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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 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).

Reference is made to the profit warning announcement of the Company dated 3 May 2019 (the “**Previous Profit Warning Announcement**”). The purpose of this announcement is to provide an update on the Previous Profit Warning Announcement while the Group is still finalising its audited consolidated financial results for the year ended 31 March 2019. Unless otherwise defined, capitalised terms used herein shall have the same meaning as defined in the Previous Profit Warning Announcement.

After certain adjustments to the unaudited financial statements of the Group for the Financial Year 2019 have come to the attention of the management of the Group in the course of conducting financial auditing of the Group, the Board wishes to update the Previous Profit Warning Announcement by re-stating and replacing sub-paragraph (iv) of the second paragraph in the Previous Profit Warning Announcement as follows:

“(iv) the reduction in the gain arising from the reversal of provision for an onerous contract regarding committed power supply expenses for the Financial Year 2019 (with such gain amounting to approximately US\$5.42 million), as compared with that of approximately US\$13.19 million recorded in the Financial Year 2018.”

Further, in addition to matters and the primary attributing factor(s) as discussed hereinabove and in the Previous Profit Warning Announcement, the Group will record an exchange loss of approximately US\$20.15 million arising from current accounts between subsidiaries of the Group for the Financial Year 2019, as compared with an exchange gain of approximately US\$1.09 million in the Financial Year 2018, further contributing to the expected increase in net loss for the Financial Year 2019

Save as set out above, the rest of the Previous Profit Warning Announcement remains unchanged.

The Company is in the process of the 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 audited 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, 6 June 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.