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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)

**PRIORITY INVESTMENT AGREEMENT IN RELATION  
TO PREFERENTIAL INVESTMENT**

On 29 February 2016 (after trading hours), the Company and Guotai entered into a priority investment agreement whereby Guotai has agreed to offer the Company priority to invest in any of Guotai's media and/or e-commerce businesses on preferential conditions with investment consideration referenced to net asset value.

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares. The Preferential Investment may or may not proceed. The Company will make further announcement when appropriate pursuant to the requirements under the GEM Listing Rules.**

The board (the “**Board**”) of directors (the “**Directors**”) of China Trends Holdings Limited (the “**Company**”) announces that on 29 February 2016 (after trading hours), the Company and Guotai Investment Holdings (Group) Company Limited\* ( “**Guotai**”), entered into a priority investment agreement (the “**Priority Investment Agreement**”) whereby Guotai has agreed to offer the Company priority to invest in any of Guotai's media and/or e-commerce businesses on preferential conditions with investment consideration referenced to the net asset value (the “**Preferential Investment**”).

**PARTIES**

The Company is a company listed on the Growth Enterprise Market (“**GEM**”) of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company invests in and operates the “Wealth Storm” interactive TV platform and targets to setup 16 channels comprising lifestyle channel, digital channel, appliance channel, home channel, children channel, sports channel, health channel, food channel, game channel, education channel, vehicle channel, real estate channel, news channel, finance channel, movie channel and travel channel. The Company aims to pioneer the first “full payback” e-commerce media in the world by offering “gift when watching, and more gift on purchase”.

Guotai is an institution investor and invests in 120 projects, in which Guotai offers the Company investment priority on preferential conditions.

**INVESTMENT CRITERIA**

- 1. Projects of Guotai in which the Company has priority to invest are media and/or e-commerce businesses and should be complementary to or in line with the 16 channels of the “Wealth Storm” interactive TV platform of the Company (the “**Priority Projects**”). The 16 channels of the “Wealth Storm” interactive TV platform and content are as follows:

Lifestyle channel	- Media function	: Fashion purchase etc
	- Platform function	: Basic necessities etc
Digital channel	- Media function	: Digital assessment etc
	- Platform function	: Online purchase etc
Appliance channel	- Media function	: Home appliance recommendation etc
	- Platform function	: Home appliance etc
Home channel	- Media function	: Home magazine etc
	- Platform function	: Home products etc
Children channel	- Media function	: TV animation etc
	- Platform function	: Brain development game etc
Sports channel	- Media function	: Sport news etc
	- Platform function	: Fitness equipment etc
Health channel	- Media function	: Health tips etc
	- Platform function	: Weight reducing products etc
Food channel	- Media function	: Food introduction etc
	- Platform function	: Food coupon etc
Game channel	- Media function	: Game presentation etc

	- Platform function	: Recharge card etc
Education channel	- Media function	: Online education etc
	- Platform function	: Qualification training etc
Vehicle channel	- Media function	: Vehicle assessment etc
	- Platform function	: Vehicle purchase or rental etc
Real estate channel	- Media function	: Real estate reporting etc
	- Platform function	: Real estate purchase or rental etc
News channel	- Media function	: Headline reporting etc
	- Platform function	: Electronic newspaper etc
Finance channel	- Media function	: Finance news etc
	Platform function	: Fund management etc
Movie channel	- Media function	: Free arts etc
	- Platform function	: Charged film etc
Travel channel	- Media function	: Travel tips etc
	- Platform function	: Hotel or air ticket etc

2. There should be no business overlap between the Priority Projects and the Priority Projects should offer synergy for complementary development.
3. The shareholding structure of the Priority Projects should have an overseas ownership structure and not under a variable interest entity structure.
4. Any investment in the Priority Project will be subject to further formal agreement between the Company and Guotai and subject to the necessary disclosure, shareholders' approval and Stock Exchange approval requirements as the case may be.
5. The Company intends to acquire or invest in not more than 16 Priority Projects for which the Company intends to settle the consideration of the possible investment in Priority Projects by way of cash, shares or convertible bonds.
6. The consideration of each Priority Project will not exceed HK\$125 million or the net asset value of the Company at the time of the investment, whichever is lower.
7. The consideration for each Priority Project will be determined by reference to its net asset value.
8. The net asset value of each Priority Project will be based on the audited report issued by a Hong Kong accountants firm to be appointed by the Company.

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares. The Preferential Investment may or may not proceed or may constitute a major transaction of the Company. The Company will make further announcement when appropriate pursuant to the requirements under the GEM Listing Rules.**

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

Hong Kong, 29 February 2016

*As at the date of this announcement, the executive Directors are Mr. Xiang Xin (co-chairman), Ms. Zhong Keying and Mr. Chan Cheong Yee; the non-executive Director is Mr. Sun Kuan Chi, Mr. Xin Luo Lin, Ms. Chen Jiajing (co-chairman), Ms. Jing Linlin and Mr. Wang Wei; the independent non-executive Directors are Mr. Zhang Zhan Liang, Ms. An Jing, Mr. Chen Yicheng and Mr. Kwai Sze Kit. Ms Kung Ching is an alternate director to Mr. Xiang Xin.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting and the Company website at [www.8171.com.hk](http://www.8171.com.hk).*

*\* For identification purpose only*