



CHINA TRUSTFUL GROUP LIMITED

中國之信集團有限公司

Incorporated in Bermuda with limited liability
Stock Code : 8265



First Quarterly Report 2019



MIX

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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.

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This report, 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 report 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 report misleading.

This report will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from its date of posting and on the designated website of the Company at www.china-trustful.com.



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 2019 together with the comparative unaudited figures for the corresponding period in 2018 as follows:

FINANCIAL HIGHLIGHTS

- The Group’s revenue amounted to HK\$39,711,000 (three months ended 31 March 2018: HK\$54,667,000) for the three months ended 31 March 2019, which represented a decrease of HK\$14,956,000 or 27.4% as compared with the corresponding previous period.
- The profit attributable to owners of the Company for the three months ended 31 March 2019 was HK\$2,551,000 (three months ended 31 March 2018: HK\$4,032,000), representing a decrease of HK\$1,481,000 or 36.7% 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 2019.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2019

		Three months ended 31 March	
		2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
	Notes		
Revenue	3	39,711	54,667
Cost of sales		(26,896)	(27,933)
Gross profit		12,815	26,734
Other revenue and other income		2,719	827
Selling and distribution costs		(424)	(327)
Administrative expenses		(9,796)	(14,124)
Finance costs		(179)	(1,185)
Profit before income tax		5,135	11,925
Income tax expense	5	(1,014)	(5,583)
Profit for the period		4,121	6,342
Other comprehensive income for the period			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
– Exchange differences arising on translation of foreign operations during the period		13,477	22,776
Total comprehensive income for the period		17,598	29,118
Profit for the period attributable to:			
Owners of the Company		2,551	4,032
Non-controlling interests		1,570	2,310
		4,121	6,342
Total comprehensive income for the period attributable to:			
Owners of the Company		15,750	24,760
Non-controlling interests		1,848	4,358
		17,598	29,118
Earnings per share			
– Basic	7	HK0.10 cents	HK0.19 cents
– Diluted	7	HK0.10 cents	HK0.18 cents



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2019

	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	Statutory general reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
Three months ended 31 March 2019 (Unaudited)													
At 1 January 2019 (Audited)	53,508	504,135	-	-	-	(23,022)	12,144	-	5,693	85,268	637,726	10,904	648,630
Effect of HKFRS 16	-	-	-	-	-	-	-	-	-	(165)	(165)	-	(165)
At 1 January 2019 (Restated)	53,508	504,135	-	-	-	(23,022)	12,144	-	5,693	85,103	637,561	10,904	648,465
Profit for the period	-	-	-	-	-	-	-	-	-	2,551	2,551	1,570	4,121
Other comprehensive income: Exchange differences arising on translation of foreign operations	-	-	-	-	-	13,199	-	-	-	-	13,199	278	13,477
Total comprehensive income for the period	-	-	-	-	-	13,199	-	-	-	2,551	15,750	1,848	17,598
At 31 March 2019 (Unaudited)	53,508	504,135	-	-	-	(9,823)	12,144	-	5,693	87,654	653,311	12,752	666,063
Three months ended 31 March 2018 (Unaudited)													
At 1 January 2018 (Audited)	43,024	439,575	155	1,033	2,565	8,273	12,144	9,842	-	86,938	603,549	49,133	652,682
Profit for the period	-	-	-	-	-	-	-	-	-	4,032	4,032	2,310	6,342
Other comprehensive income: Exchange differences arising on translation of foreign operations	-	-	-	-	-	20,728	-	-	-	-	20,728	2,048	22,776
Total comprehensive income for the period	-	-	-	-	-	20,728	-	-	-	4,032	24,760	4,358	29,118
At 31 March 2018 (Unaudited)	43,024	439,575	155	1,033	2,565	29,001	12,144	9,842	-	90,970	628,309	53,491	681,800

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2019

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 GEM of The Stock Exchange of Hong Kong Limited (the “Exchange”) on 26 January 2011. King Full Inc Limited, Top Bliss Holdings Limited and Smart Focus Inc 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 2610-2611, 26/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, 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 retail and wholesale of luxury brand silverware, silver utensils and luxury goods in the People’s Republic of China (the “PRC”) (the “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 unaudited condensed consolidated financial information was approved for issue by the board of directors of the Company (the “Board”) on 10 May 2019.

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 2019, the accounting policies applied in preparing this unaudited condensed consolidated financial information for the three months ended 31 March 2019 are consistent with those of the annual financial statements for the year ended 31 December 2018, 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 2018.

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 2018.



3. REVENUE

	Three months ended 31 March	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Sales of goods	–	8,570
Retail and wholesale of silverware	14,152	25,281
Revenue from electric vehicles and related products	25,559	20,816
	39,711	54,667

4. SEGMENT INFORMATION

The Group has two reportable segments:

1. Silverware Business
2. Electric Vehicle Business

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

	Sourcing Business (Unaudited) HK\$'000	Silverware Business (Unaudited) HK\$'000	Electric Vehicle Business (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Three months ended 31 March 2019				
Reportable segment revenue	–	14,152	25,559	39,711
Reportable segment profit	–	3,916	5,954	9,870
Interest income				89
Corporate income and expenses				(4,824)
Profit before income tax				5,135
Adjusted earnings before interest, tax, depreciation and amortisation ("Adjusted EBITDA")	–	4,060	9,805	13,865
Three months ended 31 March 2018				
Reportable segment revenue	8,570	25,281	20,816	54,667
Reportable segment (loss)/profit	(2,669)	6,302	12,974	16,607
Interest income				468
Corporate income and expenses				(5,150)
Profit before income tax				11,925
Adjusted EBITDA	(2,592)	6,472	15,753	19,633

5. INCOME TAX EXPENSE

	Three months ended 31 March	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Current tax		
– Hong Kong Profits Tax	–	–
– PRC Enterprise Income Tax	1,014	5,741
Deferred tax		
– credit for the period	–	(158)
	1,014	5,583

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No.7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day.

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. For the period ended 30 September 2018, Hong Kong Profits Tax of the qualified entity is calculated in accordance with the two-tiered profits tax rates regime. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been made since there were no assessable profits in Hong Kong.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both periods.

6. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the three months ended 31 March 2019 (three months ended 31 March 2018: nil).



7. EARNINGS PER SHARE

	Three months ended 31 March	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Earnings		
Earnings for the purpose of basic earnings per share (earnings for the period attributable to owners of the Company)	2,551	4,032
Effect of dilutive potential ordinary shares:		
Interest on convertible bonds, net of tax	–	801
Earnings for the purpose of diluted earnings per share	2,551	4,833

	Three months ended 31 March	
	2019 (Unaudited) '000	2018 (Unaudited) '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,473,002	2,151,209
Effect of dilutive potential ordinary shares:		
Share options	–	34,767
Convertible bonds	–	486,715
Weighted average number of ordinary shares for the purpose of diluted earnings per share	2,473,002	2,672,691

MANAGEMENT DISCUSSION AND ANALYSIS

For the three months ended 31 March 2019, China Trustful Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) continued to engage in the research and development, manufacture and sale of rechargeable batteries, electric vehicles and related products and provision of related services (the “Electric Vehicle Business”) and the retail and wholesale of luxury brand silverware, silver utensils and luxury goods in the People’s Republic of China (the “PRC”) (the “Silverware Business”).

Results of the Group

During the three months ended 31 March 2019, the Group reported revenue of HK\$39,711,000, representing a 27.4% decrease as compared with the same period in 2018 (31 March 2018: HK\$54,667,000) and gross profit and gross profit margin of HK\$12,815,000 and 32.3% respectively (31 March 2018: HK\$26,734,000 and 48.9% respectively). The Group recorded profit for the period of HK\$4,121,000 (31 March 2018: HK\$6,342,000) and other comprehensive income of HK\$13,477,000 (31 March 2018: HK\$22,776,000), being exchange differences arising from translating foreign operations. Profit attributable to owners of the Company was HK\$2,551,000 as compared with HK\$4,032,000 for the same period last year; whereas basic earnings per share was HK0.10 cents (31 March 2018: HK0.19 cents).

Business Review

Electric Vehicle Business

During the three months ended 31 March 2019, our revenue from the Electric Vehicle Business mainly derived from the selling of rechargeable batteries, auto parts for the electric vehicles and electric bus system solutions and provision of relevant consultancy services.

During the period ended 31 March 2019, the Group recorded segment revenue of HK\$25,559,000 (31 March 2018: HK\$20,816,000) in the Electric Vehicle Business, representing 64.4% of the Group’s total revenue (31 March 2018: 38.1%). This segment recorded segment profit of HK\$5,954,000 (31 March 2018: HK\$12,974,000).



Silverware Business

In 2019, the Group's Silverware Business recorded slower growth rate. The Group continue a new series of gift packs in collaboration with our brand of silverwares. In relation to our silverware retail operations, we have two premier stores as at 31 March 2019.

For the three months ended 31 March 2019, the Silverware Business recorded segment revenue of HK\$14,152,000 (31 March 2018: HK\$25,281,000), representing 35.6% of the Group's total revenue (31 March 2018: 46.2%). It recorded segment profit of HK\$3,916,000, while the last period of HK\$6,302,000. Its segment margin was 27.7%, which was higher than that for last year same period of 24.9%.

Prospects

Electric Vehicle Business

The Board is highly optimistic about the future of the green transportation and electric vehicle industry worldwide especially in the PRC. The dominance of the industry by Chinese companies continues, and according to certain international analysts, it is estimated that the number of electric buses will triple within a number of years, and virtually all of them will be in China.

Being in this competitive industry and the global market uncertainties, we continuously strive to maintain our competitive edge, search for areas of improvement and are alert to the latest global trends. In the rest of year 2019, the Group will closely monitor the international and domestic market situations and remain cautious on our portfolio management as well as continue to strive on sales orders from its existing customers, and will actively explore projects in relation to electric vehicle and electric bus system solutions with good profitability potential in different countries and cities.

Silverware Business

In 2019, under the global market uncertainties, the Group will closely monitor the international and domestic market situations and remain cautious on our portfolio management as well as commit resources towards developing stable relationships with our existing wholesale customers and also identifying new customers. Through designing and developing products with specific themes and through different promotion channels, such as attending different exhibitions, our Silverware Business will continue to be a promising operation for the Group. Management will also strive to build a strong brand image of S-collodi in order to promote the silverware as a means of healthy and luxurious utensils.

Capital Structure

During the three months ended 31 March 2019, no share capital of the Company was issued.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2019, the interests of the Directors in the share capital of the Company which were required to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") (including interests which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Exchange were as follows:

Long positions in shares of the Company

(a) Interests in the shares of the Company

Director	Capacity/ Nature of interest	Number of shares held	Approximate percentage of the existing issued share capital of the Company
Mr. Fei Jie	Corporate interest (Note 1)	811,950,000	30.35%
Mr. Zhang Genjiang	Corporate interest (Note 2)	520,209,327	19.44%

Note 1: These shares are held by associated corporations King Full Inc Limited and Sure Gold Ventures Limited.

Note 2: These shares are held by an associated corporation Top Bliss Holdings Limited.



(b) *Interests in the shares of associated corporations*

Director	Name of associated corporation	Capacity/ Nature of interest	Number of shares held	Percentage of shareholding
Mr. Fei Jie	King Full Inc Limited	Corporate interest & beneficial owner (Note 1)	50,000,000	100%
	Sure Gold Ventures Limited	Beneficial owner (Note 1)	100	100%
Mr. Zhang Genjiang	Top Bliss Holdings Limited	Beneficial owner	1	100%
	浙江通銀貴金屬經營有限公司 (Zhejiang Tong Yin Precious Metal Operation Company Limited*) ("Zhejiang Tong Yin")	Corporate interest (Note 2)	N/A (Note 2)	49%

Notes:

1. King Full Inc Limited is 90% (45,000,000 shares) directly owned by Sure Gold Ventures Limited and is 10% (5,000,000 shares) directly owned by Mr. Fei Jie. Sure Gold Ventures Limited is in turn wholly-owned by Mr. Fei Jie.
2. Zhejiang Tong Yin is 49% owned by 浙江之信控股集團有限公司 (Zhejiang Zhisin Holding Group Limited*), which is in turn 60% owned by Mr. Zhang Genjiang. Zhejiang Tong Yin is a subsidiary of the Company and is thus an associated corporation of the Company.

Save as disclosed above, as at 31 March 2019, none of the Directors or any chief executive of the Company had an interest or short position in any shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Rules 5.48 to 5.67 of the GEM Listing Rules to be notified to the Company and the Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 March 2019, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than the interests disclosed above in respect of certain Directors, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long positions

Ordinary shares and underlying shares of the Company

Name of shareholder	Capacity/ Nature of interest	Number of shares held	Approximate percentage of the existing issued share capital of the Company
King Full Inc Limited	Beneficial owner (Note 1)	811,950,000	30.35%
Sure Gold Ventures Limited	Corporate Interest (Note 1)	811,950,000	30.35%
Mr. Fei Jie	Corporate interest (Note 1)	811,950,000	30.35%
Ms. Wu Wen	Interest in spouse (Note 2)	811,950,000	30.35%
Top Bliss Holdings Limited	Beneficial owner (Note 3)	520,209,327	19.44%
Mr. Zhang Genjiang	Corporate interest (Note 3)	520,209,327	19.44%
Smart Focus Inc Limited	Beneficial owner (Note 4)	486,715,358	18.19%
Trillion Power International Limited ("Trillion Power")	Corporate Interest (Note 4)	486,715,358	18.19%
湖州百成客車有限公司 (Huzhou Brighsun Automobile Co., Ltd.) ("Huzhou Brighsun")	Corporate Interest (Note 4)	486,715,358	18.19%

* for identification purposes only



Name of shareholder	Capacity/ Nature of interest	Number of shares held	Approximate percentage of the existing issued share capital of the Company
浙江百成新能源有限公司 (Zhejiang Brighsun New Energy Co., Ltd.)* ("Brighsun New Energy")	Corporate Interest (Note 4)	486,715,358	18.19%
杭州鴻泰股權投資基金管理有限公司 (Hangzhou Hong Tai Equity Investment Fund Management Co., Ltd.)* ("Hangzhou Hong Tai")	Corporate Interest (Note 4)	486,715,358	18.19%
杭州一喂投資合夥企業(有限合夥) (Hangzhou Yi Bei Investment Partnership Enterprise (Limited Partnership)*) ("Hangzhou Yi Bei")	Corporate Interest (Note 4)	486,715,358	18.19%
Mr. Luo Liangshun ("Mr. Luo")	Corporate Interest (Note 4)	486,715,358	18.19%

Notes:

- King Full Inc Limited is 10% directly held by Mr. Fei Jie and the remaining 90% directly held by Sure Gold Ventures Limited. Sure Gold Ventures Limited is in turn wholly-owned by Mr. Fei Jie. Accordingly, Sure Gold Ventures Limited and Mr. Fei Jie are deemed to be interested in the 811,950,000 shares of the Company held by King Full Inc Limited by virtue of the SFO.
- The shares are held by King Full Inc Limited, the entire issued share capital of which is indirectly wholly-owned by Mr. Fei Jie, the spouse of Ms. Wu Wen. Accordingly, Ms. Wu Wen is deemed to be interested in the entire 811,950,000 shares by virtue of the SFO.
- The entire issued share capital of Top Bliss Holdings Limited is wholly and beneficially owned by Mr. Zhang Genjiang. By virtue of the SFO, Mr. Zhang Genjiang is deemed to be interested in the entire 520,209,327 shares held by Top Bliss Holdings Limited.
- Smart Focus Inc Limited is directly wholly-owned by Trillion Power. Trillion Power is directly wholly-owned by Huzhou Brighsun, which is directly wholly-owned by Brighsun New Energy. Brighsun New Energy is directly wholly-owned by Hangzhou Hong Tai, which is in turn 60% owned directly by Hangzhou Yi Bei and is 40% owned directly by Mr. Luo.

* for identification purposes only

Save as disclosed above, as at 31 March 2019, no other persons had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or otherwise notified to the Company.

SHARE OPTION SCHEME

The Company operates a share option scheme which has become effective on 22 December 2010 (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. There was no movement in share options granted under the Scheme during the three months ended 31 March 2019.

As at 31 March 2019, the number of shares which may be issued upon exercise of share options granted and remain outstanding under the Scheme was Nil (31 December 2018: Nil), representing 0% (31 December 2018: 0%) of the shares of the Company in issue at that date. At 31 March 2019, no share options was granted under the Scheme (31 December 2018: nil).

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 three months ended 31 March 2019.

INTEREST IN A COMPETING BUSINESS

During the three months ended 31 March 2019, 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 contained in Appendix 15 to the GEM Listing Rules throughout the three months ended 31 March 2019.



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 three months ended 31 March 2019.

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 three months ended 31 March 2019, 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, 10 May 2019

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