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(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 985)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF, AND
ASSIGNMENT OF THE SHAREHOLDER'S LOAN DUE AND OWING BY,
OCEAN CAPITAL**

THE DISPOSAL

On 21 July 2021, the Vendor, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which (i) the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares (i.e. 1,000 ordinary shares of Ocean Capital, representing the entire issued share capital of Ocean Capital as at the date of the Sale and Purchase Agreement) at a consideration of HK\$127,580,099; and (ii) the Vendor agreed to assign and the Purchaser agreed to take up the assignment of the Shareholder's Loan in an aggregate amount of HK\$9,239,901 due and owing by Ocean Capital to the Vendor as at the date of the Sale and Purchase Agreement at a consideration of HK\$9,239,901.

Completion took place immediately after signing of the Sale and Purchase Agreement. Following the Completion, the Company no longer holds any equity interest in the Target Group and the members of the Target Group ceased to be subsidiaries of the Company and the financial results of the Target Group ceased to be consolidated into the consolidated financial statements of the Group.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceed(s) 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

THE DISPOSAL

The Board hereby announces that on 21 July 2021, the Vendor, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which (i) the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares (i.e. 1,000 ordinary shares of Ocean Capital, representing the entire issued share capital of Ocean Capital as at the date of the Sale and Purchase Agreement) at a consideration of HK\$127,580,099; and (ii) the Vendor agreed to assign and the Purchaser agreed to take up the assignment of the Shareholder's Loan in an aggregate amount of HK\$9,239,901 due and owing by Ocean Capital to the Vendor as at the date of the Sale and Purchase Agreement at a consideration of HK\$9,239,901.

THE SALE AND PURCHASE AGREEMENT

Principal terms of the Sale and Purchase Agreement are summarised as follows:

Date

21 July 2021

Parties

- (i) the Vendor; and
- (ii) the Purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Subject matter to be disposed of

Pursuant to the Sale and Purchase Agreement, the Vendor agreed to sell and assign as beneficial owner and the Purchaser agreed to purchase the Sale Shares (i.e. 1,000 ordinary shares of Ocean Capital, representing the entire issued share capital of Ocean Capital as at the date of the Sale and Purchase Agreement) and take up the assignment of the Shareholder's Loan in an aggregate amount of HK\$9,239,901 due and owing by Ocean Capital to the Vendor as at the date of the Sale and Purchase Agreement. The major assets of the Target Group are the Properties.

Consideration

The total Consideration for the Disposal is HK\$136,820,000 which shall be payable by the Purchaser to the Vendor upon Completion and comprises:

- (a) HK\$127,580,099, being the consideration for the sale and purchase of the Sale Shares from the Vendor to the Purchaser; and
- (b) HK\$9,239,901, being the consideration for the assignment of the Shareholder's Loan from the Vendor to the Purchaser, representing the face value of the Shareholders' Loan due and owing by Ocean Capital to the Vendor as at the date of the Sale and Purchase Agreement.

The Consideration is arrived at after arm's length negotiations between the Vendor and the Purchaser taking into account (i) the unaudited net asset value of the Target Group (included Shareholder's Loan) as at 30 June 2021 of HK\$127,580,099; and (ii) the face value of the Shareholder's Loan due and owing by Ocean Capital to the Vendor as at the date of the Sale and Purchase Agreement of HK\$9,239,901

Completion

Completion shall take place immediately after signing of the Sale and Purchase Agreement.

INFORMATION ON THE GROUP, THE VENDOR AND THE TARGET GROUP

The Company is a company incorporated in the Cayman Islands with limited liability and is an investment holding company. The principal activities of the Group are (i) exploration, development and mining of mineral resources, (ii) investment in financial instruments, (iii) property investment and (iv) money lending.

The Vendor is a company incorporated in the BVI with limited liability and is a wholly-owned subsidiary of the Company. The Vendor is principally engaged in investment holding.

Ocean Capital is a company incorporated in the BVI with limited liability and is wholly-owned by the Vendor prior to Completion. Ocean Capital and its subsidiaries are principally engaged in investment holding in Hong Kong.

As at the date of this announcement, Ocean Capital has three subsidiaries incorporated in Hong Kong with limited liability, namely, Teckie Limited, Jabour Limited and Isenberg Holdings Limited. Jabour Limited and Isenberg Holdings Limited are principally engaged in property investment holding, while Teckie Limited is principally engaged in investment holding. Teckie Limited has two subsidiaries incorporated in Hong Kong with limited liability, namely, Trajan Limited and Golden Cycle International Limited, both of which are inactive as at the date hereof. The major assets of the Target Group are the Properties respectively held by Isenberg Holdings Limited and Jabour Limited, which comprise a total of 28 residential units and flat roofs.

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is the financial information of the Target Group for the two financial years ended 31 March 2021:

	Year Ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
	<i>(Audited)</i>	<i>(Audited)</i>
Revenue	2,879	3,734
Loss before tax	(18,409)	(9,600)
Loss after tax	(18,409)	(9,600)

The unaudited net asset value of the Target Group (included the Shareholder's Loan) as at 30 June 2021 amounted to HK\$127,580,099.

FINANCIAL EFFECT OF THE DISPOSAL AND THE INTENDED USE OF PROCEEDS

Completion took place immediately after signing of the Sale and Purchase Agreement. Following the Completion, the Company no longer holds any equity interest in the Target Group and the members of the Target Group ceased to be subsidiaries of the Company and the financial results of the Target Group ceased to be consolidated into the consolidated financial statements of the Group.

The Group is expected to record no gain or loss on the Disposal after taking into account the difference between the Consideration and the sum of unaudited net asset value of the Target Group (included the Shareholder's Loan) as at 30 June 2021 and the Shareholder's Loan due and owing by Ocean Capital to the Vendor as at the date of the Sale and Purchase Agreement. The actual gain or loss (if any) as a result of the Disposal to be recorded by the Group will be subject to audit.

Based on the Consideration of HK\$136,820,000 and after deducting the estimated costs and expenses incurred in the Disposal, the Group is expected to receive net proceeds of approximately HK\$136,770,000 from the Disposal. The Group intends to use the net proceeds towards potential business or investment opportunities that may have better potential return than the property investment business of Ocean Capital as and when such opportunities arise, and for replenishing the general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board considers that the Disposal offers an opportunity for the Group to realise its investment in the Target Group and to enhance its liquidity position. The Directors are of the view that the terms of the Sale and Purchase Agreement (including but not limited to the Consideration) and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PURCHASER

The Purchaser is an experienced investor having various investments including real estate and securities.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceed(s) 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Board”	board of Director(s)
“BVI”	British Virgin Islands
“Company”	CST Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 985)
“Completion”	completion of the Disposal in accordance with the Sale and Purchase Agreement
“Completion Date”	the date on which Completion takes place
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	HK\$136,820,000, being the total consideration payable by the Purchaser to the Vendor in respect of the Disposal

“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the assignment of the Shareholder’s Loan from the Vendor to the Purchaser as contemplated under the Sale and Purchase Agreement
“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
“Independent Third Party”	third party who is/are independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ocean Capital”	Ocean Capital Investments Limited, a company incorporated in the BVI and a wholly-owned subsidiary of the Vendor prior to Completion
“Properties”	a total of 28 residential units together with flat roofs of Fortwest (豐榮苑) situated at No. 1 Westlands Road, Quarry Bay Hong Kong which comprise (i) Flat B on 2 nd Floor, Flats A and B on 3 rd Floor, Flat B on 5 th Floor, Flats A, B and C on 16 th Floor to 17 th Floor owned by Jabour Limited; and (ii) Flats A, B and C on 18 th Floor to 23 rd Floor and the flat roofs thereon owned by Isenberg Holdings Limited
“Purchaser”	Ms. Chu Chow Wai
“Sale and Purchase Agreement”	the sale and purchase agreement dated 21 July 2021 entered into between the Vendor and the Purchaser in relation to the Disposal
“Sale Shares”	1,000 ordinary shares of US\$1.00 each in the issued share capital of Ocean Capital which were legally and beneficially owned by the Vendor prior to Completion, representing the entire issued share capital of Ocean Capital as at the date of the Sale and Purchase Agreement
“Share(s)”	ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loan”	HK\$9,239,901, being the shareholder’s loan due and owing by Ocean Capital to the Vendor as at the date of the Sale and Purchase Agreement

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Ocean Capital and its subsidiaries, namely, Jabour Limited, Isenberg Holdings Limited, Teckie Limited, Trajan Limited and Golden Cycle International Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Diamond Peak Management Limited, a wholly-owned subsidiary of the Company, which owned the Sale Shares and the Shareholder’s Loan prior to Completion
“%”	per cent

By Order of the Board
CST Group Limited
Yeung Bik Shan
Company Secretary

Hong Kong, 21 July 2021

As at the date of this announcement, the Board comprises (i) Mr. Chiu Tao (Chairman), Mr. Hui Richard Rui, Mr. Kwan Kam Hung, Jimmy, Mr. Tsui Ching Hung and Mr. Wah Wang Kei, Jackie as executive Directors; and (ii) Mr. Yu Pan, Ms. Ma Yin Fan and Mr. Leung Hoi Ying as independent non-executive Directors.