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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)

**ADDITIONAL RESUMPTION GUIDANCE
AND
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, 15 May 2020, 5 August 2020, 7 August 2020, 17 August 2020 and 7 September 2020. Unless otherwise stated in this announcement, terms used in this announcement shall have the same meanings as those defined in the Announcements.

ADDITION RESUMPTION GUIDANCE

By a letter dated 1 December 2020, the Stock Exchange set out the following additional resumption guidance for the Company:

- (i) demonstrate compliance with GEM Rule 17.26; and
- (ii) re-comply with Rules 5.05, 5.05A, 5.24, 5.28 and 5.34 of GEM Listing Rules.

RE-COMPLIANCE WITH RULES 5.05, 5.05A, 5.24, 5.28 AND 5.34 OF GEM LISTING RULES

Reference is made to the Company's announcements dated 23 and 31 December 2020 relating to the appointment of independent non-executive directors and the respective chairman and members of the audit committee, remuneration committee and nomination committee. The Company has also on 12 January 2021 appointed Mr. Tao Wah Wai Calvin and Mr. Au Yeung Yiu Chung as the authorized representatives of the Company. Therefore the Company has re-complied with GEM Listing Rules 5.05, 5.05A, 5.24, 5.28 and 5.34.

CHANGES IN MANAGEMENT

All members of the current board of directors (the "**New Board**") of the Company were appointed in December 2020. All previous members of the board of directors resigned on or prior to 8 December 2020. In addition, there were several changes of the company secretary of the Company before the appointment of the current company secretary on 31 December 2020. Since their on boarding, the New Board and the company secretary have been using their best endeavours to investigate and take control of the Group's affairs. Due to the lack of assistance from the former directors and company secretaries of the Company, there has been a delay in publication of this announcement due to the aforesaid changes in the management. The New Board has procured the publication of this announcement as soon as practicable.

BUSINESS OPERATIONS

As stated in the Company's announcement dated 17 August 2020, 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 products, and licensing of petroleum gas stations (the "**Energy Business**").

Silverware Business

It was disclosed in the announcement dated 17 August 2020 that the operation of Silverware Business has been suspended as the Records and Documents were seized by the Public Security Bureau of the PRC ("**Public Security**"). The Company has obtained an investigation report from a PRC lawyer in which the PRC lawyer advised that there is no way to recover the Records and Documents at this moment as it is under the criminal investigation by the Public Security. According to the announcements published by the Public Security, Mr. Zhang Genjiang, a former executive director of the Company and

the controller of 浙江之信控股集團有限公司 (Zhejiang Zhixin Holdings Group Co. Ltd.*), was arrested for suspected illegal absorption of public deposits. The Public Security has seized various properties, assets, cash and other things related to the suspects. The PRC lawyer advised that according to PRC laws, the Group's subsidiaries operating the Silverware Business and those operating the Electric Vehicle Business were considered as connected with the suspects. The PRC lawyer further advised that the Record and Documents would only be dealt with after the relevant criminal investigation or court trial was closed. Other than the announcements published by the Public Security, the PRC lawyer was unable to obtain any further information relating to the investigation by the Public Security.

Electric Vehicle Business

It was disclosed in the Company's announcement dated 17 August 2020 that the Group's subsidiaries operating the Electric Vehicle Business in the PRC were also subject to investigation by the Public Security. It was further disclosed in the Company's announcement dated 7 September 2020 that a piece of land owned by a subsidiary operating the Electric Vehicle Business was disposed pursuant an order of the PRC Government in early 2020 and that the bank accounts under the Electric Vehicle Business's subsidiaries were restricted for any withdrawal due to their connection with the Public Security's investigation of Mr. Zhang Genjiang.

The Company has obtained an investigation report from a PRC lawyer relating to the Land Disposal. The PRC lawyer advised that according to the information published by the Huzhou Intermediate People's Court of the PRC, the said land was located at Huzhou and registered under the name of 湖州信成電動汽車有限公司 (Huzhou Xincheng Electric Vehicle Co. Ltd.*). The said land and the buildings thereon were disposed of by the PRC court on 11 January 2020 at the price of RMB63,400,000. The Land Disposal was made pursuant to a court judgment which was not publicly disclosed.

Based on the information available to the New Board, the PRC subsidiaries operating the Electric Vehicle Business have suspended their operations due to the investigation by the Public Security, the Land Disposal and departure of most of their officers and employees. The New Board is still in the process of making enquiries with the Public Security regarding the investigation, identifying former staff and gathering information and documents in order to take control of the PRC subsidiaries.

Despite the aforesaid, the New Board is determined to continue to engage 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 the supply chains in the production of electric vehicles including but not limited to manufacturing and supply of electric vehicle components and parts.

Energy Business

As a result of the departure of all the responsible officers and staffs for the Energy Business and based on the information available to the New Board, the Energy Business is currently idle. The New Board is in the process of evaluating the continued operation of the Energy Business.

UPDATE ON RESUMPTION PROGRESS

The Company has appointed ZHONGHUI ANDA CPA Limited as the new auditor of the Company to fill the casual vacancy following the resignation of HLB Hodgson Impey Cheng Limited with effect from 11 January 2021. The Company and the new auditor are in the process of preparation of the outstanding annual report for the year ended 31 December 2019, the first quarterly results announcement and report for the 3 months ended 31 March 2020, the interim results announcement and report for the 6 months ended 30 June 2020, the third quarterly results announcement and report for the 9 months ended 30 September 2020 and the annual results announcement and report for the year ended 31 December 2020. The Company is aiming to publish all the outstanding results announcements and reports by 31 March 2021.

The Company has also appointed Optima Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinances (Chapter 571 of the laws of Hong Kong) as the financial adviser of the Company to address the concern of the Stock Exchange regarding the resumption guidance.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 18 May 2020 and will remain suspended until the Company fulfills the Resumption Guidance.

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the GEM Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By Order of the Board of
China Trustful Group Limited
Luo Huangshi
Executive Director

Hong Kong, 20 January 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.china-trustful.com.

* *For identification purpose only*