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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)

CONVERSION OF CONVERTIBLE BOND

On 7 July 2010, the Company received the conversion notices from the holders of the Convertibles Bond to exercise the conversion rights attached to the Convertible Bonds for the principal amount of HK\$89,403,264 in aggregate. The Board would like to report that 2,416,304,432 Conversion Shares at the adjusted price of HK\$0.037 per Conversion Share were allotted and issued on 9 July 2010.

The holders of the Convertibles Bonds shall not transfer or dispose of the Conversion Shares within a period of six months commencing from the date of allotment and issue of the Conversion Shares, and thereafter the Conversion Shares are freely transferable subject to payment of stamp duty in Hong Kong.

Reference is made to the announcement of China Trends Holdings Limited (the “**Company**”) dated 13 March 2009, the circular (the “**Circular**”) of the Company dated 26 May 2009, the announcement of the Company dated 30 December 2009 in relation to, among other things, the issue of the Convertible Bond and the announcement of the Company dated 6 July 2010 in relation to, among other things, the adjustment to the Convertible Bond. Capitalised terms used in this announcement shall have the same meanings as those defined in the Circular unless defined otherwise.

CONVERSION OF CONVERTIBLE BOND

On 7 July 2010, the Company received the conversion notices from the holders of the Convertibles Bond to exercise the conversion rights attached to the Convertible Bonds for the principal amount of HK\$89,403,264 in aggregate. The Board would like to report that 2,416,304,432 Conversion Shares (the “**Conversion Shares**”) at the adjusted price of HK\$0.037 per Conversion Share were allotted and issued on 9 July 2010.

The 432,432,432 Conversion Shares issued by the Company to Morgan Strategic Limited represent approximately 10.25% of the total issued share capital of the Company immediately prior to the conversion of the Convertible Bond and approximately 6.52% of the total issued share capital of the Company as enlarged by the issue of all the Conversion Shares. The total 1,983,872,000 Conversion Shares issued by the Company to Honour Sky International Limited, Mr. Wong Chak Keung and other holders of the Convertible Bond represent approximately 47.03% of the total issued share capital of the Company immediately prior to the conversion of the Convertible Bond and approximately 29.90% of the total issued share capital of the Company as enlarged by the issue of all the Conversion Shares. After the allotment and issue of the Conversion Shares, an aggregate principal amount of HK\$509,596,736 of the Convertible Bond remains outstanding.

The holders of the Convertibles Bond shall not transfer or dispose of the Conversion Shares within a period of six months commencing from the date of allotment and issue of the Conversion Shares, and thereafter the Conversion Shares are freely transferable subject to payment of stamp duty in Hong Kong.

The shareholding structure of the Company immediately before and after the issue of the Conversion Shares is set out as follows:

Shareholders	Immediately before the issue and allotment of the Conversion Shares		Immediately after the issue and allotment of the Conversion Shares	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Morgan Strategic Limited	803,600,000	19.05	1,236,032,432	18.63
Honour Sky International Limited (<i>Note 1</i>)	-	-	1,650,914,973	24.88
Wong Chak Keung (<i>Note 2</i>)	-	-	14,120,000	0.21
Other holders of the Convertible Bond	-	-	318,837,027	4.81
Sub-total	<u>803,600,000</u>	<u>19.05</u>	<u>3,219,904,432</u>	<u>48.53</u>
Public Shareholders	3,415,097,500	80.95	3,415,097,500	51.47
Total	<u>4,218,697,500</u>	<u>100.00</u>	<u>6,635,001,932</u>	<u>100.00</u>

Note:

- Honour Sky International Limited, a company incorporated in the British Virgin Islands with limited liability and Mr. Xiang Xin, the executive Director of the Company, is the sole director of the company and Mr. Xiang's family member(s) (excluding Mr. Xiang) is/are the ultimate beneficiaries of such company.*
- Mr. Wong Chak Keung is an executive director of the Company.*

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

Hong Kong, 9 July 2010

As at the date of this announcement, the executive Directors are Mr. Xiang Xin, Mr. Yang Gaocai, Mr. Wong Chak Keung and Mr. Law Gerald Edwin and the independent non-executive Directors are Mr. Zhang Zhan Liang, Ms. Lu Yuhe and Mr. Kwok Chi Hung.

This announcement, for which the Directors collectively and individually accept full responsibilities, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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 Company website at www.8171.com.hk.