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(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(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 5 October 2021 in relation to the disposal of listed securities (the “**Announcement**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As at 30 September 2021, the Group held substantial investments in senior notes issued by the Evergrande Group (“**Evergrande Notes**”) and Evergrande Vehicle Shares (together with Evergrande Notes, the “**Evergrande Investments**”). Based on the closing price of Evergrande Notes and Evergrande Vehicle Shares as at 30 September 2021, the Group is expected to record substantial loss on the Evergrande Investments in the interim results for the six months ended 30 September 2021.

The Board wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record an unrealised loss on fair value change of approximately US\$135 million on Evergrande Notes and approximately US\$296 million on Evergrande Vehicle Shares for the six months ended 30 September 2021.

The Company is in the process of finalising the management accounts and interim results of the Group for the six months ended 30 September 2021. The information contained in this announcement is only based on the preliminary assessment with reference to the information currently available to the management of the Company, which has not been reviewed nor confirmed by the Company’s auditors. The estimated loss for the six months ended 30 September 2021 may be adjusted subject to finalization of the interim results of the Group.

Further details of the Group's financial results and performance will be disclosed in the interim results announcement of the Company for the six months ended 30 September 2021 which is expected to be announced before the end of November 2021.

As disclosed in the Announcement, on 5 October 2021, the Vendor disposed an aggregate 32,180,000 Evergrande Vehicle Shares on the open market at an average price of approximately HK\$3.89 per Evergrande Vehicle Share. After the Disposal, the Vendor has disposed of its remaining holding of 10,000,000 Evergrande Vehicle Shares on open market at an average price of approximately HK\$3.35 per Evergrande Vehicle Share. After that, the Group did not hold any Evergrande Vehicle Shares.

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
Yeung Bik Shan
Company Secretary

Hong Kong, 7 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.