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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)

LOW-CARBON CITY COOPERATION FRAMEWORK AGREEMENT

The Board is pleased to announce that on 5 June 2013, the Company and 中金地產發展有限公司 entered into a cooperation framework agreement. According to the framework agreement, the Company will provide low-carbon city solutions to government around the country and combined to create “Citysky·low-carbon city” project (the "project"). 中金地產, as the real-estate developers, will complete the construction project in according with the Company’s solutions and transfer the construction results to the company/ person that designated by the Company.

The Board announces that the Company entered into the Framework Agreement with 中金地產發展有限公司 in relation to the “Citysky·low-carbon city” project.

THE PRINCIPLE TERMS

Date: 5 June 2013(After trading hours)

Parties: Party A: China Trends Holdings Limited
Party B: 中金地產發展有限公司

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, 中金地產發展有限公司 is an Independent Third Party.

PROJECT CONSTRUCTION CONTENT

- (1) Project Overview: The project is expected to cover every city landing about 5-20 square kilometers; detailed indicators will be identified by the parties in formal agreement.
- (2) Project Description: The project includes the overall design of Party A and project building contains all the content, project content is identified by solutions provided by the Party A.

PROJECT SPECIAL AGREEMENT

- (1) Party B as the main subject of the investment and development, entitled to receive the Funds from the company / person designated by Party A as income;
- (2) Party A as the owner of the solutions of the project, entitled to obtain the 5% -10% of the Funds as income.

PROJECT ARRANGEMENT

- (1) Party A should arrange Party B as real-estate developers to exercise the rights of the owners.
- (2) Party B should deliver the project to the company/person designated by Party A within 30 working days after the acceptance of the project.
- (3) Party B will arrange for the transfer documents of proprietary rights of real-estate related after the payment from the company/person designated by Part A according to the formal cooperation agreement signed by both parties.

PROJECT MANAGEMENT AND DELIVERY OF THE RIGHT TO USE

- (1) The project must be designated and constructed in accordance with PRC construction standards;
- (2) Architectural design involved in the project should be made by qualified designers

appointed by Party A; Party A has the final decision on the design of the project; without the written permission of Party A, Party B has no right to change any part of the solutions;

- (3) All the procedures working such as project acceptance, project reporting, should be done by Party B. Party A should provide assistance and coordination.

PARTY A PROMISE

- (1) To arrange resource for the project and coordinate with government;
- (2) To assist Party B to obtain necessary approval, authorization, permission and any tax exemption from legal, regulatory and other aspect for project implementation;
- (3) Party A has the final decision on project design and construction solutions ;
- (4) To assist Party B to implement the project and have the right to inspect and supervise the design, construct, install, decorate, operate, maintenance etc of the project.

PARTY B PROMISE

- (1) To take responsibility to construction, installation, decoration and maintenance upon Party A construction planning instruction;
- (2) To take full responsibility on project construction and ensure the project quality are in accordance with PRC standard on construction;
- (3) To coordinate and sign contract if necessary with party to design, finance, construct, insure and supervise;
- (4) To take responsibility on financing on entire project and ensure the project completed on schedule.

SETTLEMENT ARRANGEMENT

Party B promise to transfer the proprietary rights (including Property Certificate) to the company/ person which is designated by Party A.

THE PROPRIETARY RIGHTS OF THE PROJECT

- (1) Party B entitled the proprietary rights of the project until it deliver to the company/person designated by Party A;
- (2) Party B should arrange for the transfer documents of proprietary rights of property related after it deliver to the company/person designated by Party A.

DEFAULT CLAUSE

- (1) If Party B fails to be completed the project on time, it shall pay liquidated damages for each day of delay, the liquidated damages will be be calculated on daily basis as thousandth of the total cost to complete the project;
- (2) If the project fails to fulfill the qualification, and which cause losses to Party A, Party B shall pay Party A the amount of investment failed projects plus liquidated damages.

REASONS FOR COOPERATION

Party A provides low-carbon city solution to government around the country and combined to create "City·sky, low-carbon city" project in order to response to the call of energy-saving in PRC while Party B is willing to cooperate with Party A as a result of responding to the PRC "12th Five-Year Plan" upon urbanization of town and energy-saving.

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:

“Framework Agreement” the framework agreement dated 5 June 2013 (after trading

hours) entered into between the Company and the Party B in relation to the “Citysky·low-carbon city” project

“Board”	the Board of Directors of the Company
“Company” or “Party A”	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
“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
“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
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“中金地產” or “Party B”	中金地產發展有限公司, a company registered in Yanjiao national high tech industrial development area, the registered address is No.1 HuangJin street, Yanjiao national high tech industrial development area, Beijing, China
“the Funds”	Decoration cost of the project paid by the company/person designated by Party A to Party B plus the government grants received by Party B, the amount will be identified by both parties in the specific formal corporation agreement.
“the project”	“Citysky·low-carbon city” project

By Order of the Board
China Trends Holdings Limited
Wang Yaomin
Chairman

Hong Kong, 5 June 2013

As at the date of this announcement, the executive Directors are Mr. Xiang Xin, Mr. Liang Xiaojin and Mr. Chen Banyan and the non-executive Director is Mr. Wang Yaomin; and 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.

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