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**VERY SUBSTANTIAL ACQUISITION –  
ACQUISITION OF PURCHASED ASSETS AND  
PROPOSED RESTRUCTURING OF THE INDEBTEDNESS OF  
GRANDE CACHE COAL LP**

- (1) TRANSFER OF PERMITS BY ALBERTA ENERGY REGULATOR  
AND  
(2) FURTHER EXTENSION OF OUTSIDE DATE UNDER THE ASSET  
PURCHASE AGREEMENT AND LONG-STOP DATE UNDER THE  
RESTRUCTURING IMPLEMENTATION AGREEMENT**

References are made to the announcements of the Company dated 5 January 2018, 9 January 2018 and 29 June 2018 (the “**June 29 Announcement**”) and the circular of the Company dated 8 March 2018 (the “**Circular**”) in relation to, amongst other things, the Acquisition and the proposed restructuring of the indebtedness of GCC LP. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings given to them in the Circular and the June 29 Announcement.

**TRANSFER OF PERMITS BY ALBERTA ENERGY REGULATOR**

As disclosed in the Circular:

- (i) under the Restructuring Implementation Agreement, the implementation of the Transaction (other than certain transactions as disclosed in the Circular) is subject to, among others, in respect of the completion of the Acquisition, all leases, approvals, permits and licences (including any environmental permits and licences) necessary for, or desirable in connection with, the operation of the assets, businesses and undertakings acquired from the Acquisition having been obtained and on terms mutually acceptable to Sonicfield and CMBC (such acceptance not to be unreasonably withheld unless any material adverse effect on the business and operations of CA Newco would reasonably be expected); and
- (ii) under the Asset Purchase Agreement, the obligation of the Vendor and the Purchaser to complete the sale and purchase of the Purchased Assets is subject to, amongst others, all Regulatory Approvals having been obtained or being in a state such that the regulatory approvals shall be effective on or following the Closing Date.

The Directors wish to inform the Shareholders and potential investors that on 16 July 2018 (Alberta time), the Alberta Energy Regulator (AER) has transferred to the Purchaser all Permits which are within its jurisdiction and thus the conditions precedent (i) and (ii) above are fulfilled as at the date of this announcement.

**FURTHER EXTENSION OF OUTSIDE DATE UNDER THE ASSET PURCHASE AGREEMENT AND LONG-STOP DATE UNDER THE RESTRUCTURING IMPLEMENTATION AGREEMENT**

As disclosed in the June 29 Announcement:

- (a) the Purchaser and the Vendor entered into an amending agreement to the Asset Purchase Agreement to extend the Outside Date to 16 July 2018 or such other date as may be agreed to in writing by the parties; and
- (b) Sonicfield and CMBC entered into a supplemental agreement to the Restructuring Implementation Agreement pursuant to which the parties agreed to extend the Long-Stop Date to 16 July 2018 (Alberta time).

As additional time is required to fulfil the conditions precedent under the Asset Purchase Agreement and the Restructuring Implementation Agreement, on 16 July 2018:

- (a) the Purchaser and the Vendor entered into a second amending agreement to the Asset Purchase Agreement to extend the Outside Date to 23 July 2018 or such other date as may be agreed to in writing by the parties; and
- (b) Sonicfield and CMBC entered into a second supplemental agreement to the Restructuring Implementation Agreement pursuant to which the parties agreed to extend the Long-Stop Date to 23 July 2018 (Alberta time).

Save as disclosed above, all other terms and conditions of the Asset Purchase Agreement and the Restructuring Implementation Agreement remain unchanged and shall be in full force and effect.

By order of the Board  
**CST Group Limited**  
**Chiu Tao**  
*Executive Director and Chairman*

Hong Kong, 17 July 2018

*As at the date of this announcement, the Board comprises (i) Mr. Chiu Tao (Chairman), Mr. Hui Richard Rui, Mr. Lee Ming Tung, Mr. Kwan Kam Hung, Jimmy, Mr. Yeung Kwok Yu, Mr. Tsui Ching Hung, Mr. Chen Weixing and Mr. Wah Wang Kei, Jackie as executive directors of the Company; and (ii) Mr. Yu Pan, Ms. Tong So Yuet, Ms. Ma Yin Fan and Mr. Leung Hoi Ying as independent non-executive directors of the Company.*