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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)

QUARTERLY UPDATE ON SUSPENSION OF TRADING

This announcement is made by **China Trends Holdings Limited** (the “**Company**”, together with its subsidiaries, the “**Group**”), pursuant to Rule 17.26A of the Rules Governing the Listing of Securities on the GEM (the “**GEM Listing Rules**”) operated by **The Stock Exchange of Hong Kong Limited** (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 10 June 2019, 14 June 2019, 4 July 2019, 23 August 2019, 14 November 2019, 21 November 2019, 4 December 2019 and 10 March 2020 in relation to, inter alia, the decision of the Stock Exchange to suspend trading in the shares of the Company under Rule 9.04 of the GEM Listing Rules, the announcement of the Company dated 5 May 2020 in relation to the resumption guidance, the announcement of the Company dated 17 May 2020 in relation to the application for leave to judicial review, and the announcements of the Company dated 10 June 2020 and 12 June 2020 in relation to the quarterly update (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

RECENT DEVELOPMENT OF THE GROUP

The Group is principally engaged in (i) trading of electronic technology and related products, and (ii) media and e-commerce platforms and media advertising services. The Company has filed application for leave to judicial review of the decision of the Stock Exchange as stated in the announcement of the Company dated 17 May 2020 regarding the application for leave to judicial review, and it's convinced that the Company has strong reasons and grounds to obtain a fair decision. The judicial review has been scheduled for hearing at 10:00 a.m. on 9 October 2020, with 1 day reserved. The Group has also endeavored to seek potential investment opportunities that can diversify and expand its existing business portfolio. The Company will make further announcement(s) on the progress of the resumption as and when appropriate.

Financial information

For the six months ended 30 June 2020, the Group recorded a revenue of approximately HK\$83,997,000 (for the six months ended 30 June 2019: HK\$71,303,000), representing an increase of approximately 17.80% as compared to that of previous period.

The Group's gross profit increased to approximately HK\$2,406,000 for the six months ended 30 June 2020 from approximately HK\$2,172,000 for the six months ended 30 June 2019, representing an increase of approximately 10.77%.

Loss attributable to owners of the Company for the six months ended 30 June 2020 was approximately HK\$1,157,000 (for the six months ended 30 June 2019: HK\$3,245,000), representing a decrease of loss of approximately 64.28% as compared to that of previous period.

The Group's trading business has been operating in a healthy and stable manner for more than 10 years. Compared with the same period of 2019, in the first six months of 2020, both operating revenue and gross profit have achieved significant growth. The net profit for the first six months of 2020 was approximately HK\$867,000 after deducting non-recurring expenses of approximately HK\$1,997,000, derived mainly from the litigation fee against Asia Television Limited ("ATV") and litigation fee against judicial review for listing status resumption, representing a significant improvement as compared to the adjusted net loss of approximately HK\$1,420,000 of previous period after deducting non-recurring expenses of approximately HK\$1,810,000 derived mainly from the litigation fee against ATV, which has successfully turned losses into profits.

Business development

The trading business of the Group has been developing steadily in the past 10 years and will have better development in the following 10 years. In the environment of the global epidemic, a series of protests and related social events caused by the Amendments to the Fugitive Offenders Ordinance, the continuous Sino-US Trade War, and the decision of the Stock Exchange for the Company to enter into the delisting process, three big contracts having been suspended by the business partners, the Group still achieved a significant performance improvement compared to the same period last year, which fully demonstrated the growth of the Group's business.

The Group will continue to develop media and e-commerce and media advertising business in Mainland China.

The Directors wish to emphasise that notwithstanding the suspension of trading of the Company's shares, the Company has complied, and will continue to comply, with its continuing obligations under the GEM Listing Rules, including but not limited to the rules applying to notifiable and/or connected transactions and the publication of periodic financial results and reports, and the inside information required to be disclosed under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

CONTINUED SUSPENSION OF TRADING

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, 10 September 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 non-executive Directors of the Company 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 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.