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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 announcement of the Company dated 8 May 2020 in respect of profit warning (the “**Profit Warning Announcement**”) and the announcement of the Company dated 13 May 2020 in respect of the suspension of coal mining operations at the Grande Cache coal mine located near Grande Cache, Alberta, Canada (the “**Suspension**”). The purpose of this announcement is to provide an update on the Profit Warning Announcement while the Group is still finalising its audited consolidated financial results for the year ended 31 March 2020. Unless otherwise defined, capitalised terms used herein shall have the same meaning as defined in the Profit Warning Announcement.

In addition to the information disclosed in the Profit Warning Announcement, the Board wishes to provide the Shareholders and the potential investors with further information that, having discussed with the auditors of the Company subsequent to the Suspension, the expected net loss for the Financial Year 2020 will be further increased due to the recognition of an impairment loss for property, plant and equipment in relation to the mine in Canada in the amount not less than US\$90,000,000.

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

This announcement is only based on the preliminary review on the management accounts of the Group, which has not been 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 2020 and the overall financial results of the Group for the Financial Year 2020 will only be ascertained when all the relevant results and treatments are finalised. The annual results announcement of the Group for the Financial Year 2020 is expected to be announced in late June 2020.

Shareholders and potential investors 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, 19 June 2020

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. 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