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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)

CONVERSION OF ALL OUTSTANDING CONVERTIBLE BONDS AND CHANGES IN SHAREHOLDING STRUCTURE

Reference is made to the Company's announcements dated 9 November 2015, 20 November 2015, 13 January 2016, 1 June 2016, 19 December 2016 and 5 June 2017 respectively and the circular of the Company dated 18 January 2016 (the "**Circular**") in relation to a major and connected transaction and the issue of convertible bonds in the aggregate principal amount of HK\$110 million by the Company. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Circular.

TRANSFER OF THE CONVERTIBLE BONDS

The Board wishes to announce that on 1 June 2018, the Company received a transfer notice from Vendor 2, an Independent Third Party as at the date of this announcement, in respect of the transfer of Convertible Bonds (the "**Transfer**") with an aggregate principal amount of HK\$53,051,974.00 to Smart Focus Inc Limited ("**Smart Focus**"), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Vendor 2.

CONVERSION OF THE CONVERTIBLE BONDS

On 1 June 2018, the Company further received an exercise notice from Smart Focus for the exercise of the conversion rights attaching to the Convertible Bonds under the Transfer at the adjusted Conversion Price of HK\$0.109 per Conversion Share (the "**Conversion**"). Upon Conversion, a total of 486,715,358 Conversion Shares will be allotted and issued, credited as fully paid, to Smart Focus in accordance with the terms and conditions of the Convertible Bonds. The 486,715,358 Conversion Shares, having an aggregate nominal value of HK\$9,734,307.16, represent approximately 22.24% and 18.19% of the issued share capital of the Company immediately before and after the issue of such Conversion Shares respectively. Immediately after Conversion, all the outstanding Convertible Bonds have been fully converted.

CHANGES IN SHAREHOLDING STRUCTURE FOLLOWING CONVERSION

Set out below is the shareholding structure of the Company immediately before and after the issue of the Conversion Shares as a result of the Conversion:

	Immediately before the issue of the Conversion Shares as a result of the Conversion		Immediately after the issue of the Conversion Shares as a result of the Conversion	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
King Full Inc Limited (“ King Full ”) <i>(Note 1)</i>	811,950,000	37.10	811,950,000	30.35
Top Bliss Holdings Limited (“ Top Bliss ”) <i>(Note 2)</i>	517,709,327	23.65	517,709,327	19.35
Smart Focus Inc Limited	—	—	486,715,358	18.19
Other public Shareholders	<u>859,050,000</u>	<u>39.25</u>	<u>859,050,000</u>	<u>32.11</u>
Total	<u>2,188,709,327</u>	<u>100.00</u>	<u>2,675,424,685</u>	<u>100.00</u>

Notes:

- King Full is an investment holding company incorporated under the laws of Hong Kong, 10% of which issued share capital is directly held by Mr. Fei Jie (“**Mr. Fei**”) and the remaining 90% is directly held by Sure Gold Ventures Limited (“**Sure Gold**”). Sure Gold, a company incorporated in the British Virgin Islands, is in turn wholly-owned by Mr. Fei. Accordingly, Sure Gold and Mr. Fei are deemed to be interested in the 811,950,000 Shares held by King Full by virtue of the Securities and Futures Ordinance. Ms. Wu Wen, the spouse of Mr. Fei, is deemed to be interested in these Shares.
- Top Bliss is a company incorporated in the British Virgin Islands which is wholly and beneficially owned by Mr. Zhang Genjiang.

GENERAL

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

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

Hong Kong, 1 June 2018

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.

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 website of the GEM at www.hkgem.com on the “Latest Company Announcements” page for at least seven 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.