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DISCLOSEABLE TRANSACTION DISPOSAL OF LISTED SECURITIES

THE DISPOSAL

On 15 July 2021, the Vendor disposed an aggregate of 2,056,500 China Overseas Shares on the open market at an aggregate consideration of approximately HK\$37.31 million (exclusive of transaction costs) at an average price of approximately HK\$18.143 per China Overseas Share.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal, when aggregated with the Previous Disposal in the last 12 months exceeds 5% but is less than 25%, the Disposal aggregated with the Previous Disposal constitutes 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 DISPOSAL

On 15 July 2021, the Vendor disposed an aggregate of 2,056,500 China Overseas Shares on the open market at an aggregate consideration of approximately HK\$37.31 million (exclusive of transaction costs) at an average price of approximately HK\$18.143 per China Overseas 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 Overseas 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 Overseas Shares and their respective beneficial owners are Independent Third Parties.

The aggregate gross sale proceeds from the Disposal amount to approximately HK\$37.31 million (exclusive of transaction costs), which is receivable in cash on settlement. The consideration for the Disposal represented the prevailing market price of China Overseas at the time of the Disposal.

INFORMATION OF CHINA OVERSEAS

China Overseas 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 principally engaged in property development and investment, and other operations.

The following financial information is extracted from the 2020 annual report of China Overseas:

	Year Ended 31 December	
	2020	2019
	RMB '000	RMB '000
Revenue	185,789,528	163,650,953
Profit before tax	69,203,550	64,951,720
Profit after tax	47,708,638	42,747,405
Net assets	328,349,320	289,144,625

THE PREVIOUS DISPOSAL

The Vendor disposed an aggregate of 567,500 China Overseas Shares on the open market through the Stock Exchange for an aggregate consideration of approximately HK\$10.18 million (exclusive of transaction costs) in the 12 months preceding the Disposal. The Previous Disposal did not constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules at the relevant time.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND THE PREVIOUS DISPOSAL

The Disposal and the Previous Disposal provides the Group with an opportunity to realise its investment in China Overseas.

As a result of the Disposal and the Previous Disposal, the Group will realise a book loss of approximately HK\$2.64 million, being the difference between the consideration received from the Disposal and the Previous Disposal and the aggregate costs of the relevant China Overseas Shares (exclusive of transaction costs) for the year ending 31 March 2022. In view of the recent fluctuation of the Hong Kong Stock Market and prevailing market sentiment, the Directors believe that it is beneficial to adopt a cautious investment strategy to liquidate its investment in China Overseas Shares with an aim to enhance the liquidity position of the Group. The Group intends to use the proceeds from the Disposal and the Previous Disposal for general working capital.

As the Disposal and the Previous Disposal were made on the open market at prevailing market price, the Directors are of the view that the terms of the Disposal and the Previous Disposal are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE GROUP AND THE VENDOR

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 Vendor 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.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal, when aggregated with the Previous Disposal in the last 12 months exceeds 5% but is less than 25%, the Disposal aggregated with the Previous Disposal constitutes 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.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“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)”	ordinary shares of China Overseas
“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
“Disposal”	the disposal of 2,056,500 China Overseas Shares on the open market conducted on 15 July 2021 at an aggregate consideration of approximately HK\$37.31 million (exclusive of transaction costs)
“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)”	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
“Previous Disposal”	the Vendor disposed an aggregate of 567,500 China Overseas Shares on the open market through the Stock Exchange for an aggregate consideration of approximately HK\$10.18 million (exclusive of transaction costs) in the 12 months preceding the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Skytop Technology Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

By Order of the Board
CST Group Limited
Yeung Bik Shan
Company Secretary

Hong Kong, 15 July 2021

As at the date of this announcement, the Board comprises (i) Mr. Chiu Tao (Chairman), Mr. Hui Richard Rui, 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.