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DISCLOSEABLE TRANSACTION PROVISION OF LOAN FACILITY

On 14 September 2020, the Lender entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to provide the Borrower with a revolving loan facility of up to HK\$100,000,000, bearing interest at a rate of 5% per annum.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules with respect to the amount of financial assistance granted to the Borrower exceeds 5% but not more than 25%, the Loan Facility constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting and announcement requirements under the Listing Rules.

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THE LOAN AGREEMENT

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

Date	:	14 September 2020
Lender	:	Sun Power Finance Limited
Borrower	:	Mr. Wong, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, is Independent Third Party and not connected with the Group as at the date of this announcement
Principal amount	:	up to HK\$100,000,000
Interest rate	:	5% per annum
Final Repayment Date	:	the date falling two (2) years from the first Date of Advance when the Loan amount, any accrued but unpaid interest and any other monies outstanding hereunder are due to the re-paid in full by the Borrower to the Lender. The Borrower can extend the Final

Repayment Date for two (2) additional years by serving a written notice to the Lender anytime immediately after the last day of the twenty-third (23rd) month after the first Date of Advance but on or before the date falling the last day of the twenty-fourth (24th) month after the first Date of Advance

Re-borrowing : the Borrower may re-borrow (in whole or in part) any amount prepaid in accordance with the terms and conditions of the Loan Agreement

The Loan Facility will be funded by internal resources of the Group.

REASONS FOR AND BENEFITS OF THE PROVISION OF LOAN FACILITY

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 Lender 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 provision of the Loan Facility is a transaction carried out as part of the ordinary and usual course of business of the Group.

The terms of the Loan Agreement (including the interest rate) were arrived at by the parties thereto after arm's length negotiations, with reference to prevailing commercial practice and the amount of the Loan Facility. Having considered the background of the Borrower, which includes the financial background, and the interest income to be received by the Group, the Directors consider that the terms of the Loan Agreement are fair and reasonable and the provision of the Loan Facility 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 amount of financial assistance granted to the Borrower exceeds 5% but not more than 25%, the Loan Facility constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“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)
“Date of Advance”	the date of the drawing by the Borrower
“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”	Sun Power Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company and a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the principal drawn and for the time being outstanding under the Loan Facility
“Loan Agreement”	a revolving loan agreement dated 14 September 2020 entered into between the Lender and the Borrower in relation to provision of the Loan Facility
“Loan Facility”	a revolving loan facility of up to HK\$100,000,000 granted by the Lender to the Borrower pursuant to the Loan Agreement
“Mr. Wong”	Mr. Wong Ying Seung Asiong, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, is Independent Third Party and not connected with the Group as at the date of this announcement
“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, 14 September 2020

As at the date of this announcement, the board of the Company comprises (i) Mr. Chiu Tao (Chairman), Mr. Hui Richard Rui, Mr. Lee Ming Tung, 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.