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DISCLOSEABLE TRANSACTION DISPOSAL OF LISTED SECURITIES

THE DISPOSAL

On 1 December 2022, the Vendor disposed an aggregate of 2,543,200 Sands China Shares on the open market at an aggregate consideration of approximately HK\$55.78 million (exclusive of transaction costs) at an average price of approximately HK\$21.93 per Sands China 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 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 the reporting and announcement requirements under the Listing Rules.

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

The aggregate gross sale proceeds from the Disposal amount to approximately HK\$55.78 million (exclusive of transaction costs), which is receivable in cash on settlement. The consideration for the Disposal represented the prevailing market price of Sands China at the time of the Disposal.

INFORMATION OF SANDS CHINA

Sands China Ltd., 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: 1928).

The principal activity of Sands China is investment holding and the principal activities of its subsidiaries are the development and operation of integrated resorts in Macau, which contain not only gaming and hotel areas, but also meeting space, convention and exhibition halls, retail and dining areas and entertainment venues.

The following financial information is extracted from the 2021 annual report of Sands China:

	Year Ended 31 December	
	2021	2020
	US\$ million	US\$ million
Net Revenues	2,874	1,687
Loss before tax	(1,045)	(1,507)
Loss after tax	(1,048)	(1,523)
Net assets	888	1,929

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 provides the Group with an opportunity to realise its investment in Sands China. 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\$12.02 million as a result of the Disposal, being the difference between the consideration received from the Disposal and the aggregated costs of the Sands China Shares (exclusive of transaction costs), subject to auditors' review.

The proceeds from the Disposal (exclusive of transaction costs), which amounting to approximately HK\$55.78 million, will be used as general working capital of the Group.

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.

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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
“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 2,543,200 Sands China Shares on the open market conducted on 1 December 2022 at an aggregate consideration of approximately HK\$55.78 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
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Sands China”	Sands China Ltd., 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: 1928)
“Sands China Share(s)”	the ordinary share(s) issued by Sands China, which are listed on the Main Board of the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“US\$”	United States dollar, the lawful currency of United States of America
“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
Wah Wang Kei, Jackie
Company Secretary and Executive Director

Hong Kong, 1 December 2022

As at the date of this announcement, the Board comprises (i) Mr. Chiu Tao (Chairman), Mr. Han Xuyang, 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.