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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 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).

Base 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 decrease in net loss for its financial year ended 31 March 2018 (the “**Financial Year 2018**”) as compared with the net loss recorded by the Group for its financial year ended 31 March 2017 (the “**Financial Year 2017**”). Comparing with the Financial Year 2017, the Board considers that the expected decrease in net loss was primarily attributable to the combined effect of the following factors:

- (i) gain on fair value changes of financial assets at fair value through profit or loss for the Financial Year 2018 in the amount of approximately US\$16.3 million, as compared with the loss on that for the Financial Year 2017 of approximately US\$199.8 million;
- (ii) the decrease in impairment loss on goodwill in relation to the Group’s e-logistics platform in the People’s Republic of China for the Financial Year 2018 as compared with that for the Financial Year 2017; and
- (iii) the impairment loss recognised on available-for-sale investments for the Financial Year 2018 in the amount of not less than US\$23.4 million as compared with the impairment loss on that for the Financial Year 2017 of approximately US\$8.2 million.

This profit warning 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 auditors.

The Company is in the process of the finalising the annual results of the Group for the Financial Year 2018 and the overall financial results of the Group for the Financial Year 2018 will only be ascertained when all the relevant results and treatments are finalised. The annual results announcement of the Group for the Financial Year 2018 is expected to be announced in late June 2018.

**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, 4 May 2018

*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, Mr. Chen Weixing and Mr. Wah Wang Kei, Jackie as executive directors of the Company; and (ii) Mr. Yu Pan, Ms. Tong So Yuet, Ms. Ma Yin Fan and Mr. Leung Hoi Ying as independent non-executive directors of the Company.*