

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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 THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017**

#### **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board 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 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.*

*This announcement will remain on the “Latest Company Announcements” page on the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from its date of posting and on the designated website of the Company at [www.hklistco.com/8265](http://www.hklistco.com/8265).*

The board (the “Board”) of directors (the “Directors”) of the Company is pleased to present the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and nine months ended 30 September 2017 together with the comparative unaudited figures for the corresponding periods in 2016 as follows:

## **FINANCIAL HIGHLIGHTS**

- The Group’s revenue amounted to HK\$214,336,000 (nine months ended 30 September 2016: HK\$191,708,000) for the nine months ended 30 September 2017 (the “Period”) which represented an increase of HK\$22,628,000 or 11.8% as compared with the corresponding previous period (the “Previous Period”).
- The profit attributable to owners of the Company for the Period was HK\$7,515,000 (nine months ended 30 September 2016: HK\$6,605,000), which represented an increase of HK\$910,000 or 13.8% as compared with the Previous Period.
- The Board does not recommend the payment of an interim dividend for the Period.

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

For the three months and nine months ended 30 September 2017

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
<b>Revenue</b>	3	<b>77,858</b>	71,280	<b>214,336</b>	191,708
Cost of sales		<b>(54,596)</b>	(52,517)	<b>(141,732)</b>	(124,854)
<b>Gross profit</b>		<b>23,262</b>	18,763	<b>72,604</b>	66,854
Other revenue and other income		<b>1,314</b>	1,800	<b>4,298</b>	2,345
Selling and distribution costs		<b>(707)</b>	(750)	<b>(2,071)</b>	(2,150)
Administrative expenses		<b>(14,513)</b>	(11,934)	<b>(44,566)</b>	(36,838)
Loss arising in fair value change of contingent consideration receivables		<b>-</b>	-	<b>(799)</b>	(290)
Finance costs		<b>(1,177)</b>	(2,006)	<b>(3,423)</b>	(3,040)
<b>Profit before income tax</b>		<b>8,179</b>	5,873	<b>26,043</b>	26,881
Income tax expense	5	<b>(4,479)</b>	(2,589)	<b>(10,525)</b>	(10,499)
<b>Profit for the period</b>		<b>3,700</b>	3,284	<b>15,518</b>	16,382
<b>Other comprehensive income/(loss) for the period</b>					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
- Exchange differences arising from translation of foreign operations during the period		<b>6,659</b>	(2,191)	<b>12,844</b>	(5,067)
<b>Total comprehensive income for the period</b>		<b>10,359</b>	1,093	<b>28,362</b>	11,315

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

For the three months and nine months ended 30 September 2017

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
<b>Profit for the period</b>					
<b>attributable to:</b>					
Owners of the Company		<b>1,446</b>	1,010	<b>7,515</b>	6,605
Non-controlling interests		<b>2,254</b>	2,274	<b>8,003</b>	9,777
		<b>3,700</b>	3,284	<b>15,518</b>	16,382
<b>Total comprehensive</b>					
<b>income/(loss) for the period</b>					
<b>attributable to:</b>					
Owners of the Company		<b>7,379</b>	(656)	<b>18,527</b>	2,195
Non-controlling interests		<b>2,980</b>	1,749	<b>9,835</b>	9,120
		<b>10,359</b>	1,093	<b>28,362</b>	11,315
<b>Earnings per share</b>					
- Basic	7	<b>HK0.067 cents</b>	HK0.066 cents	<b>HK0.358 cents</b>	HK0.431 cents
- Diluted	7	<b>HK0.066 cents</b>	HK0.064 cents	<b>HK0.352 cents</b>	HK0.427 cents

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2017

	Equity attributable to owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Merger reserve HK\$'000	Share-based payment reserve HK\$'000	Translation reserve HK\$'000	Capital contribution reserve HK\$'000	Convertible bonds reserve HK\$'000	Retained earnings/ (accumulated losses) HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
<b>Nine months ended 30 September 2017 (Unaudited)</b>												
At 1 January 2017 (Audited)	41,024	163,815	155	1,033	2,565	(13,982)	12,144	9,842	9,716	226,312	31,686	257,998
Profit for the period	-	-	-	-	-	-	-	-	7,515	7,515	8,003	15,518
Other comprehensive income: Exchange differences arising on translation of foreign operations	-	-	-	-	-	11,012	-	-	-	11,012	1,832	12,844
Total comprehensive income for the period	-	-	-	-	-	11,012	-	-	7,515	18,527	9,835	28,362
Placement of new shares	2,000	278,000	-	-	-	-	-	-	-	280,000	-	280,000
Share issuing expenses	-	(2,240)	-	-	-	-	-	-	-	(2,240)	-	(2,240)
<b>At 30 September 2017 (Unaudited)</b>	<b>43,024</b>	<b>439,575</b>	<b>155</b>	<b>1,033</b>	<b>2,565</b>	<b>(2,970)</b>	<b>12,144</b>	<b>9,842</b>	<b>17,231</b>	<b>522,599</b>	<b>41,521</b>	<b>564,120</b>
<b>Nine months ended 30 September 2016 (Unaudited)</b>												
At 1 January 2016 (Audited)	30,670	110,086	155	1,033	2,565	(1,342)	-	-	(612)	142,555	19,646	162,201
Profit for the period	-	-	-	-	-	-	-	-	6,605	6,605	9,777	16,382
Other comprehensive loss: Exchange differences arising on translation of foreign operations	-	-	-	-	-	(4,410)	-	-	-	(4,410)	(657)	(5,067)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(4,410)	-	-	6,605	2,195	9,120	11,315
Recognition of equity component of convertible bonds	-	-	-	-	-	-	-	17,107	-	17,107	-	17,107
Deferred tax on convertible bonds	-	-	-	-	-	-	-	(2,823)	-	(2,823)	-	(2,823)
Share issuing expenses	-	(171)	-	-	-	-	-	-	-	(171)	-	(171)
<b>At 30 September 2016 (Unaudited)</b>	<b>30,670</b>	<b>109,915</b>	<b>155</b>	<b>1,033</b>	<b>2,565</b>	<b>(5,752)</b>	<b>-</b>	<b>14,284</b>	<b>5,993</b>	<b>158,863</b>	<b>28,766</b>	<b>187,629</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 1. GENERAL INFORMATION

China Trustful Group Limited (the “Company”) was incorporated in Bermuda on 14 June 2010 as an exempted company with limited liability under the Companies Act 1981 of Bermuda and its shares were listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Exchange”) on 26 January 2011. King Full Inc Limited and Top Bliss Holdings Limited are substantial shareholders of the Company. The Company’s registered office is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. The Company’s principal place of business is located at Units 610-611, Tower Two, Lippo Centre, 89 Queensway, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are the provision of sourcing and procurement solutions to customers for production of watches, costume jewellery, and display and packaging products (the “Sourcing Business”), the retail and wholesale of luxury brand silverware and silver utensils in the People’s Republic of China (the “PRC”) (the “PRC Silverware Business”) and the research and development, manufacture and sale of rechargeable batteries, electric vehicles and related products and provision of related services (the “Electric Vehicle Business”).

This 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 condensed consolidated financial information was approved for issue by the board of directors of the Company (the “Board”) on 8 November 2017.

This condensed consolidated financial information has not been audited.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited condensed consolidated financial information for the nine months ended 30 September 2017 has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Exchange. This unaudited condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Except for the adoption of new and revised HKFRSs issued by the HKICPA, which are effective for the Group’s financial period beginning from 1 January 2017, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016, as described in those annual financial statements.

The Group has not early applied the new and revised HKFRSs that have been issued by the HKICPA but are not yet effective.

## 3. REVENUE

	Three months ended 30 September		Nine months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Sales of watches, costume jeweleries and display and packaging products	12,010	20,424	52,788	88,696
Revenue from electric vehicle business, related products and services	54,891	38,417	113,011	43,572
Freight income	77	143	236	502
Retail and wholesale of silverware	10,880	12,296	48,301	58,938
	<b>77,858</b>	71,280	<b>214,336</b>	191,708

#### 4. SEGMENT INFORMATION

The Group has three reportable segments:

1. Sourcing Business
2. PRC Silverware Business
3. Electric Vehicle Business

Information regarding the Group's reportable operating segments including the reconciliations to profit before income tax is as follows:

	<b>Sourcing Business (Unaudited)</b> <i>HK\$'000</i>	<b>PRC Silverware Business (Unaudited)</b> <i>HK\$'000</i>	<b>Electric Vehicle Business (Unaudited)</b> <i>HK\$'000</i>	<b>Total (Unaudited)</b> <i>HK\$'000</i>
<b>Nine months ended 30 September 2017</b>				
Reportable segment revenue	53,024	48,301	113,011	214,336
Reportable segment (loss)/profit	(2,567)	23,409	19,444	40,286
Bank interest income				839
Loss arising in fair value change of contingent consideration receivables				(799)
Corporate income and expenses				(14,283)
<b>Profit before income tax</b>				<b>26,043</b>
Adjusted (loss)/earnings before interest, tax, depreciation and amortisation ("Adjusted EBITDA")	(2,307)	24,436	28,883	51,012
<b>Nine months ended 30 September 2016</b>				
Reportable segment revenue	89,198	58,938	43,572	191,708
Reportable segment profit	6,695	28,614	4,544	39,853
Bank interest income				178
Loss arising in fair value change of contingent consideration receivables				(290)
Corporate income and expenses				(12,860)
Profit before income tax				26,881
Adjusted EBITDA	6,996	29,990	6,178	43,164

## 5. INCOME TAX EXPENSE

	Three months ended 30 September		Nine months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Current tax				
– Hong Kong Profits Tax	(10)	(18)	–	1,120
– PRC Enterprise Income Tax	4,642	2,900	10,975	9,769
	<b>4,632</b>	2,882	<b>10,975</b>	10,889
Deferred tax				
– credit for the period	(153)	(293)	(450)	(390)
	<b>4,479</b>	2,589	<b>10,525</b>	10,499

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits for both periods. PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both periods.

## 6. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend in respect of the nine months ended 30 September 2017 (nine months ended 30 September 2016: nil).

## 7. EARNINGS PER SHARE

	Three months ended 30 September		Nine months ended 30 September	
	2017	2016	2017	2016
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>Earnings</b>				
Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	<b>1,446</b>	1,010	<b>7,515</b>	6,605
Effect of dilutive potential ordinary shares: Interest on convertible bonds, net of tax	-	-	-	1,975
Earnings for the purpose of diluted earnings per share	<b>1,446</b>	1,010	<b>7,515</b>	8,580

## 7. EARNINGS PER SHARE (CONTINUED)

	Three months ended 30 September		Nine months ended 30 September	
	2017 (Unaudited) '000	2016 (Unaudited) '000	2017 (Unaudited) '000	2016 (Unaudited) '000
	<b>Number of shares</b>			
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>2,151,209</b>	1,533,500	<b>2,098,096</b>	1,533,500
Effect of dilutive potential ordinary shares:				
Share options	<b>34,720</b>	34,495	<b>34,786</b>	32,428
Convertible bonds	–	–	–	445,255
	<hr/>			
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>2,185,929</b>	1,567,995	<b>2,132,882</b>	2,011,183

As the Company's outstanding convertible bonds where applicable had an anti-dilutive effect to the basic earnings per share calculation for the three months and nine months ended 30 September 2017, the conversion of the above potential dilutive shares is not assumed in the calculation of diluted earnings per share.

## 8. EVENTS AFTER THE REPORTING PERIOD

On 8 November 2017, International Faith Limited, an indirect wholly-owned subsidiary of the Company, served an exercise notice on Mr. Zhang Genjiang ("Mr. Zhang"), the executive Director and a substantial shareholder of the Company, to exercise the put option and to require Mr. Zhang to purchase 1,200 ordinary shares of Brighsun Ev-tech Co., Limited, representing 10% of the issued shares, at the consideration of HK\$9,000,000. Further details of this transaction was set out in the announcement of the Company dated 8 November 2017.

# MANAGEMENT DISCUSSION AND ANALYSIS

For the nine months ended 30 September 2017, China Trustful Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) continued to engage in the provision of sourcing and procurement solutions to customers for production of watches, costume jewelries, and display and packaging products (the “Sourcing Business”), the retail and wholesale of luxury brand silverware and silver utensils in the PRC (the “PRC Silverware Business”), and research and development, manufacture and sale of rechargeable batteries, electric vehicles and related products and provision of related services (the “Electric Vehicle Business”).

## Results of the Group

During the nine months ended 30 September 2017, the Group reported revenue of HK\$214,336,000, representing a 11.8% increase as compared with the same period in 2016 (30 September 2016: HK\$191,708,000) and gross profit and gross profit margin of HK\$72,604,000 and 33.9% respectively (30 September 2016: HK\$66,854,000 and 34.9% respectively). The Group recorded profit for the period of HK\$15,518,000 (30 September 2016: HK\$16,382,000) and other comprehensive income of HK\$12,844,000 (30 September 2016: loss of HK\$5,067,000), being exchange differences arising from translating foreign operations. Profit attributable to owners of the Company was HK\$7,515,000 as compared with HK\$6,605,000 for the same period last year; whereas basic earnings per share was HK0.358 cents (30 September 2016: HK0.431 cents).

In general, despite the improvement in the Group’s revenue as a result of the growth in the Electric Vehicle Business, our Group’s profit for the period recorded a decrease of approximately 5.3% as a result of the increase in administrative expenses for operating our growing businesses.

## Business Review

### *Electric Vehicle Business*

During the nine months ended 30 September 2017, our revenue from the Electric Vehicle Business was mainly derived from the selling of rechargeable batteries, auto parts for the electric vehicles and electric bus system solutions. Besides securing sales orders from its existing customers, our senior management has also been actively exploring projects in relation to electric vehicles and electric bus system solutions with good profitability in different countries and cities including the PRC, Macau, Hong Kong and some Southeast Asian countries.

During the period, the first prototype of electric bus embedded with our electric bus system solution which was designated for the Indonesian market has successfully finished its first trial run. Moreover, the Group started to participate in the manufacture and development of electric buses and tour buses for use in the PRC. To strengthen our corporate image and branding, apart from the change of company name to “China Trustful Group Limited” in May 2017, the Group is also in process of applying for the World Manufacture Identifier which will facilitate the unique identification of our electric vehicle products.

During the period ended 30 September 2017, the Group recorded segment revenue of HK\$113,011,000 (30 September 2016: HK\$43,572,000) in the Electric Vehicle Business, representing 52.7% of the Group’s total revenue (30 September 2016: 22.8%). This segment recorded gross profit of HK\$34,942,000 (30 September 2016: HK\$7,547,000), segment profit of HK\$19,444,000 (30 September 2016: HK\$4,544,000), and segment margin of 17.2% (30 September 2016: 10.4%).

#### *PRC Silverware Business*

In 2017, the Group changed its business strategies by focusing in developing stable and long-term relationship with its wholesale customers and exploring potential new wholesale customers, and further scaling down its retail operations by decreasing its number of outlets from 7 as at 31 December 2016 to 2 as at 30 September 2017. Our sales and production teams focus in broadening our product categories by putting their efforts in designing and selling new types of silverware products. New products designed during the period included products for childrens’ use, such as milk bottles, water bottles and bracelets. Our customers during the period ended 30 September 2017 included wholesale customers who engage in the e-commerce and wedding services businesses. However, as a result of the decrease in number of retail outlets, both revenue and profits of the PRC Silverware Business recorded a drop compared to same period last year.

For the nine months ended 30 September 2017, the PRC Silverware Business recorded segment revenue of HK\$48,301,000 (30 September 2016: HK\$58,938,000), representing 22.6% of the Group’s total revenue (30 September 2016: 30.7%). It recorded gross profit of HK\$26,162,000 (30 September 2016: HK\$36,045,000), segment profit of HK\$23,409,000 (30 September 2016: HK\$28,614,000), as a result of the decrease in revenue. Its segment margin was 48.5%, which was relatively stable as compared to same period last year.

## *Sourcing Business*

Retail sales and distributions were badly hurt in the United States in year 2017, resulting in numerous liquidations of branded distributors during the period.

As a result, the brand owner customers in our analog watches business and costume jewelries business were badly affected by the slow retail sales. Also, our orders in display and packaging business were reduced by our branded owner customers.

During the nine months ended 30 September 2017, our Sourcing Business has suffered an operational loss. A significant percentage of our operating staff have been reduced with our tight cost control and cost saving policies, and we strove hard to minimise our loss and keep self-liquidating and self-financing.

This segment recorded segment revenue of HK\$53,024,000 (30 September 2016: HK\$89,198,000), representing 24.7% of the Group's total revenue (30 September 2016: 46.5%). It recorded gross profit of HK\$11,500,000 (30 September 2016: HK\$23,262,000), segment loss of HK\$2,567,000 (30 September 2016: segment profit of HK\$6,695,000), and segment margin of negative 4.8% (30 September 2016: positive 7.5%), as a result of the drop in both revenue and profitability.

## **Prospects**

### *Electric Vehicle Business*

In 2017, different countries has promulgated a series of policies to show their determination and continuous support to the development of electric vehicles. For instance, relevant PRC government authorities issued 《汽車產業中長期發展規劃》 (literally translated as “Medium and Long term Development Plan of the Automotive Industry”), which clearly delivered the message of electric vehicles being part of the drive for the domestic industry development in future. With the increasing peoples' awareness on environmental protection in worldwide, the senior management of the Group will continue to aim to process towards sustainable development, and we will place our strong emphasis on our Electric Vehicle Business.

In the rest of the year 2017, the Group will continue to secure sales orders from its existing customers, and to actively explore projects in relation to electric vehicles and electric bus system solutions with good profitability in different countries and cities including but not limited to the PRC, Macau, Hong Kong, and certain Southeast Asian countries. We are also in process of applying for the world manufacture identifier which will allow the unique identification of our electric vehicle products. Through taking the initiative to promote our electric vehicles and electric bus system solutions and continuously focusing on improving our products and solutions, we will strive hard to obtain profitable projects from our customers, so as to benefit more from the favourable government policies globally.

#### *PRC Silverware Business*

After revamping our business strategies, our senior management has been putting our resources in developing stable relationships with our existing wholesale customers and also identifying new customers. Since late 2016, the Group has been successfully allied with a PRC company specialised in preparation of wedding ceremony to promote its luxury silverware branded by S·collodi. Furthermore, the Group started to develop children-related products and planned to strategically promote and sell the products through a famous children website since late 2017. The Group is confident that through designing and developing products with specific themes, such as wedding, children and birthday, and through different promotion channels, such as attending the Hangzhou International Tea Expo, our PRC Silverware Business will continue to be a promising operation to the Group. Management will also put efforts to build a strong brand image of S·collodi in order to promote the silverware as a means of healthy and luxury utensils.

#### *Sourcing Business*

The outlook for our Sourcing Business for the remaining months of the year is gloomy. The recovery of the global retail business of watches and costume jewelries is still yet to be seen. Our line of business will be very challenging in the coming months. We will continue to practise tight cost control including reducing staff cost and related expenses where appropriate. We will maintain competitive and always be alert for new potential customers.

## **Capital Structure and Fund Raising Activity**

### *Capital Structure*

During the period ended 30 September 2017, the issued share capital of the Company increased from 2,051,209,327 shares of HK\$0.02 each (the “Shares”) to 2,151,209,327 Shares as a result of the issuance of 100,000,000 Shares by way of placing on 25 May 2017 at the placing price of HK\$2.80 per Share (the “Placing”). Details of the Placing are set out in the subsection below.

### *Placing of New Shares under General Mandate*

During the nine months ended 30 September 2017, the Company issued 100,000,000 shares at a placing price of HK\$2.80 per share. The net placing price was approximately HK\$2.78 per share. The number of the Company’s issued shares increased from 2,051,209,327 as at 1 January 2017 to 2,151,209,327 upon the completion of the Placing on 25 May 2017. The gross proceeds raised by the Company from the Placing amounted to HK\$280,000,000, and the net proceeds raised, after the deduction of share issuing expenses, was approximately HK\$277,760,000. The Company intended to apply HK\$20,000,000 for general working capital of the Group and the remaining balance for the development of the Electric Vehicle Business. For more details, please refer to the Company’s announcements dated 21 April 2017 and 25 May 2017.

### *Dividends*

The Group did not recommend the payment of any dividend during the nine months ended 30 September 2017 (30 September 2016: Nil).

## **Subsequent Event after the Reporting Period**

On 8 November 2017, International Faith Limited, an indirect wholly-owned subsidiary of the Company, served an exercise notice on Mr. Zhang Genjiang (“Mr. Zhang”), the executive Director and a substantial shareholder of the Company, to exercise the put option and to require Mr. Zhang to purchase 1,200 ordinary shares of Brighsun Ev-tech Co., Limited, representing 10% of the issued shares, at the consideration of HK\$9,000,000. Further details of this transaction was set out in the announcement of the Company dated 8 November 2017.

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

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

## **INTEREST IN A COMPETING BUSINESS**

During the Period, 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.

## **CORPORATE GOVERNANCE CODE**

The Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules throughout the Period, save as disclosed below:

Code provision A.6.7 of the CG Code requires all independent non-executive directors and non-executive directors should attend general meetings of listed issuers. Mr. Jim Yiu Ming, an independent non-executive Director, was unable to attend the annual general meeting held on 8 May 2017 due to his personal commitment.

## **DIRECTORS SECURITIES TRANSACTIONS**

The Company adopted the model code for securities transactions by the Directors (the "Model Code") on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. On specific enquiry made, all the Directors have confirmed compliance with the Model Code throughout the Period.

## **AUDIT COMMITTEE**

The Audit Committee comprises three independent non-executive Directors and is chaired by Mr. Sit Sai Hung, Billy, who has appropriate professional qualifications and experience as required by the GEM Listing Rules.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the Period, which is of the opinion that such information comply with the applicable accounting standards, the Exchange and legal requirements, and that adequate disclosures have been made.

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

Hong Kong, 8 November 2017

*As at the date of this announcement, the executive Directors are Mr. Fei Jie (Chairman), Mr. Ng Chin Ming Stephen and Mr. Zhang Genjiang; and the independent non-executive Directors are Mr. Jim Yiu Ming, Mr. Sit Sai Hung, Billy and Mr. Shen Ruolei.*