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*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 985)**

## **UPDATE ON 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 7 October 2021 on profit warning (the “**Profit Warning Announcement**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Profit Warning Announcement.

In addition to the information disclosed in the Profit Warning Announcement, the board of directors of the Company (the “**Board**”) wishes to provide the Shareholders and potential investors with further information that, based on a preliminary review by the Company’s management on the unaudited management accounts of the Group, the Group is expected to record a net loss of not less than US\$463 million for the six months ended 30 September 2021 as compared with the net profit of approximately US\$130 million recorded for the six months ended 30 September 2020. The Board considers that the expected net loss for the six months ended 30 September 2021 is primarily attributable to the combined effect of the following factors:

- (1) the recognition of loss on fair value changes of financial assets at fair value through profit or loss for the six months ended 30 September 2021 of not less than US\$456 million (inclusive of the total loss of approximately US\$431 million on Evergrande Investments) as compared with the gain of approximately US\$105 million on that for the six months ended 30 September 2020; and
- (2) the loss of not less than US\$19 million suffered from the coal mining business in Canada due to the suspension of mine operations during the six months ended 30 September 2021. The loss factors were mainly attributable to the depreciation of property, plant and equipment, foreign exchange loss and finance cost.

The Company is in the process of finalising the interim results of the Group for the six months ended 30 September 2021. The information contained in this announcement is only based on the information currently available to the Company and the preliminary assessment of the unaudited management accounts of the Group, 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 finalisation 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.

**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, 10 November 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.*