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DISCLOSEABLE TRANSACTION ACQUISITIONS OF LISTED SECURITIES

THE ACQUISITIONS

Through a series of acquisitions on 15 February 2023, the Acquirer, an indirect wholly-owned subsidiary of the Company, acquired a total of 2,050,000 China Overseas Shares on the open market at an aggregate consideration of approximately HK\$39,384,000 (exclusive of transaction costs) at an average price of approximately HK\$19.21 per China Overseas Share.

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 is 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 reporting and announcement requirements under the Listing Rules.

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

INFORMATION OF CHINA OVERSEAS

China Overseas Land & Investment Limited is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of Stock Exchange (Stock Code: 688). China Overseas and its subsidiaries are principally engaged in the property development and investment, and other operations.

The following financial information is extracted from the 2021 annual report of China Overseas:

	Year Ended 31 December	
	2021	2020
	RMB'000	RMB'000
Revenue	242,240,783	185,789,528
Profit before tax	63,129,661	69,203,550
Profit after tax	43,061,536	47,708,638
Net assets	<u>357,106,354</u>	<u>328,349,320</u>

PREVIOUS ACQUISITIONS

The Acquirer acquired an aggregate of 250,000 China Overseas Shares on the open market through the Stock Exchange for an aggregate consideration of approximately HK\$5,049,000 (exclusive of transaction costs) in the 12 months preceding the Acquisitions. 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 ACQUISITION

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 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 return of funds of the Company by capitalizing the opportunities arising from the investment in China Overseas 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 interest of the Company and its shareholders as a whole.

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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 China Overseas Shares on the open market of an aggregate of 2,050,000 China Overseas Shares conducted on 15 February 2023 at an aggregate consideration of approximately HK\$39,384,000 (exclusive of transaction costs)
“Board”	the board of Directors of the Company
“China Overseas”	China Overseas Land & Investment Limited, a company incorporated in Hong Kong with limited liability, the shares on which are listed on the Main Board of the Stock Exchange (Stock Code: 688)
“China Overseas Share(s)”	the ordinary share(s) issued by China Overseas, which are listed on the Main Board of the Stock Exchange
“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)
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Previous Acquisitions”	the Acquirer acquired an aggregate of 250,000 China Overseas Shares on the open market through the Stock Exchange for an aggregate consideration of approximately HK\$5,049,000 (exclusive of transaction costs) in the 12 months preceding the Acquisitions
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
CST Group Limited
Wah Wang Kei, Jackie
Company Secretary and Executive Director

Hong Kong, 15 February 2023

As at the date of this announcement, the Board comprises (i) Mr. Chiu Tao (Chairman), Mr. Han Xuyang, Mr. Hui Richard Rui, Mr. Kwan Kam Hung, Jimmy 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.