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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)

**FRAMEWORK AGREEMENT
RELATING TO SATELLITE MOBILE INTERNET PROJECT
WITH HUGHES CHINA
AND
APPOINTMENT OF DR. SUN, CEO OF HUGHES CHINA,
AS NON-EXECUTIVE DIRECTOR**

The Board is pleased to announce that on 10 December 2013 (after trading hour), China Innovation, China Trends and Hughes China entered into a cooperation framework agreement in relation to Satellite Mobile Internet Project.

In addition, the Board is pleased to announce that Dr. Sun is appointed as the non-executive Director of China Innovation and China Trends with effect from 10 December 2013.

**DESCRIPTION OF SATELLIT MOBILE INTERNET PROJECT
FRAMEWORK AGREEMENT**

PARTIES DESCRIPTION

Hughes China is responsible for business of Hughes Network Systems LLC in the Greater China. Hughes China is the famous supplier in international satellite industry and Hughes's satellite system such as TES, PES was widely used in PRC. As a satellite suppliers, Hughes

China also closely cooperate with Beijing Zhongwei Huitong Network Systems Technology Limited and major domestic telecom operators such as China Telecom, China Unicom through the way of VIE, to launch “One World” broadband communication services in PRC and satisfied the demand of public, household consumption, corporate and government enterprise communication requirement.

China Trends have been listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited and was engaged in the low-carbon energy-saving applications for digital products solutions and applications make use of the energy performance contracting (EPC) and BOT mechanism which would ultimately apply to different sectors in the society and different cities. China Trends is the first batch of enterprise investing in mobile internet and experienced in operating within mobile internet industry and project. Management of China Trends has been cooperated with Hughes for fifteen years.

China Innovation has been listed on the Main Board of the Stock Exchange of Hong Kong Limited and is one of the few investment companies in Hong Kong focusing investment in dual usage of military and civil sectors. China Innovation has invested in number of dual usage of civil and military enterprises and across the four new industries “New Energy”, “New Light”, “New Materials” and “New Media”. China Innovation’s fellow companies have an ability of creating and manufacturing high quality products and meet the demand from Satellite Mobile internet Project with the help of mobile terminals with low-carbon technology.

PROJECT ARRANGEMENT

- (1) Hughes China is responsible for market development and technical support on Satellite Mobile Internet Project within the Greater China;
- (2) China Trends is responsible for investing in operating equipment on Satellite Mobile Internet Project within the Greater China;
- (3) China Innovation is responsible for manufacturing terminal equipment on Satellite Mobile Internet Project within the Greater China.

OPERATING ARRANGEMENT

- (1) Hughes China agreed to give priority to China Trends upon investment in the Greater China in relation to Satellite Mobile Internet Project;
- (2) China Trends, under the same condition, agreed to give priority to purchase Hughes

China's Satellite Mobile Internet operating equipment;

- (3) China Innovation, under the same condition, agreed to give priority to arrange China Innovation's fellow company to supply or manufacture terminals in relation to Satellite Mobile Internet Project;

OTHER MATTERS

- (1) All Parties agreed to give priority to discuss the project in relation to mobile broadband internet and mobile video broadcast in midwest China as recommended by Hughes China ;
- (2) All Parties agreed to discuss the possibility of cooperation upon Hong Kong capital market issue (no disclosure is considered as necessary as at the date of this announcement). China Trends and China Innovation agreed to appoint Dr. Sun, Chief Executive Officer of Hughes China, as non-executive Director of China Innovation and China Trends.

GENERAL MATTERS

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 Main Board and GEM Listing Rules, in the event that the transactions contemplated under the formal agreement materialize, China Innovation and China Trends will make further announcement in relation to the details of the transactions contemplated under the formal agreement as and when required by the corresponding Listing Rules. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

APPOINTMENT OF DR. SUN KUAN-CHI, MICHAEL ("DR. SUN") AS NON-EXECUTIVE DIRECTOR

Dr. Sun, aged 65, is currently the CEO of Hughes China. Hughes China has close business relationship with China Telecom Corporation and is a leading provider of broadband satellite services in China. Hughes China's prestigious customers include Telecom Corporation Limited (China Telecom) and China United Network Communication Limited (China Unicom), Shanghai Stock Exchange, Shenzhen Stock Exchange, and Ministry of Education. Other major customers include Civil Aviation Administration of China (CAAC), People's Bank of China (PBOC), PetroChina Company Limited and Shanghai Video and Audio (SVA) etc.

Dr. Sun worked for Hughes Network Systems LLC (headquartered in Germantown,

Maryland) for more than 20 years, as Corporate Vice President and General Manager of Hughes China Operation. He established Hughes China office in China in 1993 and developed Hughes VSAT business to become the dominant supplier of VSAT systems, with customers in almost every major government organization in China. Prior to working for Hughes, Dr. Sun worked for General Electric Information Systems as manager, product marketing. Before joining General Electric Information Systems, Dr. Sun worked for Sprint Telenet as Senior Director, Network Design. Dr. Sun helped growing Sprint Telenet to become the leader of the industry in Packet Switched Public Network. Dr. Sun started his career at Computer Sciences Corporation supporting NASA Goddard Space Flight Center.

Dr. Sun received his Ph.D. degree from Georgetown University in 1976. He also received his Master degree from The Johns Hopkins University in Computer Sciences, and his MBA degree from Marymount University of Virginia. Dr. Sun graduated from National Cheng Kung University in Taiwan in 1970.

Dr. Sun has neither entered into a service contract with China Innovation nor China Trends. Dr. Sun is entitled to a fixed remuneration of director's fee in the amount of HK\$30,000 per annum for each company as determined and based on duties and responsibilities for acting as a Non-executive Director. Dr. Sun is not appointed for a specific term and will retire from office at the forthcoming annual general meeting, at which time Dr. Sun will be eligible for re-election pursuant to the articles of association of China Innovation and China Trends.

Save as disclosed above, Dr. Sun has not held any position with China Innovation and China Trends or any of its subsidiaries and has not been a director in any other listed company in the past three years. Dr. Sun is not connected with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of China Innovation and China Trends. As at the date of this announcement, Dr. Sun does not have any interest in the securities of China Innovation and Chain Trends within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, Dr. Sun, China Innovation and China Trends are not aware of any matters that need to be brought to the attention of the shareholders of China Innovation and China Trends and there is no information relating to Dr. Sun that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on the Main Board Market of the Stock Exchange (the "Main Board Listing Rule") and Rule 17.50(2)(h) to (v) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules").

The Board takes this opportunity to extend its warmest welcome to Dr. Sun to join China Innovation and China Trends.

DEFINITIONS

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

“Framework Agreement”	the frame work agreement date 10 December 2013 (after trading hours) entered into between Hughes China, China Innovation and China Trends in relation to Satellite Mobile Internet Project
“Board”	The Board of Directors of China Innovation and China Trends
“China Innovation”	China Innovation Investment Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on 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 of the Stock Exchange
“Directors”	the directors of China Innovation and China Trends, including 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

“Hughes China”	Hughes Network Technology (Beijing) Limited, a fellow company of Hughes Network Systems LLC which is the famous supplier in satellite industry
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on Main Board
“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
“Shareholders”	holder(s) of the Share(s) of China Innovation or China Trends
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

By Order of the Board
China Trends Holdings Limited
Xiang Xin
Executive Director and Chief Executive Officer

Hong Kong, 10 December 2013

As at the date of this announcement, the executive Directors of China Innovation are Mr. Xiang Xin, Mr. Chan Cheong Yee and Mr. Li Zhou; the non-executive Directors are Mr. Wang Yaomin, Mr. Jook Chun Kui Raymond and Mr. Sun Kuan Chi; the independent non-executive Directors are Mr. David Wang Xin, Mr. Zang Hong Liang and Mr. Lee Wing Hang. Ms. Kung Ching is an 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; the non-executive Director are Mr. Wang Yaomin and Mr. Sun Kuan Chi; the independent non-executive Directors are Mr. Zhang Zhan Liang, 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 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 China Trends. The directors of China Trends, 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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