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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)

(Warrant Code: 8015)

CLAFICIATION ANNOUNCEMENT

Reference is made to the announcement (the “**Announcement**”) of the Company dated 30 December 2016 in relation to the Placing of Convertible Notes in the principal amount of up to HK\$1,560,000,000 under specific mandate. Unless otherwise defined, terms used in this announcement shall have the same meaning as those defined in the Announcement.

As at 30 December 2016, being the date of the Placing Agreement, the closing price as quoted on the Stock Exchange was HK\$0.017, the Company’s share price is close to the extremity of HK\$0.01. The Company will comply with Rule 17.76 of the GEM Listing Rules prior to completion of the Placing, including but not limited to (i) conduct a share consolidation; and/or (ii) improve the Group’s profitability.

As at 30 November 2016, based on the unaudited consolidated management accounts of the Company, the total assets and cash & cash equivalents is approximately HK\$135,785,000 and HK\$34,739,000 respectively. However, as the placing is conditional upon, among other things, (i) all necessary authorisations, consents, licences, agreements, approvals or permissions of any kind of, from or by third parties and/or government or regulatory authorities (if any) including but not limited to the International Traffic in Arms Regulations (ITAR) required under or in connection with the Potential Acquisition having been obtained on terms satisfactory to the Placing Agent and remaining in full force and effect; and (ii) the passing of an ordinary resolution by the Shareholders to approve the Potential Acquisition at a general meeting of the Company, it is expected that the completion of the Placing will take place after the fulfilment of the conditions of the Potential Acquisition and completion of the Potential Acquisition.

As it is expected that the Placing and the Potential Acquisition will be inter-conditional upon each other, if the Placing is under-subscribed, the relevant condition precedent of the Potential Acquisition will not be met and the Potential Acquisition cannot proceed to completion. In such event, the Group will (i) explore other fund raising method to raise the required funds; and (ii)

negotiate further with the relevant parties to amend the terms of the Placing Agreement and the agreement in relation to the Potential Acquisition (the “**Thuraya Agreement**”).

The Board wishes to emphasise that the Possible Acquisition is subject to the completion of the acquisition of the equity issued shares in Skynet and the entering into of the Thuraya Agreement. The Possible Acquisition may or may not proceed. Shareholders and investors of the Company are urged to exercise caution when dealing in the securities of the Company.

If the Possible Acquisition is materialised, it will constitute a notifiable transaction on the part of the Company pursuant to the GEM Listing Rules. Prior to the entering into of the Thuraya Agreement, the Company will consult the Stock Exchange on the compliance of the GEM Listing Rules relating to cash companies and reverse takeover. Further announcement in respect of the Possible Acquisition will be made by the Company as and when appropriate in compliance with the GEM Listing Rules.

RESUMPTION OF TRADING

Trading in the Shares and warrants were halted at the request of the Company with effect from 9:00 a.m. on 3 January 2017 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the trading in the Shares and warrants to resume from 9:00 a.m. on 11 January 2017.

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

Hong Kong, 10 January 2017

As at the date of this announcement, the executive Directors are Mr. Xiang Xin (Chairman) and Mr. Chan Cheong Yee; the independent non-executive Directors are Ms. An Jing, Mr. Chen Yicheng and Mr. Wong Chung Kin, Quentin. 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.