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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).

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 an increase in net loss for its financial year ended 31 March 2019 (the “**Financial Year 2019**”) as compared with the net loss recorded by the Group for its financial year ended 31 March 2018 (the “**Financial Year 2018**”). Comparing with the Financial Year 2018, the Board considers that the expected increase in net loss was primarily attributable to the combined effect of the following factors:

- (i) the increase in revenue of the Group of approximately 106% due to the increase in revenue from investments in financial instruments and money lending business and additional revenue contributed by the coal mining business which was acquired in July 2018;
- (ii) loss suffered by the newly acquired coal mining business (which was acquired in July 2018) due to the fact that the coal mining operation is still at ramping up stage and hence, the overall operation costs are comparably high;
- (iii) the recognition of net loss on fair value changes of financial assets (current assets portion) at fair value through profit or loss for the Financial Year 2019 of approximately US\$29.0 million, as compared with the gain on that for the Financial Year 2018 of approximately US\$16.3 million; and
- (iv) the absence of a gain arising from the reversal of provision for an onerous contract regarding committed power supply expenses for the Financial Year 2019, as compared with that of approximately US\$13.19 million recorded in the Financial Year 2018.

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 finalising the annual results of the Group for the Financial Year 2019 and the overall financial results of the Group for the Financial Year 2019 will only be ascertained when all the relevant results and treatments are finalised. The annual results announcement of the Group for the Financial Year 2019 is expected to be announced in late June 2019.

**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, 3 May 2019

*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. 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.*