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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)

**COOPERATION ON CONSTRUCTION AND OPERATION OF
FREE SATELLITE MOBILE INTERNET (SKYNET)**

Reference is made to the announcement made by the Company on 10 December 2013 in relation to the Company and Hughes China entered into a framework agreement on satellite mobile internet project.

The board is pleased to announce that on 9 April 2014 (after trading hours), the Company and Hughes China entered into an agreement in relation to the cooperation on construction and operation of free satellite mobile internet (Skynet).

This announcement is made by the Company pursuant to Rule 17.10(2) of the GEM Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Future Ordinance.

Reference is made to the announcement (the “**Announcement**”) made by the Company on 10 December 2013 in relation to the Company and Hughes China entered into a framework agreement on satellite mobile internet project. The Board is pleased to announce that the Company and Hughes China entered into an agreement in relation to the free satellite mobile internet project (Skynet). Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the Announcement.

CONTENT OF AGREEMENT ENTERED INTO

NETWORK CONSTRUCTION

Skynet satellite network construction project is currently planning to have fixed and mobile user network and the ultimate capacity having not less than 1000G;

- (1) The Company agrees with the help from Hughes China, invest in construction on satellite mobile internet for fixed and mobile users. Firstly develop the business on satellite mobile internet in Asia Pacific and extend the business to global where possible.
- (2) Hughes China will help the Company purchase or lease fixed user network which currently use Ku-band satellite in trial run and will use Ka-band satellite in the future, and construct or lease earth station for uploading data. Hughes China will help the Company to purchase or lease mobile user network which currently use L-band satellite in trial run and will use Ka-band satellite in the future, and construct or lease earth station for uploading data.
- (3) In order to comply with respective local regulations, the Company and Hughes China agree to cooperate with respective local telecom and television operators in bundle instead of directly dealing with end users after the completion of Skynet construction. The free satellite mobile internet will provide to end users through the respective local licensed telecom and television operators. The cooperation will strengthen the loyalty of users of telecom and television operators, and the Company can share the users resources and earn 50% revenue of value added service of free satellite mobile internet provided by telecom and television operators.
- (4) End users of telecom or television operators can use satellite mobile internet service for free as they buy dual-mode satellite phone and dual-mode satellite television from the Company, which customized these products with the help from Hughes China,

COOPERATION

- (1) The Company, followed by the network solutions provided by Hughes China, will purchase or lease satellite equipment to construct the above-mentioned satellite mobile internet system and promise to purchase products, including but not limited to satellite, earth station, mini station or chips etc., from Hughes China under the same commercial condition.
- (2) Hughes China agrees to accept the Company commission to construct and manage the above-mentioned internet network and introducing and arranging telecom and television operators to use the above-mentioned satellite mobile internet. Presently, China Mobile Satellite Communications Group Limited, EchoStar Asia Multimedia Limited Taiwan branch and Inner Mongolia Bureau of radio film and television etc. have intention to use the above-mentioned service.

REVENUE MODEL

- (1) The Company revenue model: income from sales of dual-model satellite phone and dual-model satellite television and 50% value added income from operators using Skynet such as 50% of charged television income from television operator.
- (2) Hughes revenue model: income from sales of satellite, earth station, mini station and chips etc. and maintenances service and management service income from equipment and network.

GENERAL

Skynet agreement is a cooperation agreement between both parties and will enter into supplemental agreement for those matters not covered. Should the entering into any of such further agreement constitute a notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules, the Company will comply with the relevant provisions of the GEM Listing Rules accordingly.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expression shall have the following meanings:

“Board”	The Board of Directors of the Company
“China Trends”	China Trends Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM of the Stock Exchange
“Directors”	the directors of the Company, including independent non-executive directors
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hughes China”	Hughesnet China Company Limited (named as Hughes Network Technology (Beijing) Limited in the Company announcement dated on 10 December 2013), is responsible for business of Hughes Network Systems LLC in Greater China which has been the well-known enterprise in PRC satellite industry
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Shareholders”	holder(s) of the Share(s) of the Company
“Skynet”	The Company and Hughes China, on 9 April 2014 (after trading hours) entered into an agreement in relation to cooperation on construction and operation of free satellite mobile internet project, tentatively named as Skynet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 9 April 2014

As at the date of this announcement, the executive Directors are Mr. Xiang Xin, Mr. Liang Xiaojin and Mr. Chen Banyan; the non-executive Director is Mr. Sun Kuan Chi; the independent non-executive Directors are Mr. Zhang Zhan Liang, Ms. An Jing and Mr. Chen Yicheng. 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.