

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 985)

PROFIT WARNING

This announcement is made by CST Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) 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).

Based on a preliminary review by the Company’s management on the management accounts of the Group, the board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record an increase in net loss for its financial year ended 31 March 2020 (the “**Financial Year 2020**”) as compared with the net loss recorded by the Group for its financial year ended 31 March 2019 (the “**Financial Year 2019**”). Comparing with the Financial Year 2019, the Board considers that the expected increase in net loss was primarily attributable to the combined effect of the following factors:

- (i) the enlarged net loss on fair value changes of financial assets at fair value through profit or loss for the Financial Year 2020 to not less than US\$143.0 million, as compared with the net loss on that for the Financial Year 2019 of approximately US\$33.1 million caused by the instability of the financial market which was further deteriorated by the outbreak of the COVID-19;
- (ii) the exchange loss of not less than US\$32.0 million mainly from coal mining business caused by the decrease in exchange rate of Canadian Dollar against United States Dollar during the Financial Year 2020 ; and
- (iii) the loss of not less than US\$64.0 million suffered from the coal mining business because of a lower gross profit margin causing the gross profit not enough to off-set the finance costs, selling expenses and the exchange loss mentioned in item (ii) above in relation to coal mining business despite such business contributing to the increase in the Group’s revenue of approximately 200% for the Financial Year 2020.

This profit warning announcement is only based on the preliminary review on the management accounts of the Group, which has not been reviewed nor confirmed by the Company’s auditors.

The Company is in the process of the finalising the annual results of the Group for the Financial Year 2020 and the overall financial results of the Group for the Financial Year 2020 will only be ascertained when all the relevant results and treatments are finalised. The annual results announcement of the Group for the Financial Year 2020 is expected to be announced in late June 2020.

Shareholders and potential investors 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, 8 May 2020

As at the date of this announcement, the Board 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.