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DISCLOSEABLE TRANSACTION ACQUISITIONS OF LISTED SECURITIES

THE ACQUISITIONS

Through a series of acquisitions on 8 June 2020, the Acquirer, an indirect wholly-owned subsidiary of the Company, acquired a total 3,097,500 China Shenhua Shares on the open market at an aggregate consideration of approximately HK\$40,700,000 (exclusive of transaction costs). The average price (exclusive of transaction costs) for the Acquisition of each China Shenhua Share is approximately HK\$13.14.

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 are 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.

THE ACQUISITIONS

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

INFORMATION OF CHINA SHENHUA

China Shenhua, a joint stock limited company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board of Stock Exchange (Stock Code: 1088). China Shenhua and its subsidiaries principally engaged in the production and sale of coal and electricity, railway, port and shipping transportation, and coal-to-olefins businesses.

The following financial information is extracted from the 2019 annual report of China Shenhua:

	Year Ended 31 December	
	2019	2018
	RMB million	RMB million
Revenue	241,871	264,101
Profit before tax	64,922	70,141
Profit after tax	49,777	54,164
Net assets	<u>420,218</u>	<u>408,837</u>

PREVIOUS ACQUISITIONS

The Acquirer acquired an aggregate of 3,080,000 China Shenhua Shares on the open market through the Stock Exchange for an aggregate consideration of approximately HK\$40,064,000 (exclusive of transaction costs) in the past 12 months. 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 business activities of the Group are (i) exploration, development and mining of mineral resources materials, (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 long term return of funds of the Company by capitalizing the opportunities arising from the investment in China Shenhua Shares.

As the Acquisitions were made at market price, the Directors are of the view that the Acquisitions were is 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 Shenhua Shares on the open market of an aggregate of 3,097,500 China Shenhua Shares conducted on 8 June 2020 at an aggregate consideration of approximately HK\$40,700,000 (exclusive of transaction costs)
“Board”	the board of Directors of the Company
“China Shenhua Share(s)”	Ordinary shares of RMB\$1.00 each in the share capital of China Shenhua
“China Shenhua”	China Shenhua Energy Company Limited, a joint stock limited company incorporated in the PRC with limited liability, the shares on which are listed on the main Board of the Stock Exchange (Stock Code: 1088)
“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
“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
“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

“Previous Acquisitions” the acquisitions of an aggregate of 3,080,000 China Shenhua Shares on the open market through the Stock Exchange for an aggregate consideration of approximately HK\$40,064,000 (exclusive of transaction costs) in the past 12 months

“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, 8 June 2020

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. 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.