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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)

**UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS AND CLAWBACK
OFFER FOR SHAREHOLDERS**

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Unless the context requires otherwise, terms used herein shall have the same meaning as those defined in the announcement (the “**Announcement**”) of the Company dated 18 April 2013 and the circular (the “**Circular**”) of the Company dated 22 May 2013 in relation to, among other matters, the deed of amendment on outstanding convertible bonds.

The board of directors (the “**Board**”) of China Trends Holdings Limited (the “**Company**”) has noted the recent increases in the price and trading volume of the shares of the Company. Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Board wishes to state that the Company intends to alter of the terms of convertible securities (the “**Convertible Bond**”) which was issued on 30 December 2009 of the Company.

The Company and the Bondholders intends to alter the terms of the Convertible Bond (the “**Proposed Alteration**”) as follows:

- (a) the lockup period of six months commencing on the date of the allotment and issue of such Conversion Shares be removed; and
- (b) amend the number of days the Company is required to deliver the share certificates after

conversion of the Convertible Bond from ten business days to one business day after the date of conversion.

It is intended that such Proposed Alteration will be a connected transaction under Chapter 20 of the GEM Listing Rules and will be subject to:

(a) the passing by the independent Shareholders who are entitled to vote and not required to be abstained from voting under the GEM Listing Rules at an extraordinary general meeting of the Company to be convened and held, of the necessary resolutions to approve the Proposed Alteration and the transactions contemplated thereunder; and

(b) all necessary consents and approvals required to be obtained on the part of the Company and the Bondholders in respect of the Proposed Alteration and the transactions contemplated thereunder having been obtained (including but not limited to the approval of the Stock Exchange required under the GEM Listing Rules).

Apart from the Proposed Alteration, the remaining terms and conditions of the Convertible Bond remain intact and unchanged.

Conditional upon and subject to completion of the Proposed Alteration, the Bondholders will offer initially not more than 13,470,003,864 Shares (the “**Offer Shares**”) to the qualifying Shareholders (the “**Qualifying Shareholders**”) on a pro rata basis of two Offer Shares for every one Share held as at the close of business on a record date at HK\$0.037 per Offer Share. The Bondholders shall exercise all of the Outstanding Convertible Bond in the aggregate principal amount of HK\$505,596,736 and shall direct the Company to allot and issue 13,470,003,864 Offer Shares to the Qualifying Shareholders which have subscribed for the Offer Shares (the “**Clawback Offer**”).

The Clawback Offer will provide an opportunity for the Shareholders to further participate in and share the growth of the Company. Given the Conversion Price of the Outstanding Convertible Bond is HK\$0.037 and the number of Conversion Shares is 13,664,776,648 Shares, in the event the Outstanding Convertible Bond are exercised in full, the shareholding interests of the existing shareholders in the Shares will be significantly diluted. The Clawback Offer will provide an opportunity for the Qualifying Shareholders to subscribe for Shares at a substantial discount to the market price and not resulting in their shareholding interests being diluted significantly.

The Company will make further announcement in relation to the Proposed Alteration as and

when necessary in compliance with the requirements of the GEM Listing Rules.

Save as disclosed above, the Board is not aware of any reasons for such increase on the price and trading volume of the shares of the Company which must be announced to avoid a false market on the Company's securities of any inside information that needs to be disclosed under the Inside Information Provision under Part XIVA of the SFO.

Shareholder and potential investors of the Company should note that the Proposed Alternation and the Clawback Offer may or may not proceed. Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the securities of the Company.

The announcement is made by the order of the Board, the directors of which collectively and individually accept responsibility for the accuracy of this announcement.

By Order of the Board
China Trends Holdings Limited
Xiang Xin

Executive Director and Chief Executive Officer

Hong Kong, 25 June 2015

As at the date of this announcement, the executive Directors are Mr. Xiang Xin, Ms. Zhong Keying and Mr. WANG Jianjun; the non-executive Director is Mr. Sun Kuan Chi, Mr. KUK Peter Z, Mr. GE Ming and Mr. WANG Wei; the independent non-executive Directors 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.

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.