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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)

**CLARIFICATION ANNOUNCEMENT ON DISCLOSEABLE
TRANSACTION IN RELATION TO
ACQUISITION OF 100% EQUITY INTEREST IN
A SUBSIDIARY OF ASIA TELEVISION**

Reference is made to the announcement of the Company dated 9 November 2015 (the “**Announcement**”) in relation to discloseable transaction in relation to acquisition of 100% equity interest in a subsidiary of Asia Television. Unless otherwise defined, capitalized terms used herein shall have the same meaning as used in the Announcement.

The Company would like to clarify and supplement the following information:

THE PRINCIPLE ACTIVITIES OF THE PURCHASER AND THE VENDOR

The principal activity of the Company (the “**Purchaser**”) is investment holding. The Company and its subsidiaries is principally engaged in (i) trading of electronic technology and related products, and (ii) the low carbon products applications. It mainly develops business of low-carbon digital solutions and provides online media platforms and media advertising business.

Asia Television (the “**Vendor**”) is principally engaged in free broadcasting TV service, including analog TV channel and digital TV channel.

REASON FOR THE ACQUISITION AND BENEFIT

The company has been optimistic about the prospects of network television (or named as steaming TV or internet TV), and consider that internet TV will gradually replace traditional TV or satellite TV. The Company has already started layout from the interactive TV (internet TV based) application platform. Following the recently reached with the Mainland television giant Skyworth, TCL, Changhong and other strategic cooperation, the use of pre-installed applications implanted Internet TV, the goal to achieve 80 million units installed capacity fixed end, and to a greater linkage of mobile end user market .

The acquisition will help the company to integrate network television broadcasting business with interactive television application platforms and create more content, more applicable solution method in order to speed up the subversion of the traditional television industry.

The Directors considered that entering into the Equity Transfer Agreement (including the terms set out in the Equity Transfer Agreement) agreed with the development of the Company, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

CONSIDERATION AND BASIS OF CONSIDERATION DETERMINED

Asia Television agreed to transfer the business of over ten thousand hours own copyrights program to the Target Company and provide the Company a asset valuation report as at 31 December 2015 of the Target Company within 3 months. The Asia Television guarantees the Company the amount of valuation is above HK\$30 million. The consideration become HK\$30 million if the amount of valuation stated in the valuation report is higher than HK\$30 million while the Company reserve the rights to reduce the nominal amount of the Note become zero (that is the consideration of the acquisition may be adjusted to HK\$3 million) if the amount of valuation stated in the valuation report is lower than HK\$30 million or no valuation report is provided.

As Asia Television undertakes that the Target Company has only copyrights of Asia Television's own programs without other assets, the Company expects the amount of valuation stated in the valuation report as at 31 December 2015 as provided mainly reflect the market value of the copyrights of Asia Television's own programs. By reference to the consideration of another copyrights disposed by Asia Television previously, market comparable method is adopted for this acquisition.

FINANCIAL INFORMATON OF THE TARGET COMPANY

For the year ended 31 December 2014, loss before and after tax for the Target Company is

HK\$705 (for the year ended 31 December 2013: HK\$1,310). As at 31 December 2014, the total asset of the Target Company is HK\$1,190 (as at 31 December 2013: HK\$1,040). As at 31 December 2014 the net liabilities of the Target Company are HK\$5,233,192 (as at 31 December 2013: HK\$5,232,487) in which amount due to holding company (Asia Television) is HK\$4,486,660 (as at 31 December 2013: HK\$4,486,305).

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

Hong Kong, 11 November 2015

As at the date of this announcement, the executive Directors are Mr. Xiang Xin, Ms. Zhong Keying and Mr. Wang Jian Jun; the non-executive Director is Mr. Sun Kuan Chi, Mr. Kuk Peter Z, Mr. Ge Ming, Mr. Wang Wei and Mr. Xin Luo Lin; the independent non-executive Directors are Mr. Zhang Zhan Liang, Ms. An Jing and 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.

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