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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 (12)**

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, 17 June 2020, 22 June 2020 and 1 July 2020. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

On 11 October 2020, the Company received a notice from the executive director Mr. **Xiang Xin** (“**Mr. Xiang**”) and the alternate director Ms. **Kung Ching** (“**Ms. Kung**”), which said:

On September 21, 2020, the Taipei District Prosecutors Office filed an application with the Taipei District Court, alleging that Mr. Xiang and Ms. Kung jointly violated Paragraph 1 of Article 5-1 and Paragraph 1 of Article 2-1 of the National Security Law, for the allegations of developing organizations for mainland China. The office claimed that there were still many facts and evidences to be investigated and clarified, thus requested that the Taipei District Court approve the order to restrict Mr. Xiang and Ms. Kung from departure for 4 more months effective 13 October 2020.

On 30 September 2020, Mr. Xiang and Ms. Kung filed their defenses with the Taipei District Court, reiterating that they have never violated the National Security Law. The prosecutors quoted a story told by a liar (Wang Liqiang) to investigate and falsely accused Mr. Xiang and Ms. Kung of developing organizations for mainland China in

Taiwan, compiled a plot out of nothing and had no grounds for the application of extending restriction period. Therefore, Mr. Xiang and Ms. Kung requested the court to hold a trial and rejected the prosecutor's application.

On October 7, 2020, Mr. Xiang and Ms. Kung received a judgement issued by the Taipei District Court without holding hearings. The court believed that they could only determine whether there is a need to impose restrictions, and not whether a criminal trial is necessary at this stage. In view of the human nature's fear of crime, it is hard to say that there is no possibility of escape, annihilation of evidence, and the possibility of collaborating with witnesses. In order to ensure the follow-up procedures, it is therefore ruled to restrict them from departure for 4 more months.

On October 8, 2020, Mr. Xiang and Ms. Kung entrusted a Taiwanese lawyer to file a protest (appeal) to the Taipei District Court. Reasons for the protest (appeal) as follows: Firstly, the prosecutors once again imposed sanctions after the implementation of the new law, but the court's judgement was on the validity of the old law. Therefore, the procedure is illegal. Secondly, the court did not permit a review of the case and thus illegal. Thirdly, the court approved the renewal of restrictions on departure for 4 more months, which lack of basis for time limit. Fourthly, the reason for the petition is purely speculative with no evidence, which is illegal.

The above-mentioned case is currently awaiting the results of the court protest (appeal) hearing.

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

At the request of the Company, trading of the shares and warrants of the Company have been suspended effective 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, 11 October 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](http://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](http://www.8171.com.hk).*