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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)

**“ANIMATION MEDIA”
COOPERATION FRAMEWORK AGREEMENT**

The Board is pleased to announce that on 25 December 2012, China Trends Technologies (a wholly-owned subsidiary of the Company) and Europe & America Pioneer entered into a cooperation framework agreement. Within one year from the date of entering this agreement, European & American Pioneer would set up “Animation Media Company” in Shenzhen, China. The registered capital of the company is not less than RMB 60 million; China Trends Technologies provides exclusive right of using the 320 episodes original cartoons of “Detective Whiskers Cat” to “Animation Media Company”, and obtain 7% of operating income of “Animation Media Companies” as concession revenue.

COOPERATION FRAMEWORK AGREEMENT

Date: 25 December 2012

Parties: (1) China Trends Technologies (a wholly-owned subsidiary of the Company)
(2) Europe & America Pioneer

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Europe & America Pioneer is an Independent Third Party.

PRINCIPLE TERMS

1. Within one year from the date of entering this agreement, European & American Pioneer would set up “Animation Media Company” (the name is subject to be determined by Chinese Industry and Commerce Administrative Department) in Shenzhen, China. The registered capital of the company is not less than RMB 60 million.
2. After the set up of “Animation Media Company” and within the effective date of this agreement, China Trends Technologies provides exclusive right of using the 320 episodes original cartoons of “Detective Whiskers Cat” to “Animation Media Company”, and obtain 7% of operating income of “Animation Media Companies” as concession revenue.
3. European & American Pioneer agreed that China Trends Technology appoints two directors to the five-member board of directors of Animation Media Company;
4. Within the effective date of this agreement, if agreed by both parties, if China Trends Technology permanent use the exclusive right of the 320 original cartoons of “Detective Whiskers Cat”, Europe & America Pioneer and its related shareholder (Wang Weixi) could transfer 50% of shareholding right of “Anime Media Company” to China Trends Technology;
5. The cooperation progress of both parties in “Animation Media Company” shall be prevailed by “Animation Media Companies Business Plan” agreed by both parties.
6. The agreement is valid for 15 years.

REASONS FOR ENTERING INTO THE COOPERATION FRAMEWORK AGREEMENT

With the Chinese Ministry of Culture issued a “Cultural reform and development plan of the 12th Five-Year” on May 2012, it clearly point out the vigorously development of animation industry, this encourage the development of emerging animation industry. Soon after, the Chinese Ministry of Culture issued “12th Five-Year development plan for the national animation industry”, specifically mentioned “increase efforts to support and promote the excellent animation products” in the “Plan”.

At present, the global animation industry (digital content) output value reached US\$222.8

billions. The output value of related animation products is more than US\$500 billions. From a global point of view, the animation industry has become a huge industry. The introduction of relevant policies in China will benefit the animation industry. The areas from associated animation film, animation publishing, animation games and animation in new media will also benefit.

Europe & America Pioneer is a company operating animation media. The set up of the “Animation Media Company” operating mode is innovative animation industry mode and has good prospects for development.

China Trends Technologies owns 320 episodes original cartoons of “Detective Whiskers Cat”. After provided to “Animation Media Company” for using, it enriched the content of “Animation Media Company” animation products. The Directors consider that the cooperation event is in the interests of the Company and the Shareholders as a whole. And it plays a huge role of supporting and promoting the development of low-carbon culture industry in the Company.

GENERAL INFORMATION

All the terms and conditions of the formal agreement are subject to further negotiations between the parties, or may not lead to the entering into of the formal agreement. According to the GEM Listing Rules, in the event that the transactions contemplated under the formal agreement materialize, the Company will make further announcement in relation to the details of the transactions contemplated under the formal agreement as and when required by the GEM Listing Rules. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the Board of Directors of the Company
“China Trends Technologies”	China Trends Technologies Limited, a wholly-owned subsidiary of the Company. A company incorporated in Hong Kong with limited liability

“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 of the Stock Exchange
“Directors”	the directors of the Company, including the independent non-executive directors
“Europe & America Pioneer”	歐美聯合留學生創業園有限公司 (transliterated as Europe and America Joint Students Pioneering Park Limited). A company registered in Samoa with limited liability
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Share (s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 25 December 2012

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