

# TARGET

## Intelligence Report

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**CHINA TRUSTFUL GROUP LTD:**

**RAIN, RAIN, GO AWAY; COME BACK ANOTHER DAY !**

Aside from the facts that it has been chronically tardy in paying rent to its landlord, during the past calendar year, and that it has been in the habit of raising additional funds by selling New Shares via Share Placements, during the past year, it now appears that its chairman is accused of being in default of an alleged financial obligation to Emperor Securities Ltd ([I]).

The company, to which **TARGET** () is referring, is China Trustful Group Ltd

() (Code: 8265, The **G**rowth **E**nterprise **M**arket [the **GEM**], The Stock Exchange of Hongkong Ltd).

With regard to the allegations, contained in the Writ of Summons, Number 2393 of 2019, Statement of Claim attached, lodged in the High Court of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**, Emperor Securities Ltd is seeking not less than \$HK111.20 million from Mr Fei Jie (), the Chairman of China Trustful Group Ltd.

The Tardiness of China Trustful Group Ltd

According to the intelligence, obtained by **TOLFIN** (), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider at its HKSAR Litigation Database, China Trustful Group

Ltd has been sued in the District Court of the HKSAR at least seven times, between the dates, June 12, 2019, and December 24, 2019.

Sky Flash Development Ltd (), the (former?) corporate landlord of China Trustful Group Ltd, in each of its claims against this publicly listed company, has sought the sum of \$HK330,785.00, being Rent.

The claims were all made on a monthly basis, according to **TOLFIN**'s HKSAR Litigation Database, the first Writ of Summons, being lodged in the HKSAR District Court on or about June 12, 2019.

### The Raising of Addition Funds by China Trustful Group Ltd

On June 24, 2019, Mr Fei Jie, the Chairman and an Executive Director of China Trustful Group Ltd, informed his shareholders that the Company had raised \$HK31.41 million by the Placements of 60,776,000 New Shares at the price of 53 cents per New Share.

The following is copied, verbatim, from Pages One and Two of the June 24, 2019 Announcement:

#### ***‘COMPLETION OF THE PLACING***

*‘The Board (of Directors) is pleased to announce that all the conditions set out in the Placing Agreement had been fulfilled and completion of the Placing took place on 24 June 2019. An aggregate of 60,776,000 Placing Shares, representing approximately 2.22% of the Company’s issued share capital immediately after the Completion, have been successfully placed to not less than six Placees at the Placing Price of HK\$0.53 per Placing Share. The net proceeds from the Placing amount to approximately HK\$31.41 million. Approximately HK\$19.26 million of the net proceeds will be used for working capital to the Group to meet any future development and obligations. Approximately HK\$12.15 million of the net proceeds was intended to develop technology, equipment and infrastructure for new energy bus, including but not limited to, applying electric charging system and hydrogen charging system into traditional gas station.*

*‘To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, (i) each of the Placees and where appropriate, their respective ultimate beneficial owners, is an Independent Third Party; and (ii) none of the Placees has become a substantial Shareholder (as defined under the GEM Listing Rules) upon completion of the Placing.*

#### ***‘EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY***

*‘The ... [CLICK TO ORDER FULL ARTICLE](#)*

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