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

### **THE DISPOSAL**

On 28 October 2021, the Vendor disposed an aggregate of 38,537,000 Huishang Bank H Shares on the open market at an aggregate consideration of approximately HK\$100,196,000 (exclusive of transaction costs) at an average price of approximately HK\$2.6 per Huishang Bank H Shares.

### **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 exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to announcement and notification requirements under the Listing Rules.

### **THE DISPOSAL**

On 28 October 2021, the Vendor disposed an aggregate of 38,537,000 Huishang Bank H Shares (the “**Disposed Huishang Bank H Shares**”) on the open market at an aggregate consideration of approximately HK\$100,196,000 (exclusive of transaction costs) at an average price of approximately HK\$2.6 per Huishang Bank H Shares.

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 Disposed Huishang Bank H Shares cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the purchasers of the Disposed Huishang Bank H Shares and their respective beneficial owners are Independent Third Parties.

The aggregate gross sale proceeds from the Disposal amount to approximately HK\$100,196,000 (exclusive of transaction costs), which is receivable in cash on settlement. The consideration for the Disposal represented the prevailing market price of Huishang Bank H Shares at the time of the Disposal.

## **INFORMATION OF HUISHANG BANK**

Huishang Bank, a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of Stock Exchange (Stock Code: 3698).

The principal activities of Huishang Bank and its subsidiaries include RMB and foreign currency deposits, loans, clearing and settlement services, asset custody services, finance leasing services, and the provision of services as approved by the respective regulators.

The following financial information is extracted from the 2020 annual report of Huishang Bank:

	<b>Year Ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Operating income	32,290,398	31,159,318
Profit before income tax	12,082,696	12,300,817
Profit after income tax	9,921,380	10,061,599
Net assets	105,672,639	89,493,629

Based on Huishang Bank's interim report for the six months ended 30 June 2021, the unaudited consolidated net asset value of Huishang Bank was RMB111,988,726,000 as at 30 June 2021.

## **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.

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

The Disposal forms part of the Group's principal business activities in investment in financial instruments and was conducted in its ordinary and usual course of business.

The Disposal provide the Group with an opportunity to realise its investment in Huishang Bank. As the Disposal was made on the open market at prevailing market price, the Directors consider that the Disposal was conducted on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS**

It is expected that the Group will recognise a gain of approximately HK\$142,000 as a result of the Disposal, being the difference between the consideration received from the Disposal and the aggregated costs of the Disposed Huishang Bank H Shares (inclusive of transaction costs), subject to auditors' review.

The proceeds from the Disposal (exclusive of transaction costs), which amounting to approximately HK\$100,196,000, will be used for other business/investment opportunities, or as general working capital of the Group.

## **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 exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to announcement and notification requirements under the Listing Rules.

## **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, 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)
“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 38,537,000 Huishang Bank H Shares at an aggregate consideration of approximately HK\$100,196,000 (exclusive of transaction costs) by the Vendor on 28 October 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
“Huishang Bank”	Huishang Bank Corporation Limited, a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3698)
“Huishang Bank H Share(s)” / “H Shares”	the ordinary shares issued by Huishang Bank to overseas investors, which are denominated in RMB, subscribed for in Hong Kong dollars and listed on the Main Board of the 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 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, 28 October 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.*