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DISCLOSEABLE TRANSACTION DISPOSAL OF SHARES IN G-RESOURCES GROUP LIMITED

The Board announces that on 21 May 2018, the Vendor sold an aggregate of 3,822,000,000 G-Resources Shares held by it to the Purchaser at an aggregate consideration of HK\$267,540,000 at the price of HK\$0.07 per G-Resources Share through cross trade. The aggregate number of 3,822,000,000 G-Resources Shares representing approximately 14.13% of the entire issued share capital of G-Resources as at the date of this announcement.

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, as one or more of the applicable percentage ratios exceeds 5% but is less than 25%. The Disposal is therefore subject to the reporting and announcement requirements of the Listing Rules.

THE DISPOSAL

The Board announces that on 21 May 2018, the Vendor sold an aggregate of 3,822,000,000 G-Resources Shares held by it to the Purchaser at an aggregate consideration of HK\$267,540,000 at the price of HK\$0.07 per G-Resources Share through cross trade.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties and are not connected persons of the Group.

ASSETS DISPOSED

The Group disposed of 3,822,000,000 G-Resources Shares, representing approximately 14.13% of the entire issued share capital of G-Resources (based on the 27,048,844,786 issued shares of G-Resources as at 30 April 2018 according to publicly available information).

CONSIDERATION

The aggregate gross sale proceeds of the Disposal is HK\$267,540,000 (excluding transaction costs), which is receivable in cash on settlement. The consideration of the Disposal was determined with reference to the prevailing market price of G-Resources Shares and was negotiated on an arm's length basis amongst the Vendor and the Purchaser.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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 Disposal is a strategic move of the Company to seek for both better investment return of its financial resources and for future business development strategy as a whole. The Directors (including the independent non-executive Directors) consider that the Disposal represents an opportunity for the Group to realise its investment in G-Resources. As a result of the Disposal, the Group is expected to recognize an unaudited loss of approximately HK\$126,000,000, being the difference between the Consideration and the carrying value of the disposed G-Resources Shares held by the Group as at 30 September 2017. The Group intends to use the proceeds of the Disposal for general working capital and/or for other investment opportunities, as appropriate.

The Disposal was made with reference to the prevailing market price of G-Resources Shares and was negotiated on an arm's length basis amongst the Vendor and the Purchaser, the Directors (including the independent non-executive Directors) are of the view that the Disposal could enhance the liquidity of the Company, was fair and reasonable, on normal commercial terms and in the interests of the Company and Shareholders as a whole.

After the Disposal, the Vendor still holds 804,958,790 G-Resources Shares, representing approximately 2.98% of the issued share capital of G-Resources. The Company will comply with relevant provisions of the Listing Rules if there is any further disposal of G-Resources Shares.

INFORMATION ON G-RESOURCES

G-Resources is a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange. G-Resources is an investment holding company and its subsidiaries are principally engaged in principal investment business, money lending business, financial services business and real property business.

According to the published financial statements of G-Resources, the financial results of G-Resources for the two years ended 31 December 2017 and 31 December 2016 are as follows:

	For the year ended 31 December 2017	For the year ended 31 December 2016
	<i>US\$'000</i>	<i>US\$'000</i>
	(audited)	(audited)
Revenue	30,123	29,985
Profit before taxation	32,536	10,235
Net profit after taxation	32,162	128,804
Attributable to shareholders of G-Resources	31,249	127,938
Total assets	1,405,591	1,374,871

LISTING RULES IMPLICATION

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, as one or more of the applicable percentage ratios exceeds 5% but is less than 25%. The Disposal is therefore subject to the reporting and announcement requirements under the Listing Rules.

INFORMATION OF THE GROUP, THE VENDOR AND THE PURCHASER

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 Vendor is a 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.

The Purchaser, PX Capital Management Ltd., is a company domiciled in Bermuda and headquartered in New York City. Pursuant to the Purchaser, the Purchaser advises and implements investment strategies for institutional clients, which include non-profit organizations in the US and Europe.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors
“Company”	CST Group Limited (stock code: 985), a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate gross sale proceeds of the Disposal, HK\$267,540,000 (excluding transaction costs)
“Director(s)”	director(s) of the Company
“Disposal”	the disposal by the Vendor for a total of 3,822,000,000 G-Resources Shares at the price of HK\$0.07 for a gross sale proceeds of HK\$267,540,000 (excluding transaction costs)
“G-Resources”	G-Resources Group Limited (stock code:1051), a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange

“G-Resources Share(s)”	shares in the share capital of G-Resources listed on the main board of the Stock Exchange and traded in Hong Kong dollars
“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)”	third party(ies) independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	PX Capital Management Ltd.
“PRC”	the People’s Republic of China
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US”	The United States of America
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Skytop Technology Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 21 May 2018

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.