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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)

(Warrant Code: 8015)

APPOINTMENT OF AUDITOR

The board of directors (the “**Board**”) of **China Trends Holdings Limited** (the “**Company**”) make this announcement pursuant to Rule 17.50(4) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”).

Reference is made to the announcement (the “**Announcement**”) of the Company about the change of auditor dated 9 January 2020. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board announces that **McMillan Woods (Hong Kong) CPA Limited** (“**McMillan Woods**”) has been appointed as the auditor of the Company with effect from 21 January 2020 to fill the casual vacancy following the resignation of ZHONGHUI ANDA and to hold office until the conclusion of the forthcoming annual general meeting of the Company.

According to the code provision C3.3 of Appendix 15 to the GEM Listing Rules, for the subject appointment matter, the Audit Committee of the Board of Directors of the Company have performed the following duties: (a) to be primarily responsible for making recommendations to the board on the appointment, reappointment and removal of the external auditor; (b) to approve the remuneration and terms of engagement of the external auditor; (c) to address any issues related to the resignation or removal of the auditors (if any). It includes but not limited to:

1. To evaluate, discuss and deal with relevant issues regarding the reasons for ZHONGHUI ANDA's resignation as the Company's auditor and the impact on auditing of the Company's financial statements as of December 31, 2019 (the "**2019 Financial Report Audit**").
2. To contact many accounting firms for a quotation for the 2019 Financial Report Audit.
3. Received quotations from four accounting firms, including McMillan Woods, and then made a preliminary choice of McMillan Woods after making comparative analysis, including fees, experience and the number of listed companies served, etc.

4. Conducted multiple face-to-face communications with the partners of McMillan Woods being initially selected.
5. Conducted a further investigation of McMillan Woods, including its qualifications, industry experience, service capabilities, and adjustments to future audit prices.
6. On the basis of the above works, a meeting of the Audit Committee was held on 21 January 2020, and it was considered suitable to select McMillan Woods with the best price (“HK\$456,000 for the 2019 Financial Report Audit”) and the relatively good services. It was agreed to recommend to the Board of Directors the appointment of McMillan Woods as the Company's auditor to fill the temporary vacancy after the resignation of the previous auditor and hold office until the next annual general meeting of the Company.

The Board of directors of the Company held a board meeting on the same day. All members of the Board of directors unanimously agreed to adopt the recommendations of the audit committee and appointed McMillan Woods as the Company's auditors, with effect from 21 January 2020, to fill the temporary vacancy following the resignation of the former auditors until the end of the next annual general meeting of the Company.

The Board would like to take this opportunity to extend its welcome to McMillan Woods on its appointment as the auditor of the Company.

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

Hong Kong, 21 January 2020

As at the date of this announcement, the executive Directors of the Company are Mr. Xiang Xin (Chairman), Mr. Chan Cheong Yee and Mr. Yip, Wing Ho; the independent nonexecutive Directors are Mr. Wong Chung Kin, Quentin, Ms. An Jing and Mr. Chen Yicheng. Ms. Kung Ching is an alternate Director to Mr. Xiang Xin.

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 regards 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 the “Latest Company Announcements” page of the Stock Exchange’s website at www.hkexnews.hk for 7 days from the date of its posting. This announcement will also be posted on the Company’s website at www.8171.com.hk.