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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 985)

PROFIT WARNING

The Board wishes to inform the Shareholders and potential investors of the Company that the Group is expected to record a loss for its financial year ending 31 March 2016 as compared with the profit recorded by the Group for its financial year ended 31 March 2015. This profit warning announcement is only based on the preliminary review on the management accounts of the Group, which has neither been reviewed nor audited by the Company's auditors.

This announcement is made by CST Mining 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 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 loss for its financial year ending 31 March 2016 as compared with the profit recorded by the Group for its financial year ended 31 March 2015. Such expected loss of the Group was primarily attributable to the combined effect of the following factors:

- (i) the significant decrease in revenue derived from the copper mining business of the Group due to the persistent low copper market price and the reduction in volume of copper produced from the Lady Annie mine during the financial year ending 31 March 2016. The revenue derived from copper mining business for the eleven-month period ended 29 February 2016 is approximately US\$42 million as compared to US\$109 million for the year ended 31 March 2015;
- (ii) impairment loss in relation to the Group's copper mining business which includes loss on inventories written down to net realisable value during the financial year ending 31 March 2016; and
- (iii) the expected decrease in gain on fair value changes of financial assets at fair value through profit or loss for the year ending 31 March 2016 as compared with that for the year ended 31 March 2015 as derived from the Group's investment in financial instrument.

In view of the factors as disclosed in (i) and (ii) above and the fact that the mining license in relation to the Anthill project has not been granted, the Company will closely monitor the market and all relevant situation and carefully consider what appropriate actions it should take in relation to the Group's copper mining operation such as to further downscale the operation size, to further outsource operational activities or to suspend production temporarily in the next few months.

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The overall financial results of the Group for its financial year ending 31 March 2016 will only be ascertained when all the relevant results and treatments are finalized. The annual results announcement of the Group for its financial year ending 31 March 2016 is expected to be announced before the end of June 2016.

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 Mining Group Limited
Chiu Tao
Executive Director and Chairman

Hong Kong, 30 March 2016

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. Yeung Kwok Yu, Mr. Tsui Ching Hung and Mr. Chen Weixing as executive directors; and (ii) Mr. Yu Pan, Ms. Tong So Yuet, Ms. Ma Yin Fan and Mr. Leung Hoi Ying as independent non-executive directors.