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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 (10)

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, 27 February 2020, 2 June 2020 and 17 June 2020. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

On 22 June 2020, the Company received a notice from the Executive Director Mr. **Xiang Xin** (“**Mr. Xiang**”) and the Alternate Director Ms. **Kung Ching** (“**Ms. Kung**”), in which Mr. Xiang and Ms. Kung’s (collectively the “**Petitioners**”) Taiwan lawyers had received a reply from the **Taipei District Prosecutors Office** (the “**Prosecutor**”) on 17 June 2020. Pursuant to the reply, the third petition for lifting the departure restrictions submitted by the Petitioners was dismissed on the ground that the necessity of the departure restrictions still exists for this case. Accordingly, the Petitioner has commissioned a Taiwan lawyer to file the third quasi-counterclaim with the **Taipei District Court** (the “**Court**”) on 20 June 2020. A summary of the specific rationale for the third quasi-counterclaim is as follows:

I. Since 1 December last year, the Prosecutor has not conducted any investigation against the Petitioners for nearly 7 months (except for the departure restrictions made on 13 December last year and 13 February this year). Up to now, it has insisted on the allegation that the Petitioners violated one of the Articles in Section 5 and one of Articles in Section 2 of the National Security Law. This makes it difficult for the Petitioners to be convinced.

II. The Petitioners has not been aware of the specific reasons for the so-called “person being suspected of a serious crime” so far. If the Prosecutor listed the untrue allegation from the so-call “Wang Liqiang” and the conducts of the tenant of the co-defendant for the case as their reason and basis, they would be rather biased, or there is no grounds at all.

III. The Court is requested to face up to the fact that the Prosecutor has no proper direction of investigation. To retain the Petitioners in Taiwan is not conducive to the investigation. It has also violated the legal principle of the presumption of innocence, has deprived the Petitioners of their basic human rights, and has even caused injustice to the Petitioners.

IV. The Prosecutor is of the view that the deletion of the unhelpful messages and software by the Petitioners is for the purpose of destruction of evidence, which is not true and constitutes no reason for the rejection for lifting the departure restrictions.

V. On the grounds that the Petitioners are Hong Kong residents, the 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, or the Petitioners will dispose of high-value real estate in Taiwan, etc., which are without merit and are really unfair.

VI. The Court is requested to conduct a fair review of the fact that the Petitioners’ life centre is not in Taiwan, and a great damage to the Petitioners’ reputation, career, family and health has been caused due to the Petitioners’ long-time retention in Taiwan.

VII. Up to now, there has been no existence of any alleged offence relating to the Petitioners, or any matter involved risk of absconding, nor possibilities of destroying, forging, altering evidence or committing a conspiracy offence. Accordingly, dismissal order shall be issued by the Prosecutor by law. Therefore, it is requested that the departure restrictions shall be withdrawn immediately by the Court, with the aim of safeguarding human rights.

VIII. As the Prosecutor has not specifically stated the reasons for the allegation that the Petitioners are persons being suspected of a serious crime so far, the Petitioners have completely been unable to clarify and defend, which has seriously affected the Petitioners’ defensive rights and rights of a fair trial. In order to maintain fairness, the court is requested to set out the schedule for court hearings and order the Prosecutor to state the specific reasons for their allegation, so that the Petitioners can make reasonable clarification and defense.

IX. To sum up, the Court is urged to give a reasonable and fair treatment in accordance with the law and withdraw the departure restrictions to the Petitioners as soon as possible.

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, 22 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.

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.