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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)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO POSSIBLE FORMATION OF THE JOINT VENTURE

This voluntary announcement is made by China Trustful Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to inform the public of the updated business development of the Group.

The Board is pleased to announce that on 16 August 2019 (after trading hours), the Company entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Zuver X-Sportain Holdings Limited (“**Zuver X-Sportain**”) in relation to, among other things, the proposed formation of a joint venture company (the “**Proposed Joint Venture**”) for the purpose conducting, operating, promoting and investing into China Endurance Series (“**CES**”) Motorsport Racing events and projects (the “**Business**”).

Pursuant to the MOU, it is agreed that the shareholding ratio of the Proposed Joint Venture, if established, shall be 60% to the Company and 40% to Zuver X-Sportain. Zuver X-Sportain undertakes to satisfy the consideration by granting and licensing the Business to the Proposed Joint Venture. The Company shall deliver to the Proposed Joint Venture an unconditional application in writing for the allotment to it for cash of 60% shareholding, such application being accompanied by a banker’s draft for HK18,000,000.

The MOU was intended to record the preliminary mutual understanding between the parties to the MOU and to serve as a platform for further negotiations and no legally binding agreement in relation to the Proposed Joint Venture has been entered into by the relevant parties.

REASONS FOR THE PROPOSED JOINT VENTURE

The Group is an established research and developer on batteries, electric vehicles and related products based in Hong Kong and China.

Taking into account the prospects and growing popularity of sport racing, and to keep up the Company's ability to embrace the rapid evolution of technology across different sectors, the Company intends to explore the development in the Business together with the possibility of diversification of the business of the Company, with a view to maximizing return to the Company and the shareholders as a whole in the long run. The Board considers that the Proposed Joint Venture, should it be materialized, would be beneficial and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF ZUVER X-SPORTAIN

Zuver X-Sportain is a company with limited liability incorporated in Hong Kong. According to Zuver X-Sportain, it is principally engaged in motorsport racing business and act as legally beneficial owner on the exclusive right to operate such business.

To the best knowledge, information and belief of the directors (“**Directors**”) of the Company after having made all reasonable enquiries, Zuver X-Sportain and its ultimate beneficial owner are independent third parties who are not connected persons (as defined under the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) of the Company.

Shareholders and potential investors of the Company should note that the MOU may or may not lead to the entering into of the definitive agreement and transactions contemplated thereunder may or may not be consummated. The Board wishes to emphasize that no binding agreement in relation to the Proposed Joint Venture has been entered into by the Company as at the date of this announcement. The Proposed Joint Venture, if materialized, may not constitute a notifiable transaction for the Company under the GEM Listing Rules. Further announcement will be made in respect thereof as and when required by the GEM Listing Rules.

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

By order of the Board
China Trustful Group Limited
Fei Jie
Chairman and Executive Director

Hong Kong, 16 August 2019

As at the date of this announcement, the executive Directors are Mr. Fei Jie (Chairman), Mr. Zhang Genjiang, Mr. Fung Chi Kin and Mr. Wong Kin Fai and the independent non-executive Directors are Mr. Jim Yiu Ming, Mr. Sit Sai Hung, Billy and Mr. Shen Ruolei.