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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

THE PLACING

On 31 December 2008, the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, in aggregate of 117,290,300 Placing Shares to not fewer than six Placees. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placees and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company (as defined in the GEM Listing Rules).

The maximum number of 117,290,300 Placing Shares under the Placing represent 20% of the existing issued share capital of the Company of 586,451,500 Shares as at the date of this announcement and approximately 16.67% of the Company's issued share capital of 703,741,800 Shares as enlarged by the Placing. The maximum aggregate nominal value of the Placing Shares under the Placing will be approximately HK\$8,210,000.

The Placing Price of HK\$0.07 represents a discount of approximately 9.1% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.077 as quoted on the Stock Exchange on 31 December 2008, being the last trading day immediately prior to the entering of the Placing Agreement; and (ii) the average closing price of HK\$0.077 in the last 5 trading days prior to the date of the Placing Agreement. The Placing Price of HK\$0.07 also represents a discount of approximately 16.9% to the average closing price of HK\$0.0842 in the last 10 trading days prior to the date of the Placing Agreement.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The gross proceeds from the Placing will be approximately HK\$8,210,000. The net proceeds from the Placing will amount to approximately HK\$8,128,000 which is intended to be used for general working capital. The net proceeds raised per Share upon the completion of the Placing will be approximately HK\$0.069 per Share.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

31 December 2008

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place in aggregate of 117,290,300 Placing Shares on a best effort basis and will receive a placing commission of 1.0% on the gross proceeds of the actual number of Placing Shares being placed. The Directors are of the view that the placing commission of 1.0% is fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge, the Placing Agent and its ultimate beneficial owners are not connected persons (as defined in GEM Listing Rules) of the Company and its connected persons (as defined in GEM Listing Rules).

Placees

The Placing Agent will place the Placing Shares to not fewer than six Placees. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placees and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company (as defined in the GEM Listing Rules). It is not expected that any individual Placee will become a substantial Shareholder (as defined under the GEM Listing Rules) of the Company immediately after the Placing.

Number of Placing Shares

The maximum number of 117,290,300 Placing Shares under the Placing represent 20% of the existing issued share capital of the Company of 586,451,500 Shares as at the date of this announcement and approximately 16.67% of the Company's issued share capital of 703,741,800 Shares as enlarged by the Placing. The maximum aggregate nominal value of the Placing Shares under the Placing will be approximately HK\$8,210,000.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.07 represents a discount of approximately 9.1% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.077 as quoted on the Stock Exchange on 31 December 2008, being the last trading day immediately prior to the entering of the Placing Agreement; and (ii) the average closing price of HK\$0.077 in the last 5 trading days prior to the date of the Placing Agreement. The Placing Price of HK\$0.07 also represents a discount of 16.9% to the average closing price of HK\$0.0842 in the last 10 trading days prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

The Placing Shares

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting held on 24 September 2008 subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorized to issue up to 117,290,300 Shares. Up to the date of this announcement, no Share has been issued under the General Mandate.

Conditions of the Placing Agreement

The Placing is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares under the Placing.

An application will be made to the Stock Exchange for the listing of and permission to deal in the Placing Shares.

Completion of the Placing

Completion of the Placing will take place within fifth business days after the fulfillment of the conditions set out in the Placing Agreement but not later than 31 January 2009 or such later date as may be agreed between the Company and the Placing Agent.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company was incorporated in Cayman Islands with limited liability. The Group is principally engaged in sales and marketing of mobile phone appliance and the relevant parts solution in Mainland China market.

The gross proceeds from the Placing will be approximately HK\$8,210,000. The net proceeds from the Placing will amount to approximately HK\$8,128,000 is intended to be used for general working capital. The net proceeds raised per Share upon the completion of the Placing will be approximately HK\$0.069 per Share.

The Directors have considered different types of fund raising arrangement and consider that the Placing is the most efficient way in terms of cost for the Company. In the meantime, the Company can take this opportunity to broaden the capital base of the Company. Accordingly, the Directors consider that the Placing (including the Placing Price) is fair and reasonable and is in the interests of the Company and the shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company did not raise any fund on issue of any equity securities in the 12-months period immediately before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

	Immediate before the Placing		Immediate after the Placing	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Public shareholders:				
Placees of Placing	0	0.00%	117,290,300	16.67%
Mr. Jo Wo Seob	81,200,000	13.85%	81,200,000	11.54%
Pretty Profit Enterprises Ltd.	60,000,000	10.23%	60,000,000	8.53%
Korea Technology Investment Corporation	37,000,000	6.31%	37,000,000	5.26%
Other public shareholders	408,251,500	69.61%	408,251,500	58.00%
	<u>586,451,500</u>	<u>100.00%</u>	<u>703,741,800</u>	<u>100.00%</u>

GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Further announcement will be made by the Company upon completion of the Placing.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“AGM”	the annual general meeting of the Company held on 24 September 2008
“Board”	the board of Directors
“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
“Directors”	the directors of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Placing”	the placing of 117,290,300 new Shares pursuant to the terms of the Placing Agreement
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 31 December 2008 in relation to the Placing

“Placing Price”	HK\$0.07 per Placing Share
“Placing Share(s)”	an aggregate of 117,290,300 new Shares to be placed pursuant to the Placing Agreement
“Placee(s)”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing Agent”	China Everbright Securities (HK) Limited, a licensed corporation to carry on business in type 1 (dealing in securities) and type 4 (advising on securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“PRC”	The People’s Republic of China
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
China Trends Holdings Limited
Xiang Xin
Chairman

Hong Kong, 2 January 2009

As at the date of this announcement, the executive Directors are Mr. Xiang Xin, Mr. Im Kai Chuen Stephen, Mr. Wong Chak Keung, Mr. Yang Xiao Ming and Mr. Cho Hui Jae and the independent non-executive Directors are Mr. Sze Lin Tang, Mr. Leung Wing Kin and Mr. Zhang Zhan Liang.

This announcement, for which the Directors collectively and individually accept full responsibilities, 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: (i) the information contained in this announcement is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumption that are fair and reasonable.

This announcement will remain on GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting and the website of the Company at www.8171.com.hk.