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DISCLOSEABLE TRANSACTION ACQUISITION OF ENTIRE EQUITY INTERESTS OF THE TARGET COMPANIES

THE ACQUISITION

The Board announces that on 11 September 2018 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Agreement, pursuant to which (i) the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Shares, which represent the entire equity interests in the Target Companies, namely, Adair, Golden Avenue and Westfield, and (ii) the respective shareholders' loans for each Target Company will be assigned by the Vendor to the Purchaser, at the Consideration of US\$33,150,000 (equivalent to approximately HK\$260.23 million) which shall be satisfied in cash upon completion of the Sale and Purchase Agreement.

Upon Completion, the Target Companies will become indirect wholly-owned subsidiaries of the Company and their financial results will be consolidated into the Group's consolidated financial statements.

The Completion took place immediately upon signing of the Sale and Purchase Agreement and in accordance with the terms and conditions of the Sale and Purchase Agreement.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, as one or more of the applicable percentage ratios exceeds 5% but is less than 25%. The Acquisition is therefore subject to the reporting and announcement requirements of the Listing Rules.

INTRODUCTION

The Board announces that on 11 September 2018 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Agreement, pursuant to which (i) the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Shares, which represent the entire equity interests in the Target Companies, namely, Adair, Golden Avenue and Westfield, and (ii) the respective shareholders' loans for each Target Company will be assigned by the Vendor to the Purchaser, at the Consideration of US\$33,150,000 (equivalent to approximately HK\$260.23 million) which shall be satisfied in cash upon completion of the Sale and Purchase Agreement.

THE SALE AND PURCHASE AGREEMENT

Summarised below are the principal terms of the Sale and Purchase Agreement:

Date: 11 September 2018 (after trading hours)

Parties: (a) the Vendor; and

(b) the Purchaser

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, as at the date of the Sale and Purchase Agreement, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Nature of the transaction and assets to be acquired

Pursuant to the Sale and Purchase Agreement, (i) the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Shares, which represent the entire equity interests in the Target Companies, namely, Adair, Golden Avenue and Westfield, and (ii) the respective shareholders' loan for each Target Company will be assigned by the Vendor to the Purchaser. The aggregate amount of the shareholders' loans to be assigned from the Vendor to the Purchaser is approximately US\$22,888,000.

Summarised below is the amount of shareholders' loan for each Target Company which are being assigned to the Purchaser pursuant to the Sale and Purchase Agreement and the respective Deeds of Assignments of the shareholders' loan which will be signed between the Vendor and the Purchaser for each respective Target Company:

<i>Target Company</i>	<i>Shareholders' Loan Amount (US\$'000)</i>
Adair	3,619
Golden Avenue	8,163
Westfield	11,106
Total	22,888

Consideration

Subject to the terms and conditions of the Sale and Purchase Agreement, the Consideration is US\$33,150,000 (equivalent to approximately HK\$260.23 million), which shall be settled in cash by the Purchaser upon Completion.

Basis of Consideration

The Consideration was determined through arm's length negotiations between the Purchaser and the Vendor on a commercial basis with reference to the net asset value of the Target Companies and the liquidity of the assets of those companies.

Based on the foregoing, the Directors are of the view that the Consideration is fair and reasonable. The Consideration shall be funded by the Group's internal resources.

Completion

Completion is not conditional upon any conditions and the Completion took place on the Completion Date, being immediately upon signing of the Sale and Purchase Agreement.

Upon Completion, the Target Companies will become indirect wholly-owned subsidiaries of the Company and their financial results will be consolidated into the Group's consolidated financial statements.

INFORMATION OF THE GROUP AND THE PARTIES

The principal business activities of the Group are (i) exploration, development and mining of copper and other mineral resources materials, (ii) investment in financial instruments, (iii) property investment, (iv) money lending and (v) e-logistics platform.

The Purchaser is an indirect wholly-owned subsidiary of the Company. It is incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.

The Vendor is a company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of G-Resources. It is principally engaged in investment holding. The Company was a substantial shareholder of G-Resources until 21 May 2018.

INFORMATION OF THE TARGET COMPANIES

Adair is a company incorporated in the British Virgin Islands with limited liability. It is principally engaged in investment in funds. Adair holds investment interest in two investment funds which focus on investments in (i) securities which are listed on a recognised exchange, and (ii) a vacation rental booking platform, respectively.

Golden Avenue is a company incorporated in the British Virgin Islands with limited liability. It is principally engaged in investment in funds. Golden Avenue holds investment interest in an investment in fund which focuses on non-publicly traded equity securities, structured financing projects, and venture capital deals in regions including the United States of America, Canada, Australia, South America, Japan and/or South Korea.

Westfield is a company incorporated in the British Virgin Islands with limited liability. It is principally engaged in investment in funds. Westfield holds investment interest in three investment funds which focus on investments in (i) non-publicly traded securities, (ii) securities that are listed or traded on a stock exchange or through over-the-counter derivatives, and (iii) portfolio consisting primarily of securities of companies in media, media platform (for developers and operators), telecommunication, games, education, travel, mobile internet, social networking, e-commerce, online finance spaces and other innovative technologies.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the managers of the Funds, the investment manager of the Funds and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Financial information of the Target Companies

Set below is the financial information of the Target Companies, provided by the Vendor, for the year ended 31 December 2016 and 2017, respectively, and for the six months ended 30 June 2018:

	For the		For the six months
	year ended 31 December		ended 30 June
	2017	2016	2018
	(audited)	(audited)	(unaudited)
	<i>US'000</i>	<i>US'000</i>	<i>US'000</i>
Revenue	1,115	1,179	321
Net profit / (losses) before taxation	1,055	1,083	(918)
Net profit / (losses) after taxation	1,055	1,083	(918)

The audited consolidated total net asset value of the Target Companies as at 31 December 2017 was approximately US\$36.7 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The principal business activities of the Group include investment in financial instruments. Major assets of the Target Companies are their interests in the Funds with exposures to different industries. The Acquisition will diversify the Group's existing investment portfolio and to broaden its source of income, the Directors consider the Acquisition will enhance and create long-term benefit for the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, as one or more of the applicable percentage ratios exceeds 5% but is less than 25%. The Acquisition is therefore subject to the reporting and announcement requirements of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Acquisition”	the acquisition of the Sale Shares as contemplated under the Sale and Purchase Agreement
“Adair”	Adair Ventures Limited, a company incorporated in the British Virgin Islands and is an indirect wholly-owned subsidiary of G-Resources before the Acquisition
“Board”	the board of Directors

“Company”	CST Group Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement, which is immediately upon signing of the Sale and Purchase Agreement
“Completion Date”	immediately upon signing of the Sale of Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	US\$33,150,000 (equivalent to approximately HK\$260.23 million), being the aggregate consideration of the Acquisition
“Deeds of Assignments”	deeds of assignment entered into on the date of the Sale and Purchase Agreement between the Vendor and the Purchaser in relation to the assignment of shareholders’ loans of each of the respective Target Companies
“Director(s)”	director(s) of the Company
“Funds”	funds investments made by Adair, Golden Avenue and Westfield collectively
“G-Resources”	G-Resources Group Limited (stock code: 1051), a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Golden Avenue”	Golden Avenue Investments Limited, a company incorporated in the British Virgin Islands and is an indirect wholly-owned subsidiary of G-Resources before the Acquisition
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Party(ies)”	collectively the Purchaser and the Vendor
“Purchaser”	Happy Jumbo Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company

“Sale and Purchase Agreement”	the sale and purchase agreement date 11 September 2018 and entered into among the Vendor and the Purchaser in relation to the Acquisition
“Sale Shares”	1 ordinary share of US\$1.00 each of Adair, 1 ordinary share of US\$1.00 each of Golden Avenue and 1 ordinary share of US\$1.00 each of Westfield, representing the entire issued share capital of each of the respective Target Companies
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company(ies)”	Adair, Golden Avenue and Westfield
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Shiny Fortune International Limited, a company incorporated in the British Virgin Islands and is a direct wholly-owned subsidiary of G-Resources
“Westfield”	Westfield Global Investments Limited, a company incorporated in the British Virgin Islands and is an indirect wholly-owned subsidiary of G-Resources before the Acquisition
“%”	per cent

In this announcement, for the purpose of illustration only, amounts quoted in US\$ have been converted into HK\$ at the rate of HK\$7.85 per US\$1.00. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that amounts were or may have been exchanged at this or any other rates or at all.

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

Hong Kong, 11 September 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.