

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **CST Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**PROPOSED CAPITAL REORGANISATION;  
PROPOSED CHANGE IN BOARD LOT SIZE;  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

---

Unless the context otherwise requires, all capitalized terms used in this circular shall have the same meanings as those defined in the section headed “Definitions” of this circular.

A notice convening the EGM of the Company to be held at Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 1 December 2020 at 10:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend and vote at the EGM in person, please complete the form of proxy enclosed in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrar, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen’s Road East Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment therefor (as the case may be) should you so wish.

Considering the outbreak of the coronavirus (“**COVID-19**”), certain measures will be implemented at the EGM with a view to addressing the risk to attendees of infection, including, without limitation: (i) all attendees being required to (a) undergo compulsory body temperature check; and (b) wear surgical masks prior to admission to the EGM venue; (ii) all attendees being required to wear surgical masks throughout the EGM; (iii) each attendee being assigned a designated seat at the time of registration to ensure social distancing; and (iv) no refreshments or drinks will be served and no gifts will be distributed at the EGM. The Company reminds attendees that they should carefully consider the risks of attending the EGM, taking into account their own personal circumstances. The Company will keep the evolving COVID-19 situation under review and may implement additional measures which it will announce closer to the date of the EGM (if any).

13 November 2020

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>EXPECTED TIMETABLE</b> .....	3
<b>LETTER FROM THE BOARD</b> .....	6
<b>NOTICE OF THE EXTRAORDINARY GENERAL MEETING</b> .....	EGM-1

---

## DEFINITIONS

---

*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Board”	the board of Directors
“Capital Reduction”	the proposed reduction of the issued share capital of the Company by (i) rounding down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by cancelling any fraction of a Consolidated Share in the issued share capital of the Company; and (ii) cancelling the paid up capital of the Company to the extent of HK\$7.99 on each of the then issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$8.00 to HK\$0.01
“Capital Reorganisation”	the proposed capital reorganisation of the Company comprising (i) the Capital Reduction; (ii) the Share Consolidation; and (iii) the Sub-division
“CCASS”	the Central Clearing and Settlement System established and operated by the HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 8,000 Existing Shares to 1,000 New Shares
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	CST Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 985)
“Consolidated Share(s)”	ordinary share(s) of HK\$8.00 each of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened at Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 1 December 2020 at 10:00 a.m. for the purpose of considering and, if thought fit, approving the Capital Reorganisation
“Existing Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company prior to the completion of the Share Consolidation

---

## DEFINITIONS

---

“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	10 November 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company immediately after completion of the Capital Reorganisation
“Share Consolidation”	the proposed share consolidation of every eighty (80) issued Existing Shares of HK\$0.10 each into one (1) issued Consolidated Share of HK\$8.00 each; and every eighty (80) unissued Existing Shares of HK\$0.10 each into one (1) unissued Consolidated Share of HK\$8.00 each
“Share(s)”	Existing Share(s), Consolidated Share(s), and/or New Share(s), as the case may be
“Shareholder(s)”	holder(s) of the Existing Share(s), or the Consolidated Shares, or New Share(s), as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-division”	the proposed sub-division of every unissued Consolidated Share in the authorised share capital of the Company into eight hundred (800) New Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America

*For illustration purpose only, amounts in US\$ in this circular have been translated into HK\$ at the rate of US\$1 = HK\$7.8.*

---

## EXPECTED TIMETABLE

---

*The expected timetable for the implementation of the Capital Reorganisation and Change in Board Lot Size is as follows:*

<b>Event</b>	<b>Expected date/time</b>
Despatch date of circular with notice of the EGM . . . . .	Friday, 13 November 2020
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM . . . . .	4:30 p.m. on Wednesday, 25 November 2020
Closure of the register of members for the entitlement to attend and vote at the EGM . . . . .	Thursday, 26 November 2020 to Tuesday, 1 December 2020 (both days inclusive)
Latest date and time for lodging the proxy forms for the EGM. . . . .	10:00 a.m. on Sunday, 29 November 2020
Record date for attending the EGM . . . . .	Tuesday, 1 December 2020
Date and time of the EGM . . . . .	10:00 a.m. on Tuesday, 1 December 2020
Publication of announcement of voting results of the EGM . . . . .	Tuesday, 1 December 2020

---

## EXPECTED TIMETABLE

---

The following events are conditional on the results of the EGM and the fulfilment of the conditions of the Capital Reorganisation. The dates are therefore tentative.

Event	Expected date/time
Grand Court hearing of petition to confirm the Capital Reduction . . . . .	Tuesday, 19 January 2021 (Cayman Islands time)
Registration of court order confirming the Capital Reduction and the minute of the Order of the Capital Reduction with the Registrar of Companies in the Cayman Islands. . . . .	Friday, 22 January 2021 (Cayman Islands time)
Effective date of the Capital Reorganisation . . . . .	Monday, 25 January 2021
Dealings in the New Shares commence . . . . .	9:00 a.m. on Monday, 25 January 2021
First day for free exchange of existing share certificates for new share certificates for the New Shares . . . . .	Monday, 25 January 2021
Original counter for trading in the Existing Shares in board lots of 8,000 Existing Shares temporarily closes . . . . .	9:00 a.m. on Monday, 25 January 2021
Temporary counter for trading in the New Shares in board lots of 100 New Shares (in the form of existing share certificates) opens . . . . .	9:00 a.m. on Monday, 25 January 2021
Original counter for trading in the New Shares in board lots of 1,000 New Shares (in the form of new share certificates) re-opens. . . . .	9:00 a.m. on Monday, 8 February 2021
Parallel trading in the New Shares (in form of new share certificates and existing share certificates) commences . . . . .	9:00 a.m. on Monday, 8 February 2021
Designated broker starts to stand in the market to provide matching services for odd lots of the New Shares . . . . .	9:00 a.m. on Monday, 8 February 2021

---

## EXPECTED TIMETABLE

---

Temporary counter for trading in the New Shares  
in board lots of 100 New Shares  
(in the form of existing share certificates) closes . . . . . 4:10 p.m. on  
Tuesday, 2 March 2021

Parallel trading in the New Shares (in form of new  
share certificates and existing share certificates) ends . . . . . 4:10 p.m. on  
Tuesday, 2 March 2021

Designated broker ceases to stand in the market  
to provide matching services for odd lots of  
the New Shares . . . . . 4:10 p.m. on  
Tuesday, 2 March 2021

Last day for free exchange of existing share certificates  
for new share certificates for the New Shares . . . . . Thursday, 4 March 2021

**All times and dates in this circular refer to Hong Kong local times and dates unless otherwise specified. Shareholders should note that the dates and deadlines specified in this circular for events in the timetable for the Capital Reorganisation and Change in Board Lot Size are subject to the satisfaction of all the conditions of the Capital Reorganisation, including without limitation, the approval of the Capital Reorganisation by the Shareholders at the EGM, and are therefore for indicative purpose only.**

**In the event that any special circumstances arise, the Board may extend, or make adjustments to, the timetable if it considers appropriate. Any extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.**

---

LETTER FROM THE BOARD

---

**CST GROUP LIMITED**  
**中譽集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 985)**

*Execution Directors:*

Mr. Chiu Tao (*Chairman*)  
Mr. Hui Richard Rui (*General Manager*)  
Mr. Lee Ming Tung (*Chief Financial Officer*)  
Mr. Kwan Kam Hung, Jimmy  
Mr. Tsui Ching Hung  
Mr. Wah Wang Kei, Jackie

*Registered Office:*

Whitehall House  
238 North Church Street  
P.O. Box 1043  
George Town  
Grand Cayman KY1-1102  
Cayman Islands

*Independent Non-executive Directors:*

Mr. Yu Pan  
Ms. Ma Yin Fan  
Mr. Leung Hoi Ying

*Head Office and Principal Place of  
Business in Hong Kong:*

Rooms 4501–05, 45th Floor  
China Resources Building  
26 Harbour Road  
Wanchai, Hong Kong

13 November 2020

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED CAPITAL REORGANISATION;  
PROPOSED CHANGE IN BOARD LOT SIZE;  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference is made to the announcement made by the Company dated 29 October 2020 relating to the proposed Capital Reorganisation and Change in Board Lot Size.

The purpose of the circular is to provide the Shareholders with information regarding, among other things, (i) the Capital Reorganisation; (ii) the Change in Board Lot Size; and (iii) the notice of the EGM, at which a special resolution will be proposed to approve the Capital Reorganisation.



---

## LETTER FROM THE BOARD

---

### PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation which involves:

#### **(1) Share Consolidation**

Every eighty (80) issued Existing Shares of HK\$0.10 each shall be consolidated into one (1) issued Consolidated Share of HK\$8.00 each, and every eighty (80) unissued Existing Shares of HK\$0.10 each shall be consolidated into one (1) unissued Consolidated Share of HK\$8.00 each.

#### **(2) Capital Reduction**

Immediately upon the completion of the Share Consolidation, the issued share capital of the Company shall be reduced by (i) rounding down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by cancelling any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation; and (ii) cancelling the paid up capital of the Company to the extent of HK\$7.99 on each of the then issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$8.00 to HK\$0.01.

The credit arising from the Capital Reduction in the amount of approximately HK\$3,864,993,607 (equivalent to approximately US\$495,512,001) will be applied to offset against the balance of the accumulated losses of the Company up to the effective date of the Capital Reduction.

#### **(3) Sub-division**

The Sub-division on the basis that every unissued Consolidated Share in the authorised share capital of the Company shall be sub-divided into eight hundred (800) New Shares of HK\$0.01 each.

### **Effect of the Capital Reorganisation**

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$10,000,000,000 divided into 100,000,000,000 Existing Shares of nominal value HK\$0.10 each of which 38,698,308,961 Existing Shares had been issued and were fully paid.

Assuming there will be no change in the issued share capital of the Company from the Latest Practicable Date until the effective date of the Capital Reorganisation, the authorised share capital of the Company will be HK\$10,000,000,000 divided into 1,000,000,000,000 New Shares of nominal value of HK\$0.01 each, of which 483,728,862 New Shares will be in issue and the aggregate nominal value of the issued share capital of the Company will be HK\$4,837,288.62 upon the Capital Reorganisation becoming effective.

---

## LETTER FROM THE BOARD

---

Based on the 38,698,308,961 Existing Shares in issue as at the Latest Practicable Date, a credit of approximately HK\$3,864,993,607 (equivalent to approximately US\$495,512,001) will arise as a result of the Capital Reduction. It is proposed that the total credit arising from the Capital Reduction will be applied towards setting off the accumulated losses of the Company upon the Capital Reduction becoming effective.

Shareholders and potential investors should note that the credits arising in the books from the Capital Reorganisation will be subject to change depending on the number of the Existing Shares in issue immediately prior to the Capital Reorganisation becoming effective.

Assuming that there are no other changes in the issued share capital of the Company from the Latest Practicable Date until the effective date of the Capital Reorganisation, the share capital structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Share Consolidation; and (iii) immediately after completion of the Capital Reorganisation is summarised below:

	As at the Latest Practicable Date	Immediately after completion of the Share Consolidation	Immediately after completion of the Capital Reorganisation
Authorised share capital	HK\$10,000,000,000.00	HK\$10,000,000,000.00	HK\$10,000,000,000.00
Number of authorised shares	100,000,000,000 Existing Shares of HK\$0.10 each	1,250,000,000 Consolidated Shares of HK\$8.00 each	1,000,000,000,000 New Shares of HK\$0.01 each
Amount of issued share capital	HK\$3,869,830,896.10	HK\$3,869,830,896.00	HK\$4,837,288.62
Number of issued shares	38,698,308,961 Existing Shares of HK\$0.10 each	483,728,862 Consolidated Shares of HK\$8.00 each	483,728,862 New Shares of HK\$0.01 each
Number of unissued shares	61,301,691,039 Existing Shares of HK\$0.10 each	766,271,138 Consolidated Shares of HK\$8.00 each	999,516,271,138 New Shares of HK\$0.01 each

All New Shares in issue immediately following the Capital Reorganisation becoming effective will rank *pari passu* in all respects with each other in accordance with memorandum and articles of association of the Company.

Other than the expense to be incurred in relation to the Capital Reorganisation, the implementation of the Capital Reorganisation will not, of itself, alter the underlying assets business operations, management or financial position of the Company or the interests or rights of the Shareholders on the date on which the Capital Reorganisation is to be effected.

---

## LETTER FROM THE BOARD

---

### **Conditions of the Capital Reorganisation**

The Capital Reorganisation is conditional upon the following:

- (a) the passing of the necessary resolution(s) by the Shareholders at the EGM to approve the Capital Reorganisation;
- (b) the Grand Court granting an order confirming the Capital Reduction;
- (c) compliance with any terms and conditions which the Grand Court may impose for the Capital Reduction to be effective;
- (d) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the New Shares in issue immediately upon the Capital Reorganisation becoming effective; and
- (e) the registration by the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court confirming the Capital Reduction and the minute approved by the Grand Court containing the particulars required under the Companies Law with respect to the Capital Reduction.

The Capital Reorganisation will become effective when the conditions mentioned above are fulfilled. Upon the approval by the Shareholders of the Capital Reorganisation at the EGM, the legal advisors to the Company (as to Cayman Islands Law) will apply to the Grand Court for hearing date(s) to confirm the Capital Reduction and a further announcement will be made by the Company as soon as practicable after the Grand Court hearing date(s) is confirmed.

### **Listing application**

An application has been made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the New Shares upon the Capital Reorganisation becoming effective.

Subject to the granting of listing of, and permission to deal in, the New Shares on the Stock Exchange upon the Capital Reorganisation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the New Shares to be admitted into CCASS established and operated by HKSCC.

---

## LETTER FROM THE BOARD

---

None of the Existing Shares are listed or dealt in on any other stock exchanges other than the Stock Exchange, and at the time when the Capital Reorganisation becoming effective, the New Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

### **Fractional entitlement to Consolidated Shares**

Any fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

### **PROPOSED CHANGE IN BOARD LOT SIZE**

As at the Latest Practicable Date, the Existing Shares were traded on the Stock Exchange in the board lot size of 8,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 8,000 Existing Shares to 1,000 New Shares conditional upon the Capital Reorganisation becoming effective.

Based on the closing price of HK\$0.023 per Existing Share (equivalent to the theoretical closing price of HK\$1.84 per New Share) as at the Latest Practicable Date, (i) the value of each existing board lot of Existing Shares was HK\$184; (ii) the value of each board lot of 8,000 New Shares would be HK\$14,720 assuming the Capital Reorganisation becoming effective; and (iii) the estimated value per board lot of 1,000 New Shares would be HK\$1,840 assuming that the Change in Board Lot Size had also been effective.

The Change in Board Lot Size will not result in change in the rights of the Shareholders.

### **ARRANGEMENT ON ODD LOT TRADING**

In order to facilitate the trading of odd lots of the New Shares arising from the Capital Reorganisation, the Company has appointed Get Nice Securities Limited to provide matching service, on a best efforts basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares during the period from 9:00 a.m. on Monday, 8 February 2021 to 4:10 p.m. on Tuesday, 2 March 2021 (both days inclusive). The Shareholders who wish to use this matching service should contact Mr. Larry Ng of Get Nice Securities Limited at 10/F., Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong or at the telephone number (852) 2526 7868 during office hours of such period.

Holders of odd lots of the New Shares should note that the matching of the sale and purchase of odd lots of the New Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

---

## LETTER FROM THE BOARD

---

### EXCHANGE OF SHARE CERTIFICATES

Subject to the Capital Reorganisation becoming effective, the Shareholders may during the period from Monday, 25 January 2021 to Thursday, 4 March 2021 (both days inclusive) submit existing share certificates for the Existing Shares (in the colour of orange) to the Company's share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange for new share certificates for the New Shares (in the colour of light green) at the expense of the Company.

Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever is higher.

After 4:10 p.m. on Tuesday, 2 March 2021, trading will only be in New Shares in board lots of 1,000 New Shares in the form of new share certificates. Share certificates for the Existing Shares will remain effective as documents of title and may be exchanged for share certificates for the New Shares at any time but will not be accepted for delivery, trading and settlement purposes.

### ADJUSTMENTS IN RELATION TO OTHER SECURITIES OF THE COMPANY

As at the Latest Practicable Date, the Company did not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Shares.

### REASONS FOR THE PROPOSED CAPITAL REORGANISATION AND THE CHANGE IN BOARD LOT SIZE

Based on the closing price of HK\$0.023 per Existing Share (equivalent to the theoretical closing price of HK\$1.84 per New Share) as at the date of the Latest Practicable Date, the estimated market value per board lot of 1,000 New Shares would be HK\$1,840 assuming the Capital Reorganisation and the Change in Board Lot Size have been effective.

According to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. The Board considers that the proposed Capital Reorganisation, resulting in HK\$1.84 per New Share (based on the current closing price of HK\$0.023 per Existing Share as at the Latest Practicable Date), would enable the Company to comply with the trading requirements under the Listing Rules.

It is expected that the Capital Reorganisation will bring about a corresponding upward adjustment in the trading price per New Share on the Stock Exchange. The Board believes that this will make investing in the Shares more attractive to a broader range of investors, in particular to institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor (typically not less than

---

## LETTER FROM THE BOARD

---

HK\$1.00 per share), and thus further broaden the shareholder base of the Company. In addition, the Change in Board Lot Size will result in New Shares being traded in a more reasonable board lot size and value, hence, possibly attracting more investors and extending the base of the Shareholders. The Board has also considered to minimize the creation of odd lots arising from new board lot size of New Shares by selecting (i) the consolidation basis of 80 Existing Shares into one New Share which is an integral divisor of the original board lot size of 8,000; and (ii) the new board lot size of 1,000 which is also an integral divisor of the original board lot size of 8,000. With a higher trading price of the New Shares and reduction in the transaction and handling costs as a proportion of the market value of each board lot, the Board believes that the Capital Reorganisation and Change in Board Lot Size will enhance the corporate image of the Company so as to make investing in the New Shares more attractive to a broader range of institutional and professional investors and other members of the investing public.

In addition, under the Companies Law, the Company is restricted in its ability to issue Shares at a price lower than their nominal value. The Sub-division will reduce the nominal value of the Existing Shares, which will provide the Company with greater flexibility to accommodate the issue of further New Shares in the future when necessary. Further, the Capital Reduction will eliminate a substantial amount of the Company's accumulated loss, hence, allowing greater flexibility for the Company to pay dividends in the future.

In view of the above reasons, the Company considers the proposed Capital Reorganisation and Change in Board Lot Size is justifiable notwithstanding of the potential costs and impact arising from creation of odd lots to Shareholders. Accordingly, the Board is of the view that the Capital Reorganisation and Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

Subject to prevailing market conditions, the Group may consider various fund raising activities to replenish its general working capital and/or to finance any potential business opportunities after completion of the Capital Reorganisation and Change in Board Lot Size. As at the Latest Practicable Date, there was no understanding, agreement or arrangement for any such fund raising activity nor was there any plan or conclusion for the format of any such corporate actions or arrangements for such fund raising.

### **CLOSURE OF REGISTER OF MEMBERS**

For determining Shareholders' entitlement to attend and vote at the EGM, the register of members will be closed from Thursday, 26 November 2020 to Tuesday, 1 December 2020 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at EGM, Shareholders must lodge all transfer documents, accompanied by the relevant share certificates, with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 25 November 2020.

---

## LETTER FROM THE BOARD

---

### EXTRAORDINARY GENERAL MEETING

A notice convening the EGM to be held at Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 1 December 2020 at 10:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular.

A form of proxy for use at the EGM is accompanied with this circular. If you are not able to attend the EGM or any adjournment thereof (as the case may be) in person but wish to exercise your right as a Shareholder, you are requested to complete, sign and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the resolution will be put to vote by way of poll at the EGM. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolution to be proposed at the EGM.

### RECOMMENDATION

The Board considers that the Capital Reorganisation is in the interests of the Company and the Shareholders as a whole and therefore recommends all Shareholders to vote in favour of the resolution to be proposed at the EGM.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,  
By order of the Board  
**CST Group Limited**  
**Chiu Tao**  
*Executive Director and Chairman*

---

## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

---

# **CST GROUP LIMITED** **中譽集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 985)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of CST Group Limited (“**Company**”) will be held at Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 1 December 2020 at 10:00 a.m. (the “**EGM**”) for the purpose of considering and, if thought fit, passing, with or without modifications, the following special resolution of the Company:

### **SPECIAL RESOLUTION**

“**THAT** conditional upon (i) approval of the Capital Reduction (as defined below) by the Grand Court of the Cayman Islands (the “**Court**”); (ii) registration by the Registrar of Companies of the Cayman Islands of the order of the Court confirming the Capital Reduction (as defined below) and the minute approved by the Court containing the particulars required under the Companies Law of the Cayman Islands in respect of the Capital Reduction (as defined below) and compliance with any terms and conditions as may be imposed by the Court in relation to the Capital Reduction (as defined below); and (iii) the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the New Shares (as defined below) in issue, with effect from the next business day immediately following the date on which the aforesaid conditions are fulfilled (the “**Effective Date**”):

- (a) every eighty (80) issued ordinary shares of HK\$0.10 each in the share capital of the Company be consolidated into one (1) issued ordinary share of HK\$8.00 each in the share capital of the Company and every eighty (80) unissued ordinary shares of HK\$0.10 each be consolidated into one (1) unissued ordinary share of HK\$8.00 each in the share capital of the Company (the “**Share Consolidation**”, together with the Capital Reduction (as defined below) and the Sub-division (as defined below), the “**Capital Reorganisation**”);
- (b) immediately upon the Share Consolidation becoming effective, the issued and paid up share capital of the Company be reduced (“**Capital Reduction**”) by (i) rounding down the number of ordinary shares of HK\$8.00 each of the Company (the “**Consolidated Shares**”) in the issued share capital of the Company to the nearest whole number by cancelling any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation; and (ii) cancelling the paid-up capital of the Company to the extent of HK\$7.99 on each of the then issued Consolidated Shares such that the nominal value of each issued Consolidated Share be reduced from HK\$8.00 to HK\$0.01 and each issued Consolidated Share be treated as one (1) fully paid-up share of nominal value of HK\$0.01 each in the share capital of the Company (the “**New Shares**”);



---

## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

---

- (c) the credit arising from the Capital Reduction be applied for such purposes as permitted by the articles of association of the Company and all applicable laws, including the elimination of the accumulated loss of the Company up to the Effective Date;
- (d) immediately following the Capital Reduction, each authorised but unissued Consolidated Share of HK\$8.00 each be sub-divided into eight hundred (800) New Shares of nominal value of HK\$0.01 each (“**Sub-division**”);
- (e) all of the New Shares in issue immediately following the Capital Reorganisation becoming effective shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions contained in the Company’s memorandum and articles of association; and
- (f) the directors of the Company be and are hereby authorised to take any and all steps, and to do and/or procure to be done any and all acts and things, and to approve, sign and execute any documents which they in their absolute discretion consider necessary, desirable, expedient or appropriate to effect and implement this resolution and to exercise such discretion in connection, relating to or arising from the Capital Reorganisation and/or the matters contemplated therein, with such modifications thereto (if any) as they may from time to time consider necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Capital Reorganisation.

For the purpose of this resolution, “Capital Reorganisation” shall mean the steps as set out in the above paragraphs (a), (b), (c) and (d) collectively.”

By order of the Board  
**CST Group Limited**  
**Chiu Tao**  
*Executive Director and Chairman*

Hong Kong, 13 November 2020

---

## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

---

*Notes:*

1. Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on behalf of him/her. A proxy need not be a member of the Company.
2. For determining the entitlement to attend and vote at the EGM, the record date will be Tuesday, 1 December 2020. In order to be eligible to attend and vote at the EGM, all unregistered holders of shares of the Company shall ensure that all the share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited (the "**Share Registrar**"), at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 25 November 2020.
3. To be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be).
4. To minimise the risks of infection of COVID-19, the Company will take precautionary measures at the EGM, including:
  - compulsory body temperature checks for all attendees;
  - prohibition from attendance at the EGM if the attendee has a fever. Persons exhibiting flu-like symptoms may also be refused admittance to the venue of the EGM;
  - compulsory wearing of surgical face masks throughout the EGM;
  - maintaining proper distance between seats; and
  - no refreshments or drinks will be served and no gifts will be distributed at the EGM.
5. In light of the continuing risks posed by COVID-19, the Company strongly advises Shareholders to appoint the Chairman of the EGM as their proxy to vote according to their indicated voting instructions as an alternative to attending the EGM in person.
6. Shareholders of the Company are advised to read the circular of the Company dated 13 November 2020 which contains information concerning the resolution to be proposed in the EGM.
7. References to time and dates in this notice refer to Hong Kong time and dates.

*As of the date of this notice, the board of Directors 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; and (ii) Mr. Yu Pan, Ms. Ma Yin Fan and Mr. Leung Hoi Ying as independent non-executive Directors.*