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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 IN RELATION TO

CONNECTED TRANSACTION

DEED OF AMENDMENT ON OUTSTANDING CONVERTIBLE BONDS

Reference is made to the announcement of China Trends Holdings Limited (the “Company”) dated 18 April 2013 (the “Announcement”) in relation to the deed of amendment entered into between the Company and the holders of the convertible bond in the initial principal amount of HK\$595 million issued by the Company on 30 December 2009. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

In the paragraph headed “Background of the Deed of Amendment” on page 3 of the Announcement, it was disclosed that “On 25 February 2013 the Company received a letter from the legal adviser of the Bondholders demanding repayment of the Outstanding CB for HK\$505,596,736”. In note 6 to the shareholding table under the paragraph headed “Shareholding Structure” on page 8 of the Announcement, it was disclosed that “The number of Shares held by Mr. Wong Chak Keung and Mr. Ling Jun are based on the letter from the legal adviser of the Bondholders received by the Company on 25 February 2013”.

In the paragraph headed “Shareholding Structure” on page 7 of the Announcement, in the shareholding table it was disclosed that Mr. Wong Chak Keung and Mr. Ling Jun held 14,120,000 Shares and 111,377,027 Shares respectively as at the date of the Announcement, representing approximately 0.21% and 1.68% of the existing issued share capital of the Company.

The Board would like to make the following clarifications:

- (i) The “legal adviser of the Bondholders” mentioned under the “Background of the Deed of Amendment” on page 3 of the Announcement and note 6 to the shareholding table under the paragraph headed “Shareholding Structure” on page 8 of the Announcement should be amended to the “legal adviser of Ocean Space”.

- (ii) On 19 April 2013, after the Announcement was published, the Company received a letter from Mr. Wong Chak Keung (“Mr. Wong”), a former Director and one of the Bondholders, notifying the Company that he sold his 14,120,000 Shares converted from the CB in August 2011 and he is not interested in any Shares as at the date of the Announcement.

Such information was not previously filed to the Company nor disclosed on the website of the Stock Exchange under the disclosure of interests section and is different from the letter from the legal adviser of Ocean Space received by the Company on 25 February 2013.

After making enquires to all relevant Bondholders, the Board would like to clarify that as at the date of the Announcement, (i) Mr. Wong no longer hold any Shares in the Company; (ii) as confirmed by Mr. Ling Jun on 24 April 2013, he holds in 69,027,027 Shares; and (iii) the Bondholders hold in aggregate 1,927,402,000 Shares, representing approximately 29.05% of the existing issued share capital of the Company.

The following table sets out the revised shareholding structure of the Company (i) as at the date of the Announcement; and (ii) number of Shares convertible upon the full conversion of the Outstanding CB:

Shareholders	Notes	As at the date of the Announcement		Number of Shares convertible upon the full conversion of the Outstanding CB	
		No. of Shares	Approximate %	No. of Shares	Approximate %
Bondholders					
<i>Mr. Xiang and parties acting in concert with him</i>					
China Technology Education Trust Association	1	—	—	8,311,405,405	40.94%
Honour Sky International Limited	2	1,650,914,973	24.88%	5,478,108,108	26.99%
Ocean Space Development Limited	3	141,564,000	2.14%	1,116,621,621	5.50%
Metropower Holdings Limited	4	65,896,000	0.99%	519,759,459	2.56%
Mr. Wong Chak Keung	5	—	—	97,257,027	0.48%
Mr. Ling Jun	6	69,027,027	1.04%	69,027,027	0.34%
Subtotal		1,927,402,000	29.05%	15,592,178,647	76.81%
<i>Other Bondholder</i>					
Morgan Strategic Limited	7	1,236,032,432	18.63%	1,236,032,432	6.09%
Total Bondholders		3,163,434,432	47.68%	16,828,211,079	82.90%
Other public Shareholders		3,471,567,500	52.32%	3,471,567,500	17.10%
Total issued Shares		6,635,001,932	100.00%	20,299,778,579	100.00%

Notes:

1. China Technology Education Trust Association (“China Technology Education”), a society registered under the provisions of section 5A(1) of the Societies Ordinance in 2005, which is a charitable society providing charity and financial aid to education and employment in Hong Kong and Mainland China. Mr. Xiang is a chairman of China Technology Education.
2. Honour Sky is beneficially owned as to 50% by Mr. Xiang and as to 50% by his spouse, Ms. Kung Ching. Accordingly, Mr. Xiang and Ms. Kung Ching are interested in the Shares and underlying Shares held by Honour Sky. Mr. Xiang is an executive Director and Ms. Kung Ching is an alternate Director of Mr. Xiang.
3. Ocean Space is wholly and beneficially owned by Mr. Zhang Shao Cai. Accordingly, Mr. Zhang Shao Cai is interested in the Shares and the underlying Shares held by Ocean Space.
4. Metropower Holdings Limited (“Metropower”) is beneficially owned by Mr. Wang Yan Li. Accordingly, Mr. Wang Yan Li is interested in the Shares and the underlying Shares held by Metropower.
5. Such information was based on a letter received from Mr. Wong who informed the Company on 19 April 2013 that he sold his 14,120,000 Shares converted from the CB in August 2011 and he still holds portion of the Outstanding CB in the principal amount of HK\$3,598,510.
6. This information was confirmed by Mr. Ling Jun on 24 April 2013.
7. Morgan Strategic Limited (“Morgan Strategic”) is beneficially owned as to 40% by Top Ten International s.a.r.l. (“Top Ten”) and as to 60% by Ms. Tao Xue Juan. Top Ten is beneficially owned by Mr. Chen Darren. Accordingly, Top Ten, Mr. Chen Darren and Ms. Tao Xue Juan are interested in the Shares and underlying Shares held by Morgan Strategic.

By Order of the Board
China Trends Holdings Limited
Xiang Xin

Executive Director and Chief Executive Officer

Hong Kong, 3 May 2013

As at the date of this announcement, the executive Directors are Mr. Xiang Xin, Mr. Liang Xiaojin and Mr. Chen Banyan; the non-executive Director is Mr. Wang Yaomin and the independent non-executive Directors are Mr. Zhang Zhan Liang, Ms. An Jing and Mr. Chen Yicheng; Ms. Kung Ching is alternate director to Mr. Xiang Xin.

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.

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