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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 985)

POSITIVE PROFIT ALERT

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 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 of the Company that the Group is expected to record a profit of not less than US\$100 million for its six-month period ended 30 September 2020 (the “**Period**”) as compared with the loss recorded by the Group for the corresponding period in 2019. The Board considers that the expected profit was primarily attributable to the combined effect of the following factors:

- (i) the recognition of gain on fair value changes of financial assets at fair value through profit or loss for the Period of not less than US\$92 million as compared with the loss on that for the six-month period ended 30 September 2019 of approximately US\$85 million;
- (ii) the exchange gain of not less than US\$30 million mainly from coal mining business caused by the increase in exchange rate of Canadian Dollar against United States Dollar during the Period as compared with the gain of approximately US\$3.7 million for the corresponding period in 2019; and
- (iii) the decrease in revenue of the Group of approximately 49% mainly due to the decrease in the sale of coal for the Period caused by suspension of coal mine operation, details of which were disclosed in the Company’s announcement dated 13 May 2020.

This positive profit alert 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 auditor.

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

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, 30 October 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.