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## **DISCLOSEABLE TRANSACTION DISPOSAL OF LISTED SECURITIES**

On 22 February 2021, the Vendor disposed an aggregate of 5,739,000 China Shenhua Shares on the open market at an aggregate consideration of approximately HK\$90,602,000 (exclusive of transaction costs) at an average price of approximately HK\$15.787 per China Shenhua Share.

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.

### **THE DISPOSAL**

On 22 February 2021, the Vendor disposed an aggregate of 5,739,000 China Shenhua Shares on the open market at an aggregate consideration of approximately HK\$90,602,000 (exclusive of transaction costs) at an average price of approximately HK\$15.787 per China Shenhua Share.

As the Disposal was made through the Company's security broker (which is and whose beneficial owners are Independent Third Parties) and conducted on the open market, the identities of the purchasers of the China Shenhua Shares cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the purchasers of the China Shenhua Shares and their respective beneficial owners are Independent Third Parties.

The aggregate gross sale proceeds from the Disposal amount to approximately HK\$90,602,000 (exclusive of transaction costs), which is receivable in cash on settlement. The consideration for the Disposal represented the prevailing market price of China Shenhua at the time of the Disposal.

### **INFORMATION ON CHINA SHENHUA**

China Shenhua, a joint stock limited company incorporated in the PRC, the H Shares of which are listed on the main board of the Stock Exchange (Stock Code: 1088) and the A Shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601088). The principal activities of China Shenhua Group are (i) the production and sale of coal; and (ii) the generation and sale of coal-based power to provincial/regional electric grid companies in the PRC. The China Shenhua Group operates an integrated railway network and seaports that are primarily used to transport the China Shenhua Group's coal sales from its mines. The primary customers of the China Shenhua Group's coal sales include power plants, metallurgical and coal chemical producers in the PRC.

According to the published financial statements of China Shenhua, the financial results of China Shenhua for the two years ended 31 December 2018 and 31 December 2019 are as follows:

	<b>For the year ended 31 December 2019</b>	<b>For the year ended 31 December 2018</b>
	<i>RMB million</i>	<i>RMB million</i>
	(audited)	(audited)
Revenue	241,871	264,101
Profit before tax	64,922	70,141
Profit after tax	49,777	54,164

Based on China Shenhua interim report for the six months ended 30 June 2020, the unaudited consolidated net asset value of China Shenhua was RMB\$419,257 million as at 30 June 2020.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Disposal provides the Group with an opportunity to realise its investment in China Shenhua.

As a result of the Disposal, the Board considers the Group will realise a book gain of approximately HK\$15,600,000, being the difference between the consideration received from the Disposal and the aggregate acquisitions cost of the relevant China Shenhua Shares (exclusive of transaction costs) for the year ending 31 March 2021, and will enhance the liquidity of the Company. The Group intends to use the proceeds of the Disposal for general working capital.

As the Disposal was made in the open market at prevailing market price, the Directors are of the view that the terms of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE GROUP AND THE VENDOR**

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 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.

## **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.

## DEFINITIONS

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

“A Shares”	the domestic shares issued by the China Shenhua to domestic investors denominated in RMB and which are listed on the Shanghai Stock Exchange
“Board”	the board of Directors
“China Shenhua”	China Shenhua Energy Company Limited (中國神華能源股份有限公司), a joint stock limited company incorporated in the PRC, the H Shares of which are listed on the main board of the Stock Exchange (Stock Code: 1088) and the A Shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601088)
“China Shenhua Group”	China Shenhua and its subsidiaries
“China Shenhua Share(s)”	H Shares in the share capital of China Shenhua
“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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of a total of 5,739,000 China Shenhua Shares at an aggregate consideration of approximately HK\$90,602,000 (exclusive of transaction costs) by the Vendor on 22 February 2021
“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
“H Shares”	the overseas-listed foreign invested share(s) in the China Shenhua’s share capital, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
“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

“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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**  
**Yeung Bik Shan**  
*Company Secretary*

Hong Kong, 22 February 2021

*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.*