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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)

LETTER TO ALL SHAREHOLDERS

I seriously regret to report the following matters to all the shareholders:

On 11 August 2021, **China Trends Holdings Limited** (the “**Company**”) received a notice from the Stock Exchange informing us that the last day of listing of the Company's shares is on 20 August 2021 and the listing of its shares will be cancelled with effect from 9 a.m. on 23 August 2021.

Accordingly, the Company engaged Senior Counsel to apply for leave to commence judicial review action against the delisting decision and seek an urgent injunction order from the High Court of Hong Kong on 16 August 2021. Regrettably, the High Court of Hong Kong did not accept the grounds raised by the Company and dismissed its applications.

On 19 August 2021, the Company received a notice that the Stock Exchange will delist the Company on 23 August 2021.

Regarding the Stock Exchange’s insistence on delisting the shares of the Company, in order to safeguard the interest of the shareholders, the Company has exhausted all means and taken every steps, including the applications to the Listing Committee, the Listing Review Committee review, judicial review, and injunction order etc... Although the Company has tried all its efforts, it has still failed to prevent the Stock Exchange from delisting the shares of the Company. However, filling with grievances and indignation, the Company still has the following ten “unsolved questions” in mind :

Firstly, the Company has been listed for nearly 20 years, and some important indicators such as turnover and net assets rank among the top one-third of the 367 GEM listed companies throughout these years. Why those two-thirds of the listed companies need not be delisted while the Company has to be delisted?

Secondly, the Company ranks in the forefront among more than 100 listed IT companies in Hong Kong after taking into account various economic indicators (Source: Southmoney.com, <https://www.zhitongcaijing.com/content/detail/166493.html>). Why those 70 which ranked behind the Company need not be delisted while the Company has to be delisted?

Thirdly, the Hong Kong Securities Regulatory Commission treats a main board company with annual revenue of less than HK\$50 million and a GEM company less than HK\$20 million as insufficient business (<https://www.zhitongcaijing.com/content/detail/166493.html>). The Company's annual revenue data is much higher than this indicator. How can the Stock Exchange ignore this indicator?

Fourthly, the Company's performance in the past ten consecutive years has been recognized by the Stock Exchange. Why it would suddenly consider that the Company's business is insufficient, and its assets are insufficient in the eleventh year while the listing rules have not been revised and the Company's turnover and net assets remain stable?

Fifthly, the Company has the ability and financial resources to apply to the Hong Kong Securities Regulatory Commission for a general takeover and debt restructuring of another Main Board listed company. How can the Stock Exchange consider this as insufficient assets?

Sixthly, the Company does not have any liabilities. Its net asset value has exceeded HK\$100 million over the years, and it can obtain HK\$500 million interest-free credit from its shareholders for mergers and acquisitions. How can the Stock Exchange still consider this to be insufficient in assets?

Seventhly, the Company is seeking compensation of at least HK\$1 billion and a maximum of HK\$2 billion from the lawsuit case against Asia Television Limited. Why is it still considered by the Stock Exchange to be insufficient in assets?

Eighthly, when the Company can successfully restructure Asia Television Limited as a creditor, why the Stock Exchange wishes to suspend its stock financing function?

Ninthly, the company has recently been unfairly alleged as a spy agency. What is the urgency for the Stock Exchange to delist the Company on the grounds of insufficient business?

Tenthly, the Company has thousands of shareholders, especially its major shareholder being a charitable organization recognized by the Hong Kong government. How can the Stock Exchange delist the Company regardless of the public interest?

The delisting decision made by the Stock Exchange will inevitably cause severe damage to the Company and may even cause damage to the investment of all shareholders. At this difficult time, in a responsible and courageous attitude, the Company has chosen to work through hardships and forge ahead. On one hand, the board of directors of the Company will do its best to continue to exhaust all legal rights of defending measures; on the other hand, it will try to obtain shares of other listed companies through mergers and acquisitions. Hopefully, it will distribute all acquired shares to shareholders and try to reduce shareholders' losses.

The Company hereby promises to shareholders that, regardless of the listing status, the Company still needs to operate in accordance with the laws of the Cayman Islands and the Company's articles of association. The Company is still a public company in Hong Kong and must abide by the "Codes on Takeovers and Mergers and Share Buy-backs" and is subject to strict supervision by regulatory agencies such as the Hong Kong Securities Regulatory Commission.

We will continue to issue announcements through the Company's website and deliver letters, notices and circulars to shareholders in accordance with the Company's articles of association to keep shareholders informed of the Company's latest developments. We will also communicate the latest business development of the Company to shareholders through the media and try to answer shareholder inquiries (the contact information remains unchanged).

Look forward to justice and kindness with all shareholders!

China Trends Holdings Limited
Xiang Xin
Chairman and Chief Executive Officer

Hong Kong, 20 August 2021

*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 Listed Company Announcements” page for at least 7 days from the date of its posting and the Company website at www.8171.com.hk.