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**CHINA INNOVATION INVESTMENT
LIMITED**

中國創新投資有限公司

*(incorporated in the Cayman Islands with limited
liability)*

(Stock Code: 1217)



**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)

GROUP BUSINESS LOSS WARNING

This joint announcement is made pursuant to Rule 13.09(1) of the Listing Rules and Rule 17.10 of the GEM Listing Rules.

Reference is made to the announcement of China Innovation Investment Limited (“**China Innovation**”) dated 16 November 2012 in relation to, among others, the bank account of Blue Angel China is being frozen; and the announcement of China Trends Holdings Limited (“**China Trends**”) dated 21 November 2012 in relation to, among others, the bank account of Boss China is being frozen.

The bank accounts of Blue Angel China and Boss China are being frozen by China Jiangsu Province Zhenjiang New District Public Security Bureau on 7 November 2012. That causes a material adverse effect to Blue Angel China and Boss China business and their signed agreements. It also causes a great adverse impact to the goodwill of other investment projects invested by China Innovation and China Trends. That may lead to those cooperation framework agreements could not be executed or completed within the prescribed period.

Business forced to be aborted

(I) All business of Blue Angel China have been aborted;

- (II) The trading businesses carried out by Boss China are all forced to be aborted. As at 7 November 2012, the operating income of Boss China for this year was RMB166,615,754 (equivalent to approximately HK\$208,269,692) and gross profit was RMB5,455,691 (equivalent to approximately HK\$6,819,613).

The distribution business of Boss China, originally scheduled to be started on 1 January 2013, may also be forced to delay or abort.

Cooperation projects being affected

- (I) Affected by Blue Angel China bank accounts being frozen, apart from cooperation projects of Blue Angel China, the cooperation projects of Chinese Innovation's other investment companies may also be adversely affected by the events. The relevant partners express varying degrees of anxiety to the event.
- (II) The cooperation projects of Boss China in PRC were affected by Boss China bank accounts being frozen. The following signed agreements are unlikely to perform as a result of the conditions of the agreements could not be reached within the prescribed period of time:
1. Boss China entered into a cooperation framework agreement with Zhejiang Lianyijia Technology Limited and Boss Dream Cultural Communication Company Limited ("Boss Cultural") on 29 February 2012 to cooperate build one million "energy-saving media terminal".
 2. Boss China entered into a cooperation framework agreement with Beijing Flame Chuanxiang Network Technology Limited and Boss Cultural on 9 March 2012 to cooperate construct 10,000 military game theme of "Glorious Mission — National Defense Education Experience Centers".
 3. Boss China entered into a cooperation agreement with Next Step China Management Company Limited and Boss Cultural on 2 May 2012 to cooperate establish 10,000 "Satellite Lecture".
 4. Boss China entered into a cooperation framework agreement with Knowhow Software (HK) Limited on 20 August 2012 to cooperate construct "Smart City".

Shareholders and potential investors are advised to exercise caution in dealing with the shares of China Innovation and China Trends.

DEFINITIONS

Unless the context requires otherwise, the following terms have the following meanings in this announcement:

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|---------------------|--|
| “Blue Angel China” | Blue Angel (China) Company Limited, a company established in the Shenzhen, PRC. A wholly owned subsidiary of one of the investment companies of China Innovation |
| “Boss China” | Boss Dream (China) Company Limited, a company incorporated in the Beijing, PRC, a subsidiary 99% owned by the China Trends |
| “China Innovations” | China Innovation Investment Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on Main Board of the Stock Exchange |
| “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 |
| “GEM” | the Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Rules” | The Rules Governing the Listing of Securities on GEM |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | The People’s Republic of China |
| “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 |

By Order of the Board
China Innovation Investment Limited
Xiang Xin
Chairman and Chief Executive Officer

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

Hong Kong, 28 November 2012

As at the date of this announcement, the Executive Directors of China Innovation are Mr. Xiang Xin, Mr. Chan Cheong Yee, Mr. Li Zhou and Mr. Jook Chun Kui Raymond; the Non-executive Director is Mr. Ng Kwong Chue Paul; the Independent Non-executive Directors are Mr. David Wang Xin, Mr. Zang Hong Liang and Mr. Lee Wing Hang; Ms. Kung Ching is alternate director to Mr. Xiang Xin.

As at the date of this announcement, the executive Directors of China Trends are Mr. Xiang Xin, Mr. Liang Xiaojin and Mr. Chen Banyan and the independent non-executive Directors are Mr. Zhang Zhan Liang and Ms. An Jing and Mr. Chen Yicheng; Ms. Kung Ching is alternate director to Mr. Xiang Xin.

This announcement, for which the directors of China Trends 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 China Trends website at www.8171.com.hk.