

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.



## DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITIONS OF FURTHER CHINA EVERGRANDE NOTES

### THE 23<sup>RD</sup> JULY ACQUISITIONS

On 23 July 2021, the Purchaser acquired the Further China Evergrande Notes on the open market at an aggregate consideration (including unpaid interest accrued) of approximately US\$15.91 million (equivalent to approximately HK\$124.10 million).

### LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the 23<sup>rd</sup> July Acquisitions, when aggregated with the Previous Acquisitions in the last 12 months exceeds 5% but is less than 25%, the 23<sup>rd</sup> July Acquisitions aggregated with the Previous Acquisitions constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under the Listing Rules.

### THE 23<sup>RD</sup> JULY ACQUISITIONS

Reference is made to the announcement of the Company dated 20 July 2021.

On 23 July 2021, the Purchaser acquired the Further China Evergrande Notes on the open market at an aggregate consideration (including unpaid interest accrued) of approximately US\$15.91 million (equivalent to approximately HK\$124.10 million). Details of which are set out below:

<u>Further China Evergrande Notes</u>	<u>Aggregate consideration (including unpaid interests accrued)</u>	<u>Issue date</u>
11.5% China Evergrande Notes Due 2022 in the aggregate principal amount of US\$8 million (equivalent to approximately HK\$62.40 million)	approximately US\$4.65 million (equivalent to approximately HK\$36.27 million)	24 January 2020
10.5% China Evergrande Notes Due 2024 in the aggregate principal amount of US\$16 million (equivalent to approximately HK\$124.80 million)	approximately US\$9.15 million (equivalent to approximately HK\$71.37 million)	11 April 2019
9.5% China Evergrande Notes Due 2024 in the aggregate principal amount of US\$3.7 million (equivalent to approximately HK\$28.86 million)	approximately US\$2.11 million (equivalent to approximately HK\$16.46 million)	29 March 2017

The Further China Evergrande Notes are listed on SGX-ST and were issued by China Evergrande or Scenery Journey, information of which is stated in the section headed “INFORMATION OF SCENERY JOURNEY AND CHINA EVERGRANDE” in this announcement.

As the 23<sup>rd</sup> July Acquisitions were made through the Company’s security brokers (which are and whose beneficial owners are Independent Third Parties) and conducted on the open market, the identities of the sellers of the Further China Evergrande Notes cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the sellers of the Further China Evergrande Notes and their respective beneficial owners are Independent Third Parties.

## **INFORMATION OF THE GROUP**

The principal business 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 Purchaser 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.

## **INFORMATION OF SCENERY JOURNEY AND CHINA EVERGRANDE**

Scenery Journey is a limited company incorporated in British Virgin Islands. It is an indirectly wholly-owned subsidiary of China Evergrande.

China Evergrande is a limited company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3333). China Evergrande is principally engaged in property development, property investment, property management, new energy vehicle business, cultural tourism business, finance business, internet business and health industry business in PRC.

## **REASONS FOR, AND THE BENEFITS OF, THE 23<sup>RD</sup> JULY ACQUISITIONS**

The 23<sup>rd</sup> July Acquisitions form part of the Group’s principal business activities in investment in financial instruments and presents an opportunity for the Group to have a stable return.

As the interest rate of Further China Evergrande Notes is higher than the interest rates of the HK\$ fixed deposits / US\$ fixed deposit offered by commercial banks in Hong Kong and the 23<sup>rd</sup> July Acquisitions would provide the Group with a higher and stable return, the Directors consider that the 23<sup>rd</sup> July Acquisitions are fair and reasonable and are in the interest of the Company and its shareholders as a whole.

The 23<sup>rd</sup> July Acquisitions are funded by internal resources of the Company.

## **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the 23<sup>rd</sup> July Acquisitions, when aggregated with the Previous Acquisitions in the last 12 months exceeds 5% but is less than 25%, the 23<sup>rd</sup> July Acquisitions aggregated with the Previous Acquisitions constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under the Listing Rules.

## DEFINITIONS

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

“11.5% China Evergrande Notes Due 2022”	the 11.5% senior notes due 2022 in the aggregate notional amount of US\$2,000 million issued by Scenery Journey, which will mature on 24 October 2022
“10.5% China Evergrande Notes Due 2024”	the 10.5% senior notes due 2024 in the aggregate notional amount of US\$700 million issued by China Evergrande, which will mature on 11 April 2024
“9.5% China Evergrande Notes Due 2024”	the 9.5% senior notes due 2024 in the aggregate notional amount of US\$951 million issued by China Evergrande, which will mature on 29 March 2024
“23 <sup>rd</sup> July Acquisitions”	the acquisitions of 11.5% China Evergrande Notes Due 2022 in the aggregate consideration (including unpaid interests accrued) of approximately US\$4.65 million (equivalent to approximately HK\$36.27 million), 10.5% China Evergrande Notes Due 2024 in the aggregate consideration (including unpaid interests accrued) of approximately US\$9.15 million (equivalent to approximately HK\$71.37 million) and 9.5% China Evergrande Notes Due 2024 in the aggregate consideration (including unpaid interests accrued) of approximately US\$2.11 million (equivalent to approximately HK\$16.46 million) on 23 July 2021
“Acquisition”	the acquisition of 10.5% China Evergrande Notes Due 2024 in the aggregate consideration (including unpaid interest accrued) of approximately US\$6.81 million (equivalent to approximately HK\$53.12 million) on 20 July 2021, particulars of which are disclosed in the Company’s announcement dated 20 July 2021
“Board”	the board of the Directors
“China Evergrande”	China Evergrande Group, a company incorporated in Cayman Islands with limited liability, the share of which are listed on the Main Board of the Stock Exchange (stock code: 3333)
“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
“Further China Evergrande Notes”	11.5% China Evergrande Notes Due 2022, 10.5% China Evergrande Notes Due 2024 and 9.5% China Evergrande Notes Due 2024
“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
“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)
“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
“Purchaser”	Skytop Technology Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Previous Acquisitions”	previous acquisitions by the Purchaser of an aggregate principal amount of US\$7 million (equivalent to approximately HK\$54.60 million) of 11.5% China Evergrande Notes Due 2022 at an aggregate consideration (including unpaid interest accrued) of approximately US\$5.94 million (equivalent to approximately HK\$46.33 million) in the period between 24 December 2020 to 19 July 2021; and the Acquisition
“Scenery Journey”	Scenery Journey Limited (景程有限公司), a company incorporated in the British Virgin Islands, an indirectly wholly owned subsidiary of China Evergrande
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

*For illustration purposes, amounts in US\$ in this announcement have been translated into HK\$ at the rate of US\$1 = HK\$7.8.*

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

Hong Kong, 23 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 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.*