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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 announcements of the Company dated 17 May 2020, 6 October 2020 and 8 December 2020 in relation to the application for leave to judicial review, and the announcements of the Company dated 10 June 2020, 12 June 2020 and 10 September 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 filed an application for leave to apply for judicial review against the Review Committee Decision in the **High Court of Hong Kong** as stated in the announcement of the Company dated 17 May 2020 and 6 October 2020 respectively. The rolled-up hearing of the leave application and the application for judicial review of the Review Committee Decision was heard before the High Court of Hong Kong on 9 October 2020.

On 8 December 2020, the High Court of Hong Kong handed down its judgment (the “**Judgment**”). Pursuant to the Judgment, the application for leave to apply for judicial review is granted on the basis that the intended application for judicial review is reasonably arguable and has a realistic prospect of success. However, the application for judicial review of the Review Committee Decision is dismissed again upon consideration of the merits by the Court.

The Company is really surprised by the content of the Judgment and is considering appealing against it. According to Article 59 of the Rules of the High Court, Cap. 4A of the Laws of Hong Kong, the Company can appeal against the Judgment within 28 days after receiving the Judgment, i.e., on or before 5 January 2021. Further announcement will be made by the Company in this regard as and when appropriate.

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 nine months ended 30 September 2020, the Group recorded a revenue of approximately HK\$124,182,000 (for nine months ended 30 September 2019: HK\$111,567,000), representing an increase of 11.31% as compared to that of the corresponding period in 2019.

The Group’s gross profit increased to approximately HK\$3,552,000 for the nine months ended 30 September 2020 from approximately HK\$3,317,000 for the nine months ended 30 September 2019, representing an increase of approximately 7.08% as compared to that of the corresponding period in 2019.

Loss attributable to owners of the Company for the nine months ended 30 September 2020 was approximately HK\$384,000 (for nine months ended 30 September 2019: HK\$4,624,000), representing a decrease of approximately 91.70% as compared to that of the corresponding period in 2019.

For the nine months ended 30 September 2020, the net profit was approximately HK\$1,208,000 after deducting non-recurring expenses of approximately HK\$3,201,000, derived mainly from the litigation fees against Asia Television Limited and litigation fees for judicial review for resumption of trading.

Business development

The trading business of the Group has been developing steadily in the past 10 years and expect to get 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 emphasize 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 December 2020

As at the date of this announcement, the executive Director of the Company is Mr. Xiang Xin (Chairman); the non-executive Director of the Company is 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.