

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



FURTHER ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION SUBSCRIPTION OF FUND

Reference is made to the announcement of the Company dated 18 March 2020 (the “**Announcement**”) in relation to the Subscription. Capitalised terms used herein shall have the same meaning as those defined in the Announcement unless otherwise stated. This announcement is to provide further information about the Subscription and the Fund.

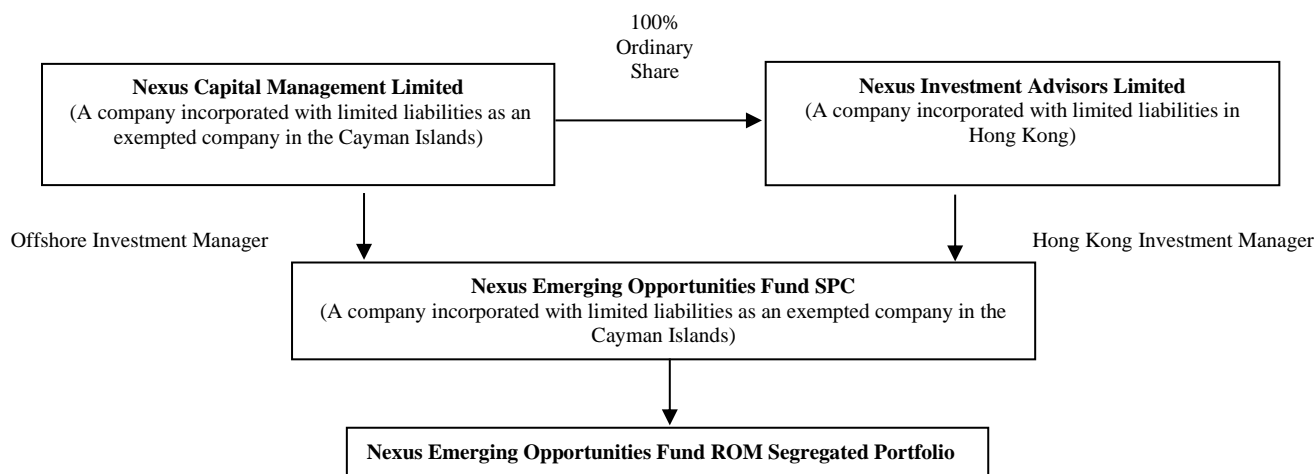
FURTHER INFORMATION ON THE FUND AND ITS RELATIONSHIP WITH THE INVESTMENT MANAGERS

The Fund is an open-ended fund and is launched only recently. Skytop Technology Limited (“**Skytop**”) is the first subscriber of the Fund. The Investment Managers intend to market the Fund to other institutions and professional investors worldwide.

The Fund focuses on bottom-up credit investing with an emphasis on credit selection and achieving higher risk-adjusted returns over cycles. It is a conservative fund profile, with target net exposure of 0.9x currently and well diversified both geographically as well as across sectors. China will remain a core component of the portfolio, with approximately 40% exposure. Geographical coverage also includes Japan, Australia and sovereign bonds in MENA. The investment objective of the Fund is to seek capital appreciation by investing in different instruments. Target positioning as well as underlevered status allows the Fund to opportunistically add risk as the markets correct, with a 9-12 months view on an eventual normalization of economic activity, which is declining because of the COVID-19 virus. It has the maximum flexibility to invest in a wide range of instruments including but not limited to bonds, convertible securities, equities, which instrument may or may not be of investment grade and may be listed or unlisted.

Pursuant to Nexus, below is a chart showing the relationship of the Investment Managers, Nexus and the Fund.

Nexus Emerging Opportunities Fund SPC – Nexus Emerging Opportunities Fund ROM Segregated Portfolio



FURTHER INFORMATION ON KEY PERSONNEL OF THE INVESTMENT MANAGERS ON THE FUND

Mr. Fung Yu Wai David, Principal (“Mr. Fung”)

Mr. Fung is a portfolio manager at Nexus Investment Advisors Limited. Before joining Nexus, he was employed as a portfolio manager at SPARX Group, and at Citigroup in various capacities within investment banking and equity research. He has over 23 years of experience in the industry.

Mr. Ani Deshmukh, Portfolio Manager (“Mr. Deshmukh”)

Mr. Deshmukh is a portfolio manager at Nexus Investment Advisors Limited. He has 15 years of experience in Asian credit and fixed income markets. Before joining Nexus, Mr. Deshmukh was previously with BFAM Partners and Bank of America Merrill Lynch.

He is a Chartered Accountant and holds a Master of Business Administration degree from the Indian Institute of Management, Ahmedabad.

Mr. Nevin Nie, Portfolio Manager (“Mr. Nie”)

Mr. Nie is a portfolio manager at Nexus Investment Advisors Limited. He has 10 years of experience in Asian credit and fixed income market. Before joining Nexus, he was with Value Partners as a senior credit analyst covering special situations and distressed credits, among the China High Yield space. Mr. Nie holds a Bachelor of Arts degree from Shanghai University of Finance and Economics and a Master of Journalism degree from the University of Hong Kong.

FURTHER INFORMATION ON THE REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

One of the principal activities of the Group is investment in financial instruments. The Group is committed to seeking for different investment opportunities that would diversify its investment portfolio and would enhance the value of the Group.

As mentioned in the Announcement, the Directors note the recent decrease in price on different asset classes because of the COVID-19 virus. The Directors believe that there are good investment opportunities in this falling market condition. Taking into account the following other factors, the Directors considered that the Subscription is fair and reasonable and is in the interest of the Company and its shareholders as a whole.

Firstly, taking into account that the Fund will invest in a wide range of instruments worldwide, the Directors believe that the Subscription helps broadening and diversifying the investment portfolio of the Group and enhance the value of the Group.

Secondly, with the professional investment knowledge and resources of Mr. Fung, Mr. Deshmukh, Mr. Nie and the Investment Managers as mentioned above, the Directors are of the view that the Subscription provided the benefits of seeking investment returns in this volatile market through the Fund operated by professionals specialized in the financial market, and the Investment Managers are in a better position to capture investment opportunities in the current market condition.

Thirdly, the Directors are of the view that the Subscription is intended for capital appreciation. The Directors considered that the flexibility of the redemption mechanism of the Subscription allows the Group to maintain liquidity position in case of financial needs arise. It is the intention of the Directors to redeem the S Shares if the Directors see good capital gain in the investment of Skytop in the Fund.

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

Hong Kong, 7 April 2020

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. Tsui Ching Hung and Mr. Wah Wang Kei, Jackie as executive directors of the Company; and (ii) Mr. Yu Pan, Ms. Ma Yin Fan and Mr. Leung Hoi Ying as independent non-executive directors of the Company.