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## **DISCLOSEABLE TRANSACTION LOAN PARTICIPATION**

On 30 October 2017, the Participant entered into the Loan Participation Agreement with the Lender, pursuant to which the Participant paid to the Lender the amount of HK\$100,000,000 as consideration for the purpose of acquiring the Participant's Fraction for participation in the Loan.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules with respect to the acquisition of the Participant's Fraction exceed 5% but not more than 25%, the acquisition of the Participant's Fraction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to announcement and notification requirements under the Listing Rules.

### **BACKGROUND**

On 30 October 2017, the Participant entered into the Loan Participation Agreement with the Lender, pursuant to which the Participant paid the Lender the amount of HK\$100,000,000 as consideration (the "Consideration") for the purpose of acquiring the Participant's Fraction for participation in the Loan.

### **LOAN PARTICIPATION AGREEMENT**

Principal terms of the Loan Participation Agreement are set out as below:

Date	:	30 October 2017
Participant	:	Sun Power Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company
Lender	:	Company A, a company incorporated in Hong Kong with limited liability
Consideration	:	HK\$100,000,000
Participant's Fraction	:	HK\$100,000,000 or 30.76% of the Loan

- Interest rate under the Loan : 15% per annum (18% per annum if the Borrower exercises the option to extend for 3 months pursuant to the Loan Agreement)
- Final Repayment Date : the date falling 3 months from the date of the Loan Agreement
- Repayment : any payment of principal amount of the Loan or other outstanding monies from the Borrower and other relevant party (if any) to the Lender or others, in whole or in part, or recoveries shall be shared between and paid to the Lender and the Participant on a pari passu basis in proportion to the Participant's Fraction.

The Consideration was funded by internal resources of the Group.

### **INFORMATION OF THE LENDER**

The Lender is a company incorporated in Hong Kong with limited liability and is engaged in the business of money lending. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Lender is an Independent Third Party and not connected with the Group.

### **REASONS FOR AND BENEFITS OF THE LOAN PARTICIPATION**

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 Participant is a licensed money lender holding a valid money lender licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the business of money lending.

The acquisition of the Participant's Fraction is a transaction carried out as part of the ordinary and usual course of business of the Group.

The terms of the Loan Participation Agreement (including the interest rate) were arrived at by the parties thereto after arm's length negotiations, with reference to prevailing commercial practice. The Directors consider that the terms of the Loan Participation Agreement is fair and reasonable and the acquisition of the Participant's Fraction is in the interest of the Company and Shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules with respect to the acquisition of the Participant's Fraction exceed 5% but not more than 25%, the acquisition of the Participant's Fraction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to announcement and notification requirements under the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Borrower”	an individual who, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, is an Independent Third Party and not connected with the Group as at the date of this announcement
“Company”	CST Group Limited (中譽集團有限公司), 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)
“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 People’s Republic of China
“Independent Third Party(ies)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s)(as defined under the Listing Rules)
“Lender”	Company A, a company incorporated in Hong Kong with limited liability and to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, is an Independent Third Party and not connected with the Group as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan of principal amount up to HK\$325,000,000 granted by the Lender to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	a loan agreement dated 26 October 2017 entered into between the Lender and the Borrower in relation to provision of the Loan
“Loan Participation Agreement”	the loan participation agreement entered into between the Participant and the Lender on 30 October 2017

“Participant”	Sun Power Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company
“Participant’s Fraction”	HK\$100,000,000 or 30.76% of the Loan
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“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, 30 October 2017

*As at the date of this announcement, the board of directors of the Company 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.*