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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 985)

POSITIVE PROFIT ALERT AND BUSINESS UPDATE

This announcement is made by CST Group Limited (the “Company”, and together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2) 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).

POSITIVE PROFIT ALERT

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 that the Group is expected to record a profit for its six-month period ended 30 September 2017 (the “Period”) as compared with the loss recorded by the Group for the corresponding period in 2016. The Board considers that the expected profit is mainly attributable to a gain on fair value changes of financial assets at fair value through profit or loss of approximately US\$83.0 million for the Period as a result of the upturn in the financial market as compared with the loss on fair value changes of financial assets at fair value through profit or loss of approximately US\$54.6 million as stated in the interim report 2016 of the Group for the corresponding period in 2016.

This positive profit alert 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 interim results for the Period. The overall financial results of the Group for the Period will only be ascertained when all relevant results and treatments are finalised. The interim results announcement of the Group for the Period is expected to be released in late November 2017.

BUSINESS UPDATE

As stated in the annual report of the Group for the financial year ended 31 March 2017, there had not been any obvious improvement in the cash flow of the internet logistics service of the Company in the People’s Republic of China (the “E-logistics Platform Business”) and the actual growth rate of the platform user appeared a significant difference from the forecast growth rate. The Group had scaled

down the E-logistics Platform Business' operations and reduced the number of resources allocated to this business line. For the Period, in light of the continued severe market competition and the existing difficult operation environment, the Group considered not to further allocate any resource to this business line. No material cash flow impact is expected to be occurred in this regard. The Group may consider recognising an impairment loss on goodwill and the ultimate result will be subject to finalisation and impairment assessment by an independent valuer in the coming interim review.

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, 27 October 2017

As at the date of this announcement, the board of directors of the Company 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.