after the completion of the Acquisition is set out below:

	<b>As at the date of this announcement</b>		<b>Immediately upon completion of the Acquisition</b>	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Morgan Strategic Limited ( <i>note 1</i> )	160,720,000	22.84	160,720,000	19.05
Lo Wai Chi	100,240,000	14.24	100,240,000	11.88
Jo Won Seob	81,200,000	11.54	81,200,000	9.62
The Vendor	-	0.00	140,000,000	16.59
Public Shareholders	361,579,500	51.38	361,579,500	42.86
	<u>703,739,500</u>	<u>100.00</u>	<u>843,739,500</u>	<u>100.00</u>

*Note 1:* Morgan Strategic Limited was a private company wholly and beneficially owned by Top Ten International s.a r.l. (“Top Ten”) and Top Ten was a private company wholly and beneficially owned by Chen Darren. Accordingly, Top Ten and Chen Darren were interested in the shares of the Company held by Morgan Strategic Limited.

## **FAIR VALUE OF THE CONSIDERATION**

The Board wishes to clarify and further disclose that the fair value of the right granted by a mobile location-based service provider to Nopo International as an agent of the products of the mobile location-based service provider in the PRC and the sole franchised dealer in overseas markets, according to RHL Appraisal Ltd (“**RHL**”), an independent qualified valuer, in the amount of HK\$19,493,000 as at 31 October 2009 was conducted by using the income approach. In this respect, the fair value of the right granted by the mobile location-based service provider to Nopo International constitutes a profit forecast (“**Profit Forecast**”) for the purpose of Rule 19.61 of the GEM Listing Rules and, accordingly, the requirements under Rule 19.60A and 19.62 of the GEM Listing Rules are applicable to the Acquisition.

For the purpose of complying with Rule 19.62 of the GEM Listing Rules, the principal assumptions upon which the Profit Forecast is based are as follows:-

- (a) There will be no material changes in the existing economic condition, government policies and laws for the business carried out by Nopo International;
- (b) Nopo International will be able to attain at the anticipated level of operations;
- (c) There will be no material changes in inflation, interest rates, foreign exchange rates and the tax policies currently applicable to Nopo International during the forecast period;
- (d) There will be no material changes in business conditions under which Nopo International carries out its business operation;

- (e) There will be no material changes in the factors which would affect the business and the results of Nopo International during the forecast period; and
- (f) There is no material adverse change resulted from any unforeseeable factors and force majeure events.

The Board has reviewed the principal assumptions upon which the Profit Forecast is based and is of the view that the Profit Forecast has been made after due care and enquiry.

The Company's auditors will review the calculations of the Profit Forecast on which the valuation prepared by RHL is based and the relevant information will be included in further announcement of the Company, if necessary.

#### **INFORMATION OF NOPO INTERNATIONAL**

The Board wishes to clarify and further disclose that Nopo International was incorporated in Hong Kong on 21 December 2007 and since then has not commenced any business and no financial statements have been prepared for Nopo International. The principal and only one asset of Nopo International would be the Distribution Agreement for mobile phone GPS system granted by a location-based service provider to Nopo International, which has been valued by RHL, in the amount of HK\$19,493,000 as at 31 October 2009.

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

Hong Kong, 17 December 2009

*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 collectively and individually accept full responsibilities, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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 announcement 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 announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumption 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](http://www.8171.com.hk).*