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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)

UPDATE ON THE PROGRESS TO ACQUIRE ALL ISSUED SHARES OF SKYNET SATELLITE DATA LIMITED AND POTENTIAL INVESTMENT IN THURAYA TELECOMMUNICATIONS COMPANY

Reference is made to the announcements (the “**Skynet Acquisition Announcements**”) of the Company dated 25 November 2016, 4 December 2016 and 5 December 2016 in relation to the acquisition of Skynet, and to the announcements (the “**Placing Announcements**”) of the Company dated 30 December 2016 and 10 January 2017 in relation to the Placing of Convertible Notes in the principal amount of up to HK\$1,560,000,000 under specific mandate. Capitalized terms used herein shall have the same meanings as those defined in the Skynet Acquisition Announcements and the Placing Announcements unless otherwise stated.

THE PROGRESS

1. On 26 January 2017, the Company sent an email to Thuraya, in which the Company inform the status of the Acquisition by the Company and the fact that the Company has entered into the conditional Placing Agreement with VC Brokerage Limited, and requested Thuraya to confirm in written that Skynet has the rights to acquire 60% equity interests of Thuraya in the consideration of not more than USD200,000,000 by 30 March 2017 based on the net asset value of Thuraya.
2. On 30 January 2017, the Company was informed by Thuraya to contact its investment bank for the Company’s requests.
3. On 31 January 2017, the Company engaged its legal adviser to contact Thuraya’s investment bank, on behalf of the Company, in relation to the possible acquisition of 60% equity interests of Thuraya.
4. On 1 February 2017, the Company’s legal adviser sent an email to Thuraya, in which the Company requested Thuraya to confirm that Skynet has the rights to acquire 60% equity

interests of Thuraya in the consideration of not more than USD200,000,000 by 30 March 2017 based on the net asset value of Thuraya.

The vendor of the Acquisition informed the Company that, as at the date of this announcement, Thuraya's investment bank is still researching on the letter from the Company. The Company will make further announcement according to GEM Listing Rules once receiving any response from Thuraya and/or its investment bank.

As at the date of this announcement, the Company and Skynet have not started to audit the net asset value of Thuraya.

The Board wishes to emphasize that the Acquisition and the possible investment in Thuraya may or may not proceed. Shareholders and investors of the Company are urged to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 22 February 2017

As at the date of this announcement, the executive directors of the Company are Mr. Xiang Xin (Chairman) and Mr. Chan Cheong Yee; the independent non-executive directors of the Company are Mr. Wong Chung Kin Quentin, 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.