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CHINA TRUSTFUL GROUP LIMITED

中國之信集團有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 8265)

QUARTERLY UPDATE ON STATUS OF RESUMPTION

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

References are made to the announcements (the “**Announcements**”) of the Company dated 31 March 2020, 14 May 2020, 18 May 2020, 5 August 2020 and 7 August 2020. Unless otherwise stated in this announcement, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements.

UPDATE ON THE BUSINESS OPERATIONS OF THE GROUP

The principal activity of the Company is investment holding. The principal activities of the Group are (i) the retail and wholesale of luxury brand silverware, silver utensils and luxury goods in the People’s Republic of China (the “**PRC**”) (the “**Silverware Business**”), (ii) research and development, manufacture and sale of rechargeable batteries, electric vehicles and related products and provision of related services (the “**Electric Vehicle Business**”) and (iii) provision of marketing and management services, sales and distribution of energy related products, including but not limited to, liquefied natural gas and liquefied petroleum gas (“**LPG**”) products, and licensing of petroleum gas stations (the “**Energy Business**”).

For the Silverware Business, as disclosed in the announcement dated 19 February 2020, the Group has been continuing to temporarily suspension of operation of Silverware Business, as the Records and Documents are still being seized by the Ministry of Public Security of the PRC. As such, the Company has already appointed PRC lawyer to verify the seizure situation and follow up with the Special Circumstance including the possibility for recovering the Records and Documents. The Company has recently obtained a preliminary legal opinion report issued by PRC lawyers in which the PRC lawyer advised that there is no way to recover the Records and Documents at this moment as now it is under the criminal investigation and carried out by the Ministry of Public Security of the PRC. The Company was further advised that the Record and Documents would be released only in such criminal investigation case was closed and found innocence with the criminal investigation. The Company will further discuss with PRC lawyer to protect the Company’s rights regarding the position of such subsidiaries including the Records and Documents.

For the Electric Vehicle Business, (i) the Company was informed by the subsidiaries which are operating the Electric Vehicle Business in PRC that such PRC subsidiaries are also subject to investigation by the Ministry of Public Security of the PRC (the “**Investigated Electric Vehicle Business Subsidiaries**”) in connection with the Special Circumstance. The Group then has also appointed a PRC lawyer to provide legal advice for verifying the circumstances and will instruct the PRC lawyer to preserve the rights of Investigated Electric Vehicle Business Subsidiaries and (ii) The Group at once take remedial work for the Electric Vehicle business and instruct another subsidiary of the Group to carry on the Electric Vehicle Business instead of the Investigated Electric Vehicle Business Subsidiaries.

In fact, the Group is always seeking cooperation opportunities with various business partner to explore the Electric Vehicle Business in the first half of 2020. The Group will enter into a joint venture agreement with a company incorporated and listed in Thailand, to supply approximate 600 air-conditioned electric buses together with maintenance service and bus line operation services for 7 years subject to final confirmation between parties. This project is managed under government authority which is providing bus transport service for public in Bangkok and neighboring provinces. The Group is optimistic in doing the Electric Vehicle Business and improving the business operation by way of entering to the market in Thailand with a view to have business globally.

For Energy Business, the Group continue to expand its Energy Business from time to time. Recently, we are pleased to announce that our subsidiary has entered into a cooperation agreement for LPG supply contract with one of the biggest service provider in Thailand, Siamgas & Petrochemicals PLC, and its monthly turnover of LPG trading is approximately US\$10 million. The Group would be one of the trading partner for LPG trading and the first intended delivery shall be begun in the 4th quarter of this year. The Group would commit to improving the operation of Energy Business.

Although the outbreak of the novel coronavirus (“**COVID-19**”) in early 2020, a series of precautionary and control measures have been and continued to be implemented across the country/regions in which the Group has business operations. The Group will pay close attention to the development of the COVID-19 outbreak, which may have negative impacts on the financial position and operating results of the Group.

RESUMPTION GUIDANCE

The Stock Exchange has set out the below resumption guidance for the Company in 24 July 2020:

- (a) publish all outstanding financial results and address any audit modifications; and
- (b) inform the market of all material information for the Company’s shareholders and other investors to appraise its positions.

UPDATE ON RESUMPTION PROGRESS

The Group will continue to review its existing business from time to time and is committed to improving the business operations and financial position of the Group. The Company will actively identify potential business and investment opportunities to expand its source of income.

The Company will appoint professional consultancy firm to assist the Company in formulating a resumption plan with details of actions that it intends to take to meet the resumption guidance and resume trading. Further, the resumption plan will be formulated with a timetable setting out the actions that it considers appropriate, work according to the plan and announce quarterly updates as required under Rule 17.26A of the GEM Listing Rules.

The Company will make further announcements in due course to inform the Shareholders and the potential investors of the Company of the latest status of the resumption of trading in the shares of the Company.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in share on the Stock Exchange was halted with effect from 9: 00 a.m. on 18 May 2020 and will remain suspended until further notice.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board
China Trustful Group Limited
Wong Ching Fai, William
Executive Director

Hong Kong, 17 August 2020

As at the date of this announcement, the executive Directors are Mr. Fei Jie (Chairman) and Mr. Wong Ching Fai, William; and the independent non-executive Directors are Mr. Sit Sai Hung, Billy, Mr. Law Yui Lun, and Mr. Man Wai Lun.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the website of GEM of The Stock Exchange of Hong Kong Limited at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement will also be published and remains on the website of the Company at www.china-trustful.com.