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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)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

**CHARACTERISTICS OF THE GEM (“GEM”) OF THE STOCK EXCHANGE
OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of China Trustful Group Limited (the “**Company**”) 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 (the “**GEM Listing Rules**”) 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.*

The board of Directors (the “**Board**”) of the Company is pleased to present the unaudited condensed consolidated financial information of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months and six months ended 30 June 2021 together with the comparative unaudited figures for the corresponding period in 2020 as follows:

FINANCIAL HIGHLIGHTS

- The Group’s revenue generated from our operations amounted to approximately HK\$72,837,000 (six months ended 30 June 2020: approximately HK\$nil) for the six months ended 30 June 2021, which represented an increase of approximately HK\$72,837,000 or 100% as compared with the corresponding previous period.
- The profit for the six months ended 30 June 2021 was approximately HK\$1,641,000 (loss for six months ended 30 June 2020: approximately HK\$598,792,000), which represented an increase of approximately HK\$600,433,000 or 100.27% as compared with the corresponding previous period.
- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2021.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2021

	Notes	Three months ended		Six months ended	
		30 June		30 June	
		2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Revenue	4	72,837	–	72,837	–
Cost of sales		(66,277)	–	(66,277)	–
Gross profit		6,560	–	6,560	–
Interest revenue		–	–	–	–
Other income	5	–	81	1	881
Administrative expenses		(2,186)	(1,444)	(3,508)	(6,856)
Other expenses		–	(12)	–	(592,815)
Profit/(loss) from operation		4,374	(1,375)	3,053	(598,790)
Finance costs	6	(4)	(2)	(6)	(2)
Profit/(loss) before income tax		4,370	(1,377)	3,047	(598,792)
Income tax expense	7	(1,406)	–	(1,406)	–
Profit/(loss) for the period	8	2,964	(1,377)	1,641	(598,792)
Other comprehensive income/(loss) for the period (after tax):					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Exchange differences arising on translation of foreign operations during the period		75	–	68	–
Total comprehensive income/(loss) for the period		3,039	(1,377)	1,709	(598,792)

	<i>Notes</i>	Three months ended		Six months ended	
		2021	2020	2021	2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit/(loss) for the period attributable to:					
Owners of the Company		762	(1,377)	(426)	(598,792)
Non-controlling interests		2,202	–	2,067	–
		<u>2,964</u>	<u>(1,377)</u>	<u>1,641</u>	<u>(598,792)</u>
Total comprehensive income/(loss) attributable to:					
Owners of the Company		801	(1,377)	(391)	(598,792)
Non-controlling interests		2,238	–	2,100	–
		<u>3,039</u>	<u>(1,377)</u>	<u>1,709</u>	<u>(598,792)</u>
Earnings/(loss) per share (HK Cents)					
– Basic	10	0.03	(0.05)	(0.01)	(19.72)
– Diluted		<u>0.03</u>	<u>(0.05)</u>	<u>(0.01)</u>	<u>(19.72)</u>

The accompanying notes form an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

	<i>Notes</i>	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
Non-current assets			
Property, plant and equipment	<i>11</i>	128	–
Right-of-use assets		399	60
Other receivables, deposits and prepayments		103	–
		<u>630</u>	<u>60</u>
Current assets			
Trade receivables	<i>12</i>	72,836	–
Other receivables, deposits and prepayments		670	68
Bank and cash equivalents		511	–
		<u>74,017</u>	<u>68</u>
Current liabilities			
Trade payables	<i>13</i>	66,277	–
Accruals and other payables	<i>14</i>	16,137	15,729
Lease liability		249	52
Tax payables		1,406	–
		<u>84,069</u>	<u>15,781</u>
Net current liabilities		<u>(10,052)</u>	<u>(15,713)</u>
Non-current liabilities			
Lease liability		171	9
Amount due to Directors	<i>15</i>	4,360	–
		<u>4,531</u>	<u>9</u>
Net liabilities		<u>(13,953)</u>	<u>(15,662)</u>

		30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
	<i>Notes</i>		
Capital and reserves			
Share capital	16	60,724	60,724
Reserves		<u>(76,777)</u>	<u>(76,386)</u>
Deficit attributable to owners of the Company		(16,053)	(15,662)
Non-controlling interests		<u>2,100</u>	<u>–</u>
Total deficit		<u>(13,953)</u>	<u>(15,662)</u>

The accompanying notes form an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

(Unaudited)

	Attributable to owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Capital contribution HK\$'000	Statutory general reserve HK\$'000	(Accumulated losses)/ retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total deficit HK\$'000
At 1 January 2021	60,724	543,325	-	-	-	(619,711)	(15,662)	-	(15,662)
Total comprehensive income/(loss) for the period	-	-	35	-	-	(426)	(391)	2,100	1,709
At 30 June 2021	60,724	543,325	35	-	-	(620,137)	(16,053)	2,100	(13,953)
At 1 January 2020	60,724	543,325	(21,820)	12,144	-	(19,109)	575,264	(212)	575,052
Total comprehensive loss for the period	-	-	-	-	-	(598,792)	(598,792)	-	(598,792)
Disposal of subsidiaries	-	-	21,820	(12,144)	-	-	9,676	212	9,888
At 30 June 2020	60,724	543,325	-	-	-	(617,901)	(13,852)	-	(13,852)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cash flows from operating activities		
Cash used in operating activities	(3,722)	(144)
Tax paid	—	—
	<hr/>	<hr/>
Net cash used in operating activities	(3,722)	(144)
	<hr/>	<hr/>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	—	85
Addition of property, plant and equipment	(133)	—
	<hr/>	<hr/>
Net cash (used in)/generated from investing activities	(133)	85
	<hr/>	<hr/>
Cash flows from financing activities		
Interest paid	—	(2)
Repayment of lease liabilities	(62)	(16)
New Directors loan raised	4,360	—
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	4,298	(18)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	443	(77)
Cash and cash equivalents at beginning of the reporting period	—	938
Effect of foreign exchange rate changes	68	—
	<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period	511	861
	<hr/> <hr/>	<hr/> <hr/>
Analysis of cash and cash equivalents		
Bank and cash balances	511	861
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

1. GENERAL INFORMATION

China Trustful Group Limited (the “**Company**”) was incorporated in Bermuda on 14 June 2010 as an exempted company with limited liability under the Companies Act 1981 of Bermuda and its shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 26 January 2011. The Company’s registered office is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. The address of its principal place of business is Unit 1603, 16th Floor, The Phoenix, No. 23 Luard Road, Wanchai, Hong Kong during the six months ended 30 June 2021.

The principal activity of the Company is investment holding.

This unaudited condensed consolidated financial statements is presented in Hong Kong dollar (“**HK\$**”), which is the functional currency of the Company and all values are rounded to the nearest thousand (HK\$’000) except otherwise indicated.

2. BASIS OF PREPARATION – GOING CONCERN

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

These condensed consolidated financial statements should be read in conjunction with the 2020 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2020.

The Group had net current liabilities and net liabilities of approximately HK\$10,052,000 and HK\$13,953,000 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

These condensed consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the successful outcome that restructuring plans to improve its financial position, to provide liquidity and cash flows. The Directors are therefore of the opinion that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the condensed consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2021. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

4. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers:

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Sales of goods:				
– Vehicle accessories	<u>72,837</u>	<u>–</u>	<u>72,837</u>	<u>–</u>
Revenue from contracts with customers	<u><u>72,837</u></u>	<u><u>–</u></u>	<u><u>72,837</u></u>	<u><u>–</u></u>
Timing of revenue recognition				
At a point in time	<u>72,837</u>	<u>–</u>	<u>72,837</u>	<u>–</u>
Overtime	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u><u>72,837</u></u>	<u><u>–</u></u>	<u><u>72,837</u></u>	<u><u>–</u></u>

Vehicle accessories – in the area of electric vehicle business providing customized one stop solutions to customers for the supply of vehicle accessories and parts in China. The Board of Directors regard the Group's business of vehicle accessories as a single operating segment and reviews the overall results of the Group as a whole to make decision about resources allocation. Accordingly, no segment analysis information is presented. No separate analysis of segment information by geographical segment is presents as the Group's non-current assets are mainly located in Hong Kong.

Information about major customers

Revenue from customers of the corresponding periods contributing over 10% of the total revenue of the Group during the six months ended 30 June 2021 and 2020 are as follows:

	Six months ended	
	30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Sales of goods:		
Customer A	9,099	—
Customer B	11,722	—
Customer C	26,888	—
	<u> </u>	<u> </u>

5. OTHER INCOME

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Government grant (<i>note</i>)	—	81	—	881
Other	—	—	1	—
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Note: Government grants of approximately HK\$881,000 have been received during the six months ended 30 June 2020.

6. FINANCE COSTS

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Imputed interest on lease liabilities	<u>4</u>	<u>2</u>	<u>6</u>	<u>2</u>

7. INCOME TAX EXPENSES

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax – Hong Kong Profits Tax				
– Provision for the period	–	–	–	–
Current tax – PRC Corporate Income Tax				
– Provision for the period	<u>1,406</u>	<u>–</u>	<u>1,406</u>	<u>–</u>
	<u>1,406</u>	<u>–</u>	<u>1,406</u>	<u>–</u>

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The Directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the condensed consolidated financial statements.

No provision for Hong Kong Profits Tax has been made since there were no assessable profits in Hong Kong for the six months ended 30 June 2021 and 2020.

PRC subsidiaries are subject to PRC Corporate Income Tax at 25% for the six months ended 30 June 2021.

8. PROFIT/(LOSS) FOR THE PERIOD

The Group's profit/(loss) for the period is stated after charging the following:

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Staff costs including Directors' emoluments				
– Salaries, bonus and allowances	761	756	1,178	1,569
– Retirement benefit schemes contributions	10	22	14	55
Total staff costs	771	778	1,192	1,624
Depreciation	41	–	81	–

9. DIVIDENDS

The Directors of the Company do not recommend the payment of any dividend in respect of the six months ended 30 June 2021 (six months ended 30 June 2020: nil).

10. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the following:

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Earnings/(loss) for the purpose of calculating basic earnings/(loss) per share	<u>762</u>	<u>(1,377)</u>	<u>(426)</u>	<u>(598,792)</u>

Number of shares

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	'000	'000	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	<u>3,036,200</u>	<u>3,036,200</u>	<u>3,036,200</u>	<u>3,036,200</u>

(b) Diluted earnings/(loss) per share

No diluted earnings/(loss) per share are presented as the Company did not have any dilutive potential ordinary sharing during the six months ended 30 June 2021 and 2020.

11. PROPERTY, PLANT AND EQUIPMENT

During the period under review, the Group acquired property, plant and equipment with a cost of approximately HK\$133,000 (six months ended 30 June 2020: Nil).

12. TRADE RECEIVABLES

	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
Trade receivables	72,837	–
Less: allowance for credit losses	<u>–</u>	<u>–</u>
	<u>72,837</u>	<u>–</u>

Trade receivables are non-interest bearing and are generally allows a credit period of up to 90 days to its customers.

The following is an aging analysis of trade receivables, net of allowance for credit losses recognised, presented based on the invoice date, which approximates the respective revenue recognition dates and net of allowance for credit losses:

	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
0–90 days	72,837	–
Over 90 days	<u>–</u>	<u>–</u>
	<u>72,837</u>	<u>–</u>

13. TRADE PAYABLES

The aging analysis (based on the invoice dates) of the Group's trade payables at the end of the reporting period is as follows:

	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
0–90 days	66,277	–
Over 90 days	–	–
	<u>66,277</u>	<u>–</u>

14. ACCRUALS AND OTHER PAYABLES

As at 30 June 2021, included in the amount of the accruals and other payables, an amount of approximately HK\$526,000 was owed to 廣東北斗天雲科技有限公司 (Guangdong Beidou Tian Yun Keji Limited Company*) which is wholly owned by a chairman of the Company. The balance was non-trade nature, unsecured, interest-free and repayable on demand.

15. AMOUNT DUE TO DIRECTORS

The amount due to directors was non-trade nature, unsecured, interest-free and repayable after twelve months on demand.

* *for identification only*

16. SHARE CAPITAL

Movements of the share capital of the Company are as follows:

	Number of shares '000	Amount HK\$'000
Authorised: Ordinary shares of HK\$0.02 each At 1 January 2020, 31 December 2020 and 1 January 2021 (Audited) and 30 June 2021 (Unaudited)	<u>5,000,000</u>	<u>100,000</u>
Issued and fully paid: At 1 January 2020, 31 December 2020 and 1 January 2021 (Audited) and 30 June 2021 (Unaudited)	<u>3,036,200</u>	<u>60,724</u>

17. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the unaudited condensed consolidated financial statements (including notes 14 and 15, exempted connected transactions), the Group has not entered into any other transaction with its related parties.

Compensation of key management personnel

The Directors of the Company considered that they are the sole management personnel of the Group, and their remuneration during the six months period ended 30 June 2021 is disclosed in note 8. The remuneration of the Directors is determined by the remuneration committee having regard to the performance of individual and market trends.

18. Acquisition of subsidiary

Details are set out in management discussion and analysis under the heading of increase/decrease of projects during the six months ended 30 June 2021.

19. EVENTS AFTER THE REPORTING PERIOD

There are no significant event took place subsequent to the end of the reporting period.

20. APPROVAL OF FINANCIAL STATEMENTS

These condensed consolidated financial statements were approved and authorised for issue by the Board on 13 August 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Results of the Group

During the six months ended 30 June 2021, the Group recorded revenue of approximately HK\$72,837,000, representing a 100% increase as compared with the same period in 2020 (30 June 2020: approximately HK\$nil). The Group recorded net profit for the six months ended 30 June 2021 of approximately HK\$1,641,000 (30 June 2020: net loss of approximately HK\$598,792,000) and other comprehensive income of approximately HK\$68,000 (30 June 2020: loss of approximately HK\$nil), being exchange differences arising from translating foreign operations during the period. Loss attributable to owners of the Company was approximately HK\$426,000 as compared with a loss of approximately HK\$598,792,000 for the same period last year; whereas basic loss per share was HK0.01 cents (30 June 2020: loss of HK19.72 cents).

The Group's selling and distribution costs and administrative expenses, in total, decreased from approximately HK\$6,856,000 for the same period last year to approximately HK\$3,508,000 during the six months ended 30 June 2021.

Electric Vehicle Business – Vehicle Accessories

During the six months ended 30 June 2021, the Group recorded segment revenue of approximately HK\$72,837,000 (30 June 2020: approximately HK\$nil) in the Electric Vehicle Business, representing 100% of the Group's total revenue generated (30 June 2020: 0%).

Prospects

The Board is committed engaged in the Electric Vehicle Business. The Company considers that the prospects of electric vehicles in the PRC is promising in view of favourable government policies and growing market demands. The Group will focus on providing customized one stop solutions to customers for the supply of vehicle accessories and parts in China.

Financial Review

Liquidity, Financial Resources and Capital Structure

As at 30 June 2021, the Group had current assets of approximately HK\$74,017,000 (31 December 2020: approximately HK\$68,000) comprising cash and cash equivalents of approximately HK\$511,000 (31 December 2020: approximately HK\$nil), and net current liabilities of approximately HK\$10,052,000 (31 December 2020: net current liabilities of approximately HK\$15,713,000). The Group did not have any bank borrowings, guarantee and banking facilities. As at 30 June 2021, the Group's deficit side of equity attributable to owners of the Company decreased by HK\$1,709,000 to deficit side of approximately HK\$13,953,000 (31 December 2020: deficit side of equity approximately HK\$15,662,000), the decreased was mainly due to the Group implemented re-structuring plan and continues to engage in the Electric Vehicle Business in 2021.

The Group's gearing ratio represented its total borrowings (apart from Directors' loan) over the equity attributable to owners of the Company. As there were no borrowings at 30 June 2021, the Group's gearing ratio was therefore at nil% as at 30 June 2021.

The Group's current ratio, calculated based on current assets of approximately HK\$74,017,000 over current liabilities of approximately HK\$84,069,000 was at a unhealthy level of 0.88 times (31 December 2020: 0.004 times).

During the six months ended 30 June 2021, there was no movement of the issued share capital of the Company.

Foreign Currency Management

The Group's transactions, trade balances and cash and cash equivalents are mainly denominated in Hong Kong dollars and Renminbi. Therefore, the Group is exposed to foreign currency exchange rate risk. The Directors of the Company have a positive attitude to regularly monitor the Group's exposure to foreign exchange so as to reduce the foreign exchange rate risk to a minimum level. To a larger extent, foreign exchange risks were minimised via balancing the foreign currency monetary assets versus the corresponding currency liabilities, and foreign currency revenues versus the corresponding currency expenditures. In light of the above, it was considered that the Group's exposure to foreign exchange risks was not significant and no hedging measure had been undertaken by the Group.

Contingent Liabilities

The Group had no significant contingent liabilities as at 30 June 2021 (31 December 2020: nil).

Pledge of Assets

As at 30 June 2021, no other assets of the Group were pledged.

Capital Commitments

As at 30 June 2021, the Group had no material capital commitments (31 December 2020: HK\$nil).

Dividends

The Directors of the Company did not recommend the payment of any dividend during the six months ended 30 June 2021 (30 June 2020: nil).

Employees and Remuneration Policies

The Group had 16 employees including the Directors as at 30 June 2021. Total staff costs for the period, including Directors' remuneration, was approximately HK\$1,192,000 (30 June 2020: approximately HK\$1,624,000). The Group's remuneration practices are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. The Group recognises the importance of a good relationship with the employees by providing competitive remuneration package to the employees including salaries, allowances, insurance, discretionary bonus, share option scheme and training for human resources upskilling.

Share Option Scheme

There were no outstanding share options as at 30 June 2021.

Increase/decrease of projects during the six months ended 30 June 2021

- (i) The Group has disposed its 100% subsidiary namely China Energy and Chemical Investments Limited (the “China Energy and Chemical”) in May 2021 at a total consideration of HK\$1.00 to an independent third party. In 2020, the Group has deconsolidated the China Energy and Chemical from its consolidated account, details were disclosed in the annual report of the Company for the year ended 31 December 2020. The principal activity of the China Energy and Chemical was provision of marketing and management services, sales and distribution of energy and petrochemical related products, including but not limited to, LNG and LPG products and licensing of petroleum gas stations. The gain on disposal was HK\$1.00 for the six months ended 30 June 2021.
- (ii) During the six months ended 30 June 2021, a wholly owned subsidiary namely Ultimate Fame Investment Limited (“**Ultimate Fame**”), acquired 100% equity interest in South Star Auto Parts Company Limited (“**South Star**”) at a total consideration of HK\$1.00 from a current director of the Company namely Tao Wah Wai Calvin. South Star is a company incorporated in Hong Kong with limited liability. The main asset of South Star is an indirectly subsidiary namely 深圳南星汽車電子有限公司 (Shenzhen South Star Automotive Electronics Co., Ltd*) incorporated in the PRC which principally engaged in the area of electric vehicle business providing customized one stop solutions to customers for the supply of vehicle accessories and parts in China and the Board of Directors consider that the acquisition is able to improve the Group’s financial position and provide liquidity and cash flows to the Group (the “**Acquisition**”). The Board of Directors consider that the Acquisition is an exempted connected transaction. The Acquisition was completed in March 2021 and the net assets of the South Star and its subsidiaries was approximately HK\$1.00 on the completion date of Acquisition.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2021, the interests of the Directors in the share capital of the Company which were required to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") (including interests which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Exchange were as follows:

Long positions in shares of the Company

(a) Interests in the shares of the Company

Former directors	Capacity/ Nature of interest	Number of shares held	Approximate percentage of the existing issued share capital of the Company
Mr. Fei Jie	Corporate interest (Note 1)	811,950,000	26.74%
Mr. Zhang Genjiang	Corporate interest (Note 2)	528,809,327	17.42%

Notes:

1. These shares are held by associated corporations King Full Inc Limited and Sure Gold Ventures Limited.
2. These shares are held by an associated corporation Top Bliss Holdings Limited.

(b) *Interests in the shares of associated corporations*

Former directors	Name of associated corporation	Capacity/ Nature of interest	Number of shares held	Percentage of shareholding
Mr. Fei Jie	King Full Inc Limited	Corporate interest & beneficial owner (Note 1)	50,000,000	100%
	Sure Gold Ventures Limited	Beneficial owner (Note 1)	100	100%
Mr. Zhang Genjiang	Top Bliss Holdings Limited	Beneficial owner	1	100%

Notes:

1. King Full Inc Limited is 90% (45,000,000 shares) directly owned by Sure Gold Ventures Limited and is 10% (5,000,000 shares) directly owned by Mr. Fei Jie. Sure Gold Ventures Limited is in turn wholly-owned by Mr. Fei Jie.

Save as disclosed above, as at 30 June 2021, none of the current Directors of the Company had an interest or short position in any shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Rules 5.48 to 5.67 of the GEM Listing Rules to be notified to the Company and the Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2021, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than the interests disclosed above in respect of certain Directors, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long positions

Ordinary shares and underlying shares of the Company

Name of shareholder	Capacity/ Nature of interest	Number of shares held	Approximate percentage of the existing issued share capital of the Company
King Full Inc Limited	Beneficial owner (<i>Note 1</i>)	811,950,000	26.74%
Sure Gold Ventures Limited	Corporate Interest (<i>Note 1</i>)	811,950,000	26.74%
Mr. Fei Jie	Corporate interest (<i>Note 1</i>)	811,950,000	26.74%
Ms. Wu Wen	Interest in spouse (<i>Note 2</i>)	811,950,000	26.74%
Top Bliss Holdings Limited	Beneficial owner (<i>Note 3</i>)	528,809,327	17.42%
Mr. Zhang Genjiang	Corporate interest (<i>Note 3</i>)	528,809,327	17.42%

Notes:

1. King Full Inc Limited is 10% directly held by Mr. Fei Jie and the remaining 90% directly held by Sure Gold Ventures Limited. Sure Gold Ventures Limited is in turn wholly-owned by Mr. Fei Jie. Accordingly, Sure Gold Ventures Limited and Mr. Fei Jie are deemed to be interested in the 811,950,000 shares of the Company held by King Full Inc Limited by virtue of the SFO.
2. The shares are held by King Full Inc Limited, the entire issued share capital of which is indirectly wholly-owned by Mr. Fei Jie, the spouse of Ms. Wu Wen. Accordingly, Ms. Wu Wen is deemed to be interested in the entire 811,950,000 shares by virtue of the SFO.
3. The entire issued share capital of Top Bliss Holdings Limited is wholly and beneficially owned by Mr. Zhang Genjiang. By virtue of the SFO, Mr. Zhang Genjiang is deemed to be interested in the entire 528,809,327 shares held by Top Bliss Holdings Limited.

Save as disclosed above, as at 30 June 2021, no other persons had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or otherwise notified to the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2021.

INTEREST IN COMPETING BUSINESS

During the six months ended 30 June 2021, none of the Directors of the Company, the controlling shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause a significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2021, which is of the opinion that such information comply with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

By order of the Board
China Trustful Group Limited
Luo Huangshi
Chairman

Hong Kong, 13 August 2021

As at the date of this announcement, the executive Directors are Mr. Luo Huangshi and Mr. Tao Wah Wai Calvin; the independent non-executive Directors are Mr. Hu Chao, Mr. Wong Lok Man and Mr. Lo Cheuk Fei Jeffrey.

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.irasia.com/listco/hk/chinatrustful/.