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DISCLOSEABLE TRANSACTION ACQUISITIONS OF LISTED SECURITIES

THE ACQUISITIONS

Through a series of acquisitions on 23 September 2020, the Acquirer, an indirect wholly-owned subsidiary of the Company, acquired a total of 1,692,000 Huishang Bank H Shares on the open market at an aggregate consideration of approximately HK\$4.30 million (exclusive of transaction costs). The average price (exclusive of transaction costs) for the Acquisitions of each Huishang Bank H Share is approximately HK\$2.54.

LISTING RULES IMPLICATION

One of the applicable percentage ratios for the Acquisitions, when aggregated with the Previous Acquisitions which were conducted within 12 months of the Acquisitions, exceeds 5% but are less than 25% and all the other applicable percentage ratios are less than 5%. As such, the Acquisitions, when aggregated with the Previous Acquisitions, constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

THE ACQUISITIONS

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As the Acquisitions were made through the open market, the Company is not aware of the identities of the sellers of the Huishang Bank H Shares. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the sellers of Huishang Bank H Shares and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

INFORMATION OF HUISHANG BANK

Huishang Bank, a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the main board of Stock Exchange (Stock Code: 3698).

The principal activities of Huishang Bank and its subsidiaries include RMB and foreign currency deposits, loans, clearing and settlement services, asset custody services, finance leasing services, and the provision of services as approved by the respective regulators.

The following financial information is extracted from the 2019 annual report of Huishang Bank:

	Year Ended 31 December	
	2019	2018
	RMB'000	RMB'000
Operating income	31,159,318	26,950,609
Profit before income tax	12,300,817	10,820,905
Profit after income tax	10,061,599	8,860,373
Net assets	<u>89,493,629</u>	<u>70,277,459</u>

PREVIOUS ACQUISITIONS

The Acquirer acquired an aggregate of 19,751,000 Huishang Bank H Shares on the open market through the Stock Exchange for an aggregate consideration of approximately HK\$51.93 million (exclusive of transaction costs) in the past 12 months. The Previous Acquisitions in aggregate did not constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules at the relevant time.

REASONS FOR, AND THE BENEFITS OF, THE ACQUISITIONS

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

The Acquirer is an indirect wholly-owned subsidiary of the Company. It is incorporated in Hong Kong with limited liability and is principally engaged in investment in securities and acts as an investment holding company.

Given the Acquisitions are in alignment with the Group's principal activities on investment in financial instruments, the Acquisitions allow the Group to increase the long term return of funds of the Company by capitalizing the opportunities arising from the investment in Huishang Bank H Shares.

As the Acquisitions were made at market price, the Directors are of the view that the Acquisitions were fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“Acquirer”	Skytop Technology Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Acquisitions”	The acquisitions of Huishang Bank H Shares on the open market of an aggregate of 1,692,000 Huishang Bank Shares conducted on 23 September 2020 at an aggregate consideration of approximately HK\$4.30 million (exclusive of transaction costs)
“Board”	the board of Directors of the Company
“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 (Stock Code: 985)
“Director(s)”	the director(s) of the Company
“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 PRC
“Huishang Bank”	Huishang Bank Corporation Limited, a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the main board of the Stock Exchange (Stock Code: 3698)
“Huishang Bank H Share(s)” / “H Shares”	the ordinary shares issued by Huishang Bank to overseas investors, which are denominated in RMB, subscribed for in Hong Kong dollars and listed on the main board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Previous Acquisitions”	the acquisitions of an aggregate of 19,751,000 Huishang Bank H Shares on the open market through the Stock Exchange for an aggregate consideration of approximately HK\$51.93 million (exclusive of transaction costs) in the past 12 months
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 23 September 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.