

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Trends Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

(Warrant Code: 8015)

**PROPOSED GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES,
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of China Trends Holdings Limited (the “**Company**”) to be held at 26/F, No. 9 Des Voeux Road West, Sheung Wan, Hong Kong on Wednesday, 28 June 2017 at 11:00 a.m. (“**Annual General Meeting**”) is set out in Appendix III to this circular.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time for holding the Annual General Meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Annual General Meeting or at any adjourned meeting thereof (as the case may be) should you so desire.

This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for seven days from the date of its publication.

25 May 2017

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CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at 26/F, No. 9 Des Voeux Road West, Sheung Wan, Hong Kong on 28 June 2017 at 11:00 a.m., a notice of which is set out in Appendix III to this circular
“Articles”	the articles of association of the Company
“associate(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of directors of the Company
“CG Code”	the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules
“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
“Companies Law”	the Companies Law of the Cayman Islands for the time being in force
“Director(s)”	the director(s) of the Company
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the issued share capital of the Company at the date of passing of such resolution
“Latest Practicable Date”	22 May 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, Macau Special Administration Region of the People’s Republic of China and Taiwan
“Repurchase Mandate”	the general mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital and 10% of the aggregate unit of the outstanding Warrants of the Company at the date of passing of such resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Warrant(s)”	Warrants(s) was issued by the Company on 29 March 2016 to subscribe for new Share(s) at a subscription price of HK\$0.0125 per new share, subject to adjustment
“Warrantholder(s)”	holder(s) of the Warrant(s)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



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)

(Warrant Code: 8015)

Executive Directors:

Mr. Xiang Xin

(Chairman and Chief Executive Officer)

Mr. Chan Cheong Yee

Independent non-executive Directors:

Mr. Wong Chung Kin Quentin

Mr. Chen Yicheng

Ms. An Jing

Alternate director:

Ms. Kung Ching

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place
of business in Hong Kong:*

26/F, No. 9 Des Voeux Road West

Sheung Wan

Hong Kong

25 May 2017

To the Shareholders and, for the Warranholders, for information only

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES,
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to (i) the proposed general mandates to issue and repurchase Shares, the extension of the general mandate to issue Shares; (ii) the proposed re-election of Directors; and (iii) to give you the notice of the AGM.

LETTER FROM THE BOARD

ISSUE MANDATE AND REPURCHASE MANDATE

The Issue Mandate and the Repurchase Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, or any other applicable law of the Cayman Islands to be held; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

Issue Mandate

The Company has in issue an aggregate of 42,715,581,796 Shares as at the Latest Practicable Date. Subject to the passing of the proposed resolution for the approval of the Issue Mandate and in accordance with the terms therein, the Directors will be authorised to allot and issue up to a maximum of 8,543,116,359 Shares, representing 20% of the total number of the issued Shares at the date of passing of the resolution approving the Issue Mandate on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM.

Subject to conditional on the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the AGM to extend the Issue Mandate by the addition to the total number of shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandates of an amount representing the Shares of the Company repurchased by the Company pursuant to the Repurchase Mandate provided that such extended amount shall not exceed 10% of the total number of Shares in issue of the Company at the date of passing the resolution for approving the Issue Mandate.

The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued under the share option scheme of the Company or the conversion of the convertible bonds of the Company or any scrip dividend scheme which may be approved by the Shareholders.

Repurchase Mandate

Under the GEM Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors of the Repurchase Mandate. The explanatory statement required by the GEM Listing Rules to be included in this circular is set out in Appendix I.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

According to Article 87(1), one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. In addition, according to Article 86(3), any Director appointed by the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election.

In accordance with article 87(1) of the Articles of Association of the Company, Mr. Xiang Xin and Ms. An Jing shall retire by rotation at the AGM of the Company. Mr. Xiang Xin and Ms. An Jing, being eligible, offer themselves for re-election at the AGM of the Company.

In accordance with article 86(3) of the Articles of Association of the Company, Mr. Wong Chung Kin Quentin shall retire at the AGM of the Company. Wong Chung Kin Quentin, being eligible, offer himself for re-election at the AGM of the Company.

At the AGM, an ordinary resolution will be proposed to re-elect each of Mr. Xiang Xin, an executive Director, Ms. An Jing and Mr. Wong Chung Kin Quentin, an independent non-executive Director respectively.

Particulars relating to Mr. Xiang Xin, Ms. An Jing and Mr. Wong Chung Kin Quentin are set out in Appendix II to this circular.

RESPONSIBILITY STATEMENT

This circular, for which the Directors 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, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

ANNUAL GENERAL MEETING

The notice convening the AGM, which contains, inter alia, relevant resolutions to approve the general mandates for Directors to issue and repurchase Shares, and re-election of Directors, is set out on pages 13 to 17 of this circular. Shareholders are advised to read the notice and to complete and return the accompanying form of proxy for use at the AGM in accordance with the instructions printed thereon.

LETTER FROM THE BOARD

VOTING BY POLL

In accordance with the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the resolutions set out in the notice convening the AGM will be voted by poll.

ACTION TO BE TAKEN

A form of proxy for use by the Shareholders at the AGM, and at any adjournment thereof is enclosed with this circular.

Whether or not you propose to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting if you so wish.

RECOMMENDATION

The Directors are of the opinion that the proposals referred to in this circular are in the best interests of the Company and the Shareholders as a whole and therefore recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

GENERAL

Your attention is drawn to the information set out in the appendices to this circular.

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

This appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide the requisite information to you for your consideration of the Repurchase Mandate.

1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES

The GEM Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates and a connected person is prohibited from knowingly selling his/her/its securities to the Company.

As at the Latest Practicable Date, no connected person (within the meaning ascribed to it in the GEM Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any securities to the Company nor has any such connected person undertaken not to sell any of the securities held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 42,715,581,796 fully paid Shares and 6,283,886,794 units of the Warrants carrying the rights to subscribe up to a maximum aggregate amount of HK\$78,548,584.925 for 6,283,886,794 new Shares at a subscription price of HK\$0.0125 per share was issued.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares and Warrants are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 4,271,558,179 Shares and 628,388,679 Warrants, representing 10% of the issued share capital and 10% of the aggregate unit of the outstanding Warrants of the Company respectively.

3. REASONS FOR THE REPURCHASE

The Directors believe that it is in the best interests of the Company and its Shareholders to continue to have a general authority from the Shareholders to enable the Directors to repurchase securities of the Company on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders as a whole.

4. FUNDING OF REPURCHASES

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles and the applicable laws of the Cayman Islands. The Companies Law of the Cayman Islands provides that the amount of capital repaid in connection with the securities repurchase must have been provided for out of the profits of the Company and/or out of the proceeds of a fresh issue of the securities made for the purpose of the repurchase to such an extent allowable under the Companies Law of the Cayman Islands.

An exercise of the Repurchase Mandate in full at any time during the proposed repurchase period would have a material adverse impact on the working capital but not on the gearing position of the Company as compared with the position disclosed in its most recent published audited consolidated financial statements in the 2016 annual report. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on GEM in each of the previous twelve calendar months up to the Latest Practicable Date were as follows (adjust to take into account to the effect of the issue of the bonus shares by the Company on 9 March 2016):

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2016		
May	0.021	0.016
June	0.017	0.013
July	0.016	0.014
August	0.017	0.014
September	0.016	0.014
October	0.021	0.014
November	0.021	0.015
December	0.020	0.015
2017		
January	0.020	0.016
February	0.020	0.015
March	0.018	0.016
April	0.018	0.015
May (up to the Latest Practicable Date)	0.017	0.015

6. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the securities in the Company if the Repurchase Mandate is approved at the AGM.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules and Companies Law.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the substantial Shareholders (as defined in the SFO) and in the event that the Directors exercise the Repurchase Mandate in full, shareholding percentage of the substantial Shareholders under the SFO would be as follows:

	Approximate percentage of shareholding as at the Latest Practicable Date	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Honour Sky International Limited (<i>Note 1</i>)	27.23%	30.26%
Kuan Hsin Huei (<i>Note 2</i>)	3.83%	4.26%
Ruan Xiaoping (<i>Note 2</i>)	3.51%	3.90%
Yu Bin (<i>Note 2</i>) (<i>Note 3</i>)	4.20%	4.67%
Zheng Yan (<i>Note 2</i>) (<i>Note 3</i>)	4.20%	4.67%
Chen Yingjiu (<i>Note 2</i>)	1.41%	1.57%
Wang Jianjun (<i>Note 2</i>)	0.70%	0.78%

Notes:

- Honour Sky International Limited is a private company wholly and beneficially owned by China Technology Education Trust Association (the "**Trust Association**"). Accordingly, the Trust Association is interested in the Shares and the underlying Shares of the Company held by Honour Sky International Limited. The Trust Association is a society registered under the provisions of section 5A(1) of the Societies Ordinance in 2005, which is a charitable society providing charity and financial aid to education and employment in Hong Kong and Mainland China. Mr. Xiang Xin, an executive Director, is a chairman of the Trust Association.
- According to the disclosure of interest of the Stock Exchange, Kuan Hsin Huei, Ruan Xiaoping, Yu Bin, Zheng Yan, Chen Yingjiu and Wang Jiajun are the parties acting in concert (the "**Current Purported Consortium**"). They are interested in Shares of approximately 13.65% and in Warrants of approximately 4.50% of the total issued share capital of the Company.
- According to the disclosure of interest of the Stock Exchange, Yu Bin and Zheng Yan are in the interests of Children under 18 and/or spouse.

If the present shareholdings remained the same, the shareholding of Honour Sky International Limited would be increased to approximately 30.26% of the issued share capital of the Company in the event that the Repurchase Mandate is exercised in full. The Directors have no present intention to exercise the repurchase proposal to such an extent as would result in takeover obligations. Furthermore, the Company may not repurchase securities which would result in the amount of Shares held by the public being reduced to less than 25%.

7. SHARES REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

The details of the Directors who will retire from office at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

Mr. Xiang Xin (“**Mr. Xiang**”), aged 54, was the Chairman of the Board, Chief Executive Officer and executive director of the Company. Mr. Xiang has worked in several large organizations in the PRC and engaged in technology project management and corporate strategy research for a long time. Mr. Xiang also possesses many years of experience in project investment and information technology businesses. Mr. Xiang holds a bachelor’s degree in science and a master’s degree in engineering from Nanjing University of Science & Technology. Mr. Xiang is a Chairman of China Technology Education Trust Association. Mr. Xiang is currently a chairman, chief executive officer and executive director of China Innovation Investment Limited (stock code: 1217), a company listed on the main board of the Stock Exchange. Mr. Xiang joined the Company on 25 February 2008.

Mr. Xiang has not entered into a director service contract with the Company. Mr. Xiang has not been appointed for a specific term and will be subject to retirement and re-election by the Shareholders pursuant to the Articles. Mr. Xiang is entitled to a director allowance of HK\$60,000 per annum as determined and based on duties and responsibilities for acting as an Executive Director.

As at the Latest Practicable Date, Mr. Xiang hold 120,000,000 share options of the Company which representing 0.28% of issued share capital of the Company.

Save as disclosed above, Mr. Xiang does not hold any interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Mr. Xiang is not connected with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, Mr. Xiang did not hold directorship in other listed companies in the last three years preceding the date of this circular nor was there any other information required to be disclosed pursuant to the requirements of Rule 17.50(2) of the GEM Listing Rules.

Ms. An Jing (“**Ms. An**”), aged 44, received her bachelor degree in economic from Henan University of Finance and Economics. Ms. An is a practicing member of The Chinese Institute of Certified Public Accountants and the senior partner of 北京正清和會計師事務所 (transliterated as Beijing Zheng Qing He Accounting Firm). Ms. An has over 20 years of experience in accounting and auditing industry. Ms. An joined the Company on 31 January 2011.

Ms. An has not entered into a director service contract with the Company. Ms. An has not been appointed for a specific term and will be subject to retirement and re-election by the Shareholders pursuant to the Articles. Ms. An is entitled to a director allowance of HK\$30,000 per annum as determined and based on duties and responsibilities for acting as an Independent Non-Executive Director.

As at the Latest Practicable Date, Ms. An hold 60,000,000 share options of the Company which representing 0.14% of issued share capital of the Company.

Save as disclosed above, Ms. An does not hold any interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Ms. An is not connected with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, Ms. An did not hold directorship in other listed companies in the last three years preceding the date of this circular nor was there any other information required to be disclosed pursuant to the requirements of Rule 17.50(2) of the GEM Listing Rules.

Mr. Wong Chung Kin Quentin (“**Mr. Wong**”), aged 45, holds a bachelor degree of Accounting and Financial Management and master degree in Internal Auditing Management. Mr. Wong is the fellow member of The Hong Kong Institute of Certified Public Accountants, Hong Kong Taxation Institute, the Association of Chartered Certified Accountants and The Society of Chinese Accountant & Auditors. Mr. Wong is the founder of Quentin Wong & Co. Certified Public Accountants (Practising). Mr. Wong is an independent non-executive director of China Investment Fund Co Ltd between 1 December 2011 and 17 May 2016 and an independent non-executive director of Value Convergence Holdings Limited since 5 March 2012 which is listed on the main board of The Stock Exchange of Hong Kong Limited respectively. Mr. Wong joined the Company on 4 November 2016.

Mr. Wong has not entered into a director service contract with the Company. Mr. Wong has not been appointed for a specific term and will be subject to retirement and re-election by the Shareholders pursuant to the Articles. Mr. Wong is entitled to a director allowance of HK\$30,000 per annum as determined and based on duties and responsibilities for acting as an Independent Non-Executive Director.

Save as disclosed above, Mr. Wong does not hold any interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Mr. Wong is not connected with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, Mr. Wong did not hold directorship in other listed companies in the last three years preceding the date of this circular nor was there any other information required to be disclosed pursuant to the requirements of Rule 17.50(2) of the GEM Listing Rules.

**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)

(Warrant Code: 8015)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of China Trends Holdings Limited (the “**Company**”) will be held at 26/F, No. 9 Des Voeux Road West, Sheung Wan, Hong Kong on Wednesday, 28 June 2017 at 11:00 a.m. for the following purposes:

1. to receive and consider the audited consolidated financial statements and the reports of the Directors and auditor for the year ended 31 December 2016;
2. to re-elect the retiring Directors and to authorise the board of Directors to fix the Directors’ remuneration;
3. to re-appoint ZHONGHUI ANDA CPA Limited as auditor and to authorise the board of Directors to fix their remuneration;

To consider and, if thought fit, pass (with or without modification) the following ordinary resolutions:

4. “**THAT:**

- (a) subject to paragraph 4(c) of this resolution, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued Shares and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph 4(a) above shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);

(c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph 4(a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association (the “**Articles**”) of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

- (i) 20% of the total number of Shares of the Company in issue on the date of the passing of this resolution; and
- (ii) (provided that resolution no. 6 is passed) the number of Shares of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate total number of Shares of the Company in issue and 10% of the aggregate unit of the outstanding Warrants on the date of the passing of this resolution),

and the authority pursuant to paragraph 4(a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, the Companies Law or any other applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be

involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. “**THAT:**

- (a) subject to paragraph 5(b) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase the Shares and outstanding Warrants of the Company on the Stock Exchange or any other stock exchange on which the Shares and the Warrants may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares and the unit of Warrants which may be repurchased by the Company pursuant to the approval in paragraph 5(a) during the Relevant Period (as defined below) shall not exceed 10% of the total number of Shares in issue and 10% of the unit of outstanding Warrants of the Company as at the date of the passing of this resolution. The authority pursuant to paragraph 5(a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, the Companies Law or any other applicable law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

6. “**THAT:**

subject to the passing of resolutions no. 4 and 5 above, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to resolution no. 4 above and for the time being in force to exercise the powers of the Company to allot shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by the addition to the number of Shares and the unit of Warrants repurchased by the Company since the granting of such general mandate pursuant to the exercise by the Directors of the Company of the powers of the Company to repurchase such Shares

and Warrants pursuant to resolution no. 5, provided that such amount shall not exceed 10% of the total number of Shares of the Company in issue of the Company as at the date of passing of the said resolution.”

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

Hong Kong, 25 May 2017

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place
of business in Hong Kong:*

26/F, No. 9 Des Voeux Road West
Sheung Wan
Hong Kong

Notes:

1. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power or authority, must be deposited with the Company's branch registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the Annual General Meeting or any adjournment thereof, should he so wish.
3. In relation to proposed resolution no. 2 above, Mr. Xiang Xin, Ms. An Jing and Mr. Wong Chung Kin, Quentin will retire from their offices of Directors at the Annual General Meeting and Mr. Xiang Xin, Ms. An Jing and Mr. Wong Chung Kin, Quentin being eligible, will offer themselves for re-election at the Annual General Meeting.
4. In relation to proposed resolutions no. 4 and 6 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares of the Company under the GEM Listing Rules. The Directors have no immediate plans to issue any new Shares of the Company other than Shares which may fall to be issued under the share option scheme of the Company or the convention of the convertible bonds of the Company or any scrip dividend scheme which may be approved by shareholders.
5. In relation to proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase securities in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the GEM Listing Rules is set out in Appendix I to this circular.

6. In accordance with the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the resolutions set out in this notice will be voted by poll.
7. For the purpose of ascertaining shareholders' entitlement to attend and vote at the Annual General Meeting to be held on 28 June 2017, the register of members of the Company will be closed from Friday, 23 June 2017 to Wednesday, 28 June 2017, both days inclusive, during which period no transfer of shares will be registered and no share will be allotted upon exercise of the subscription rights attached to the warrants of the Company. In order to be eligible to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange square, 338 King's Road, North Point, Hong Kong, not later than 4:00 p.m. on Thursday, 22 June 2017.
8. In order for warrant holders to be eligible to attend and vote at the Annual General Meeting to be held on 28 June 2017 in the capacity as shareholder of the Company, all subscription forms accompanied by the relevant warrant certificates and remittances for the relevant subscription monies must be lodged with the Company's warrant registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange square, 338 King's Road, North Point, Hong Kong, not later than 4:00 p.m. on Wednesday, 14 June 2017.
9. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 8:00 a.m. on the date of the annual general meeting, the meeting will be postponed. The Company will publish an announcement on the website of the Company at www.8171.com.hk and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and venue of the rescheduled meeting.

As at the date of this notice, 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, Mr. Chen Yicheng. Ms. Kung Ching is an alternate director to Mr. Xiang Xin.

This notice, 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 notice 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 notice misleading.

This notice 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.