



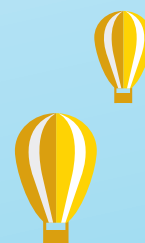
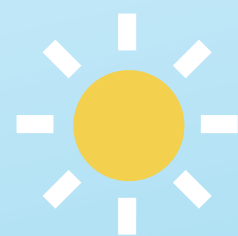
CHINA TRUSTFUL GROUP LIMITED

中國之信集團有限公司

Formerly known as "Powerwell Pacific Holdings Limited"
前稱為“宏峰太平洋集團有限公司”
(a company incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)
Stock code 股份代號: 8265

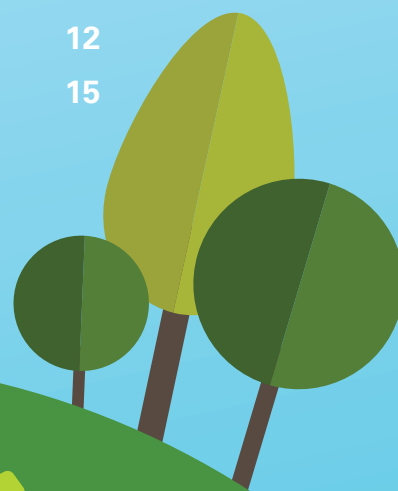


2016
ENVIRONMENTAL, SOCIAL &
GOVERNANCE REPORT
環境、社會及管治報告



Contents

About the Report	2
Management Message	4
Sustainability Approach	6
Environmental Protection	7
Employee Care	9
Scientific Operations	12
HKEX ESG Content Index	15



About the Report

About the Company

China Trustful Group Limited (formerly known as Powerwell Pacific Holdings Limited) (the “Company” or “China Trustful”) is a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“HKEX”) (Stock Code: 8265). The Company and its subsidiaries (collectively referred to as the “Group”) is principally engaged in provision of sourcing and procurement solutions for production of watches, costume jewelries, display and packaging products (“Sourcing Business”), retail and wholesale of luxury brand silverware and silver utensils in China (“PRC Silverware Business”), and research and development, manufacturing and sale of rechargeable batteries, electric vehicles and related products and provision of related services (“Electric Vehicle Business”).

Reporting guide

This is the first Environmental, Social and Governance (“ESG”) report of the Company (“ESG Report”). Its purpose is to report the Group’s policies and performance regarding the environment and the society in the year 2016, and deepen the communication with stakeholders. This report is prepared in compliance with the ESG Reporting Guide set out in Appendix 20 to the Rules Governing the Listing of Securities on the Growth Enterprise Market of HKEX and the operational circumstances of the Company.

Report scope

The ESG Report covers the Group’s environmental and social performance during the year ended 31 December 2016. The data in this report are obtained from the relevant departments of the Group and its stakeholders. If you have any questions or suggestions regarding this report, please feel free to contact us at:

Address : Units 610-611, Tower Two, Lippo Centre,
89 Queensway, Hong Kong
Tel : (852) 2528 1280
Email : info@china-trustful.com





Management Message



Ng Chin Ming Stephen
Chief Executive Officer and Executive Director

Management Message



Dear Stakeholders,

It is our pleasure to present the Company's 2016 ESG Report. China Trustful is committed to progressing towards sustainable development. While we see it as a journey, at the beginning stage of the Company's move towards sustainable development, we need to pragmatically explore the path suitable for the Company. We have just taken our initial step in entering into the Electric Vehicle Business. In this first ESG report of the Company, we explain how we are trying to move in a sure-footed manner.

We place strong emphasis on the environmental impact caused by the Company's operations and have established appropriate environmental management systems tailored to the nature of our businesses. Through internal staff education and external technical and equipment support, we are striving to reduce emissions and resource consumption, and improve the quality of the environment. As for our Electric Vehicle Business, we are strictly in compliance with the relevant environmental laws and regulations, setting a well-rounded environmental management system, striving to achieve a green production process, so that our products are environmentally friendly, right from the manufacturing process to ancillary operations like transportation.

The Company is committed to providing employees with excellent development platforms. We strictly comply with the local labor laws, providing a fair, harmonious and dynamic working environment for our employees. We are always concerned about employees' benefits, training and personal development, ensuring that the Company is able to attract and cultivate talents, and maximize their potential. We put employees' safety and health as our primary responsibility and have established a sound safety management system in our plants. There are regular inspections of safety equipment, besides provision of safety education and training for employees.

We have also been working closely with customers and suppliers to contribute to sustainable development of the community. We have adopted strict screening criteria for suppliers to avoid products with any environmental and social risks and demand suppliers to disclose the way they fulfill social responsibility. We are committed to making sure our products are high quality, safe and reliable. Moreover, leveraging on our business specialties, we are striving to provide customers and the society with green transportation solutions, actively participate in community activities, and advocate the benefits of green transportation.

Stepping into 2017, we will continue to move forward steadfastly, exploring diverse ways of developing sustainability. For making corporate decisions, we will evaluate the impact on the environment and society caused by the Company's operations, paving the way for sustainable development suitable for the Company. We will also actively continue to communicate with stakeholders to understand more deeply their concerns, and timely adjust and steer our actions towards sustainable development. We will work together with our employees and make unremitting efforts on this sustainable development journey, with the help of diverse stakeholders. We are bound to continue to provide excellent products and services to customers and the society.

Ng Chin Ming Stephen

Chief Executive Officer and Executive Director

Hong Kong, 26 June 2017

Sustainability Approach

The Group has been actively exploring a model of sustainable development. During our decision making process, we take into account the environmental and social impact brought by our decisions, and a final decision by the Board is made only after careful assessment. Following cautious consideration, we have expanded the scope of our business in recent years, extending from a single sourcing business to sale of precious metals and silverware business. During the year, the Group has completed the acquisition of the assets for the Electric Vehicle Business, making a foray into the new energy vehicles market.

A series of business decisions have demonstrated that we do not stop at engaging in traditional business. We believe that by further investing in hi-tech and green industries, we will enable the Group to maintain sustainable development. Therefore, we have selected the new energy vehicle operations as a way to break into sustainable business, and are undertaking vigorous research and development and manufacturing of electric vehicles, rechargeable batteries and related products. We are committed to promoting

the popularity of electric vehicles and providing green transportation solutions for the sustainable development of the society.

In view of composition of the Group's business, the Sourcing Business and the PRC Silverware Business are both traditional models of business, i.e. there is no production of physical products. The environmental and social impact brought by these two businesses are relatively limited. The Electric Vehicle Business involves a production process and its environmental and social impact is more prominent than the trading business. To this end, we have been strictly controlling the environmental and social impact brought by our factory production, comprehensively regulating pollutant emissions and resource utilization, striving to safeguard the safety and health of our workers. In the production of new energy vehicles and related products, we have made efforts to minimize the negative impact of the production process, making the electric vehicles a green means of transportation from the source.

Environmental Protection



The Group is committed to environmental protection. We have developed appropriate environmental management measures in our various operations, and strictly comply with the environmental laws and regulations at our locations of operations to ensure lawful production. In view of the differences between the Group's operations, we have set up different environmental management priorities for different operations and have formulated appropriate and efficient environmental management policies.

The Group's Sourcing Business and PRC Silverware Business are both office-based operations, with no significant environmental impact generated. We, therefore, focus our efforts on controlling resource consumption and general waste disposal in the offices.

Office resource management

We have developed relevant regulatory practices within the Company to control energy consumption with respect to employees' daily behaviors and equipment management. We require our employees to reasonably use the computers, printers, shredders and other office equipments. When they get off work, employees should turn off the equipment, reducing the standby time. In addition, air conditioners are set for indoor temperature not lower than 26 degrees Celsius in summer, and not higher than 20 degrees Celsius in winter, aiming to cut down the electricity usage substantially. We also actively adopt energy-saving installations and are gradually phasing out high energy consuming equipment. During renovation of the Group's infrastructure or equipment retrofit, we strictly follow the government's instructions on purchasing energy-saving goods, actively adopting energy-efficient products, and phasing out high energy consuming equipment prohibited in the country.

On water resources management, we have adopted a similar management approach. For toilets, pantries and other locations that consume water, we assign specific personnel to manage in accordance with the management regulations. If water leakage occurs, the equipment is timely repaired. Also, we require our employees to consume drinking water according to their actual needs, and it cannot be used for other purposes, so as to reduce resource consumption.

We have maintained water and electric installations in offices regularly to ensure they function properly and are safe and reliable. We also regularly conduct meter reading on the water and electric equipment, provide accurate energy consumption data in a timely manner, examining the Company's resources consumption.

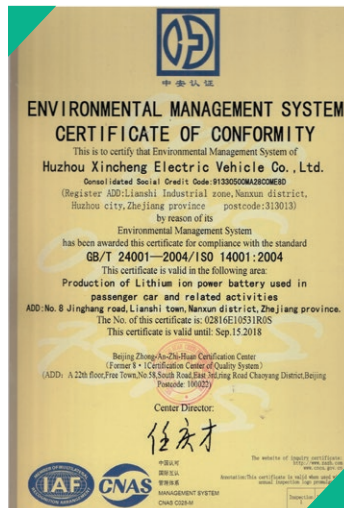
Office waste disposal

We actively encourage employees to use proper domestic waste treatment methods, requiring units and individuals to dispose domestic waste to the designated collection containers or places in accordance with the specified location and time. In operating locations where sorting waste is implemented, we categorize domestic waste, enclose them into corresponding garbage bags according to the relevant provisions, and put the bags into designated collection containers. Employees are prohibited from dumping or stacking domestic waste arbitrarily.

Environmental Protection

Environmental protection in our Electric Vehicle Business

The Group's Electric Vehicle Business involves production of physical goods, and its environmental impact is more prominent than other components of our business. We strictly regulate this business to ensure that the production process is in strict compliance with local environmental laws and regulations. During the year, there were no cases of material non-compliance of environmental aspects. In addition, we closely follow the development of manufacturing process and pollution treatment technology, actively exploring more clean and environmentally friendly production methods.



During the year, the manufacturing plant of the Electric Vehicle Business has obtained ISO 14001: 2004 environmental management system certification. We will continue to improve the environmental protection and energy conservation management systems, pay attention to controlling pollutant emissions in the production process, carry out resource management, increase investment in energy conservation and environmental protection, and strive to achieve continuous reduction in pollutant emissions and resource consumption.

Handling three wastes from factories

We have fulfilled our commitment to green production and strictly control three wastes generated from the factories. Due to the nature of our manufacturing process, there is no significant pollution generated during the process. The wastewater of our plants is primarily domestic sewage. As required by local environmental protection authorities, wastewater is discharged into sewage network, which is eventually, treated by municipal sewage treatment plants. The exhaust gas of our plants is mainly oil smoke from canteens which we have installed specific fume filter devices to treat the gas to meet relevant standards before discharging. For solid waste, we have strict control on hazardous wastes in accordance with the environmental management requirements of our plants. By separating it from general waste, we adopt different ways to collect and store different wastes. We then commission accredited hazardous waste disposal centers in our locations of operations to collect and process regularly. For general waste, we appoint local municipal sanitation departments to collect and process.

Employee Care



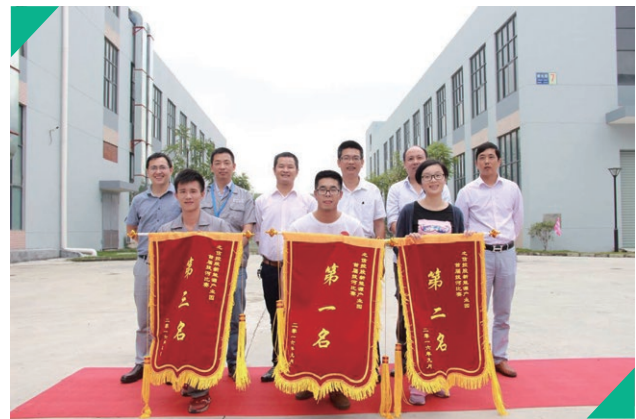
The Group adheres to the people-oriented development strategy, aligning the Company's sustainable development with employees' personal growth. We attract and retain talents through a sound and transparent recruitment and promotion mechanism with competitive benefits. The Group has complied with the national labor laws, regulations and provisions to ensure the safety and health of its employees.

Working environment

The Group complies with national and local labor laws and regulations, and no cases of child labor or forced labor occurred in the Group. Also, we attach great importance to equal opportunity and transparent promotions. Working hours and holiday arrangements of our employees strictly comply with the relevant labor laws and regulations, and the Group strives to provide a working environment without discrimination. Employees are not treated differently because of gender, race, age, religion, beliefs and other factors. In 2016, there were no incidents of discrimination in the Group.

Our basic criteria for recruiting talents includes the fundamental values such as integrity, enthusiasm and team spirit. We need to go through a strict vetting process to ensure the fairness of the entire recruitment process. The principle of fairness is also applied to our dismissal procedures.

We place strong emphasis on employee welfare and have complied with the relevant provisions of the laws in China. According to the corresponding provisions of the law, the Company purchases social insurance and housing provident fund for employees; arranges annual medical check-up for employees; distributes corresponding holiday benefits during important holidays, such as the Chinese New Year, Women's Day, Dragon Boat Festival, Mid-Autumn Festival, etc. The Group also provides accommodation subsidy, communication subsidy, transportation subsidy, business vehicles and other benefits based on different positions.



Tug of war competition by employees in the Electric Vehicle Business in 2016

Employee Care

Furthermore, we are committed to cultivating an atmosphere promoting excellence within the Company. We award commendations and provide even financial incentives to encourage employees who have outstanding performance, urge employees to nurture good moral standards and excellent business skills and enhance bonding and interactions among themselves. During the year, we have held a number of staff activities at our plants, such as tug of war, to strengthen team cohesion.

In addition, we strive to ensure open communication channels for employees and have developed a grievance resolution procedure for employees. If an employee has any problems at work, he/she can communicate directly with the supervisor or inform the human resources department, which then convenes the relevant department heads and trade union representatives to discuss the matter according to the context of the grievance, and if necessary, the relevant facts are investigated and verified, and the grievance is re-examined according to their opinions.

Employee training

Employees are the primary locomotive of sustainable development of the Group, and we pay great attention to the development and cultivation of talents. Through

the establishment of comprehensive training systems, we provide suitable training courses for staff at different working stages and in different functional departments. For new recruits, we organize induction training to provide them with guidelines for job specification; for incumbent employees, we provide relevant training according to the Company's recent business needs and operational changes. During the year, we held training courses such as corporate culture training, daily oral English communication training, financial system publicity and invoice reimbursement standard training.

To enhance the efficiency of office administration, the Group adopts office automation (OA) system. To this end, we have carried out basic operations training for the relevant colleagues on the use of OA system to improve the Company's administrative processing efficiency. In addition, in consideration of the Group having entered the Electric Vehicle Business, we have also organized the relevant trainings such as auto parts coding rules training.

In addition to the above internal trainings, we look forward to creating career development opportunities for our employees and encourage employees to enroll in external courses related to their work. We provide substantial support to our employees, such as financial support or special paid leave, encouraging



Corporate culture training in 2016

Employee Care

them to attend relevant external courses or participate in professional lectures. As for the Group's directors and senior management, we provide continuous professional development trainings to enable them to develop and update their knowledge and skills, and monitor the latest information concerning the industry and its development and requirements, so as to lead the Group to progress further on the road of sustainable development.

Occupational health

Employees are the Group's most important asset and we put the safety and health of employees as our first priority. The occupational safety and health risks from the Group's Sourcing Business and PRC Silverware Business are relatively low. Nevertheless, we take safety education and training seriously, aiming to raise employees' awareness of safety and to prevent accidents such as fire.

For the newly acquired Electric Vehicle Business, we pay great attention to occupational safety and health of employees in different positions. For positions with health risks, we equip staff with adequate protective equipment, train and monitor them to wear the gear properly. We regularly manage and maintain the safety facilities in our plants to ensure that all safety equipment operate properly. Through strict implementation of safety management in accordance with the relevant standards, our main production plant of our Electric Vehicle Business has obtained OHSAS 18001: 2007 occupational health and safety management system certification in this year.



To remind employees of the importance of occupational safety and health, especially for employees in the Electric Vehicle Business, we carry out safety training courses regularly, implementing a three-level safety education and training system. The system focuses on new recruits, and incumbent employees at three levels: plant level, workshop level and position level, instilling the concept of safe production into employees' mind at each level. In addition, we have conducted large-scale fire safety trainings for the entire plant. Through these practices, we aim to train employees on how to prevent and extinguish fire, assigning the responsibility of fire prevention to every employee in every department.



Fire safety training in 2016

Scientific Operations

The Group has always adhered to the concept of scientific operations and product quality and remains committed to providing customers with excellent products and services. Starting from the source, we strive to control suppliers' product quality and the impact on environment and society. The Group maintains its incorruptible working atmosphere, actively reciprocates to its customers and contributes to the community.

Product quality

Regarding our Electric Vehicle Business, we strictly control the product quality and ensure product safety and reliability. While we comply with the laws and regulations in markets where we sell our products, making sure our products are qualified, we conduct strict internal inspections of our products, and seek certification from external organizations. During the year, we have established a comprehensive product quality control system in our plant, and obtained ISO 9001: 2008 quality management system certification.

Our quality control system covers the entire product life cycle, including product design, raw materials inspection, production process inspection, final inspection on road test, finished product warehouse entry inspection, product delivery inspection and after-sales quality improvement. We have specifically

formulated a "Process Control Procedure". By providing operating instructions at the production site and monitoring production parameters, we have strengthened the control of all the factors that affect product quality during the production process, such as manufacturing process parameters, personnel, equipment and environment. In addition, to avoid distributing non-conforming products, our quality control department disposes sub-standard goods in strict accordance with the "Control Procedures for Non-conforming Products", implementing a comprehensive control on non-conforming products that may arise during the production process.



Scientific Operations



In addition to ensuring product quality, our Electric Vehicle Business attaches great importance to customer service. Our customer service system covers before, during and after sales. By making timely response to customers' inquiries, we help customers resolve all kinds of problems and meet customers' needs. Also, the Group requires all employees to strictly implement the Company's information disclosure requirements and confidentiality provisions. Employees are not allowed to disclose the Company's information without authorization, and strictly protect customers information.

As for the Group's Sourcing Business and PRC Silverware Business, we primarily look for the appropriate goods for customers and provide procurement channels, sales and after-sales services. For these businesses, providing customers with comprehensive and satisfactory services is our main responsibility. In the Sourcing Business, we meticulously analyze customers' requirements and provide them with suitable supplies of goods. In the PRC Silverware Business, we have set up specialty stores in mainland China to provide customers with on-site purchase channels and offer comprehensive after-sales service. To protect customers' safety and the Company's interests, we pay great attention to security work, minimizing the risks of theft and robbery.

Supplier management

We value supplier management for the Group's business. Supplier selection is performed by corresponding business marketing managers, while the Group retains a list of qualified suppliers and subcontractors to serve as a reference for the selection of suppliers for each business.

When a customer makes a request or business needs arise, the business marketing managers are responsible for selecting a supplier with long-term business relationships. If existing suppliers are not suitable, new suppliers are developed. We seek new suppliers through recommendations from our raw materials suppliers who have good relationships with us or from magazines and websites, and the corresponding business marketing managers screen potential suppliers by comparing pricing, product quality and sample quality. Also, the Group's Executive Directors closely monitor the assessment process and are responsible for approving purchase orders.

In addition to commercial conditions such as prices, quality and services, we also place great emphasis on the environmental and social performance of suppliers, preventing procurement from high-risk areas. We intend to procure more products locally since this helps ensure timely communication with suppliers and better monitoring and coordination, as well as greatly reduce the environmental impact of product transportation.

We negotiate with suppliers regarding the contract terms and conditions of the purchase orders, requiring all suppliers and subcontractors to sign social responsibility undertaking letter before obtaining an order or contract, to make a pledge to comply with local labor regulations, environmental regulations and SA8000 social responsibility standards and accept on-site inspection.

Scientific Operations

Anti-corruption

To maintain a fair and efficient business and working environment, the Group attaches great importance to anti-corruption measures and does not tolerate any form of corruption. Internally, we make it clear in the employment contract that employees of the Group are not allowed to accept gifts or rebates from manufacturers or suppliers under any circumstances. We regularly remind our employees not to require, receive or accept any gratification in any form from persons, companies or institutions whom the Group has business dealings with. Externally, we are committed to individual and business integrity, adhering to the business ethics of honesty, integrity, fairness, mutual benefit, and customer first.

Community investment

The Group is enthusiastic about community building, encouraging employees to participate in community activities and volunteer organizations. In addition, aligning with the Group's business, we actively promote green transport to local governments and the public. During the year, we have provided electric buses to Macau for a 30-day trial runs, so that the public is able to understand about the green transport. The practice also provided the Macau government an important reference for introduction of electric buses aiming to reduce vehicle emissions. Looking ahead, we will continue to promote education in different parts of the country, urging more regions to develop a social atmosphere of green transport.

HKEX ESG Content Index



Index	HKEX ESG Reporting Guide Index requirements	Chapter/Remarks
A. Environmental		
A1	Emissions	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Protection
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Environmental Protection
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Environmental Protection
A2	Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Protection
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Environmental Protection
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for the purpose, water efficiency initiatives and results achieved.	Environmental Protection
A3	The Environment and Natural Resources	
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Environmental Protection
B. Social		
B1	Employment	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.	Employee Care
B2	Health and Safety	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from occupational hazards.	Employee Care

HKEX ESG Content Index

Index	HKEX ESG Reporting Guide Index requirements	Chapter/Remarks
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Care
B3	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Care
B4	Labor Standards	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Employee Care
B5	Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Scientific Operations
B6	Product Responsibility	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Scientific Operations
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Scientific Operations
B7	Anti-Corruption/Bribery	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to bribery, extortion, fraud and money laundering.	Scientific Operations
B8	Community Investment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Scientific Operations



CHINA TRUSTFUL GROUP LIMITED

中國之信集團有限公司

