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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 FIRST QUARTERLY RESULTS FOR  
THE THREE MONTHS ENDED 31 MARCH 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 ended 31 March 2021 together with the comparative unaudited figures for the corresponding periods in 2020 as follows:

## **FINANCIAL HIGHLIGHTS**

- The Group’s revenue generated from our operations amounted to HK\$nil (three months ended 31 March 2020: HK\$nil) for the three months ended 31 March 2021, which represented no decrease or increase as compared with the corresponding previous period.
- The loss for the three months ended 31 March 2021 was HK\$1,323,000 (loss for three months ended 31 March 2020: HK\$597,415,000), which represented a decrease of HK\$596,092,000 or 99.8% as compared with the corresponding previous period.
- The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2021.

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2021

	Notes	Three months ended 31 March	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>Revenue</b>	3	—	—
Cost of sales		—	—
<b>Gross profit</b>		—	—
Interest revenue		—	—
Other income		1	800
Selling and distribution expenses		—	—
Administrative expenses		(1,322)	(5,412)
Other expenses		—	(592,803)
<b>Loss from operation</b>		(1,321)	(597,415)
Finance costs		(2)	—
<b>Loss before income tax</b>		(1,323)	(597,415)
Income tax expenses	4	—	—
<b>Loss for the period</b>		(1,323)	(597,415)
<b>Other comprehensive loss for the period (after tax):</b>			
Item that may be reclassified to profit or loss:			
— Exchange differences on translating foreign operations		(7)	—
<b>Total comprehensive loss for the period</b>		<u>(1,330)</u>	<u>(597,415)</u>
<b>Loss for the period attributable to:</b>			
Owners of the Company		(1,188)	(597,415)
Non-controlling interests		(135)	—
		<u>(1,323)</u>	<u>(597,415)</u>

		<b>Three months ended</b>	
		<b>31 March</b>	
		<b>2021</b>	2020
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Total comprehensive loss for the period attributable to:</b>			
Owners of the Company		<b>(1,192)</b>	(597,415)
Non-controlling interests		<b>(138)</b>	—
		<u><b>(1,330)</b></u>	<u>(597,415)</u>
<b>Loss per share (HK cents)</b>			
— Basic	6	<u><b>(0.04)</b></u>	<u>(19.68)</u>
— Diluted		<u><b>(0.04)</b></u>	<u>(19.68)</u>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2021

	(Unaudited)								
	Attributable to owners of the Company								
	Share	Translation	Capital	Statutory	Retained	Total	Non-	Total equity/	
	capital	premium	reserve	contribution	general	earnings	controlling	(deficit)	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	reserve	HK\$'000	interests	HK\$'000	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2021	60,724	543,325	—	—	—	(619,711)	(15,662)	—	(15,662)
Total comprehensive loss for the period	—	—	(4)	—	—	(1,188)	(1,192)	(138)	(1,330)
<b>At 31 March 2021</b>	<b>60,724</b>	<b>543,325</b>	<b>(4)</b>	<b>—</b>	<b>—</b>	<b>(620,899)</b>	<b>(16,854)</b>	<b>(138)</b>	<b>(16,992)</b>
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	—	—	—	—	—	(597,415)	(597,415)	—	(597,415)
Disposal of subsidiaries	—	—	21,820	(12,144)	—	—	9,676	212	9,888
<b>At 31 March 2020</b>	<b>60,724</b>	<b>543,325</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(616,524)</b>	<b>(12,475)</b>	<b>—</b>	<b>(12,475)</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months ended 31 March 2021*

## 1. GENERAL INFORMATION

China Trustful Group Limited (the “**Company**”) was incorporated and registered as an exempted company with limited liability in Bermuda on 14 June 2010 and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 26 January 2011. The registered office of the Company 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.

The principal activity of the Company is investment holding.

The unaudited condensed consolidated financial statements (the “**Unaudited Condensed Consolidated Financial Information**”) is presented in Hong Kong dollars (“**HK\$**”), which is the functional currency of the Company and all values are rounded to the nearest thousand (HK\$’000) except otherwise indicated. This Unaudited Condensed Consolidated Financial Information was approved for issue by the board of directors of the Company (the “**Board**”) on 24 June 2021.

This Unaudited Condensed Consolidated Financial Information has not been audited.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Except for the adoption of new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which are effective for the Group’s financial period beginning 1 January 2021, the accounting policies applied in preparing this Unaudited Condensed Consolidated Financial Information for the three months ended 31 March 2021 are consistent with those of the annual financial statements for the year ended 31 December 2020, as described in those annual financial statements. This Condensed Consolidated Financial Information should be read in conjunction with the annual financial statements for the year ended 31 December 2020.

The Group has not early applied the new and revised HKFRSs that have been issued by the HKICPA but are not yet effective. The application of these new and revised HKFRSs is not expected to have material impact on the Unaudited Condensed Consolidated Financial Information of the Group.

The preparation of Unaudited Condensed Consolidated Financial Information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 31 December 2020.

### 3. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers:

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2021</b>	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Sales of goods:		
— Vehicles accessories	—	—
	_____	_____
Revenue from contracts with customers	—	—
	=====	=====

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 has no revenue and non-current assets are principally attributable to a single geographical region, which is Hong Kong.

#### 4. INCOME TAX EXPENSES

	Three months ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax — PRC Corporate Income Tax — Provision for the period	—	—

PRC subsidiaries are subject to PRC Corporate Income Tax at 25% for the three months ended 31 March 2021 (three months ended 31 March 2020: 25%).

No provision for Hong Kong Profits Tax has been made since there were no assessable profits in Hong Kong for the three months ended 31 March 2021 (three months ended 31 March 2020: nil).

#### 5. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend in respect of the three months ended 31 March 2021 (three months ended 31 March 2020: nil).

#### 6. LOSS PER SHARE

##### (a) Basic loss per share

The calculation of the basic loss per share is based on the following:

	Three months ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the purpose of calculating basic loss per share	<u>(1,188)</u>	<u>(597,415)</u>

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

**(b) Diluted loss per share**

No diluted loss per share are presented as the Company did not have any dilutive potential ordinary sharing during the three months ended 31 March 2021 and 2020.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

#### *Results of the Group*

During the three months ended 31 March 2021, the Group recorded revenue of HK\$nil, representing no increase or decrease as compared with the same period in 2020 (31 March 2020: HK\$nil). The Group recorded loss for the three months ended 31 March 2021 of HK\$1,323,000 (31 March 2020: loss of HK\$597,415,000) and other comprehensive loss of HK\$7,000 (31 March 2020: loss of HK\$nil), being exchange differences arising from translating foreign operations during the period. Loss attributable to owners of the Company was HK\$1,188,000 as compared with a loss of HK\$597,415,000 for the same period last year; whereas basic loss per share was HK0.04 cents (31 March 2020: loss of HK19.68 cents).

The Group's selling and distribution costs and administrative expenses, in total, decreased from HK\$5,412,000 for the same period last year to HK\$1,322,000 during the three months ended 31 March 2021.

#### *Vehicle Accessories Business*

During the three months ended 31 March 2021, the Group recorded segment revenue of HK\$nil in the Vehicle Accessories Business. This segment recorded segment profit of HK\$nil. However, the 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. The Group has already commenced the Vehicle Business for the period ended 31 March 2021 and expects demand of the vehicle accessories will demonstrate an upside trend in foreseeable future. Products of the Vehicle Accessories, including but not limited to, (i) smart watch car key, (ii) intelligent air purifier and sanitizer and (iii) intelligent mobile multimedia system. The Group is confident for generating turnover for the period ended 30 June 2021.

## **Prospects**

The Group provides customized one stop solutions for vehicle accessories and parts. Leveraging on its strong technical and research team, the Group will continue to expand the range of its product offerings having regard to market trends, advance in technology and customer demands. This will allow the Group to achieve higher customer satisfaction and secure more business opportunities from existing and new customers. In the long run, the Group is seeking to become an approved supplier of vehicle accessories and parts for vehicle manufacturers. Going forward it is expected that with the growing customer demands and maturing business processes and in order to expand its production capacity and to improve efficiency and product quality, the Group intends to establish its own production facilities with the required standards and qualifications as part of its long term plans.

## **Capital Structure**

During the three months ended 31 March 2021, there was no movement of the issued share capital of the Company.

## **Dividends**

The Group did not recommend the payment of any dividend during the three months ended 31 March 2021 (31 March 2020: nil).

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period.

## **INTEREST IN A COMPETING BUSINESS**

During the three months ended 31 March 2021, none of the directors, 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 three months ended 31 March 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.

## **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.

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

Hong Kong, 24 June 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 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.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM Exchange’s website at <http://www.hkgem.com> for at least 7 days from the date of its posting. This announcement will also be published and remains on the website at [www.irasia.com/listco/hk/chinatrustful/](http://www.irasia.com/listco/hk/chinatrustful/).*