

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**LETTER OF INTENT IN RELATION TO
NEW ENERGY NUMERICAL CONTROL SYSTEM**

This joint announcement is made pursuant to Rule 13.09(1) of the Listing Rules or Rule 17.10 of the GEM Listing Rules, as the case may be.

China Innovation Board and China Trends Board jointly are pleased to announce that on 29 June 2010 (after the morning trading session), China Innovation, China Trends and China Oriental Numerical Control entered into a Letter of Intent to establish a cooperation for operation and marketing on solar electric vehicle under the energy management contract and the application of numerical control system.

LETTER OF INTENT

China Innovation Board and China Trends Board jointly are pleased to announce that on 29 June 2010 (after the morning trading session), China Innovation, China Trends and China Oriental Numerical Control entered into a Letter of Intent.

PARTIES

- (1) China Innovation;
- (2) China Trends; and
- (3) China Oriental Numerical Control

China Oriental Numerical Control is an Independent Third Party of China Innovation and China Trends.

INFORMATION ON CHINA ORIENTAL NUMERICAL CONTROL

China Oriental Numerical Control, a subsidiary of CNIGC, is one of the three major national numerical control industrialization bases in the PRC. The company began to cooperate with Siemens AG in the field of machine tool numerical control system since 1989. It is mainly engaged in developing, producing, selling and serving the popularization and full function of the numerical control systems, as well as the numerical control reconstruction of all kinds of machine equipments. In 1996, the company and Siemens AG established a joint venture named as 西門子數控(南京)有限公司 (transliterated as Siemens Numerical Control (Nanjing) Limited)., and now it has the production capacity to produce different kinds of numerical control systems nearly to 10,000 sets annually. China Oriental Numerical Control is currently an integrated company in the area of research, manufactures, marketing, customers' service, project engineering, and investment management and participates actively in domestic and international market.

INFORMATION ON CHINA INNOVATION

China Innovation, a company listed on the Main Board (stock code: 1217.HK) of the Stock Exchange since August 2002, is strategically investing in companies involving in the applications and solutions for “new energy resources”, “new light resources”, “new materials” and “new media” by the integration of solar storage battery, LED backlight and lighting, energy conserving materials and energy-saving media terminal.

INFORMATION ON CHINA TRENDS

China Trends, a company listed on the GEM Board of the Stock Exchange since July 2002, is principally engaged in sales and marketing of information technology products and solutions. With the emerge of the energy-saving digital industry, China Trends Group will also plan to provide energy-saving solutions to different sectors of the economy under the energy management contract model. China Trends is determined to become an integrated group in the marketing and application of “new energy resources”, “new light resources”, “new materials” and “new media”.

PRINCIPAL TERMS

- (1) China Oriental Numerical Control will provide numerical control products and related technology. The investee companies of China Innovation will provide high efficiency electrical storage technology and products. China Trends Group will take part in the operation and marketing. The three parties will work closely to carry out a comprehensive cooperation on new energy numerical control system;
- (2) China Innovation, China Trends and China Oriental Numerical Control agree to use the application of numerical control system in solar electric vehicle with the application of numerical control system at the elementary phrase. China Oriental Numerical Control will provide numerical control products for the investee companies of China Innovation. China Trends will take part in merchandising and operation for the cooperation by mean of energy management contract with a target of producing 1,000,000 solar electric vehicles; and
- (3) China Innovation, China Trends and China Oriental Numerical Control agree on establishing a working team based on joint venture (if necessary), technology, product integration and operation model etc. to reach an exclusive partnership arrangement as soon as possible; and
- (4) China Innovation, China Trends and China Oriental Numerical Control strive to compromise a formal cooperation arrangement within six month from the date of signing the Letter of Intent. Otherwise, the Letter of Intent will be terminated automatically after its expiry.

REASONS FOR ENTERING INTO THE LETTER OF INTENT

With strong support from the PRC government to promote the implementation of energy management contract model to facilitate the energy-saving service sector in the economy, China Innovation and China Trends are expected that the possible cooperation with China Oriental Numerical Control could further develop the energy management contract business and the cooperation in the operation and marketing for solar electric vehicle with the application of numerical control system in China Trends Group and the investee companies of China Innovation. Through the cooperation with the subsidiary of CNIGC, it is also expected that the development for the project and business could be enhanced with the strong technical and resource support from CNIGC.

GENERAL

This joint announcement is intended to set out the salient features of the Letter of Intent. Further announcement(s) will be made by China Innovation and China Trends respectively in respect of any material development on the possible transactions and actions to comply with the disclosure and/or approval requirements under the Listing Rules or GEM Listing Rules respectively.

DEFINITIONS

In this announcement, unless otherwise defined, the following terms shall have the meanings set out below:

“China Innovation”	China Innovation Investment Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“China Innovation Board”	the board of China Innovation Directors
“China Innovation Director(s)”	the director(s) of China Innovation, including the independent non-executive Director(s) of China Innovation
“China Innovation Share(s)”	the ordinary share(s) with par value of HK\$0.01 each in the capital of China Innovation
“China Innovation Shareholder(s)”	holder(s) of the China Innovation Share(s)
“China Oriental Numerical Control”	中國東方數控公司 (transliterated as China Oriental Numerical Control Company Limited), a subsidiary of CNIGC in the PRC
“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
“China Trends Board”	the board of China Trends Directors
“China Trends Director(s)”	the director(s) of China Trends, including the independent non-executive director(s) of China Trends

“China Trends Group”	China Trends and its subsidiaries
“China Trends Share(s)”	the ordinary share(s) with par value of HK\$0.01 each in the capital of China Trends
“China Trends Shareholder(s)”	holder(s) of the China Trends Share(s)
“CNIGC”	China North Industries Group Corporation, a state-owned enterprise under the direct administration of Central Government and is a military organization authorized by the State
“GEM”	the 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
“Independent Third Party(ies)”	Any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the knowledge, information and belief of China Innovation Directors or China Trends Directors having made all reasonable enquiries, are third parties independent of and not connected with any director, chief executive, management shareholders or substantial shareholders of China Innovation or China Trends Group or any of their respective associates (as defined on the Listing Rules or the GEM Listing Rules) and are not connected persons of China Innovation or China Trends
“Letter of Intent”	the letter of intent dated 29 June 2010 entered into between China Innovation, China Trends and China Oriental Numerical Control in relation to the cooperation for operation and marketing by mean of energy management contract on solar electric vehicle with the application of numerical control system

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“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 and Executive Director

Hong Kong, 29 June 2010

As at the date of this announcement, the executive Directors of China Innovation are Mr. Xiang Xin, Mr. Chan Cheong Yee and Mr. Wong Chak Keung; the non-executive Directors are Mr. Ng Kwong Chue Paul; the independent non-executive Directors are Mr. David Wang Xin, Mr. Zang Hong Liang and Mr. Lee Wing Hang.

As at the date of this announcement, the executive Directors of China Trends are Mr. Xiang Xin, Mr. Yang Gaocai, Mr. Wong Chak Keung and Mr. Law Gerald Edwin and the independent non-executive Directors are Mr. Zhang Zhan Liang, Ms. Lu Yuhe and Mr. Kwok Chi Hung.

This announcement, for which the Directors collectively and individually accept full responsibilities, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumption that are fair and reasonable.

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.