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## **ANNOUNCEMENT**

### **UPDATE ON CST COAL – TRANSPORT INTERRUPTION**

This announcement is made by CST Group Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Inside information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company announces that steelmaking coal sales of CST Canada Coal Limited (“**CST Coal**”) for the first quarter of 2020 (the “**Q1**”) are being affected by bad weather in the province of British Columbia in Canada (“**British Columbia**”) and blockade of rail mainlines in British Columbia and province of Ontario in Canada causing rail and terminal performance issues.

Heavy snow and extreme cold in January 2020, and rock and mud slides, have affected rail lines and adjacent highways. Ongoing heavy rains have delayed remediation work. Furthermore, blockade of rail mainlines started in early February 2020 by protesters for opposition of building a natural gas pipeline through indigenous territory in northern British Columbia has impacted the movement of goods between western Canada and eastern Canada, and the traffic in and out of ports in British Columbia. Accordingly, CST Coal is having difficulty to transport its steelmaking coal from the mine site to the port in British Columbia to further deliver to its customers.

At the moment, the Company estimates that approximately 170,000 tonnes of the original planned sales of CST Coal in Q1 will be delayed if the situation is not improved. CST Coal has declared Force Majeure in relation to those affected sales contracts.

#### **ABOUT CST COAL**

CST Coal is an indirectly owned subsidiary of the Company. CST Coal is located in Grande Cache, approximately 400 kilometres west of the City of Edmonton, the capital of the Province of Alberta in Canada. It has a strong production history of approximately 96 million metric tonnes of clean coking coal produced since 1969. Its steelmaking coal is favorable for its low volatile matter and low Sulphur content. Based on a NI43-101 technical report with an effective date of 31 December 2017, the CST Coal Mine has total proven and probable coal reserves of 43.6 million metric tonnes, saleable coal reserves of 31.1 million metric tonnes and a mine life of 16 years.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**CST Group Limited**  
**Chiu Tao**  
*Executive Director and Chairman*

Hong Kong, 14 February 2020

*As at the date of this announcement, the board of directors of the Company 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.*