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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)

**COOPERATION ON THE OPERATION OF THE FREE SATELLITE  
INTERNET AND PAY SATELLITE PHONE PROJECT OF SKYNET**

Reference is made to the announcement made by the Company on 10 December 2013 and 9 April 2014 and 11 April 2014 in relation to the Company and Hughes China regarding cooperation on construction and operation of free satellite mobile internet (Skynet).

The board is pleased to announce that on 11 August 2014 (after trading hours), the Company and CHINA MOBILE SATELLITE COMMUNICATION GROUP and SMART NUMBER entered into an agreement in relation to the cooperation on the operation of the free satellite internet and pay satellite phone project of Skynet (SkyNet Satellite Communication Project).

This announcement is made by the Company pursuant to Rule 17.10(2) of the GEM Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Future Ordinance.

Reference is made to the announcement (the “**Announcements**”) made by the Company on 10 December 2013 and 9 April 2014 and 11 April 2014 in relation to the Company and Hughes China regarding cooperation on construction and operation of free satellite mobile internet (Skynet). The Board is pleased to announce that the Company and CHINA MOBILE SATELLITE COMMUNICATION GROUP and SMART NUMBER entered into an agreement in relation to the SkyNet Satellite Communication Project. Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the Announcement.

## **CONTENT OF AGREEMENT ENTERED INTO**

### **PARTIES DESCRIPTION**

The Company, has been listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (8171.HK). The Company was one of the earliest enterprise investors in mobile internet as IT solutions providers and experienced in information industry investment and project operation. The company is currently carrying out free mobile satellite Internet business in "terminal + network" business model.

CHINA MOBILE SATELLITE COMMUNICATION GROUP, is the only operator in China of Thuraya satellite phone (including Hong Kong and Macao), using China Telecom Satellite Communications Corporation (CTS) segment No.1349 provides satellite pay phone voice services, and it's in a complementary relationship with the Company's free mobile Internet business.

SMART NUMBER, provides mobile information services for China's major mobile operators through VIE way, with rich experience in the mobile communications industry, as well as China's major telecom operators resources.

### **NETWORK CONSTRUCTION**

- (1) The Company builds the satellite mobile network including both fixed user networks and mobile user networks. Firstly, the Project will start in the Asia-Pacific Region business. The SkyNet Project schedules to expand outside the Asian Region and operate globally if it is feasible.
- (2) CHINA MOBILE SATELLITE COMMUNICATION GROUP, uses the mobile satellite network provided by the Company, in accordance with the business model agreed by the parties, make the satellite phone users of segment No. 1349 which is cooperated by CTS and CHINA MOBILE SATELLITE COMMUNICATION GROUP to enjoy free mobile internet and pay satellite phone service with the Company's terminal, and arrange the Company to purchase the appropriate data bandwidth and satellite dual-mode terminal from Thuraya satellite company (contract terms are subjected to the approval of the Company);
- (3) SMART NUMBER, is responsible for arranging the company to cooperate with China's major mobile operators (except for CTS), in accordance with the business model agreed by the parties, make the all users of aforesaid China's major mobile operators can enjoy free Internet access and pay satellite phone services with the Company's terminal(contract terms are subjected to the approval of the Company).

## **COOPERATION**

- (1) The satellite mobile internet systems established by the Company will be provided to licensed telecom operators and television operators, including but not limited CHINA MOBILE SATELLITE COMMUNICATION GROUP and SMART NUMBER, and the parties will share the revenue equally.
- (2) CHINA MOBILE SATELLITE COMMUNICATION GROUP and SMART NUMBER agreed to use the "Skynet" pay satellite telephone service in accordance with the Company's rules.

## **REVENUE MODEL**

- (1) The Company's revenue model: 50% customer prepayments of satellite voice service of the Company's satellite phone terminals (with free Internet access);
- (2) CHINA MOBILE SATELLITE COMMUNICATION GROUP's revenue model: 100% customer prepayments of satellite voice service of the Company's satellite phone terminals (without free Internet access), and 50% customer prepayments of satellite voice service of the Company's satellite phone terminals (with free Internet access).(CHINA MOBILE SATELLITE COMMUNICATION GROUP's revenue containing the CTS costs);
- (3) SMART NUMBER's revenue model: 50% revenue of GSM voice service of the Company's satellite phone terminals (with free Internet access), and 50% customer prepayments of satellite voice service of using the Company's satellite phone terminals (with free Internet access) for the China's major mobile operators' (except for CTS) customer.( SMART NUMBER's revenue containing the China's major mobile operators' costs).

## **GENERAL**

Parties will enter into supplemental agreement for those matters not covered in this agreement. Should the entering into any of such further agreement constitutes a notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules, the Company will comply with the relevant provisions of the GEM Listing Rules accordingly.

## **DEFINITIONS**

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

“Board”	The Board of Directors of the Company
“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 the Company, 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
“CHINA MOBILE SATELLITE COMMUNICATION GROUP”	CHINA MOBILE SATELLITE COMMUNICATION GROUP LIMITED, a company incorporated in HONG KONG with limited liability.
“SMART NUMBER”	SMART NUMBER HOLDINGS LIMITED a company incorporated in British Virgin Islands with limited liability
“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 the Company

“Skynet”	The Company and Hughes China, on 9 April 2014 (after trading hours) entered into an agreement in relation to cooperation on construction and operation of free satellite mobile internet project, tentatively named as Skynet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 11 August 2014

*As at the date of this announcement, the executive Directors are Mr. Xiang Xin, Mr. Liang Xiaojin and Mr. Chen Banyan; the non-executive Director is 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 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](http://www.8171.com.hk).*