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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)**

- (i) PROPOSED BONUS SHARES ISSUE;**  
**(ii) PROPOSED BONUS WARRANTS ISSUE;**  
**(iii) CHANGE IN BOARD LOT SIZE;**  
**(iv) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;**  
**AND**  
**(v) NOTICE OF EGM**

Terms used in this cover page shall have the same meanings as defined in this circular.

A notice convening the EGM of holders of ordinary shares of the Company to be held at 26/F., No. 9 Des Voeux Road West, Sheung Wan, Hong Kong on Monday, 7 March 2016 at 4:30 p.m., is set out on pages 29 to 32 of this circular. Whether or not you propose to attend the meeting, you are advised to complete the form of proxy attached to the notice of the extraordinary general meeting in accordance with the instructions printed thereon and return the same to the Company's share registrar, Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

18 February 2016

## **CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE**

**The 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 the GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on the GEM, there is a risk that securities traded on the GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on the GEM.**

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## EXPECTED TIMETABLE

*The expected timetable for the Bonus Shares Issue, Bonus Warrants Issue and change in board lot size is set forth below:*

**2016**

Latest time for lodging proxy form for the EGM .....	4:30 p.m. on Saturday, 5 March
EGM .....	4:30 p.m. on Monday, 7 March
Announcement of the result of the EGM.....	Monday, 7 March
Last day of dealings in the Shares on cum-entitlement to the Bonus Shares Issue and Bonus Warrants Issue .....	Tuesday, 8 March
First day of dealings in the Shares on ex-entitlement to the Bonus Shares Issue and Bonus Warrants Issue .....	Wednesday, 9 March
Latest time for lodging transfers of Shares in order to qualify for the Bonus Shares Issue and Bonus Warrants Issue .....	4:30 p.m. on Thursday, 10 March
Register of members closes (both days inclusive) .....	Friday, 11 March to Thursday, 17 March
Record Date.....	Thursday, 17 March
Issue and despatch of certificates for Bonus Shares.....	Thursday, 24 March
Issue and despatch of certificates for Bonus Warrants .....	Tuesday, 29 March
Commencement of dealings in the Bonus Shares .....	9:00 a.m. on Tuesday, 29 March
Effective date of change of board lot size from 40,000 Shares to 160,000 Shares.....	9:00 a.m. on Tuesday, 29 March
Designated broker starts to stand in the market to provide matching services for odd lots of Shares .....	9:00 a.m. on Tuesday, 29 March
Commencement of dealings in the Bonus Warrants.....	9:00 a.m. on Wednesday, 30 March
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares .....	4:00 p.m. on Tuesday, 19 April

All times and dates in this circular refer to Hong Kong local times and dates. The expected timetable for the Bonus Shares Issue and Bonus Warrants Issue set out above has been prepared on the assumption that the condition of the Bonus Shares Issue and Bonus Warrants Issue will be fulfilled. If there are any changes to the expected timetable, such changes will be announced in separate announcement(s) by the Company as and when appropriate.

## DEFINITIONS

*In this circular, unless the context requires otherwise, the expressions as stated below will have the following meanings:*

“Announcement”	the announcement of the Company dated 31 December 2015 relating to the (i) proposed Bonus Shares Issue; (ii) proposed Bonus Warrants Issue; (iii) change in board lot size; and (iv) proposed increase in authorised share capital of the Company
“Articles”	articles of association of the Company
“associates”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors
“Bonus Share(s)”	new Share(s) to be allotted and issued under the Bonus Shares Issue by the Company
“Bonus Shares Issue”	the proposed bonus issue of Shares to the Qualifying Shareholder(s) on the basis of one (1) Bonus Share for every (1) existing Share held on the Record Date
“Bonus Warrantholder(s)”	holder(s) of the Bonus Warrants
“Bonus Warrant(s)”	warrant(s) proposed to be issued by the Company to subscribe for Bonus Warrant Shares at an initial subscription price of HK\$0.0125 per Bonus Warrant Share, subject to adjustment, pursuant to the Bonus Warrants Issue
“Bonus Warrants Issue”	the proposed bonus issue of Bonus Warrants to the Qualifying Shareholder(s) on the basis of two (2) Bonus Warrants for every five (5) existing Shares held on the Record Date
“Bonus Warrant Share(s)”	new Share(s) which may fall to be issued upon the exercise of the subscription rights attached to the Bonus Warrants
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	China Trends Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM (stock code: 8171)
“Director(s)”	the director(s) of the Company

## DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approving the Bonus Shares Issue, the Bonus Warrants Issue and the increase in authorised share capital of the Company
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Honour Sky”	Honour Sky International Limited, a company incorporated in the British Virgin Islands with limited liability of which Mr. Xiang is the sole director and Ms. Kung Ching, the spouse of Mr. Xiang, is the ultimate beneficial owner
“Latest Practicable Date”	15 February 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Mr. Xiang”	Xiang Xin, the chairman of the Board and an executive Director
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, after making enquiry, are of the view that it would be necessary or expedient to exclude them from the Bonus Shares Issue and the Bonus Warrants Issue on account either of legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction
“Ocean Space”	Ocean Space Development Limited, a company incorporated in the British Virgin Islands with limited liability
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company at the close of business on the Record Date is/are outside Hong Kong
“PRC”	the People’s Republic of China

## DEFINITIONS

“Qualifying Shareholder(s)”	the Shareholder(s), other than the Non-Qualifying Shareholder(s), whose names appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	17 March 2016, being the record date for ascertaining the entitlements of Shareholders to the Bonus Shares Issue and Bonus Warrants Issue
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Option(s)”	the outstanding options granted by the Company to subscribe for an aggregate of 563,500,000 Shares pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 1 November 2010
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Date”	the date on which any of the Subscription Rights are duly exercised
“Subscription Period”	the five-year period from the date of issue of the Bonus Warrants, which is expected to be on 29 March 2016 to 28 March 2021, both days inclusive
“Subscription Rights”	the rights of the Bonus Warrant holders represented by the Bonus Warrants to subscribe for Bonus Warrant Shares upon and subject to the conditions of the Bonus Warrants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



**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)**

*Executive Directors:*

Mr. Xiang Xin  
Ms. Zhong Keying  
Mr. Chan Cheong Yee

*Non-executive Directors:*

Mr. Sun Kuan Chi  
Mr. Xin Luo Lin  
Ms. Chen Jiajing  
Ms. Jian Linlin  
Mr. Wang Wei

*Independent non-executive Directors:*

Mr. Zhang Zhan Liang  
Ms. An Jing  
Mr. Chen Yicheng  
Mr. Kwai Sze Kit

*Alternate Director:*

Ms. Kung Ching, alternate director to  
Mr. Xiang Xin

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

26/F, No. 9 Des Voeux Road West  
Sheung Wan  
Hong Kong

18 February 2016

*To the Shareholders*

Dear Sir or Madam,

- (i) PROPOSED BONUS SHARES ISSUE;**  
**(ii) PROPOSED BONUS WARRANTS ISSUE;**  
**(iii) CHANGE IN BOARD LOT SIZE;**  
**(iv) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;**  
**AND**  
**(v) NOTICE OF EGM**

**INTRODUCTION**

On 31 December 2015, the Board proposed (i) the Bonus Shares Issue to the Qualifying Shareholders on the basis of one (1) Bonus Share for every one (1) existing Share held on the Record Date; (ii) the Bonus Warrants Issue to the Qualifying Shareholders on the basis of two (2) Bonus Warrants for every five (5) existing Shares held on the Record Date; and (iii)



## LETTER FROM THE BOARD

increase the authorised share capital of the Company from HK\$300,000,000 divided into 30,000,000,000 Shares to HK\$1,000,000,000 divided into 100,000,000,000 Shares. The Board also announced the board lot size for trading in the Shares will be changed from 40,000 Shares to 80,000 Shares.

On 15 February 2016, the Board announced the proposed change in board lot size for trading in Shares will be revised from 80,000 Shares to 160,000 Shares.

The purpose of this circular is to provide you with further details of the (i) proposed Bonus Shares Issue; (ii) proposed Bonus Warrants Issue; (iii) change in board lot size; and (iv) proposed increase in authorised share capital of the Company, the notice of EGM to be convened and held for the purpose of considering and, if thought fit, approving (i) the terms of the Bonus Shares Issue; (ii) the terms of the Bonus Warrants Issue; and (iii) the increase in authorised share capital.

### **PROPOSED BONUS SHARES ISSUE**

The Board proposed the Bonus Shares Issue to the Qualifying Shareholders on the terms and basis as set out below.

#### **Basis of the Bonus Shares Issue**

Subject to the conditions set out in the section headed “Condition of the Bonus Shares Issue” below, the Bonus Shares will be issued and credited as fully paid at par on the basis of one (1) Bonus Share for every one (1) existing Share held on the Record Date by the Qualifying Shareholders.

Assuming no further Shares will be issued or repurchased by the Company on or before Record Date, on the basis of 20,399,778,579 Shares in issue as at the Latest Practicable Date, 20,399,778,579 Bonus Shares will be allotted and issued under the Bonus Shares Issue. The Bonus Shares will be credited as fully paid at par by way of capitalization of an amount equal to the total par value of the Bonus Shares standing to the credit of the share premium account of the Company. After the completion of the Bonus Shares Issue, there will be a total of 40,799,557,158 Shares in issue as enlarged by the allotment and issue of the Bonus Shares.

#### **Condition of the Bonus Shares Issue**

Completion of the Bonus Shares Issue is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM approving the Bonus Shares Issue and the transactions contemplated thereunder;
- (ii) the Listing Committee granting the approval for the listing of, and permission to deal in, the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of Cayman Islands and the Articles to effect the Bonus Shares Issue.

## LETTER FROM THE BOARD

### **Status of the Bonus Shares and Fractional Entitlement**

The Bonus Shares will rank *pari passu* in all respects with the existing Shares in issue on the date of the issue of the Bonus Shares.

On the basis of one (1) Bonus Share for every one (1) existing Share held by the Qualifying Shareholders on the Record Date, no fractional entitlement will arise.

### **Listing of the Bonus Shares**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares.

No part of the securities of the Company is listed or dealt in on any other stock exchange and no such listing or permission to deal is being or proposed to be sought.

The Bonus Shares are not new class of securities to be listed and accordingly no arrangements are required to be made to enable the Bonus Shares to be admitted into CCASS.

Subject to the granting of listing of, and permission to deal in, the Bonus Shares on the Stock Exchange, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Bonus Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

It is expected that dealing in the Bonus Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, 29 March 2016.

### **Overseas Shareholders**

For those Overseas Shareholders on the Record Date, enquiry will be made by the Board pursuant to Rule 17.41(1) of the GEM Listing Rules. Upon such enquiry, if the Board is of the view that the exclusion of certain Overseas Shareholders is necessary or expedient, the Bonus Shares will not be granted to the Non-Qualifying Shareholders. In such circumstances, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Non-Qualifying Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Shares commences. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Non-Qualifying Shareholders, if any, pro rata to their respective shareholdings and remittances thereof will be posted to them, at their own risk, unless the amount falling to be distributed to any such persons is less than HK\$100.00, in which case it will be retained for the benefit of the Company.

As at the Latest Practicable Date, based on the register of members of the Company, the Company has four Overseas Shareholders whose registered addresses are located in the PRC. Having made enquiries regarding the legal restrictions under each of the laws of the PRC and

## LETTER FROM THE BOARD

the requirements of the relevant regulatory bodies or stock exchanges, the Directors are of the view that there is no restriction on the Company to extend the Bonus Shares Issue to such Overseas Shareholders. Accordingly, the Bonus Shares Issue will include those Overseas Shareholders with registered address in the PRC.

**All Overseas Shareholders should consult their professional advisers as to whether or not they are permitted to participate in the Bonus Shares Issue or whether any government or other consents are required or other formalities need to be observed.**

### **PROPOSED BONUS WARRANTS ISSUE**

The Board also proposed the Bonus Warrants Issue to the Qualifying Shareholders on the terms and basis as set out below.

#### **Initial Subscription Price and Subscription Date**

Subject to the conditions set out under the heading “Conditions of the Bonus Warrants Issue” below, the Bonus Warrants will be issued on the basis of two (2) Bonus Warrants for every five (5) existing Shares held on the Record Date. Each Bonus Warrant will entitle the holder thereof to subscribe in cash for one Bonus Warrant Share at an initial subscription price of HK\$0.0125 per Bonus Warrant Share, subject to adjustment. The Subscription Rights attached to the Bonus Warrants will be exercisable from 29 March 2016, the date of issuance until the close of business on 28 March 2021.

The initial subscription price of HK\$0.0125 per Bonus Warrant Share represents:

- (i) a discount of approximately 82.14% to the closing price of HK\$0.07 per Share as quoted on the Stock Exchange on 28 December 2015, being the last trading day preceding to the Announcement;
- (ii) a discount of approximately 80.16% to the average closing price of approximately HK\$0.063 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Announcement;
- (iii) a discount of approximately 64.29% to the theoretical price of HK\$0.035 per Share immediately after the Bonus Shares Issue became effective based on the closing price of HK\$0.07 per Share as quoted on the Stock Exchange on 28 December 2015, being the last trading day preceding to the Announcement; and
- (iv) a discount of approximately 40.48% to the theoretical price of HK\$0.021 per Share immediately after the Bonus Shares Issue became effective based on the closing price of HK\$0.042 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

## LETTER FROM THE BOARD

Given the theoretical price per Share after the issue of Bonus Shares and Bonus Warrant Shares may remain lower than HK\$0.1, pursuant to Rule 17.76 of the GEM Listing Rules, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation of its securities, should the market price of the Shares approaches the extremities of HK\$0.01.

If a share consolidation is to be implemented, it will be conditional upon (i) the passing of an ordinary resolution by the Shareholders to approve the share consolidation at a general meeting, and (ii) the Listing Division of the Stock Exchange granting the approval for the listing of; and the permission to deal in, the consolidated Shares upon the Share Consolidation becoming effective, basis of which will be set thereupon.

The Stock Exchange has indicated that it will not consider granting an approval for listing of any future fund raising exercise by the Company if the Shares are trading towards the extremity of HK\$0.01, which the Stock Exchange considers to be any trading price less than HK\$0.1.

### **Shares to be Issued Upon Exercise of the Subscription Rights**

Assuming no further Shares will be issued or repurchased by the Company on or before the Record Date, on the basis of 20,399,778,579 Shares in issue as at the Latest Practicable Date, 8,159,911,432 Bonus Warrants will be issued pursuant to the Bonus Warrants Issue. Full exercise of the Subscription Rights attached to the 8,159,911,432 Bonus Warrants at the initial subscription price of HK\$0.0125 per Bonus Warrant Share would result in the issue of 8,159,911,432 Bonus Warrant Shares, representing 20% of the aggregate number of issued ordinary shares of the Company as enlarged by the issue of Bonus Shares under the Bonus Shares Issue (being 40,799,557,158 Shares). Upon exercise of the Subscription Rights in full, the gross proceeds (before expenses) of the subscription will amount to approximately HK\$102.0 million.

As at the Latest Practicable Date, save for all the outstanding Share Options, which will lead to issue of 563,500,000 Shares at the exercise price of HK\$0.05 per Share, the Company does not have any other equity securities which remain to be issued on exercise of any other subscription rights as described in Rule 21.02(1) of the GEM Listing Rules. Therefore, if the Bonus Warrants are immediately exercised in full, such exercise will not exceed 20% of the issued equity capital of the Company at the time such Bonus Warrants are issued.

### **Conditions of the Bonus Warrants Issue**

Completion of the Bonus Warrants Issue is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM approving the issue of the Bonus Warrants and the Bonus Warrant Shares and the transactions contemplated thereunder;
- (ii) the Listing Committee granting the approval for the listing of, and permission to deal in, the Bonus Warrants and the Bonus Warrant Shares;

## LETTER FROM THE BOARD

- (iii) completion of the Bonus Shares Issue and the issue of Bonus Shares; and
- (iv) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of Cayman Islands and the Articles to effect the issue of the Bonus Warrants and the Bonus Warrant Shares.

### **Status of the Bonus Warrant Shares and Fractional Entitlements**

The Bonus Warrant Shares will rank *pari passu* in all respects with the existing Shares in issue on the date of the issue of the Bonus Warrant Shares, upon exercise of the Subscription Rights.

Fractional entitlements to the Bonus Warrants, if any, will not be issued to the Shareholders but will be aggregated and sold for the benefit of the Company. The net proceeds of sale will be retained for the benefit of the Company.

### **Rights of the Bonus Warrantholders**

The Bonus Warrantholders will not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of being a holder of the Bonus Warrants and shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

### **Call Option**

If at any time the aggregate of the Bonus Warrants which have not been exercised carry rights to subscribe less than 20% in value of all Subscription Rights, the Company may, on giving not less than one month's notice, require Bonus Warrantholders either to exercise their Subscription Rights or to allow them to lapse. On expiry of such notice, all unexercised Bonus Warrants will be automatically cancelled without compensation to Bonus Warrantholders.

The call feature of the Bonus Warrants provides a right to the Company to purchase the warrants in the event that the total amount of Bonus Warrants are less than 20% in value of all Subscription Rights, which is intended to minimize the costs and resources for maintaining the listing status of such minimal amount of Bonus Warrants, where majority (i.e. 80%) of the Bonus Warrants has already been converted into Bonus Warrant Shares, resulting in liquidity of the Bonus Warrants being very minimal and market value of such Bonus Warrants may fall well below the minimum market capitalisation of the warrants as required by the Listing Rules.

### **Repurchase of the Bonus Warrants**

The Company may at any time purchase the Bonus Warrant (i) in the open market or by tender (available to all Bonus Warrantholders alike) at any price; or (ii) by private treaty at a price, exclusive of expenses, not exceeding 120 per cent. of the closing price of the Bonus Warrants on the Stock Exchange on the date immediately prior to the date of purchase thereof, but not otherwise.

## LETTER FROM THE BOARD

The right to repurchase provides flexibility to the Company to repurchase the Bonus Warrants. The following are possible circumstances where the Company may consider repurchasing the Bonus Warrants:

- (1) If there is a substantial difference between (i) the market price of the Shares; and (ii) the market price of the Bonus Warrants and the Subscription Price of the Bonus Warrants, in aggregate. The repurchase of the Bonus Warrants have similar effect and rationale of repurchase of Shares.
- (2) If the Bonus Warrants are out of the money by a substantial amount and it is not expected that the Bonus Warrant holders would exercise the Bonus Warrants, the Company may consider if the costs and resources for maintaining the listing status of such Bonus Warrants out weight the continuing listing of the Bonus Warrants.

The above are only two extremities of possible situations requires such repurchase and may not be exhaustive.

### **Listing of the Bonus Warrants**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Bonus Warrants and the Bonus Warrant Shares which may fall to be issued upon the exercise of the Subscription Rights attached to the Warrants.

No part of the securities of the Company is listed or dealt in on any other stock exchange and no such listing or permission to deal is being or proposed to be sought.

Application has been made to HKSCC for the admission of the Bonus Warrants into CCASS operated by HKSCC.

Subject to the granting of listing of, and permission to deal in, the Bonus Warrants and the Bonus Warrant Shares which may fall to be issued upon the exercise of the Subscription Rights attached to the Bonus Warrants on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Bonus Warrants and the Bonus Warrant Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Bonus Warrants on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Shareholder who wishes to deal in the Bonus Warrant Shares, which are fall to be issued upon exercise of the Subscription Rights attached to the Warrant, will be subject to stamp duty, brokerage of 1.0%, transaction levy of the Securities and Futures Commission of Hong Kong of 0.0027%, Stock Exchange trading fee of 0.005%, and other applicable fees and charges in Hong Kong.

It is expected that dealing in the Bonus Warrants on the Stock Exchange will commence at 9:00 a.m. on Wednesday, 30 March 2016.

## LETTER FROM THE BOARD

### Overseas Shareholders

For those Overseas Shareholders on the Record Date, enquiry will be made by the Board pursuant to Rule 17.41(1) of the GEM Listing Rules. Upon such enquiry, if the Board is of the view that the exclusion of certain Overseas Shareholders is necessary or expedient, the Bonus Warrants will not be granted to the Non-Qualifying Shareholders. In such circumstances, arrangements will be made for the Bonus Warrants which would otherwise have been issued to the Non-Qualifying Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Warrants commences. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Non-Qualifying Shareholders, if any, pro rata to their respective shareholdings and remittances thereof will be posted to them, at their own risk, unless the amount falling to be distributed to any such persons is less than HK\$100.00, in which case it will be retained for the benefit of the Company.

As at the Latest Practicable Date, based on the register of members of the Company, the Company has four Overseas Shareholders whose registered addresses are located in the PRC. Having made enquiries regarding the legal restrictions under each of the laws of the PRC and the requirements of the relevant regulatory bodies or stock exchanges, the Directors are of the view that there is no restriction on the Company to extend the Bonus Warrants Issue to such Overseas Shareholders. Accordingly, the Bonus Warrants Issue will include those Overseas Shareholders with registered address in the PRC.

**All Overseas Shareholders should consult their professional advisers as to whether or not they are permitted to participate in the Bonus Warrants Issue or whether any government or other consents are required or other formalities need to be observed.**

### CHANGES IN SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company as at (i) the Latest Practicable Date; (ii) immediately upon completion of the Bonus Shares Issue and Bonus Warrants Issue; and (iii) immediately upon full conversion of the Bonus Warrants assuming Bonus Warrants are held by Shareholders who are entitled to receive such Bonus Warrants and not sold or transferred to others as at date of conversion of the Bonus Warrants.

## LETTER FROM THE BOARD

	As at the Latest Practicable Date		Immediately upon completion of the Bonus Shares Issue and Bonus Warrants Issue		Immediately upon full conversion of the Bonus Warrants	
			Number of Shares		Number of Shares	
		%		%		%
Honour Sky <i>Note 1</i>	4,493,201,596	22.03%	8,986,403,192	22.03%	10,783,683,830	22.03%
Morgan Strategic Limited	1,068,600,000	5.24%	2,137,200,000	5.24%	2,564,640,000	5.24%
Ocean Space <i>Note 2</i>	424,692,000	2.08%	849,384,000	2.08%	1,019,260,800	2.08%
Other public Shareholders	<u>14,413,284,983</u>	<u>70.65%</u>	<u>28,826,569,966</u>	<u>70.65%</u>	<u>34,591,883,959</u>	<u>70.65%</u>
<b>Total</b>	<b><u>20,399,778,579</u></b>	<b><u>100.00%</u></b>	<b><u>40,799,557,158</u></b>	<b><u>100.00%</u></b>	<b><u>48,959,468,589</u></b>	<b><u>100.00%</u></b>

*Notes:*

- Honour Sky is wholly and beneficially owned by Ms. Kung Ching, the spouse of Mr. Xiang. Accordingly, Ms. Kung Ching is interested in the Shares held by Honour Sky. Ms. Kung Ching is an alternate Director of Mr. Xiang.
- 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. Ocean Space is an investment holding company.

### REASONS FOR THE BONUS SHARES ISSUE AND BONUS WARRANTS ISSUE

To reward of the continued support of the Shareholders, the Board proposed the Bonus Shares Issue and Bonus Warrants Issue. The Bonus Shares Issue and Bonus Warrants Issue are similar to declaration of dividend in the form of shares instead of cash.

The Bonus Shares will be issued by way of capitalization of a portion of the share premium account of the Company instead of to be paid up by the Shareholders, which is intended to reward Shareholders for their continued support to the Company over the years. Instead of paying cash for dividend, issue of the Bonus Shares and Bonus Warrants could allow the Company to conserve its book value as well as cash for future business development.

The Bonus Warrants Issue also provides Shareholders an opportunity to enlarge their shareholding/participate future growth of the Company by exercising the Subscription Rights attached to the Bonus Warrants into Bonus Warrant Shares, whereas for those Shareholders who do not wish to convert such Bonus Warrants into Bonus Warrant Shares, they could simply sell the Bonus Warrants in the open market in exchange for cash as the Bonus Warrants will be listed. However, Shareholders should note that the initial subscription price for each Bonus Warrant Share is HK\$0.0125 and if the Subscription Rights attached to the Bonus Warrants are not exercised, respective shareholding in the Company may be diluted.



## LETTER FROM THE BOARD

Despite the Bonus Shares Issue and Bonus Warrants Issue are not expected to increase Shareholders' proportionate interests in the Company, the Bonus Shares Issue will increase the number of Shares to be held by the Shareholders and thereby increase the number of Bonus Warrants to be issued after completion of the Bonus Shares Issue, which in turn may enable the Company to broaden its Shareholder base.

The Board is of the view that due to the current fluctuation in financial market and the uncertainties in economy slowdown, the Bonus Shares Issue and Bonus Warrants Issue would enable Shareholders to enjoy more flexibility in managing their own investment such as giving them an opportunity to dispose of part of their Shares and realise a cash return.

Having considered various ways of rewarding the Shareholders such as dividends, which would reduce the cash resources of the Group reserved for its business operation and potential investments. As an alternative, the Board considered the Bonus Warrants Issue a non-cash distribution that would be welcome by Shareholders. Despite the Bonus Shares Issue and Bonus Warrants Issue will reduce the theoretical price per Share, market would normally responds positively. Set out below is the share price performance of all the listed issuers which has announced for bonus shares issue as a standalone transaction in 2015.

Stock code	Company name	Basis of issue	Announcement date	Circular date	Premium/discount to closing price of the last trading day prior to announcement compare to the first trading day after announcement	Premium/discount to closing price of the last trading day of dealing in shares on a cum-entitlements basis compare to the first trading day dealing on an ex-entitlement basis
1332	Qualipak International Holdings Limited	1 for 4	23-Mar-15	10-Apr-15	1.7%	8.8%
603	China Oil and Gas Group Limited	1 for 10	30-Mar-15	23-Apr-15	2.2%	4.6%
3778	China Weaving Materials Holdings Limited	1 for 10	26-Mar-15	27-Apr-15	0.0%	8.6%
1328	International Elite Limited	2 for 1	30-Mar-15	29-Apr-15	37.8%	33.9%
3777	China Fiber Optic Network System Group Ltd.	2 for 10	30-Mar-15	29-Apr-15	2.0%	1.0%
6830	Huazhong In-Vehicle Holdings Company Limited	1 for 1	27-Mar-15	12-May-15	4.7%	96.9%
8337	Directel Holdings Limited	2 for 1	1-Apr-15	18-May-15	20.4%	26.6%
1239	Jin Bao Bao Holdings Limited	4 for 1	6-May-15	18-May-15	70.4%	29.1%
1076	Imperial Pacific International Holdings Limited	15 for 1	5-May-15	1-Jun-15	10.6%	63.6%
885	Forefront Group Limited	9 for 1	26-May-15	12-Jun-15	14.7%	9.6%
248	HKC International Holdings Limited	1 for 4	26-Jun-15	16-Jul-15	(14.3%)	13.5%
2228	Cecep Costin New Materials Group Limited	2 for 1	25-Jun-15	17-Jul-15	(0.4%)	(0.7%)
1246	Ngai Shun Holdings Limited	4 for 1	26-Jul-15	3-Aug-15	3.5%	(5.3%)
8006	Sino Splendid Holdings Limited	9 for 1	17-Aug-15	26-Aug-15	14.8%	113.0%
8268	Denson Construction International Holdings Limited	1 for 4	7-Aug-15	2-Sep-15	5.5%	8.3%
2342	Comba Telecom Systems Holdings Limited	1 for 10	20-Aug-15	16-Sep-15	(1.2%)	(5.2%)
2319	China Mengniu Dairy Company Limited	1 for 1	4-Sep-15	22-Sep-15	(1.2%)	3.4%
8078	China 3D Digital Entertainment Limited	3 for 1	15-Sep-15	29-Sep-15	11.5%	44.0%
1177	Sino Biopharmaceutical Limited	1 for 2	8-Oct-15	26-Oct-15	(0.5%)	(0.4%)
1271	Grand Ming Group Holdings Limited	1 for 10	NA	2-Nov-15	NA	(0.5%)
2324	Capital VC Limited	1 for 1	9-Nov-15	26-Nov-15	2.7%	18.6%
1566	China Animation Characters Company Limited	1 for 1	20-Nov-15	1-Dec-15	(2.3%)	1.4%
39	China Beidahuang Industry Group Holdings Limited	1 for 1	7-Sep-15	4-Dec-15	(1.3%)	1.2%
361	Sino Golf Holdings Limited	4 for 1	30-Nov-15	14-Dec-15	0.9%	8.3%
<b>Average</b>					<b>7.59%</b>	<b>20.10%</b>

Source: The Stock Exchange website

## **LETTER FROM THE BOARD**

To the best of the Directors' knowledge and on best effort basis, the Board has identified 24 listed issuers and share prices of majority of these listed issuers (15 out of 24) have increased after the bonus share issue was announced. Accordingly, the Board is of the view that theoretical price may not be associated with market price of shares and that the market would respond positively as the bonus shares issue is perceived to be a dividend in kind and increase confidence of shareholders in the issuers and demand for relevant shares.

The total cost for the Bonus Warrants Issue is estimated to be approximately HK\$300,000, and the ongoing cost relating to the Bonus Warrants is estimated to be approximately HK\$120,000 per annum. Despite the costs of the Bonus Warrants Issue, the Bonus Warrants will (i) provide Shareholders, at their discretion, an opportunity to realise profit for cash should they wish to sell the Bonus Warrants or maintain their shareholding position in the Company within a period of 5 years to participate in the potential growth of the Group (as the preserved cash resources would be used for future investments of the Company); and (ii) enhance the capital base of the Company by approximately HK\$102.0 million, upon exercise of the Subscription Rights in full. While the Company has not immediate need of working capital, the Company intends to use proceeds that may arise from the exercise of the Subscription Rights attached to the Bonus Warrants for general working capital and/or business development purposes.

Accordingly, the Directors are of the view that the Bonus Shares Issue and Bonus Warrants Issue are benefit to the Shareholders and the Company as a whole.

### **EQUITY FUND RAISING ACTIVITY OF THE GROUP IN THE PAST 12 MONTHS**

The Company has not conducted any equity fund raising activities for the 12 months immediately before the Latest Practicable Date.

### **CERTIFICATES FOR THE BONUS SHARES AND BONUS WARRANTS**

Subject to the satisfaction of the conditions to the Bonus Shares Issue and the Bonus Warrants Issue, it is expected that certificates for the Bonus Shares will be posted on or before Thursday, 24 March 2016 and certificates for the Bonus Warrants will be posted on or before Tuesday, 29 March 2016 at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company as at the Record Date.

The board lot for trading in the Bonus Warrant is 160,000 units.

### **CHANGE IN BOARD LOT SIZE**

In order to increase the value of each board lot of the Shares after the Bonus Shares Issue and exercise of Subscription Rights attached to the Bonus Warrants, as well as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the board lot size for trading in the Shares will be changed from 40,000 Shares to 160,000 Shares with effect from 9:00 a.m. on Tuesday, 29 March 2016, subject to the fulfillment of the conditions of the Bonus Shares Issue and the Bonus Warrants Issue as set out in the section headed "Conditions of the Bonus Shares Issue" and "Conditions of the Bonus Warrants Issue" in this circular.

## LETTER FROM THE BOARD

Based on the closing price of HK\$0.042 per Share as quoted on the Stock Exchange as at the Latest Practicable Date,

- (i) the theoretical ex-entitlement price per Share will be approximately HK\$0.021 upon the allotment and issue of the Bonus Shares, the market value of each existing board lot of 40,000 Shares is estimated to be approximately HK\$840 upon the allotment of the Bonus Shares. Upon the increase in board lot size becoming effective, the market value of each board lot of 160,000 Shares (instead of 40,000 Shares) is estimated to be approximately HK\$3,360; and
- (ii) the theoretical ex-entitlement price per Share will be approximately HK\$0.02 upon the allotment and issue of the Bonus Shares and Bonus Warrant Shares. Upon the increase in board lot size becoming effective, the market value of each board lot of 160,000 Shares is estimated to be approximately HK\$3,200.

The change in board lot size will not result in any change in the relative rights of the Shareholders.

### ODD LOT ARRANGEMENT

In order to alleviate difficulties arising from the existence of odd lots of the Shares arising from the Bonus Shares Issue and the change in board lot size of the Shares, the Company has appointed China Everbright Securities (HK) Limited as an agent to provide matching services on a best effort basis to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Tuesday, 29 March 2016 to 4:00 p.m. on Tuesday, 19 April 2016, both dates inclusive. Holders of the Shares in odd lot represented by the existing share certificate for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or top up their odd lots to a full new board lot may directly or through their brokers contract Mr. Cheng Kam Tak of China Everbright Securities (HK) Limited at 36/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong (telephone number: 2530-8378) during office hours (i.e. 9:00 a.m. to 5:00 p.m.) within such period.

Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. Shareholders are recommended to consult their professional advisors if they are in doubt about the above facility.

### PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board also proposed to increase the authorised share capital of the Company from HK\$300,000,000 divided into 30,000,000,000 Shares to HK\$1,000,000,000 divided into 100,000,000,000 Shares by the creation of an additional 70,000,000,000 unissued Shares, which shall rank *pari passu* in all respects with the existing Shares.

The proposed increase in authorised share capital of the Company is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM approving the increase in authorised share capital of the Company.

## **LETTER FROM THE BOARD**

The proposed increase in authorised share capital of the Company, if approved, will provide the Company with greater flexibility to accommodate future expansion and growth of the Group. Save for the Bonus Shares and the Bonus Warrant Shares to be allotted and issued, the Directors do not have any present intention of issuing any new Shares.

### **RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Friday, 11 March 2016 to Thursday, 17 March 2016 (both days inclusive), during which no transfer of the Shares will be effected, in order to ascertain and determine the entitlement of the Shareholders under the Bonus Shares Issue and the Bonus Warrants Issue.

Shareholders are reminded that in order to qualify for the Bonus Shares Issue and the Bonus Warrants Issue, they must ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 10 March 2016.

The exact total number of Bonus Shares to be allotted and issued under the Bonus Shares Issue and Bonus Warrants to be issued under the Bonus Warrants Issue will be determined on the Record Date.

### **COMPETING INTERESTS**

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective close associates had any business or interest which competes or may compete with the business of the Group, or has or may have any other conflicts of interest with the Group.

### **EGM**

A notice convening the EGM to be convened and held at 26/F., No. 9 Des Voeux Road West, Sheung Wan, Hong Kong on Monday, 7 March 2016 is set out on pages 29 to 32 of this circular. All resolutions to be proposed at the EGM will be voted on by poll. Only the holders of Shares are entitled to attend and vote at the EGM.

A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to be present at the EGM, you are advised to complete the form of proxy and return it to the Company's branch share registrar, Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the EGM. The completion and delivery of a form of proxy will not preclude you from attending and voting at the meeting in person.

As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors having made all reasonable enquiries, no Shareholder is required under the GEM Listing Rules to abstain from voting on the proposed resolution(s) at the EGM.

## LETTER FROM THE BOARD

### RECOMMENDATION

The Directors consider that the proposed (i) Bonus Shares Issue; (ii) Bonus Warrants Issue and (iii) increase in authorised share capital, are in the interest of the Company and Shareholders as a whole. Accordingly, the Directors recommend that all Qualifying Shareholders should vote in favour of the relevant resolutions to be proposed at the EGM.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors 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, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

Yours Faithfully,  
For and on behalf of the Board  
**China Trends Holdings Limited**  
**Xiang Xin**

*Executive Director and Chief Executive Officer*

The Bonus Warrants will be issued subject to and with the benefit of a separate instrument (the “**Instrument**”) by way of deed poll and they will be issued in registered form and will form one class and rank *pari passu* in all respects with each other.

The Bonus Warrants will confer rights to subscribe up to HK\$101,998,892.90 in aggregate for Bonus Warrant Shares, equivalent to the aggregate subscription price for a total of 8,159,911,432 Bonus Warrant Shares on the basis of an initial subscription price of HK\$0.0125 (the “**Subscription Price**”) per Bonus Warrant Share (subject to adjustment).

The Bonus Warrants will represent direct obligations of the Company to Bonus Warrantheolders as described in the Instrument. The following is a summary of the major provisions of the Instrument and the principal terms and conditions of the Bonus Warrants set out on the Bonus Warrant certificates. Bonus Warrantheolders will be entitled to the benefit of, be bound by, and be deemed to have notice of all such terms and conditions and of the provisions of the Instrument, copies of which will be available at the principal place of business for the time being of the Company in Hong Kong.

## 1. EXERCISE OF SUBSCRIPTION RIGHTS

- (A) Each Bonus Warrantheolder shall have the right, which may be exercised in whole or in part, but not in respect of a fraction of a Share, at any time during the Subscription Period, to subscribe in cash the whole or part, in integral multiples of HK\$0.0125 or the amount stated on the certificate for such Bonus Warrants which a Bonus Warrantheolder is entitled to subscribe for Shares upon exercise of the Subscription Rights represented thereby (the “**Exercise Money**”) for fully paid Shares at the Subscription Price per Share. Any Subscription Rights which have not been exercised upon the expiry of the Subscription Period shall lapse and thereupon the Bonus Warrants and the Bonus Warrant certificates shall cease to be valid for any purpose whatsoever.
- (B) In order to exercise any of the Subscription Rights represented by the Bonus Warrant certificate, the Bonus Warrantheolder must complete and sign a subscription form (the “**Subscription Form**”) and deliver the same and the Bonus Warrant certificate to the Registrars and such delivery shall constitute an irrevocable commitment by such Bonus Warrantheolder to exercise such Subscription Rights, together with a remittance for the relevant portion of the Exercise Moneys, being the amount of the Subscription Price for the Shares in respect of which the Bonus Warrantheolder is exercising his Subscription Rights. In each case compliance must also be made with any exchange control, fiscal or other laws or regulations for the time being applicable.
- (C) The number of Shares to be allotted on exercise of the Subscription Rights shall be calculated by dividing the amount specified in the relevant Subscription Form and duly remitted as aforesaid by the Subscription Price applicable on the Subscription Date. No fraction of a Share will be allotted but any balance representing fractions of the Exercise Moneys paid on exercise of the Subscription Rights represented by the

Bonus Warrant certificate will be paid by the Company to the Bonus Warrantholder, provided always that for the purpose of determining whether any (and if so, what) fraction of a Share arises:

- (i) if the Subscription Rights represented by the Bonus Warrant certificate and any one or more other Bonus Warrant certificates are exercised on the same Subscription Date by the same Bonus Warrantholder then the Subscription Rights represented by such Bonus Warrant certificates shall be aggregated; and
  - (ii) regard shall be made, where applicable, to the provisions of Clause 6(C) of the Instrument.
- (D) The Company has undertaken in the Instrument that any Shares falling to be issued upon the exercise of any of the Subscription Rights represented by the Bonus Warrant certificate will be issued and allotted not later than 28 days after the relevant Subscription Date and, taking account of any adjustment which may have been made pursuant to Clause 4 of the Instrument, will rank *pari passu* with the fully paid Shares in issue on the relevant Subscription Date and will accordingly entitle the holders to participate in all dividends or other distributions declared, paid or made after the relevant Subscription Date and other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant Subscription Date and notice of the amount and record date for which shall have been given to the Stock Exchange prior to the relevant Subscription Date.
- (E) As soon as practicable after the relevant allotment and issue of Shares (and, in any event, not later than 28 days after the relevant Subscription Date) there will be issued free of charge to the Bonus Warrantholder to whom such allotment has been made upon his exercise of any Subscription Rights:
- (i) a certificate for the relevant Shares in the name(s) of such Bonus Warrantholder(s);
  - (ii) (if applicable) a balancing Bonus Warrant certificate in registered form in the name(s) of such Bonus Warrantholder(s) in respect of any Subscription Rights represented by the Bonus Warrant certificate remaining unexercised;
  - (iii) (if applicable) a cheque representing fractions of the Exercise Moneys in respect of the Bonus Warrantholder's fractional entitlement to Shares as mentioned in paragraph (C) of this Condition; and
  - (iv) (if applicable) other applicable document as mentioned in the Instrument.

The certificate for Shares arising on the exercise of Subscription Rights, the balancing Bonus Warrant certificate (if any), and the cheque in respect of fractions of the Exercise Moneys in respect of the Bonus Warrantholders fractional entitlement to Shares (if any) will be sent by post at the risk of the said Bonus Warrantholder to the address of

such Bonus Warrantholder (or, in the case of a joint holding, to that one of the joint Bonus Warrantholders whose name stands first in the Register). If the Company agrees, such certificates and cheques may by prior arrangement be retained by the Registrars to await collection by the relevant Bonus Warrantholder.

## 2. ADJUSTMENTS OF SUBSCRIPTION PRICE

(A) The Subscription Price shall (except as mentioned in paragraphs (B) and (C) of this section) be adjusted in each of the following cases (but shall however not be adjusted below the nominal value of Shares until the Subscription Right Reserve (as defined in the Instrument) is maintained):

- (i) an alteration of the nominal amount of each Share by reason of any consolidation or subdivision;
- (ii) an issue (other than pursuant to a scrip dividend scheme in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
- (iii) a capital distribution (as defined in the Instrument) being made by the Company, whether on a reduction of capital or otherwise, to holders of Shares (in their capacity as such);
- (iv) a grant by the Company to holders of Shares (in their capacity as such) of rights to acquire for cash assets of the Company or any of its Subsidiaries;
- (v) an offer of new Shares for subscription by way of rights, or a grant of options or warrants to subscribe new Shares, at a price which is less than 80 per cent. of the market price (calculated as provided in the Instrument) being made by the Company to holders of Shares (in their capacity as such);
- (vi) an issue wholly for cash being made by the Company or any of its Subsidiaries of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total Effective Consideration (as defined in the Instrument) per new Share is less than 80 per cent. of the market price (calculated as provided in the Instrument), or the conversion, exchange or subscription rights of any such issue are altered so that the said total Effective Consideration is less than 80 per cent. of such market price;
- (vii) an issue of Shares being made wholly for cash at a price less than 80 per cent. of the market price (calculated as provided in the Instrument); and
- (viii) the purchase by the Company of Shares or securities convertible into Shares or any rights to acquire Shares (excluding any such purchase made on the Stock Exchange or any recognised stock exchange, being a stock exchange recognised for this purpose by the Executive Director of the Corporate Finance Division of



the Securities and Futures Commission of Hong Kong and the Stock Exchange) in circumstances where the Directors consider that it may be appropriate to make an adjustment to the Subscription Price.

The Directors will consider to make an adjustment of the Subscription Price pursuant to paragraph (A) (viii) above in the event of:

- (a) an off-market share repurchase which represents a premium over the price per Share as quoted on the Stock Exchange and the net asset value per Share;
- (b) a repurchase of any convertible bonds of the Company at a consideration which represents a premium over the principal amount of such convertible bonds; or
- (c) a repurchase of securities (such as warrants and share options) which has a subscription right attaching to it to subscribe Shares at a premium over its issue price,

and such repurchase will result in a dilution of the net asset value per Share and will adversely affect the market price of the Shares.

(B) Except as mentioned in paragraph (C) of this section, no such adjustment as is referred to in sub-paragraphs (ii) to (vii) of paragraph (A) of this section shall be made in respect of:

- (i) an issue of fully-paid Shares upon the exercise of any conversion, exchange or subscription rights attaching to securities wholly or partly convertible into Shares or exchangeable for Shares or upon the exercise of any rights (including the Subscription Rights) to acquire Shares;
- (ii) an issue by the Company of Shares or by the Company or any Subsidiary of securities convertible into or exchangeable for or carrying rights to acquire Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business;
- (iii) an issue of fully-paid Shares by way of capitalisation of all or part of the Subscription Right Reserve (as defined in the Instrument) to be established in certain circumstances pursuant to the terms and conditions contained in the Instrument (or other profits or reserves or any similar reserve which has been or may be established pursuant to the terms of any other securities wholly or partly convertible into or exchangeable for or carrying rights to acquire Shares);
- (iv) an issue of Shares pursuant to a scrip dividend scheme in lieu of a cash dividend where an amount not less than the nominal amount of the Shares so issued is capitalised and the market value (calculated as provided in the Instrument) of such Shares is not more than 120 per cent of the amount of dividend which holders of Shares could elect to or would otherwise receive in cash; or

- (v) an issue by the Company of Shares or by the Company or any Subsidiary of securities convertible into or exchangeable for or carrying rights of subscription for Shares pursuant to a Share Option Scheme.
- (C) Notwithstanding the provisions referred to in paragraphs (A) and (B) of this section, in any circumstances where the Directors shall consider that an adjustment to the Subscription Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Subscription Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or with a different time from that provided for under the said provisions, the Company may appoint either an approved merchant bank or the Auditors to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would not or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such approved merchant bank or the Auditors (as the case may be) shall consider this to be the case, the adjustment shall be modified or nullified, or an adjustment made instead of no adjustment, in such manner (including, without limitation, making an adjustment calculated on a different basis) and/or the adjustment shall take effect from such other date and/or time as shall be certified by such approved merchant bank or Auditors to be in its opinion appropriate.
- (D) Any adjustment to the Subscription Price shall be made to the nearest HK\$0.0001 (HK\$0.00005 being rounded up) and in no event shall any adjustment be made to the Subscription Price in any case in which the amount by which the same would be reduced would be less than one cent and any adjustment which would otherwise then be required shall not be carried forward. In no event shall an adjustment be made (otherwise than upon the consolidation of Shares into shares of a larger nominal amount each or upon a repurchase of Shares) which would increase the Subscription Price.
- (E) Every adjustment to the Subscription Price shall be certified by the Auditors or an approved merchant bank and notice of each such adjustment (giving the relevant particulars) shall be given to the Bonus Warrantholders. In giving any certificate or making any adjustment hereunder, the Auditors or the approved merchant bank shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest errors, their decision shall be conclusive and binding on the Company and the Bonus Warrantholders and all persons claiming through or under them respectively. Any such certificate of the Auditors and/or approved merchant bank will be available for inspection by Bonus Warrantholders at the principal place of business of the Company in Hong Kong, where copies may be obtained.
- (F) The Company will allot and issue the Shares which may fall to be allotted and issued pursuant to the exercise of the Subscription Rights under the Specific Mandate. In the event that following any adjustments of the Subscription Price, the number of the

new Shares which may fall to be allotted and issued pursuant to the exercise of the Subscription Rights which will exceed the authorisation under the Specific Mandate will not be allotted and issued.

### **3. REGISTERED WARRANTS**

The Bonus Warrants are issued in registered form. The Company shall be entitled to treat the registered holder of any Bonus Warrant as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or as required by law, be bound to recognise any equitable or other claim to or interest in such Bonus Warrant on the part of any other person, whether or not it shall have express or other notice thereof.

### **4. TRANSFER, TRANSMISSION AND REGISTER**

The Subscription Rights conferred by the Bonus Warrants shall be transferable in integral multiples of HK\$0.0125 by instrument of transfer in any usual or common form or such other form as may be approved by the Directors or, where the transferor and/or the transferee is HKSCC Nominees Limited (or its successor(s)), by an instrument of transfer executed under hand by authorised person(s) or by machine imprinted signature(s). The Company shall accordingly maintain a register of Bonus Warrantholders in the territory where the Stock Exchange for the time being is situated (or in such other places as the Directors consider appropriate, having regard to applicable rules governing the listing of Bonus Warrants). The Instrument contains provisions relating to the transfer, transmission and registration of the Bonus Warrants. Transfers of Bonus Warrants must be executed by both the transferor and the transferee.

Persons who hold the Bonus Warrants and have not registered the Bonus Warrants in the own names should note that additional costs and expenses may be incurred in connection with any expedited re-registration of the Bonus Warrants prior to the transfer or exercise of the Bonus Warrants, in particular during the period commencing 10 business days prior to and including the last day of the Subscription Period.

Since the Bonus Warrants will be admitted to the Central Clearing and Settlement System (“CCASS”), so far as applicable laws or regulations of relevant regulatory authorities, terms of the Instrument and circumstances permit, the Company may determine the last dealing day of the Bonus Warrants to be a date at least three dealing days before the last day of the Subscription Period.

### **5. CLOSURE OF REGISTER OF BONUS WARRANTHOLDERS**

The registration of transfers of Bonus Warrants may be suspended and the register of Bonus Warrantholders may be closed for such period as the Directors may from time to time direct, provided that the same shall not be closed, or registration may not be suspended, for a period, or for periods together, of more than 60 days in any one year. Any transfer, or exercise of the Subscription Rights attached to the Bonus Warrants made while the register of Bonus Warrantholders is so closed shall, as between the Company and the person claiming under the relevant transfer of Bonus Warrants or, as the case may be, as between the Company and the

Bonus Warrantholder who has so exercised the Subscription Rights attached to his Bonus Warrants (but not otherwise), be considered as made immediately after the reopening of the register of Bonus Warrantholders.

## **6. PURCHASE AND CANCELLATION**

The Company or any of the Subsidiaries may at any time purchase Bonus Warrant:

- (i) in the open market or by tender (available to all Bonus Warrantholders alike) at any price; or
- (ii) by private treaty at a price, exclusive of expenses, not exceeding 120 per cent. of the closing price of the Bonus Warrants on the Stock Exchange on the date immediately prior to the date of purchase thereof, but not otherwise.

All Bonus Warrants purchased as aforesaid shall be cancelled forthwith and may not be reissued or re-sold.

## **7. MEETINGS OF BONUS WARRANTHOLDERS AND MODIFICATION OF RIGHTS**

- (A) The Instrument contains provisions for convening meetings of Bonus Warrantholders to consider any matter affecting the interests of Bonus Warrantholders, including the modification by Special Resolution of the provisions of the Instrument and/or of the terms and conditions of the Bonus Warrants. A Special Resolution duly passed at any such meeting shall be binding on the Bonus Warrantholders, whether present or not.
- (B) All or any of the rights for the time being attached to the Bonus Warrants (including any of the provisions of the Instrument) may from time to time (whether or not the Company is being wound up) be altered or abrogated (including but without prejudice to that generality by waiving compliance with, or by waiving or authorising any past or proposed breach of, any of the provisions of these Conditions and/or the Instrument) with the prior sanction of a Special Resolution and may be effected only by deed poll executed by the Company and expressed to be supplemental to the Instrument.

Where the Bonus Warrantholder is a recognised clearing house (within the meaning of Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative (or representatives) or proxy (or proxies) at any Bonus Warrantholders' meeting provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of Bonus Warrants in respect of which each such person is so authorised. The person so authorised will be entitled to exercise the same power on behalf of the recognised clearing house (or its nominee(s) as that clearing house (or its nominee(s)) could exercise as if such person was an individual Bonus Warrantholder.

**8. REPLACEMENT OF BONUS WARRANT CERTIFICATES**

If a Bonus Warrant certificate is mutilated, defaced, lost or destroyed, it may, at the discretion of the Company, be replaced at the principal office of the Registrars (unless the Directors otherwise determine) on payment of such costs as may be incurred in connection therewith and on such terms as to evidence, indemnity and/or security as the Company may require and on payment of such fee not exceeding HK\$2.50 (or such other amount as may from time to time be permitted under the rules prescribed by the Stock Exchange) as the Company may determine. Mutilated or defaced Bonus Warrant certificates must be surrendered before replacements will be issued.

In the case of lost Bonus Warrant certificates, Sections 163, 164, 165 and 166 of the Companies Ordinance shall apply as if “shares” referred to therein included Bonus Warrants.

**9. PROTECTION OF SUBSCRIPTION RIGHTS**

The Instrument contains undertakings by and restrictions on the Company designed to protect the Subscription Rights.

**10. CALL**

If at any time the aggregate of the Bonus Warrants which have not been exercised carry rights to subscribe less than 20% in value of all Subscription Rights, the Company may, on giving not less than one month’s notice, require Bonus Warrantholders either to exercise their Subscription Rights or to allow them to lapse. On expiry of such notice, all unexercised Bonus Warrants will be automatically cancelled without compensation to Bonus Warrantholders.

**11. ISSUE OF FURTHER WARRANTS**

The Company shall be at liberty to issue further warrants to subscribe for Shares in such manner and on such terms as it sees fit.

**12. UNDERTAKINGS BY THE COMPANY**

In addition to the undertakings given by it in relation to the grant and exercise of the Subscription Rights and the protection thereof, the Company has undertaken in the Instrument that:

- (a) it will send to each Bonus Warrantholder (or in the case of joint Bonus Warrantholders, to the Bonus Warrantholder whose name stands first in the Register in respect of the Bonus Warrant held by such joint Bonus Warrantholders), at the same time as the same are sent to the holders of Shares, its audited accounts and all other notices, reports and communications despatched by it to the holders of Shares generally;
- (b) it will pay all Hong Kong and Cayman Islands stamp and capital duties, registration fees or similar charges, if any, payable in respect of the execution of the Instrument, the creation and initial issue of the Bonus Warrants in registered form, the exercise of Subscription Rights and the issue of Shares upon exercise of Subscription Rights. If any Bonus Warrantholder shall take any action or proceedings in any jurisdiction to enforce the obligations of the Company in respect of the Bonus Warrants or the Instrument, and for the purposes of such action or proceedings the Instrument or any Bonus Warrant is taken into such jurisdiction and any stamp duties or similar duties or taxes become payable thereon or in respect thereof in connection with or as a result of such action or proceedings, the Company shall not be under any obligation to pay (or reimburse any person making payment of) any such duties or taxes (including, if applicable, any penalties);
- (c) it will keep available for issue sufficient Ordinary Capital to satisfy in full all rights for the time being outstanding of subscription for and conversion into Shares; and
- (d) it will use its best endeavours to procure that:
  - (i) at all times during the Subscription Period, the Bonus Warrants may be dealt in on the Stock Exchange (save that this obligation will lapse in the event that the listing of the Bonus Warrants on the Stock Exchange is withdrawn following an offer for all or any of the Bonus Warrants); and
  - (ii) all Shares allotted upon exercise of the Subscription Rights may, upon allotment or as soon as reasonably practicable thereafter, be dealt in on the Stock Exchange (save that this obligation will lapse in the event that the listing of the Shares on the Stock Exchange is withdrawn following an offer for all or any of the Shares where a like offer is extended to holders of the Bonus Warrants).

**13. NOTICES**

The Instrument contains provisions relating to notices to be given to Bonus Warrantheolders and the following provisions shall apply to such notices:

- (a) every Bonus Warrantheolder shall register with the Company an address either in Hong Kong or elsewhere to which notices to be given to such Bonus Warrantheolder are to be sent and if any Bonus Warrantheolder shall fail so to do notice may be given to such Bonus Warrantheolder by sending the same in any of the manners hereinafter mentioned to his last known place of business or residence or, if there be none, by posting the same for three days at the principal place of business or principal office of the Company in Hong Kong;
- (b) a notice may be given by delivery, prepaid letter (airmail in the case of an overseas address), or alternatively, a notice may be given by paid advertisement published in English in at least one English language newspaper in Hong Kong and in Chinese in at least one Chinese language newspaper in Hong Kong; and
- (c) all notices with respect to any Bonus Warrant standing in the names of joint holders shall be given to whichever of such persons is named first in the Register and notice so given shall be sufficient notice to all the joint holders of such Bonus Warrant.

**14. OVERSEAS BONUS WARRANTHOLDERS**

If a Bonus Warrantheolder has a registered address in any territory (other than Hong Kong) where, in the opinion of the Directors, the allotment of Shares to such Bonus Warrantheolder upon exercise of any Subscription Rights would or might, in the absence of compliance with registration or any other special formalities in such territory, be unlawful or impracticable under the laws of such territory, then the Company shall as soon as practicable after exercise by such Bonus Warrantheolder of any Subscription Rights either:

- (a) allot the Shares which would otherwise have been allotted to such Bonus Warrantheolder to one or more third parties selected by the Company; or
- (b) allot such Shares to such Bonus Warrantheolder and then, on his behalf, sell them to one or more third parties selected by the Company, in each case for the best consideration then reasonably obtainable by the Company.

As soon as reasonably practicable following any such allotment or (as the case may be) allotment and sale, the Company shall pay to the relative Bonus Warrantheolder an amount equal to the consideration received by the Company therefor.

**15. WINDING UP OF THE COMPANY**

If an effective resolution is passed during the Subscription Period for the voluntary winding-up of the Company, then

- (a) if such winding-up be for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Bonus Warrantholders, or some person designated by them for such purpose by Special Resolution, shall be a party or in conjunction with which a proposal is made to the Bonus Warrantholders and is approved by Special Resolution, the terms of such scheme of arrangement or (as the case may be) proposal shall be binding on all Bonus Warrantholders; and
- (b) in any other case, every Bonus Warrantholder (or, in the case of joint Bonus Warrantholders, the Bonus Warrantholder whose name stands first in the Register in respect of the Bonus Warrant held by such Bonus Warrantholders) shall be entitled at any time within six weeks after the passing of such resolution by irrevocable surrender of his Bonus Warrant certificate(s) to the Registrars with the Subscription Form(s) duly completed, together with payment of the Exercise Moneys (or the relative portion thereof), to elect to be treated as if he had immediately prior to the commencement of such winding-up exercised such of the Subscription Rights represented by his Bonus Warrant(s) as are specified in the Subscription Form(s) submitted by him and had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the Company and the liquidator of the Company shall give effect to such election accordingly. The Company shall give notice to the Bonus Warrantholders of the passing of any such resolution within seven days after the passing thereof and such notice shall contain a reminder to Bonus Warrantholders with respect to their rights under this paragraph (b) (to the extent applicable).

Subject to the foregoing, if the Company is wound up, all Subscription Rights which have not been exercised at the date of the passing of such resolution shall lapse and Bonus Warrant certificates shall cease to be valid for any purpose.

**16. GOVERNING LAW**

The Instrument and the Warrants are governed by and will be construed in accordance with the laws of Hong Kong.



## NOTICE OF EGM



### 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)**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of holders of ordinary shares of HK\$0.01 each of China Trends Holdings Limited (the “**Company**”) will be held at 26/F., No. 9 Des Voeux Road West, Sheung Wan, Hong Kong on 7 March 2016 at 4:30 p.m. to consider and, if thought fit, to pass with or without amendments, the following resolutions:

#### **ORDINARY RESOLUTIONS**

1. **“THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the Bonus Shares (as defined below), the following be and is hereby approved:
  - (a) upon the recommendation of the directors (the “**Directors**”) of the Company, such amount standing to the credit of the share premium account of the Company be capitalised and the Directors be and are hereby authorised to apply such amount in paying up in full at par of such number of new shares (the “**Shares**”) of HK\$0.01 each in the capital of the Company (“**Bonus Shares**”) on the basis of one (1) Bonus Share for every one (1) existing Share in issue on the Record Date (as defined below), and the Directors be authorised to allot, issue and distribute the Bonus Shares, which are credited as fully paid, to the members of the Company whose names appear on the register of members of the Company (the “**Register of Members**”) as at the close of business on Thursday, 17 March 2016 (or such other record date as the Directors may approve) (the “**Record Date**”), other than those members (the “**Non-Qualifying Shareholders**”) whose addresses as shown on the Register of Members at the close of business on the Record Date are in jurisdiction outside Hong Kong and in respect of whom the Directors consider the exclusion from the Bonus Shares Issue (as defined below) to be necessary or expedient upon enquiry pursuant to Rule 17.41(1) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (“**GEM Listing Rules**”), on the basis of one (1) Bonus Share for every one (1) existing Share then held by them respectively (the “**Bonus Shares Issue**”);

## NOTICE OF EGM

- (b) the Bonus Shares to be issued pursuant to this resolution shall, subject to the memorandum and articles of association of the Company and, rank pari passu in all respects with the existing issued Shares as at the date of passing this resolution;
  - (c) the Directors be and hereby authorised to arrange for the Bonus Shares which would otherwise have been issued to the Non-Qualifying Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Shares commences, and distribute the net proceeds of sale, after deduction of expenses, in Hong Kong dollars to the Non-Qualifying Shareholders, if any, pro rata to their respective shareholdings and to post to them the remittances therefor at their own risk, unless the amount to be distributed to any such persons is less than HK\$100, in which case the Directors be and are hereby authorised to retain such amount for the benefit of the Company; and
  - (d) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares.”
2. “**THAT** conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Bonus Warrants (as defined below) and the new shares of the Company which may fall to be issued upon the exercise of the subscription rights attaching to the Bonus Warrants (as defined below), the following be and is hereby approved:
- (a) the Directors be and are hereby authorised to create and issue warrants (the “**Bonus Warrants**”) conferring rights to subscribe for Shares exercisable at any time during a period of five years commencing from the date of issue of the Bonus Warrants, at an initial subscription price of HK\$0.0125 per Share, subject to adjustment and subject to the terms and conditions set out in the warrant instrument (a copy of which marked “A” has been produced to the meeting and signed for the purposes of identification by the Chairman of the meeting) (the “**Instrument**”) and to issue such Bonus Warrants by way of bonus to holders of Shares whose names appear on the Register of Members as at the close of business on the Record Date, other than the Non-Qualifying Shareholders whose addresses as shown on the Register of Members at the close of business on the Record Date are in jurisdiction outside Hong Kong and in respect of whom the Directors consider the exclusion from the Bonus Warrants Issue (as defined below) to be necessary or expedient upon enquiry pursuant to Rule 17.41(1) of the GEM Listing Rules, in the proportion of two (2) Bonus Warrants for every five (5) existing issued Shares held at such time (the “**Bonus Warrants Issue**”);
  - (b) no fractional entitlements to the Bonus Warrants shall be issued but the fractional entitlements shall be aggregated and sold for the benefit of the Company;

## NOTICE OF EGM

- (c) the Directors be and hereby authorised to arrange for the Bonus Warrants which would otherwise have been issued to the Non-Qualifying Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Warrants commences, and distribute the net proceeds of sale, after deduction of expenses, in Hong Kong dollars to the Non-Qualifying Shareholders, if any, pro rata to their respective shareholdings and to post to them the remittances therefor at their own risk, unless the amount to be distributed to any such persons is less than HK\$100, in which case the Directors be and are hereby authorised to retain such amount for the benefit of the Company;
- (d) as a specific mandate to the Directors, to allot and issue new Shares upon the exercise of the subscription rights attaching to the Bonus Warrants or any of them at an initial exercise price of HK\$0.0125 per Share in accordance with the terms and conditions of the Instrument; and
- (e) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Warrants.”

### 3. “**THAT**

- (a) the authorised share capital of the Company be and is hereby increased from HK\$300,000,000 divided into 30,000,000,000 Shares to HK\$1,000,000,000 divided into 100,000,000,000 Shares by the creation of an additional 70,000,000,000 new Shares (the “**Increase in Authorised Share Capital**”); and
- (b) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the Increase in Authorised Share Capital.”

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

Hong Kong, 18 February 2016

*Registered office:*  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*  
26/F, No. 9 Des Voeux Road West  
Sheung Wan  
Hong Kong

## NOTICE OF EGM

*Notes:*

1. Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote on his behalf. A shareholder of the Company who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the EGM. A proxy needs not be a shareholder of the Company.
2. A form of proxy for use at the EGM is enclosed herewith. Whether or not you are able to attend and vote at the EGM or at any adjournment (as the case may be) in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjournment (as the case may be) thereof should you so wish. In the event that you attend the EGM after having returned the completed form of proxy, your form of proxy will be deemed to have been revoked.
3. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the EGM or at any adjournment (as the case may be) thereof.
4. In the case of joint registered holders of any share(s) of the Company, any one of such joint holders may attend and vote at the EGM or at any adjourned meeting thereof (as the case may be), either in person or by proxy, in respect of such share(s) as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the EGM or at any adjourned meeting thereof (as the case may be), the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.