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(formerly known as “NetMind Financial Holdings Limited 網智金控集團有限公司”)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 985)

FURTHER ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION INVESTMENT IN FUND

Reference is made to the announcement of the Company dated 4 September 2017 (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 SUBSCRIPTION

- Subscription Amount** : US\$15 million
- Class of shares to be subscribed** : Class A Shares
- Number of Class A Shares to be subscribed** : 15,000 (representing approximately 4.9% of the total number of non-voting shares in issue, i.e. all issued Class A Shares, Class M Shares and Special Situation Shares, except the Founder Shares)
- Issue price per Class A Share** : The subscription price will be equal to the net asset value per share as at the Valuation Day immediately preceding the Subscription Day on which the application is effective. The initial subscription price for the application made by the Subscriber is US\$1,000 per Class A Share.
- Lock-up period** : Class A Shares to be subscribed by the Subscriber will be subject to a lock-up period of two years from the date of issue. After the end of the lock-up period, they will be redeemable at the option of the Subscriber on any Redemption Day.
- Redemptions** : Class A Shares will be redeemed at the relevant redemption price, which equals to the net asset value per share as at the Valuation Day immediately preceding the relevant Redemption Day.

FURTHER INFORMATION ON THE STRUCTURE OF THE FUND AND THE MASTER FUND

The Fund is organised as a feeder fund and is an exempted company incorporated with limited liability in the Cayman Islands. It was incorporated on 16 July 2014. It has been structured as an open-ended investment company. All the assets of the Fund will be invested in the Class A Master Fund Shares although initially, the Fund will make investments into assets other than the Master Fund. Such investments will be in pursuit of the investment objective of the Master Fund and such assets will be used to subscribe, in-kind, for Class A Master Fund Shares in due course. The Fund has an authorised share capital of US\$50,000 divided into 100 Founder Shares of US\$0.01 par value each and 4,999,900 participating shares of US\$0.01 par value each which may be issued as Shares of the Fund.

The Master Fund is also an exempted company incorporated with limited liability in the Cayman Islands. It was incorporated on 16 April 2015. It is not expected that any direct investments will be made in the Master Fund other than by feeder funds, save for direct investments by strategic investors and/or connected persons which directors of the Fund and/or the Master Fund may in their sole discretion permit. The Master Fund has an authorised share capital of US\$50,000 divided into 100 Founder Shares of US\$0.01 par value each and 4,999,900 participating shares of US\$0.01 par value each.

The Founder Shares, which are the voting shares, are held by the Manager. Class A Shares, Class M Shares, Class A Master Fund Shares and Class M Master Fund Shares are non-voting shares.

Class A Shares are available for subscription by new investors. Class M Shares are closed to new investors (except as the directors of the Fund and/or the Master Fund may in their sole discretion permit) and are only available for subscription by the directors of the Fund and/or the Master Fund, the Manager, its shareholders or any of its directors or employees, the Investment Manager, its shareholders or any of its directors or employees, any person connected with any such person, any company, partnership or other person or entity controlled by or which is the controller of any such persons and any nominee of any of the foregoing. For Class A Master Fund Shares, only the Fund may invest in it. Class M Master Fund Shares are also closed to new investors and may only be issued to strategic investors and/or connected persons which the directors of the Fund and/or the Master Fund may in their sole discretion permit. Given that only Class A Shares are available for subscription by new investors, the Subscriber may only invest in the Fund and, indirectly, in the Master Fund by subscribing Class A Shares.

Shares of the Fund and the Master Fund (i.e. Class A Shares, Class M Shares, Class A Master Shares and Class M Master Shares) carry an equal right to dividends and other distributions as the directors of the Fund and/or the Master Fund may declare.

On a winding-up, Shares of the Fund and the Master Fund are entitled, in priority to the Founder Shares, to the return of the capital paid up thereon. The surplus assets of the Fund attributable to each class of shares will be distributed among the holders of shares of that class according to the number of shares held by each of them.

In relation to Special Situation Shares, they are non-voting shares issued by the Fund with respect to a Special Situation Investment (subject to the approval of the directors of the Fund and/or the Master Fund) in exchange for Shares of the Fund. The Fund (through investments made by the Master Fund) may make investments which are considered to be illiquid and/or lacking a readily available market value. Each such investment will be designated as a Special Situation Investment. At any time that the Fund (through investments made by the Master Fund) makes a Special Situation Investment, a portion of the shares of the Fund held by a shareholder will automatically be converted into the number of Special Situation Shares corresponding to the proportional interest of such shareholder of

the Fund in the relevant Special Situation Investment. The Master Fund will further create corresponding shares on terms correspond to the Special Situation Shares of the Fund, so that each time there is an exchange of Shares of the Fund for a class of Special Situation Shares with respect to any Special Situation Investment, an exchange of the corresponding class of shares of the Master Fund will be effected. Special Situation Shares will participate only in the gains and losses arising from the relevant Special Situation Investment (in which other classes of Special Situation Shares and Shares of the Fund will not participate). It is the intention of the Fund that participation in Special Situation Investments by any class of shares would be restricted to no more than 50% of the net asset value of the relevant class of shares.

FURTHER INFORMATION ON THE PORTFOLIO AND NATURE OF INVESTMENTS HELD BY THE FUND AND THE MASTER FUND

The current size of the Master Fund is over US\$300 million. The investment objective of the Master Fund is to seek capital appreciation. The Master Fund will focus on the global market for investment opportunities, and will adopt a bottom up stock selection approach and with a macro overlay and focus on listed securities. It has the maximum flexibility to invest in a wide range of instruments including but not limited to, listed and unlisted equities, preferred stocks, convertible securities, equity-related instruments, collective investment schemes, debt securities and obligations (which may be below investment grade), currencies, commodities, futures (including index futures), options, warrants, swaps and other derivative instruments. The Master Fund may also make equity or debt related investments that lack readily available market value.

However, the directors of the Master Fund have imposed a restriction limit on any investment in the Master Fund to no more than 30% of the latest available net asset value of the Master Fund.

The breakdown of the investment distribution of the Master Fund as of 22 September 2017 is as follows:

Industry	Percentage of investment (approximate percentage (%))
E-commerce	2.6
Logistics and supply chain	97.4

In relation to the track record on the performance of the Master Fund, over the twelve months from April 2016 to April 2017, it had achieved positive return. In 2017, it generated a positive return of 2.5% after fee from January to April.

In relation to the investments held by the Fund, the only investments and assets held by the Fund are shares in the Master Fund. The investments of the Fund are made through investments made by the Master Fund and hence, the Fund does not have any track record on the investments itself.

FURTHER INFORMATION ON THE KEY MANAGEMENT OF THE FUND AND THE MASTER FUND

The Manager was incorporated in the Cayman Islands on 16 April 2015. It has full discretion to manage and invest the assets of the Fund and the Master Fund. The Manager has delegated the power to manage and invest the assets of the Fund and the Master Fund to the Investment Manager.

The Investment Manager, which was incorporated in Hong Kong on 24 June 2015, has been appointed to manage and invest the assets of the Fund and the Master Fund on an exclusive basis. The Investment Manager is licensed for Type 4 (advising on securities) and Type 9 (asset management) regulated activities by the SFC pursuant to the SFO.

The Manager and the Investment Manager do not manage any other funds.

Members of key management of the Fund and the Master Fund include the directors of the Fund and the Master Fund. The directors of the Fund and the Master Fund have the responsibility for the overall management and control of the Fund and the Master Fund. The investment decisions are approved by the board of directors of the Fund. Mr. Yun Liu and Ms. Rebecca Zhang are the directors of the Fund and the Master Fund.

Mr. Liu is a co-founder of the Manager and a founding partner of the Investment Manager. Between 2010 and 2015, he was the Managing Director of Equity Sales at Goldman Sachs in Hong Kong where he coordinated marketing efforts to sell global equities to large Chinese sovereign funds and built relationships with large institutional equity investors. Prior to joining Goldman Sachs, he worked at Morgan Stanley, Credit Suisse First Boston, CLSA and Deutsche Bank in Hong Kong, and PricewaterhouseCoopers in New York. Mr. Liu obtained his Masters of Business Administration from the University of Chicago, United States.

Ms. Zhang is currently a director of a private equity fund. Prior to her current role, Ms. Zhang had been running her own investment relationship advisory company in Beijing, PRC from 2011 to 2014. Ms. Zhang previously worked in a United States law firm in Beijing, PRC focusing on mergers and acquisitions from 2004 to 2011. Ms. Zhang obtained her law degree from Manchester University, United Kingdom and her EMBA degree from Peking University, PRC.

The Company has no roles and involvement in the Fund and the Master Fund, save for being a holder of 15,000 Class A Shares by its subsidiary.

FURTHER INFORMATION ON THE REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

One of the principal business 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.

Firstly, taking into account that the Master 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 enhances the value of the Group.

Secondly, with the background and experience of Mr. Liu and Ms. Zhang as mentioned above, the Directors are of the view that the Subscription provides the benefits of seeking investment returns through the Fund operated by professionals specialised in the financial market.

Thirdly, the Directors are of the view that the Subscription is intended for capital appreciation. Notwithstanding the dividend policy of the Fund, 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. And the Subscription can offer a better return to the Group when compared to the deposit interest rates offered by banks in Hong Kong.

Fourthly, the Subscription Amount of US\$15 million will not affect the business operations of the Group as the Subscription Amount has taken into account the Group's cash flows. The funding of the Subscription Amount of US\$15 million accounts for approximately 13% of the cash and bank balance of the Group and the Group still has a substantive cash reserve after the Subscription.

Fifthly, with regard to the Special Situation Investments, the Directors noted that they refer to investments which are considered to be illiquid and/or lacking a readily available market value, for instance, investment in a private company. Taking into account the Fund's intention to restrict the participation by any class of shares in Special Situation Investments to no more than 50%, the extensive experience of the directors of the Fund and the redemption regime regarding the Special Situation Shares, the Directors considered that the Manager will only make investments based on the investment objective and believed that the Special Situation Investments, if any, may not have an adverse impact on the overall investment approach of the Fund.

In conclusion, after taking into account the combinative factors as mentioned above, the Directors considered that the Subscription is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

ACCOUNTING TREATMENT OF THE SUBSCRIPTION

It is expected that the Subscription will be accounted for as a long term investment under the non-current assets of the consolidated statement of financial position of the Group.

DEFINITIONS

Unless the context requires otherwise, the following expressions have the meanings set out below in this announcement:

“EMBA”	Executive Masters of Business Administration
“Founder Shares”	Non-participating voting shares of par value US\$0.01 in the Fund issued as Founder Shares
“Mr. Liu”	Mr. Yun Liu
“Ms. Zhang”	Ms. Rebecca Zhang
“PRC”	the People's Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap 571) of Hong Kong

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

Hong Kong, 4 October 2017

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.