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

### **THE DISPOSAL**

On 30 August 2021, the Vendor disposed an aggregate of 800,000 China Shenhua Shares on the open market at an aggregate consideration of approximately HK\$12,897,000 (exclusive of transaction costs) at an average price of approximately HK\$16.121 per China Shenhua 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 Disposals in the last 12 months exceeds 5% but is less than 25%, the Disposal aggregated with the Previous Disposals 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 30 August 2021, the Vendor disposed an aggregate of 800,000 China Shenhua Shares on the open market at an aggregate consideration of approximately HK\$12,897,000 (exclusive of transaction costs) at an average price of approximately HK\$16.121 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\$12,897,000 (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.

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

	<b>For the year ended 31 December 2020</b>	<b>For the year ended 31 December 2019</b>
	<i>RMB million</i>	<i>RMB million</i>
	(audited)	(audited)
Revenue	233,263	241,871
Profit before tax	59,362	64,922
Profit after tax	43,984	49,777

Based on China Shenhua interim report for the six months ended 30 June 2021, the unaudited consolidated net asset value of China Shenhua was RMB\$425,340 million as at 30 June 2021.

## PREVIOUS DISPOSAL

After the 22<sup>nd</sup> February Disposal, the Vendor disposed an aggregate of 2,288,500 China Shenhua Shares on the open market through the Stock Exchange for an aggregate consideration of approximately HK\$36,294,000 (exclusive of transaction costs) in the 12 months preceding the Disposal. The Previous Disposals 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 BENEFITS OF THE DISPOSAL AND THE PREVIOUS DISPOSALS

The Disposal and the Previous Disposals provide the Group with an opportunity to realise its investment in China Shenhua.

As a result of the Disposal and the Previous Disposals, the Group recognises a gain of approximately HK\$6,145,000, being the difference between the consideration received from the Disposal and the Previous Disposals and the aggregate costs of the relevant China Shenhua Shares (exclusive of transaction costs), and will enhance the liquidity position of the Group. The Group intends to use the proceeds of the Disposal and the Previous Disposals for general working capital.

As the Disposal and the Previous Disposals 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 Disposals 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 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 Disposals in the last 12 months exceeds 5% but is less than 25%, the Disposal aggregated with the Previous Disposals 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 terms have the following meanings:

“22 <sup>nd</sup> February 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. Details of the 22 <sup>nd</sup> February Disposal were disclosed in the announcement of the Company dated 22 February 2021.
“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 800,000 China Shenhua Shares at an aggregate consideration of approximately HK\$12,897,000 (exclusive of transaction costs) by the Vendor on 30 August 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
“Previous Disposals”	after the 22 <sup>nd</sup> February Disposal, the Vendor disposed an aggregate of 2,288,500 China Shenhua Shares on the open market through the Stock Exchange for an aggregate consideration of approximately HK\$36,294,000 (exclusive of transaction costs) in the 12 months preceding the Disposal
“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 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, 30 August 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 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.*