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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)**

### **UPDATE ABOUT FALSE NEWS REPORTS (8)**

Reference is made to the announcements (the “**Announcement**”) of **China Trends Holdings Limited** (the “**Company**”) about the false news reports dated 24 November 2019, 25 November 2019, 5 December 2019, 12 December 2019, 17 December 2019, 27 December 2019, 17 February 2020 and 27 February 2020. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

On 2 June 2020, the Company received a notice from executive Director Mr. **Xiang Xin** (“**Mr. Xiang**”) and the alternate director Ms. **Kung Ching** (“**Ms. Kung**”), in which Mr. Xiang and Ms. Kung (collectively the “**Petitioners**”) commissioned Taiwan lawyers to submit the third petition to the **Taipei District Prosecutors Office** (the “**Prosecutor**”) for lifting the departure restrictions on 1 June 2020, and are currently awaiting the review of the Prosecutor.

In the opinion of the Petitioners, it is clear that the reasons and basis for restricting the Petitioners’ departure are unfounded since the case has been actively investigated by the Prosecutor for more than half a year. Not only has it reached the level of non-prosecution, but also the revocation of departure restrictions should be made. The main reasons of the Petitioners are as follows:

**I. The Petitioners have never committed any crimes of developing organization as defined by the “National Security Law”.** The investigation was initiated as the Australian media interviewed a person whose name is so-called “Wang Liqiang” and believed in his allegation against the Petitioners’ identification as the so-called “Chinese Spy”. However, since 24 November last year till now, the investigation performed by the Prosecutor has been more than half a year and there is no specific accused matter and evidence so far. NCC, the competent media authority in Taiwan, has also stated that there is no factual basis and a special report to the **Legislative Yuan of Taiwan** has been made in March this year. As such, the relevant allegation by so-called “Wang Liqiang” and the media reports are untrue regardless of the findings of the Taiwan government or the meticulous investigation by the Taipei prosecution authority. In other words, the Petitioners have never carried out any activities accused by “Wang Liqiang”. The allegation against the Petitioners for involving in such case seriously is unfounded from the beginning. Accordingly, the Prosecutor should return to the legal principle of presumption of innocence and make a non-prosecution judgement as well as make the revocation of the departure restrictions as soon as possible.

**II. The deletion of the messages and software by the Petitioners is not for the purpose of destruction of evidence and it constitutes no reason for departure restrictions.** There is no illegal act on the part of the Petitioners and thus no evidence of such illegal act. If the Petitioners had had the motivation of destruction of evidence, they would not have delivered their mobile phones for the Prosecutor’s inspection despite the fact that they had no such obligation as advised by the lawyers. The Petitioners have been frank and straightforward. Afterwards, they neither replace their mobile phones nor reset the same to the factory settings, instead they choose to uninstall useless software and delete useless messages for the purpose of maintaining the normal operation of their mobile phones with saved memory space for upright and open-hearted coordination with the Prosecutor’s continuous monitoring. Besides, with the well-developed modern technology, it is impossible for the Petitioners to destruct the “evidence” under communication monitoring. In fact, the Petitioners did not destruct the evidence, but took the initiative to engage appointed lawyers to submit 6 pleadings on 5 February, 5 March, 13 March, 23 March, 7 April and 18 May 2020, respectively, requesting the Prosecutor to investigate all relevant information from the media for self-verification.

**III. The Petitioners have high-value real estate and are innocent of any crime, it is therefore impossible to evade.** On the grounds that the Petitioners are Hong Kong residents, Prosecutor is of the view that if departure restrictions for the Petitioners are lifted, it is inevitable that he/she will not appear in court on time or may evade. As such, it is innocent and unfair for the Petitioners: Will the Petitioners evade only because of his/her identity as a Hong Kong resident, regardless of having three high-value real estates in Taiwan? Petitioners have done nothing wrong, then why would they, originally being innocent, need to become wanted by loitering abroad? When the Petitioners applied for the investment permission at the end of 2016, which was jointly reviewed by five ministries including the National Security Bureau, the Ministry of National Defense, the Ministry of Interior, the Mainland Affairs Council and the Ministry of Economic Affairs of Taiwan, the Petitioners were acknowledged not to be found improper after investigation, regardless of the review opinion of the five ministries or the decision of the

Taiwan Executive Yuan on the appeal. In the event that the Petitioners develop so-called organizations or other illegal activities in Taiwan for a long time as alleged by so-called “Wang Liqiang”, National Security Bureau and inspection departments in Taiwan should have collected various adverse evidences against the Petitioners, which was like the saying “if the wild geese flew past, they left their mark (雁過留痕)”, a universal consensus.

**IV. The Petitioner stayed in Taiwan and could not participate in the business of Company in person, which has caused harm to the public interest.** The Petitioners are an executive director and an alternate director of two listed companies in Hong Kong, and are merely business persons with no strong background and no great power. The prolonged departure restrictions have caused directors and employees to leave their posts with fears; some of partners were not daring or willing to or stopped to negotiate for cooperation due to their worries; several correspondent bankers also suspended or closed the Petitioners’ accounts for this reason and so on; all of which cannot be processed by means of communications. In the current situation, apart from suffering from unredressed injustice, the Petitioners have suffered significant economic losses and were afraid that their lifelong efforts will be in vain. From the above, it is the last resort that the Petitioners temporarily process business with audio, video and communication methods for a short period of time due to special reasons. However, the Petitioners have been kept in Taiwan for more than half a year by the Prosecutor, unable to deal with the Company's business in person, which has caused harm to the public interests of the listed companies.

**V. Without objective evidence and subjective culpability, to impose continuous departure restrictions on the Petitioners would not be consistent with the principle of proportionality.** At present, the Petitioners are followed by the investigators regardless of returning and leaving the residence, and all communications are monitored. The Petitioners are not Taiwan residents, and they do not have friends or relatives in Taiwan (even if there are friends or relatives, they have no courage to contact the Petitioners). Except for occasional contact with the appointed lawyers to discuss the case and sign the pleadings, the rest of their daily activities are nearly prison life, like being under house arrest. Moreover, Kung Ching (the Petitioner) has been suffering from hyperlipidemia and atrophic gastritis for a long time, while Xiang Xin (the Petitioner) has been suffering from hypoglycemia and gout for a long time. Both of them cannot return to Hong Kong for medical treatment due to the departure restriction punishment, nor can they go to hospitals in Taiwan for medical treatment due to the novel coronavirus epidemic. The only thing they can do is to temporarily purchase similar drugs for temporary consumption in Taiwan pharmacies, which are inevitably harmful to their health. Even during the novel coronavirus epidemic outbreak, they were not entitled to receive the quota for purchasing surgical mask (with no national health insurance card), constituting a life-threatening situation against the epidemic. All of the abovementioned have caused the Petitioners to be physically and mentally exhausted, which is not consistent with humane principles or even the principle of presumption of innocence.

**VI. To sum up, there has been no existence of any alleged offence relating to the Petitioners, or any matter involved risk of detention and absconding, nor facts of destroying, forging, altering evidence or committing a conspiracy offence. Therefore,**

**it is claimed that a disposition of dismissal shall be issued by the Prosecutors by law. In the same time, it is requested that any restrictions from border/sea shall be withdrawn immediately, with the aim of safeguarding human rights.**

The Company will make further announcements as to any material developments in this matter or in accordance with other requirements of the GEM Listing Rules.

At the request of the Company, trading in the shares and warrants of the Company have been suspended since 9:00 a.m. on 11 March 2020 and will remain suspended until the Company fulfills the Resumption Guidance.

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

Hong Kong, 2 June 2020

*As at the date of this announcement, the executive Directors of the Company are Mr. Xiang Xin (Chairman) and Mr. Chan Cheong Yee; the independent nonexecutive Directors are Mr. Wong Chung Kin, Quentin, Ms. Qin Han 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.*

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