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CST GROUP LIMITED
中譽集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 985)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2023

AUDITED ANNUAL RESULTS

The board of directors (the "Board") of CST Group Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2023 with the comparative figures for the corresponding year in 2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

	NOTES	**2023** **US$'000**	2022 US$'000
Revenue	3		
Sales		**215,859**	26,883
Interest income		**2,441**	23,156
Dividend income		**6,586**	16,350
Rental income		**2,244**	2,644
		227,130	69,033
Cost of sales		**(130,926)**	(24,584)
Gross profit		**96,204**	44,449
Other income and other gains and losses	4	**(39,846)**	7,213
Distribution and selling expenses		**(36,161)**	(3,628)
Administrative expenses		**(42,665)**	(33,741)
Loss on fair value changes of financial assets at fair value through profit or loss ("FVTPL")		**(55,050)**	(507,839)
(Loss) gain on fair value changes of investment properties		**(677)**	3,482

	NOTES	2023 US$'000	2022 US$'000
Reversal of impairment loss (impairment loss) on financial assets under expected credit loss ("ECL") model, net		**1,485**	(740)
(Impairment loss) reversal of impairment loss on property, plant and equipment		**(71,429)**	32,865
Share of result of a joint venture		**(3,843)**	(784)
Share of result of an associate		**(3,094)**	3,094
Finance costs	5	**(18,621)**	(7,319)
Loss before taxation	6	**(173,697)**	(462,948)
Taxation	7	**(435)**	(958)
Loss for the year		**(174,132)**	(463,906)
Other comprehensive income (expense)			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation surplus on transfer of owner-occupied property to investment property		**2,270**	—
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**14,794**	(1,444)
Other comprehensive income (expense) for the year		**17,064**	(1,444)
Total comprehensive expense for the year		**(157,068)**	(465,350)
Loss for the year attributable to:			
Owners of the Company		**(161,784)**	(463,271)
Non-controlling interests		**(12,348)**	(635)
		(174,132)	(463,906)
Total comprehensive expense attributable to:			
Owners of the Company		**(144,203)**	(464,832)
Non-controlling interests		**(12,865)**	(518)
		(157,068)	(465,350)
		US$	US$
LOSS PER SHARE			
Basic	9	**(0.33)**	(0.96)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2023

	NOTES	**2023** **US$'000**	2022 US$'000
Non-current assets			
Property, plant and equipment		**248,117**	365,777
Right-of-use assets		**2,404**	1,669
Exploration and evaluation assets		**33,252**	36,012
Investment properties		**33,640**	32,691
Interests in a joint venture		**1,563**	5,406
Interests in an associate		**—**	3,094
Financial assets at fair value through profit or loss		**135,291**	127,778
Club membership		**2,437**	2,437
Pledged bank deposits		**28,363**	26,706
		485,067	601,570
Current assets			
Inventories		**26,395**	28,807
Other receivables	10	**8,176**	8,067
Loan receivables		**17,809**	74,067
Amount due from an associate		**5,938**	6,392
Amount due from a joint venture		**4,042**	4,042
Financial assets at fair value through profit or loss		**81,951**	75,421
Bank balances and cash		**59,318**	51,665
		203,629	248,461
Current liabilities			
Trade and other payables and accruals	11	**14,760**	8,472
Tax payable		**1,915**	1,844
Derivative financial instruments		**10**	—
Bank and other borrowings – amount due within one year		**463,717**	99,679
Lease liabilities		**1,132**	1,366
Guarantee liability		**40,100**	40,100
		521,634	151,461

	NOTE	2023 US$'000	2022 US$'000
Net current (liabilities) assets		**(318,005)**	97,000
Total assets less current liabilities		**167,062**	698,570
Non-current liabilities			
Bank and other borrowings – amount due after one year		**—**	376,171
Deferred tax liabilities		**1,838**	2,112
Lease liabilities		**1,359**	390
Provision for mine rehabilitation cost		**25,584**	27,125
Amounts due to non-controlling interests		**8,501**	6,124
		37,282	411,922
		129,780	286,648
Capital and reserves			
Share capital	12	**620**	620
Reserves		**157,250**	301,424
Equity attributable to owners of the Company		**157,870**	302,044
Non-controlling interests		**(28,090)**	(15,396)
		129,780	286,648

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

1. GENERAL INFORMATION

CST Group Limited (the "Company") is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its immediate holding company is Atlas Keen Limited and the ultimate controlling party is Mr. Chiu Tao, who is also the chairman of the Company. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report for the year ended 31 March 2023 ("Annual Report 2023") of the Company.

The Company is an investment holding company with its subsidiaries (collectively referred to as the "Group") engaged in (i) exploration, development and mining of mineral resources, (ii) investments in financial instruments, (iii) property investment, and (iv) money lending. The principal activities of each of its principal subsidiaries are set out in note 40 to these consolidated financial statements of the Annual Report 2023 of the Company.

The consolidated financial statements are presented in United States dollars ("US$"), which is different from the Company's functional currency of Hong Kong dollars ("HK$"). The management adopted US$ as presentation currency as the management controls and monitors the performance and financial position of the Group based on US$. Each entity of the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual periods beginning on 1 April 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 - 2020

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts [1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[3]
Amendments to HKAS 1	Non-current Liabilities with Covenants[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

[1] Effective for annual periods beginning on or after 1 January 2023.
[2] Effective for annual periods beginning on or after a date to be determined.
[3] Effective for annual periods beginning on or after 1 January 2024.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKAS 1 and HKFRS Practice Statement 2 "Disclosure of Accounting Policies"

HKAS 1 "Presentation of Financial Statements" ("HKAS 1") is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 "Making Materiality Judgements" (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group's significant accounting policies. The impacts of application, if any, will be disclosed in the Group's future consolidated financial statements.

Amendments to HKAS 8 "Definition of Accounting Estimates" ("HKAS 8")

The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty - that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group's consolidated financial statements.

3. REVENUE/SEGMENT INFORMATION

Revenue

Revenue represents revenue arising on sale of coal, property rental income, dividend income and interest income. An analysis of the Group's revenue for the year is as follows:

	2023	2022
	US$'000	US$'000
Sale of coal	**215,859**	26,883
Revenue from contracts with customers	**215,859**	26,883
Residential rental income	**6**	122
Office rental income	**2,238**	2,522
Dividend income	**6,586**	16,350
Interest income from financial assets at FVTPL	**74**	19,067
Interest income from money lending business	**2,367**	4,089
Total revenue	**227,130**	69,033
Disaggregation of revenue from contracts with customers		
Sale of coal	**215,859**	26,883
Timing of revenue recognition		
A point in time	**215,859**	26,883
Leases		
Operating lease payments that are fixed (Note)	**2,244**	2,644

Note: There is no income relating to variable lease payments that do not depend on an index or a rate during both years.

Sale of coal (recognized at a point in time)

The Group sells coal directly to customers. The revenue is recognized when the performance obligation is fulfilled upon the control of goods has been transferred, being coal passes the vessel's rail at the port of shipment. The payment from customers will be made to the Group within 14 days from the date of lading.

Segment information

Information provided to the chief operating decision maker ("CODM"), representing the executive directors of the Company, for the purposes of resource allocation and assessment of segment performance focuses on types of business. This is also the basis upon which the Group is arranged and organized.

Specifically, the Group's operating and reportable segments under HKFRS 8 "Operating Segments" ("HKFRS 8") were organized into four (2022: four) main operating divisions - (i) mining business, (ii) investments in financial instruments, (iii) property investment and (iv) money lending.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

Under HKFRS 8, segment information is based on internal management reporting information that is regularly reviewed by the CODM. The measurement policies of the Group used for segment reporting under HKFRS 8 are the same as those used in its HKFRS financial statements. The CODM assesses segment profit or loss using a measure of operating profit whereby certain items are not included in arriving at the segment results of the operating segments (other income and other gains and losses, central administration costs, finance costs, share of result of a joint venture and share of result of an associate).

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Segment revenue		**Segment results**	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
Mining business	**215,859**	26,883	**(60,121)**	14,089
Investments in financial instruments	**6,660**	35,417	**(36,410)**	(474,257)
Property investment	**2,244**	2,644	**1,118**	5,323
Money lending	**2,367**	4,089	**5,064**	3,878
	227,130	69,033	**(90,349)**	(450,967)
Other income and other gains and losses			**(39,846)**	7,213
Central administration costs			**(17,944)**	(14,185)
Finance costs			**(18,621)**	(7,319)
Share of result of a joint venture			**(3,843)**	(784)
Share of result of an associate			**(3,094)**	3,094
Loss before taxation			**(173,697)**	(462,948)

All of the segment revenue reported above is generated from external customers.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	2023	2022
	US$'000	US$'000
Segment assets:		
— Mining business	**357,301**	460,098
— Investments in financial instruments	**240,947**	208,275
— Property investment	**35,404**	35,622
— Money lending	**17,962**	74,234
Total segment assets	**651,614**	778,229
Unallocated assets:		
— Bank balances and cash	**1,174**	22,148
— Property, plant and equipment	**17,293**	22,008
— Right-of-use assets	**2,372**	1,582
— Others	**16,243**	26,064
	37,082	71,802
Consolidated total assets	**688,696**	850,031
Segment liabilities:		
— Mining business	**531,664**	536,633
— Investments in financial instruments	**6,136**	6,410
— Property investment	**4,408**	10,148
— Money lending	**8**	29
Total segment liabilities	**542,216**	553,220
Unallocated liabilities:		
— Lease liabilities	**2,455**	1,662
— Others	**14,245**	8,501
	16,700	10,163
Consolidated total liabilities	**558,916**	563,383

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to reportable and operating segments other than certain bank balances and cash, certain property, plant and equipment, certain right-of-use assets, certain other receivables, club membership, interests in an associate, amount due from an associate, interests in a joint venture and amount due from a joint venture. All liabilities are allocated to operating segments other than certain lease liabilities, certain bank borrowings, certain other payables and accrual and amounts due to non-controlling interests.

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Other segment information

2023

	Mining business US$'000	**Investments in financial instruments US$'000**	**Property investment US$'000**	**Money lending US$'000**	**Unallocated US$'000**	**Total US$'000**
Amounts included in the measure of segment results or segment assets:						
Loss on fair value changes of investment properties	**—**	**—**	**(677)**	**—**	**—**	**(677)**
Additions to non-current assets	**14,230**	**—**	**—**	**—**	**2,464**	**16,694**
Depreciation on property, plant and equipment	**(31,943)**	**—**	**—**	**—**	**(3,737)**	**(35,680)**
Depreciation on right-of-use assets	**(46)**	**—**	**—**	**—**	**(1,460)**	**(1,506)**
Loss on fair value changes of financial assets at FVTPL	**—**	**(55,050)**	**—**	**—**	**—**	**(55,050)**
Reversal of impairment loss (impairment loss) on financial assets under ECL	**—**	**—**	**—**	**1,939**	**(454)**	**1,485**
Impairment loss on property, plant and equipment	**(71,429)**	**—**	**—**	**—**	**—**	**(71,429)**
Share of result of a joint venture	**—**	**—**	**—**	**—**	**(3,843)**	**(3,843)**
Share of result of an associate	**—**	**—**	**—**	**—**	**(3,094)**	**(3,094)**
Interest revenue	**—**	**74**	**—**	**2,367**	**—**	**2,441**
Interest expense	**(18,059)**	**—**	**(91)**	**—**	**(471)**	**(18,621)**
Income tax expense	**(283)**	**—**	**(144)**	**(8)**	**—**	**(435)**

2022

	Mining business US$'000	Investments in financial instruments US$'000	Property investment US$'000	Money lending US$'000	Unallocated US$'000	Total US$'000
Amounts included in the measure of segment results or segment assets:						
Gain on fair value changes of investment properties	—	—	3,482	—	—	3,482
Additions to non-current assets	2,088	—	—	—	1,294	3,382
Deprecation on property, plant and equipment	(20,232)	—	—	—	(3,737)	(23,969)
Depreciation on right-of-use assets	(140)	—	—	—	(1,684)	(1,824)
Loss on fair value changes of financial assets at FVTPL	—	(507,839)	—	—	—	(507,839)
Impairment loss on financial assets under ECL	—	—	—	(740)	—	(740)
Reversal of impairment loss on property, plant and equipment	32,865	—	—	—	—	32,865
Share of result of a joint venture	—	—	—	—	(784)	(784)
Share of result of an associate	—	—	—	—	3,094	3,094
Interest revenue	—	19,067	—	4,089	—	23,156
Interest expense	(6,474)	(144)	(317)	—	(384)	(7,319)
Income tax expense	(486)	—	(445)	(27)	—	(958)

Geographical information

A geographical analysis of the Group's revenue from external customers is presented based on the geographical market where listed securities are traded for investments in financial instruments segment, geographical location where the goods are sold for mining business segment, geographical location of the properties for property investment segment, geographical location of the loan receivable for money lending segment; while information about the carrying amount of non-current assets, excluding financial instruments, club membership and pledged bank deposits, is presented based on the geographical location of the assets, as follows:

	Revenue from external customers		**Carrying amounts of non-current assets**	
	2023	2022	**2023**	2022
	US$'000	US$'000	**US$'000**	US$'000
The People's Republic of China (the "PRC"), other than Hong Kong	**315**	362	**6,416**	7,318
Hong Kong	**2,813**	14,723	**24,685**	32,090
Canada	**215,859**	26,883	**264,108**	379,868
The United Kingdom (the "UK")	**1,997**	2,250	**23,767**	25,373
Singapore	**—**	18,663	**—**	—
Others	**6,146**	6,152	**—**	—
	227,130	69,033	**318,976**	444,649

Information about major customers

Revenue from mining business in Canada from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Year ended 31 March	
	2023	2022
	US$'000	US$'000
Customer A	**103,936**	—
Customer B	**86,108**	26,883

4. OTHER INCOME AND OTHER GAINS AND LOSSES

	2023 US$'000	2022 US$'000
Other income		
Bank and other interest income	**1,144**	148
Government grant (Note)	**110**	538
Others	**—**	50
	1,254	736
Other gains and losses		
Fair value gain on derivative financial instruments	**75**	44
Gain (loss) on disposal of property, plant and equipment	**1**	(5)
Gain on disposal of subsidiary	**—**	14
Net foreign exchange (loss) gain	**(43,403)**	4,237
Others	**2,227**	2,187
	(41,100)	6,477
	(39,846)	7,213

Note: During the year ended 31 March 2023, the Group recognized government grant of US$110,000 (2022:US$538,000) in respect of Covid-19-related subsidies, of which US$110,000 (2022: nil) is related to Employment Support Scheme provided by government in Hong Kong.

5. FINANCE COSTS

	2023 US$'000	2022 US$'000
Interest expense on lease liabilities	**90**	104
Interest expense on bank borrowings	**18,147**	6,854
Interest expense on other borrowings	**384**	361
	18,621	7,319

6. LOSS BEFORE TAXATION

	2023 US$'000	2022 US$'000
Loss before taxation has been arrived at after charging (crediting):		
Directors' remuneration	**7,279**	7,010
Contributions to retirement benefit scheme to employees	**1,379**	442
Other staff costs	**41,075**	13,868
Total staff costs	**49,733**	21,320

Less: amount capitalised in cost of producing the inventories	**(24,268)**	(7,066)
Total staff costs included in administrative expenses	**25,465**	14,254
Auditor's remuneration	**552**	572
Depreciation on property, plant and equipment	**35,680**	23,969
Depreciation of right-of-use-assets	**1,506**	1,824
	37,186	25,793
Less: amount capitalised in cost of producing the inventories	**(30,382)**	(17,256)
	6,804	8,537
Cost of inventories recognized as an expense (Net of reversal on inventories write down to net realisable value of US$nil (2022: US$1,601,000))	**130,926**	24,584
and after crediting:		
Gross rental income less direct operating expenses of US$275,000 (2022: US$325,000) from investment properties that generated rental income during the year	**1,969**	2,319

7. TAXATION

	2023	2022
	US$'000	US$'000
Current tax:		
Charge for the year:		
PRC	**36**	27
Hong Kong	**9**	28
UK	**107**	104
	152	159
Deferred tax	**283**	799
Taxation for the year	**435**	958

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Under the applicable corporate tax law in the UK, the tax rate is 19% of the estimated assessable profits for both years.

Under the applicable corporate tax law in Alberta, Canada, the tax rate is 23% of the estimated assessable profits for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

8. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2023, nor has any dividend been proposed since the end of the reporting period (2022: nil).

9. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	2023	2022
	US$'000	US$'000
Loss for the year attributable to owners of the Company for the purpose of calculating basic loss per share	**(161,784)**	(463,271)

	Number of shares	
	2023	2022
	'000	'000
Weighted average number of ordinary shares for the purposes of basic loss per share	**483,729**	483,729

No diluted loss per share for both 2023 and 2022 were presented as there were no potential ordinary shares in issue for both 2023 and 2022.

10. OTHER RECEIVABLES

	2023	2022
	US$'000	US$'000
Amounts due from brokers	**806**	1,043
Deposits and prepayments	**6,518**	6,287
Goods and services tax ("GST") receivables	**852**	647
Others	**—**	90
	8,176	8,067

Note : Details of impairment assessment of other receivables for the year ended 31 March 2023 are set out in note 32 to these consolidated financial statement of the Annual Report 2023 of the Company.

11. TRADE AND OTHER PAYABLES AND ACCRUALS

	2023	2022
	US$'000	US$'000
Trade payables (aged within 30 days)		
- arising from mining operation (Note a)	**5,844**	491
- arising from investments in financial instruments operation (Note b)	**2**	—
Other payables and accruals	**8,914**	7,981
	14,760	8,472

Notes:

(a) The average credit period on purchases of goods and consumables is 30 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

(b) The settlement terms of trade payable arising from ordinary course of business of dealing in securities from financial institution are settled two days after trade date.

Other payables include GST payable to the Alberta Government of US$12,000 (2022: US$23,000), in respect of sales made in Alberta, Canada under relevant rules and regulations.

12. SHARE CAPITAL

	Number of shares '000	Share capital US$'000
Ordinary shares of HK$0.01 (2022 : HK$0.01) each		
Authorised		
At 1 April 2021, 31 March 2022 and 31 March 2023	1,000,000,000	1,282,052
Issued and fully paid		
At 1 April 2021, 31 March 2022 and 31 March 2023	483,729	620

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2023 (2022: nil).

Management Discussion and Analysis

BUSINESS REVIEW AND FINANCIAL RESULTS

For the year ended 31 March 2023 (the "Year"), the Company and its subsidiaries (collectively referred to as the "Group") recorded a loss after tax of approximately US$174.1 million, representing a decrease in loss of 62.5% as compared to a loss after tax of US$463.9 million for the year ended 31 March 2022. Such significant decrease in loss was mainly due to the decrease in loss on fair value changes of financial assets at fair value through profit or loss ("FVTPL") as compared to that for the year ended 31 March 2022.

Revenue

The total revenue of the Group for the Year was approximately US$227.1 million (2022: US$69.0 million). This represented a significant increase of approximately 229.1% as compared with the prior year. The increase was mainly attributable to the increase of coal sales activities that generated the revenue in coal business of approximately US$215.9 million (2022: US$26.9 million).

Other income and other gains and losses

During the Year, the total other income and other gains and losses for the Year was a loss of approximately US$39.8 million (2022: a gain of US$7.2 million). It mainly comprised of the following: (i) receipt of an aggregated amount of "Anthill Production Payment" of approximately AUD2.7 million (equivalent to approximately USD1.9 million) which related to disposal of Australia mining business in May 2019, details were disclosed in the Company's announcement dated 23 July 2021, and (ii) a net foreign exchange loss of approximately US$43.4 million mainly due to strong US dollar against Canadian dollar during the Year (2022: a gain of US$4.2 million).

Cost of sales

Cost of sales mainly included coal mining costs, coal processing costs and other relevant operating expenses. As compared with the prior year, the cost of sales increased by approximately 432.1% from US$24.6 million to approximately US$130.9 million due to the increase of coal production and sales volumes.

Distribution and selling expenses

Distribution and selling expenses were approximately US$36.2 million for the Year (2022: US$3.6 million), which primarily included expenses relating to railway transportation, royalty fees and terminal charges. The significant increase in distribution and selling expenses as compared with the prior year was mainly attributable to the increase of coal sale activities.

Administrative expenses
Administrative expenses primarily comprised of staff costs, depreciation and amortization costs and other expenses. The Group's administrative expenses increased approximately 26.7% from US$33.7 million to approximately US$42.7 million for the Year as compared with the prior year. The increase was mainly attributable to increase of coal mine activities in Canada.

Finance costs
Finance costs mainly comprised of bank loan interest. Finance costs increased from US$7.3 million of prior year to approximately US$18.6 million for the Year, representing an increase of approximately 154.8%. The increase was primarily due to increase in average interest rate during the Year.

SEGMENT INFORMATION

A. <u>Mining business</u>

During the Year, CST Canada Coal Limited ("CST Coal") had sold 820,447 tonnes of coking coal and generated a revenue of approximately US$215.9 million (2022: US$26.9 million). The cost of sales and distribution and selling expenses relatively incurred were approximately US$130.9 million (2022: US$24.6 million) and US$36.2 million (2022: US$3.6 million). The EBITDA, excluding impairment loss of US$71.4 million, was US$64.7 million (2022: a loss of US$6.0 million).

The administrative expenses in mine site increased approximately 65.4% to US$17.2 million (2022: US$10.4 million) as compared with the prior year. It was mainly due to increase of employees in mine site for ramping up the operations. CST Coal is still short of 85 employees to ramp up the production and is proactively recruiting in a tight labour market in Canada.

CST Coal held an approximately US$400 million legacy bank debt carried over from previous owner when the mining assets were restructured between CMBC and the Group pursuant to the Circular of the Company dated 8 March 2018. The debt was fixed to repay in US dollar. Due to the depreciation of Canadian dollar against US dollar, a loss of foreign exchange of approximately US$41.6 million (2022: a gain of US$3.2 million) that related to this debt was recognized in the other income and other gains and losses.

As at financial year end, the Group reviewed in accordance with Hong Kong Accounting Standard 36 "Impairment of Assets" ("HKAS 36") with the auditors the impairment made in 2020 on its mining property assets in Canada mining operations. An impairment of US$93.8 million was recognized in 2020 when the carrying amount of certain mine properties exceeded the recoverable amount. A reversal of impairment of approximately US$32.9 million was recognized in 2022 when the recoverable amount exceeded the carrying amount of certain mine properties.

Management updated the major assumptions in the model previously used for impairment testing in 2022. The recoverable amount of each cash generating unit has been estimated using its fair value less costs of disposal. After reviewing the assumptions with auditors, it was determined that the recoverable value of the coal mine assets as of 31 March 2023 was approximately US$231.1 million, it was below the carrying value of the coal mine assets of approximately US$300.9 million and accordingly a provision of approximately US$71.4 million was recognized in the profit or loss. The table below summarizes the major assumptions used by Management at year ended 2023 and the assumptions used in 2022.

	Financial Year 2023	**Financial Year 2022**
Projected production volume of the Coal Mine	40.0 million metric tonnes. The projected production volume is determined based on the detailed life-of-mine plans and the development plans.	41.9 million metric tonnes. The projected production volume was determined based on the detailed life-of-mine plans and the development plans.
Long-term price of coking coal	US$228 per metric tonne for 2023, US$200 per metric tonne for 2024, US$167 per metric tonne for 2025, and US$144 per metric tonne for 2026 to 2040. The long-term price of coking coal is determined by the Management with reference to i) forecast benchmark real prices for hard coking coal from the analyst of Canadian Imperial Bank of Commerce (March 2023) and ii) an adjustment made thereon by the Management in light of the quality of coal from the coal mine.	US$244 per metric tonne for 2022, US$176 per metric tonne for 2023, US$126 to US$139 per metric tonne for 2024-2038. The long-term price of coking coal is determined by the Management with reference to i) the May 2022 edition of Energy & Metal Consensus Forecasts (available for subscription at https://www. consensuseconomics. com/download/energy-and-metals-price forecasts/), which publishes surveys covering the prices for more than 40 key energy and metal; and ii) an adjustment made thereon by the Management in light of the quality of coal from the coal mine.
Long-term exchange rate between United States Dollar and Canadian Dollar	US$1:C$1.35 (2023), US$1:C$1.31 (2024), US$1:C$1.28 (2025 to 2040) The above exchange rates were based on Foreign Exchange Consensus Forecast as published by Consensus Economics Inc March 2023 Edition.	US$1:C$1.28 The long-term exchange rate between United States Dollar and Canadian Dollar is determined with reference to the average exchange rate between the said currencies for March 2022.
Discount rate	16% pre-tax discount (which is equivalent to 12% post-tax discount). The discount rate is determined i) after taken into consideration that the cost of equity and the project risk factors were similar to those analysed at the time of the valuation report dated 15 February 2018; and ii) with reference to HKAS 36 whereby the Company is required to use a pre-tax discount rate for the purpose of valuation.	12% pre-tax discount (which is equivalent to 10% post-tax discount). The discount rate was determined i) after taken into consideration that the cost of equity and the project risk factors were similar to those analysed at the time of the valuation report dated 15 February 2018; and ii) with reference to HKAS 36 whereby the Company was required to use a pre-tax discount rate for the purpose of valuation.
Growth Rate	NIL The adoption of Nil growth rate is consistent with the valuation report dated 15 February 2018 which used the coal reserves only for valuation purposes.	NIL The adoption of Nil growth rate was consistent with the valuation report dated 15 February 2018 which used the coal reserves only for valuation purposes.

During the Year, CST Coal did not have any exploration activities and did not incur any exploration expenditure.

A summary of the financial results of CST Coal during the Year is detailed below:

	2023	2022
	US$'000	US$'000
Revenue	**215,859**	26,883
Cost of sales	**(130,926)**	(24,584)
Gross profit	**84,933**	2,299
Other income and other gains and losses	**(40,723)**	4,299
Distribution and selling expenses	**(36,161)**	(3,628)
Administrative expenses*	**(17,241)**	(10,440)
(Impairment loss) reversal of impairment loss on property, plant and equipment	**(71,429)**	32,865
Finance costs*	**(18,189)**	(6,474)
(Loss) profit before taxation	**(98,810)**	18,921
Taxation	**(446)**	(486)
(Loss) profit after taxation	**(99,256)**	18,435

* *Inter-company financial charges and management fee were not included.*

B. Property investment

Below is a summary of certain information on the property investment business of the Group:

	2023	2022
	US$ million	US$ million
Rental income		
- PRC	**0.2**	0.3
- Hong Kong	**—**	0.1
- Scotland	**2.0**	2.2
	2.2	2.6

	2023	2022
	US$ million	US$ million
Fair value of investment properties		
- PRC	**6.4**	7.3
- Hong Kong	**3.4**	—
- Scotland	**23.8**	25.4
	33.6	32.7

During the Year, an owned property of the Group in Hong Kong has been transferred from property, plant and equipment to use as investment property for generating more rental income. Given the uncertainty in global economy resulting from COVID-19 pandemic, the total rental income for the Year decreased approximately 15.4% to US$2.2 million (2022: US$2.6 million) as compared with the prior year.

As of 31 March 2023, the fair value of the investment properties in PRC and Scotland decreased by approximately 12.3% and 6.3% respectively due to the downturn of market price in PRC commercial property and a strong US dollar against both Chinese Renminbi and British Pound Sterling.

C. <u>Money Lending</u>

Below is a summary of certain information on the money lending business of the Group:

	2023 **US$ million**	2022 US$ million
Interest income from money lending	**2.4**	4.1
Provision of bad debt*	**-**	-
Range of interest rate during the year (%)	**5% - 10%**	5% - 10%

** Provision of bad debt excludes the expected credit loss ("ECL") for accounting purpose. For the ageing analysis, all of the loan receivables were not past due nor impaired.*

As of 31 March 2023, the net carrying value of the loan portfolio, including interest accrued and deduction of ECL allowance, of the Group amounted to approximately US$17.8 million (2022: US$74.1 million) with details as follows:

Borrowers	**Approximate weighting to the carrying amount of the Group's loan portfolio (%)**	**Interest rate per annum (%)**	**Maturity**
Individual	14.26%	5%	Within 1 year
Corporate	85.74%	5%	Within 2 years
	100.00%		

The interest income from money lending business was approximately US$2.4 million (2022: US$4.1 million), which decreased by approximately 41.5% as compared with the prior year. The range of interest rate during the Year was 5% to 10% (2022: 5% to 10%). The decrease was due to the reduction of lending activities during the Year. Given the current uncertain and prevailing economic conditions in Hong Kong, the Group has been prudent in granting new loans and continue to adopt a conservative approach in developing this business. As of 31 March, 2023, the number of borrowers was two (2022: four). All of them were unsecured. The loan made to largest borrower accounted for approximately 85.74% of the loan portfolio (including interest accrued and deduction of ECL allowance). Further details of loan receivables will be disclosed in note 22 of the Annual Report 2023 of the Company. During the Year, the Group has not recorded any bad debt on its money lending business.

The Group conducted its money lending business mainly through Sun Power Finance Limited, a wholly-owned subsidiary of the Company.

The Group's lending business has a unique business strategy with emphasis on the provision of sizeable loans to corporate and high net-worth individual instead of the mass consumer market. These borrowers mostly are acquired through referrals and introductions from the Company's senior management.

The Group has established and maintained internal controls to ensure the effectiveness of its credit risk assessment in evaluating the creditworthiness of potential borrowers. The loan terms would be generally arrived at after considering a combination of factors including prevalent market interest rates, the financial strength of the borrowers and the collaterals offered. The Group retained an independent professional valuer to conduct impairment and expected credit loss assessment on the outstanding loans for each reporting period end date. The business is overseen by the Investment and Management Committee of the Company which is responsible for on-going monitoring of loan recoverability and debt collection, identifying potential problems and recommending mitigating measures. The related internal control procedures will be disclosed in the Corporate Governance section of Annual Report 2023 of the Company.

D. Investment in financial instruments

Below are the summaries of certain information on the investment in financial instruments of the Group:

	2023	2022
	US$ million	US$ million
Fair value of financial assets at FVTPL		
Listed shares	**44.5**	31.5
Debt securities	**13.1**	21.0
Fund and unlisted equity investments	**159.6**	150.7
	217.2	203.2

	2023	2022
	US$ million	US$ million
Income received from financial assets at FVTPL		
Dividend from listed shares	**0.3**	1.0
Interest from debt securities	**0.1**	19.1
Interest and dividend from fund and unlisted equity investments	**6.3**	15.3
	6.7	35.4

	2023	2022
	US$ million	US$ million
Fair value change of financial assets at FVTPL		
Listed shares:		
- Realised gain (loss) on disposal	**1.9**	(288.8)
- Unrealized loss on fair value change	**(6.2)**	(4.1)
	(4.3)	(292.9)
Debt securities:		
- Realised loss on disposal	**—**	(33.2)
- Unrealized loss on fair value change	**(8.0)**	(132.9)
	(8.0)	(166.1)
Fund and unlisted equity investments:		
- Realised loss on disposal	**(0.9)**	(41.4)
- Unrealized loss on fair value change	**(41.9)**	(7.4)
	(42.8)	(48.8)
	(55.1)	(507.8)

As of 31 March 2023, the Group held a financial asset at FVTPL portfolio amounted to approximately US$217.2 million (2022: US$203.2 million) measured at market or fair value. The portfolio comprised of 20.5% listed shares, 6.0% debt securities and 73.5% fund and unlisted equity investments.

During the Year, the portfolio generated the dividend and interest revenue in total amount of approximately US$6.7 million (2022: US$35.4 million). It comprised of the following: (i) approximately US$0.3 million (2022: US$1.0 million) of dividend income from listed shares, (ii) US$0.1 million (2022: US$19.1 million) interest income from debt securities, and (iii) approximately US$6.3 million (2022: US$15.3 million) of interest and dividend income from fund and unlisted equity investments.

a. ***Listed shares***

As of 31 March 2023, the total market value of listed shares held by the Group was approximately US$44.5 million (2022: US$31.5 million). The Group has invested in various categories of listed companies and their weightings to the total market value of the portfolio are as below:

Category of listed companies	**Weighting to total market value of portfolio (%)**
Banking and Finance	39%
Manufacturing	5%
Motor Vehicle	11%
Property & Construction	21%
Travel & Leisure	21%
Others	3%
	100%

During the Year, the Group recorded a realized gain on disposal of listed securities of approximately US$1.9 million (2022: a loss of US$288.8 million) and an unrealized loss on fair value changes in the listed securities of approximately US$6.2 million (2022: US$4.1 million). The unrealized loss was mainly due to a decline in the price of listed share investments under volatility of the stock market. However, the total losses of US$4.3 million represented a significant decrease of 98.5% in loss as compared with the prior year.

b. Debt securities

As of 31 March 2023, the carrying amount of the debt securities held by the Group was approximately US$13.1 million (2022: US$21.0 million). The Group primarily held various senior notes of China Evergrande Group ("China Evergrande") and Scenery Journey Limited, which is an indirect wholly-owned subsidiary of China Evergrande (the "Evergrande Notes").

Due to the outburst of China Evergrande liquidity crisis, China Evergrande was not able to repay the notes interest to the holders of Evergrande Notes. Thus, no notes interest was received from the Evergrande Notes (2022: US$18.7 million). Overall, an unrealised loss on fair value change of approximately US$8.0 million (2022: 132.9 million) was recognized in profit or loss during the Year.

c. Fund and unlisted equity Investments

During the Year, the Group invested US$54.3 million in fund and unlisted equity investments, which were mainly payment for the commitment of existing funds and acquisition of interests in new unlisted equity investments. As of 31 March 2023, the Group held fund and unlisted equity investments in total of approximately US$159.6 million at fair value (2022: US$150.7 million). During the Year, the Group had received interest and dividend income in total of approximately US$6.3 million (2022: US$15.3 million) from its fund and unlisted equity investments portfolio, representing a decrease of 58.8% as compared with the prior year.

Save as disclosed above, there was no other single investment in the Group's financial instruments that was considered as significant investment, which has a carrying amount accounting for more than 5% of the Group's total assets as of 31 March 2023.

LIQUIDITY AND FINANCIAL RESOURCES

As of 31 March 2023, the Group held bank balances and cash amounted to approximately US$59.3 million (2022: US$51.7 million).

Borrowings and pledged of assets

In June 2021, a financial institution granted a three-year loan facility to two subsidiaries of the Company at the amount of HK$35 million and HK$15 million respectively. Both interest rate was 6% and secured by certain fixed assets and securities held by the Group. As of 31 March 2023, the total outstanding balance of these two loans was HK$50 million.

Since 2017, an indirect non-wholly owned subsidiary of the Company was granted a bank loan of GBP10.41 million secured by a Scottish property owned by such subsidiary, with a fixed interest rate for four years and by a pledge of equity interest in the parent company of such subsidiary. In June 2022, as agreed with bank, the Group has extended the loan for one year at interest rate of Bank of England Base Rate plus 2.5% per annum. As of 31 March 2023, the outstanding balance of this bank loan was approximately GBP0.56 million (equivalent to approximately US$0.69 million), inclusive of interest accrued.

The Group, through its subsidiary, CST Canada Coal Limited ("CST Coal"), acquired certain mining assets of Grande Cache Coal LP ("GCC") in Canada in 2018, and assumed bank borrowings from China Minsheng Banking Corp., Ltd ("CMBC") amounting to approximately US$409.4 million (the "CMBC Loan"). The bank borrowings carry an interest rate of 1.2% over 3 months LIBOR and are repayable in 5 years. The borrowings are non-recourse and secured by (i) a fixed and floating charge over all present and future assets and undertakings of CST Coal; (ii) charges over all shares in CST-Grande Cache Cayman Limited, which is an indirect beneficiary holding company of CST Coal; and (iii) corporate guarantees from each of shareholders of each member of the CST Coal project group which includes four subsidiaries of the Company. The four subsidiaries are Gold Grace Limited which is the sole shareholder of CST Coal, Excel Fame Limited which is the sole shareholder of Gold Grace Limited, CST-Grande Cache Cayman Limited which is the sole shareholder of Excel Fame Limited and Sonicfield Global Limited which is a majority shareholder of CST-Grande Cache Cayman Limited. As of 31 March 2023, the outstanding balance of the principal of this bank loan was approximately US$403.6 million. In July 2021, CST Coal was further granted a loan facility from CMBC (the "2021 Loan") for settlement of a financial lease in the amount of approximately US$14.8 million with the interest rate of 5.0%. During the Year, CST Coal fully repaid the 2021 Loan. As of 31 March 2023, the outstanding balance of CMBC Loan was US$456.6 million, inclusive of interest accrued. The Company has not given any guarantee for this loan from CMBC.

Based on the balance of all outstanding loans and borrowings from financial institutions and total equity, the gearing ratio of the Group was 314.2% (2022: 152.7%).

As of 31 March 2023, CST Coal was holding approximately US$28.4 million of pledged bank deposit (2022: US$26.7 million). The pledged deposit was intended to cover the rehabilitation costs for operating the mining business in Canada (as mandated by the government of Alberta, Canada).

NET CURRENT LIABILITIES

The Group recorded net current liabilities as of 31 March 2023 of approximately US$318.0 million (2022: net current assets of US$97.0 million), of which current assets were approximately US$203.6 million (2022: US$248.5 million) and current liabilities were approximately US$521.6 million (2022: US$151.5 million). The current liabilities mainly included the outstanding balance of US$403.6 million of CMBC Loan principal. Because the maturity of this loan is less than twelve months from current financial year-end reporting date and thus being classified as current liabilities of the Group. The loan is non-recourse to the Company and secured by the equity investments in CST -Grande Cache and its subsidiaries. The Group is negotiating with the bank for the renewal of the CMBC Loan. The management of the Group has also prepared a detailed cash flow forecast of the Group which covers a period of twelve months from the end of the reporting period. The directors of the Company are of the opinion that the Group will have sufficient working capital and the net current liabilities position would not have any adverse financial effect to the Group's liquidity or gearing position, and the Group has ability to continue as a going concern.

CAPITAL STRUCTURE

During the Year, the Company has not conducted any equity fund raising activities. As of 31 March 2023, the total number of issued Shares was 483,728,862 (2022: 483,728,862).

NET ASSET VALUE

As of 31 March 2023, the net asset value of the Group amounted to approximately US$129.8 million (2022: US$286.6 million). As compared with the prior year, it decreased by approximately 54.7%. The decrease in net asset value was comprised of net loss of approximately US$174.1 million and other comprehensive income of approximately US$17.1 million for the Year.

CAPITAL COMMITMENT

As of 31 March 2023, the capital commitment of the Group was approximately US$12.2 million (2022: US$16.6 million). It was mainly related to capital commitments of fund investments of the Group.

CONTINGENT LIABILITY

As of 31 March 2023, the Group had no contingent liability (2022: nil).

MATERIAL ACQUISITIONS, DISPOSAL AND FUTURE PLAN FOR MATERIAL INVESTMENT

Save as disclosed above, there was no material acquisition or disposal of subsidiaries, associates and joint ventures, and future plan for material investments during the Year.

HUMAN RESOURCES

As of 31 March 2023, the Group had 339 staff (2022: 280). Staff costs (excluding directors' emoluments) were approximately US$42.5 million (2022: US$14.3 million) for the Year. Staff remuneration packages are normally reviewed annually. The Group also participated in the Mandatory Provident Fund Scheme in Hong Kong and Registered Retirement Savings Plan in Canada respectively, and provided other staff benefits, such as medical benefits.

FOREIGN EXCHANGE RISK

The Group conducts most of its business in US dollars, Chinese renminbi, Hong Kong dollars, British Pound Sterling and Canadian dollars. Foreign currency exposure to US dollars is minimal, as the Hong Kong dollar is pegged to the US dollar. Exposure to the Chinese renminbi is also minimal, as business conducted in Chinese renminbi represents a marginal proportion of the Group's total business in terms of revenue. Foreign currency exposure to the British Pound Sterling is very limited too as the rental income generated from the Scottish property is used to repay the loan facility granted by a local Scottish bank.

The Group's primary source of foreign exchange risk is derived from Canadian dollar. With respect to Canadian coal business, the Group had no hedging policy for the Canadian dollar. Management will continue to monitor the Group's foreign exchange risk and will consider hedging its exchange rate exposure should the need arise.

SIGNIFICANT EVENT

In September 2022, due to the strike action by longshore workers (the "Strike"), Westshore Terminals, Canada's biggest export coal terminal, was under suspension of operations. The Strike had affected the operation of the business of CST Coal. CST Coal was not able to sell or export any of its coal to any of its customers because of the Strike. CST Coal had issued notice of Force Majeure to those customers pursuant to the respective contracts. In October 2022, Westshore Terminals announced that an agreement with the members of Local 520 of the International Longshore and Warehouse Union had been reached and Westshore Terminals resumed full operations. Following the resumption of operations of Westshore Terminals, CST Coal had closely work with the logistic services providers, Canadian National Railway and Westshore Terminals, to resume its export of steelmaking coal. Details were disclosed in the Company's announcements dated 29 September and 18 October 2022 respectively.

OUTLOOK

The global business and investment environment in 2023/2024 is expected to be full of challenges and uncertainties.

Although the global economy has begun to recover from the COVID-19 pandemic, amid the continued tightening of monetary policies, institutions such as the Organisation for Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF) have lowered their global economic growth forecasts for the coming year, signaling a challenging market environment for the Group's related businesses. Unresolved geopolitical tensions may continue to weigh on global economic growth, trigger risk aversion, and cause financial asset price fluctuations or adjustments.

In 2023, global coking coal prices are expected to continue to fluctuate. The Group believes that with the full resumption of CST Coal's operations, its mining business is expected to provide stable revenue for the fiscal year 2024. The Group will actively monitor the trend of the global coking coal market and make proactive deployments to enhance the overall efficiency and operational capabilities of its mining business.

Faced with the ever-changing and volatile investment environment brought about by the uncertain global economic and financial market outlook, the Group will adopt a prudent approach, adhere to the investment principle of steady long-term appreciation, respond to market changes in a timely manner, adjust its strategies flexibly, and prudently manage risks by making appropriate defensive deployments. We will also continue to diversify our investments to achieve long-term investment returns.

Despite the macroeconomic factors beyond our control, we will continue to strive to do our best in all aspects in the coming year. Overall, the Group will continue to closely monitor market developments, seek investment opportunities related to its main businesses, explore the expansion of its business at the appropriate time, and promote the Group's future development. The Group believes that the diversification of its business will facilitate the Group’s long-term development and provide superior returns for shareholders.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Year, the Company has complied with the code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), except for the following deviation:

- according to code provision F.2.2 of the CG Code, Mr. Chiu Tao, the chairman of the Board, should have attended the annual general meeting of the Company held on 28 September 2022 (“2022 AGM”). However, Mr. Chiu Tao was unable to attend the 2022 AGM due to his other business commitments. Mr. Hui Richard Rui, executive director and general manager of the Company, who took the chair of the 2022 AGM, together with other members of the Board who attended the 2022 AGM were of sufficient calibre and knowledge for answering questions at the 2022 AGM.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company during the Year.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding director's securities transactions. Having made specific enquiry with the directors of the Company, all of them confirmed that they had complied with the required standard set out in the Model Code during the Year.

REVIEW OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Group for the Year have been reviewed by the audit committee of the Company. The audit committee comprises Ms. Ma Yin Fan, Mr. Yu Pan and Mr. Leung Hoi Ying. All of them are independent non-executive directors of the Company.

By Order of the Board
CST Group Limited
Wah Wang Kei, Jackie
Company Secretary and Executive Director

Hong Kong, 27 June 2023

As at the date of this announcement, the Board comprises (i) Mr. Chiu Tao (Chairman), Mr. Han Xuyang, 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.