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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, 7 August 2020, 17 August 2020, 7 September 2020, 20 January 2021 and 17 February 2021. Unless otherwise stated in this announcement, terms used in this announcement shall have the same meanings as those defined in the Announcements.

BUSINESS OPERATIONS

De-consolidation of subsidiaries

As disclosed in the annual report for the year ended 31 December 2019 (“**2019 Annual Report**”) and the annual report for the year ended 31 December 2020 (“**2020 Annual Report**”), the subsidiaries engaging in the Silverware Business were de-consolidated since January 2019 and the subsidiaries engaging in the Electric Vehicle Business and Energy Business were de-consolidated since January 2020.

The Company has instructed a PRC lawyer to conduct further investigations on the latest status of the criminal investigation by the Public Security of China relating to the Silverware Business and the Electric Vehicle Business. On 12 May 2021, the PRC lawyer issued the latest report on their investigations relating thereto and their major findings are as follows:

- (a) According to the latest announcements published by the Public Security on 9 February 2021, the criminal investigations relating to 浙江之信控股集團有限公司 (Zhejiang Zhixin Holdings Group Co. Ltd.) were still ongoing. The Public Security is still in the process of tracing the money involved and investigating the criminal acts of the suspects. The PRC lawyer has contacted and visited the local Public Security where the criminal investigations were conducted. The Public Security confirmed that the investigations were still ongoing and, other than the public announcements published by the Public Security, no further information would be disclosed including the status of the investigations and the seized records and documents.
- (b) According to the online searches and physical visits of the local courts by the PRC lawyer, the PRC subsidiaries engaging in the Electric Vehicle Business were involved in various litigations and were in the process of liquidation. According to the latest information provided by the relevant liquidators of the subsidiaries to the PRC lawyer, 湖州信成電動汽車有限公司 (Huzhou Xincheng Electric Vehicle Co. Ltd.) has no more liquid capital for execution. The land it owned has been executed and disposed. There were certain seized equipment with a valuation of over RMB10 million. 湖州信馳電動汽車有限公司 (Huzhou Xincheng Electric Vehicle Co. Ltd.) has no assets available for execution. The liquidation processes are still ongoing. The PRC lawyer advised that due to the ongoing criminal investigation and liquidation process, the Company could not change the personnel of the silverware business and the electric vehicle business subsidiaries or otherwise secure control of such subsidiaries.
- (c) According to the physical visits conducted by the PRC lawyer at the registered addresses and principal office of the PRC subsidiaries, the subsidiaries no longer carried on business at such addresses, which were either deserted or being occupied by third parties. There is no trace of any of the PRC subsidiaries carrying on business nor any personnel, equipment or books and records relating to the PRC subsidiaries at such addresses.

Vehicle Accessories Business

After deconsolidation of the various subsidiaries in 2019 and 2020 mentioned in the 2019 Report and 2020 Report, the Group ceased all the business carried on by the previous management. The current Board is committed to continue to engage in the automobile business by focusing on providing customized one stop solutions to customers for the supply of vehicle accessories and parts in China (“**Vehicle Accessories Business**”).

深圳南星汽車電子有限公司 (Shenzhen Nanxing Automobile Electronics Co. Ltd.) (“**Nanxing**”) is a company incorporated in the PRC and is a 51% owned subsidiary of the Company and is the principal operating subsidiary carrying on the Vehicle Accessories Business. The major products of Nanxing currently consist of smart watch car key, intelligent air purifier and sanitizer and intelligent mobile multimedia system.

UPDATE ON RESUMPTION PROGRESS

The Company considers that it has fulfilled all the resumption guidance issued by the Stock Exchange and has made a submission to the Stock Exchange on 13 May 2021 requesting for confirmation of resumption of trading.

The Company is awaiting the response from the Stock Exchange.

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
Chairman

Hong Kong, 14 May 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/.