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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)

**DEBT RESTRUCTURING PROPOSALS TO PROVISIONAL  
LIQUIDATOR OF ATV**

The announcement is made by China Trends Holdings Limited (the “**Company**”) pursuant to the Rule 17.10(2) of the Rules Governing the Listing of Securities (the “**GEM Listing Rules**”) on the Growth Enterprise Market of The Stock Exchange of the Hong Kong Limited (the “**Stock Exchange**”) and Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of the directors (the “**Directors**”) of the Company announces that the Company, being one of the creditors of Asia Television Limited (the “**ATV**”), has issued the debt restructuring proposals (the “**Debt Restructuring Proposals**”) to the provisional liquidator of ATV on 8 March 2016. The Debt Restructuring Proposals are made subject to contract and upon satisfaction of all conditions therein (such as the obtaining of approval from Hong Kong court, approval from the shareholders of the Company at the extraordinary general meeting and approval from the Stock Exchange etc.).

**REASONS FOR THE DEBT RESTRUCTURING PROPOSALS**

After the assessment of the current resources of ATV and the strengths of the interactive TV platform of the Company, the Company issues the Debt Restructuring Proposals and proposes to inject its existing web-based interactive TV platform into ATV and rename it as "ATV" in order to develop internet TV business with e-commerce media characteristics.

The interactive TV platform under investment has integrated both e-commerce and media functions. The Company aims to become the first mainland new e-commerce media with “watching and purchasing, refund all you pay”. The Company has entered into strategic cooperation with the mainland television giants such as Skyworth, TCL and Changhong in respect of the interactive TV platform, pursuant to which pre-installed applications (currently in over 20 million TV units and the Company targets to achieve 80 million TV units) have, been implanted in such platform. The Company aims to consolidate the development of and connect to the mobile end user market. Based on the strengths of the users and the business model of the interactive TV platform, the Company has confidence in rebuilding ATV.

ATV is equipped with the strengths of the legitimate landing rights of program and data center site. ATV has the legitimate landing rights of program in the Pearl River Delta region and currently has a site area of approximately 550,000 square feet which acts as the center for the content distribution system (CND) and can save significant rental costs for building the content distribution system (CND) for internet TV. The above two resources of ATV are the main reasons which the Company has taken into account in proposing the Debt Restructuring Proposals to ATV.

## **PRINCIPAL TERMS OF THE DEBT RESTRUCTURING PROPOSALS**

### Proposal 1:

1. the Company is willing to pay ATV forthwith in cash the contemplated amount of recovery in the liquidation that the Company may acknowledge which, in any event, shall be sufficient to cover the outstanding wages of ATV's employees and the charges of the liquidator as at 1 April 2016 in exchange for the controlling interest in ATV, provided that approval from the Hong Kong court shall be obtained for validating such payment as a preferential debt; and
2. the Company agree to inject its e-commerce and media business into ATV and undertake to use 30% of profits generated by ATV after the completion of the restructuring to repay the principal of the debts (of which interest shall be waived) owed to all creditors until all such principal is repaid in full; and
3. the Company agrees to provide a secured and interest-free loan of an amount up to HK\$500 million to ATV for its new startup, which shall be secured by way of a debenture creating a fixed and floating charge over all the assets of the ATV .

Proposal 2:

1. the Company is willing to pay ATV forthwith in cash the outstanding wages of ATV's employees and the charges of the liquidator as at 1 April 2016, provided that approval from the Hong Kong court shall be obtained for validating such payment as a preferential debt; and
2. the Company agrees to convert the debt owed to the creditors into share capital of ATV and at the same time, the Company agrees to inject its e-commerce and media business into ATV at a consideration to be valued by an independent valuer and become the controlling shareholder of ATV; and
3. the Company agrees to provide a secured loan of an amount up to HK\$500 million bearing interest at the rate of 9% per annum to ATV for its new startup, which shall be secured by way of a debenture creating a fixed and floating charge over all assets of the ATV

The Company will make further announcement in relation to the progress of the above matters.

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

Hong Kong, 8 March 2016

*As at the date of this announcement, the executive directors of the Company are Mr. Xiang Xin (Co-Chairman), Ms. Zhong Keying and Mr. Chan Cheong Yee; the non-executive directors are Mr. Sun Kuan Chi, Mr. Xin Luo Lin, Ms. Chen Jiajing (Co-Chairman), Ms. Jiang Linlin and Mr. Wang Wei; the independent non-executive directors are Mr. Zang Zhan Liang, Ms. An Jing, Mr. Chen Yicheng and Mr. Kwai Sze Kit. 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).*