



THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO. FSD OF 2023 (^{DDJ})

IN THE MATTER OF SECTIONS 15 AND 86 OF THE COMPANIES ACT (2023
REVISION) (AS REVISED)

AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 1995 (AS
REVISED)

AND IN THE MATTER OF CST GROUP LIMITED 中譽集團有限公司

PETITION

To: The Grand Court of the Cayman Islands

THE HUMBLE PETITION OF CST GROUP LIMITED 中譽集團有限公司, whose
registered office is at 94 Solaris Avenue, 2nd Floor, Camana Bay, P.O. Box 30745,
Grand Cayman KY1-1203, Cayman Islands, shows the following:

Object of the Petition

1. The object of this Petition is to seek:
 - (a) the sanction of the Court, pursuant to section 86 of the Companies Act (2023 Revision) (As Revised) (the "**Companies Act**"), to a proposed scheme of arrangement (the "**Scheme**") between the petitioner, CST Group Limited 中譽集團有限公司 (the "**Company**") and the Scheme Shareholders (as defined in the scheme document (the "**Scheme Document**")) a draft of which is attached as Exhibit "HRR-1" to the first affirmation of Hui Richard Rui made on 28 September 2023; and

- (b) the confirmation of the Court, pursuant to section 15 of the Companies Act, of any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares (as defined in the Scheme) pursuant to the Scheme (the “**Capital Reduction**”). The Capital Reduction is expected to be approved by way of a special resolution to be passed at an extraordinary general meeting of the shareholders of the Company to be held immediately after the conclusion or adjournment of the Court Meeting (as defined below).

The Company

2. The Company was incorporated under the name “Contrad International Holdings Limited” on 11 November 1993 under the Companies Act as an exempted company with registration number CA-51326. The Company changed its name (a) from “Contrad International Holdings Limited” to “China Sci-Tech Holdings Limited” on 2 December 1997; (b) from “China Sci-Tech Holdings Limited” to “CST Mining Group Limited” on 3 June 2010; (c) from “CST Mining Group Limited” to “NetMind Financial Holdings Limited 網智金控集團有限公司” on 17 May 2016; and (d) from “NetMind Financial Holdings Limited 網智金控集團有限公司” to “CST Group Limited 中譽集團有限公司” on 22 September 2017.
3. The registered office of the Company is situated at the offices 94 Solaris Avenue, 2nd Floor, Camana Bay, P.O. Box 30745, Grand Cayman KY1-1203, Cayman Islands, and the principal place of business of the Company is at Rooms 4501-05, 45/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.
4. The objects for which the Company was established are unrestricted, save for generally applicable statutory restrictions on its powers to trade in the Cayman Islands and is otherwise capable of exercising all the functions of a natural person as provided by section 27(2) of the Companies Act.

5. The Company is an investment holding company and the principal activities of the Group are (a) exploration, development and mining of mineral resources; (b) investment in financial instruments; (c) property investment; and (d) money lending.

Share Capital and Listing

6. As at 28 September 2023, the Company has an authorised share capital of HK\$10,000,000,000 divided into 1,000,000,000,000 shares of a par value HK\$0.01 each (the “**Shares**”), of which 483,728,862 have been issued and fully paid-up or credited as fully paid-up and the remainder are unissued.
7. The Shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).
8. As at 28 September 2023, the major shareholdings of the Company are as follows:

Shareholder(s) of the Shares	As at 28 September 2023	
	Number of Shares	Approximately % of total issued Shares
Offeror (A) Atlas Keen Limited	312,336,613	64.57%
Offeror Concert Parties (as defined in the Scheme Document)		
<i>Offeror Concert Parties not subject to the Scheme</i> (B) Mr. Chiu Tao (“ Mr. Chiu ”)	48,750,000	10.08%
<i>Offeror Concert Parties subject to the Scheme</i> (C) Mr. Hung Hon Man and his associate(s) (as such term is	6,479,000	1.34%

defined in the Takeovers Code (as further defined below))		
Offeror and Offeror Concert Parties (A) + (B) + (C)	367,565,613	75.99%
Disinterested Scheme Shareholders (as defined in the Scheme Document)		
(D) Mr. Cheung Chung Kiu	24,385,500	5.04%
(E) Other Disinterested Scheme Shareholders	91,777,749	18.97%
Disinterested Scheme Shareholders (D) + (E)	116,163,249	24.01%
Scheme Shareholders (C) + (D) + (E)	122,642,249	25.35%
Total (A) + (B) + (C) + (D) + (E)	483,728,862	100%

The following are the notes in respect of the table above:

- (a) Atlas Keen Limited (the “**Offeror**”) is an investment holding company incorporated under the laws of the British Virgin Islands and is wholly by Mr. Chiu. Mr. Chiu is also the chairman and an executive director of the Company. By virtue of Mr. Chiu’s relationship with the Offeror, Mr. Chiu is acting in concert with the Offeror under the Takeovers Code (as defined in the Scheme Document).

- (b) Get Nice Securities Limited, being a corporation licensed to carry out businesses in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), is the financial adviser to the Offeror in respect of the proposal to privatisation of the Company by way of the Scheme. Accordingly, Get Nice Securities Limited and relevant members of the Get Nice Securities Group (as defined in the Scheme Document) are presumed to be acting in concert with the Offeror in accordance with class 5 of the definition of "acting in concert" in the Takeovers Code (except in respect of Shares held on behalf of non-discretionary investment clients of the Get Nice Securities Group). As at 28 September 2023, Mr. Hung Hon Man, being the ultimate controlling shareholder of Get Nice Securities Limited, and his associate, namely his spouse, Ms. Fu Kwan Tai, hold an aggregate of 6,479,000 Shares

The Scheme Shares

9. All of the Shares in issue and such further Shares as may be issued prior to the Scheme Record Date (as defined in the Scheme Document) other than those held by the Offeror and Mr. Chiu will constitute the Scheme Shares.
10. Mr. Hung Hon Man and his associate(s), as Offeror Concert Parties (as defined in the Scheme Document), will give an undertaking not to attend nor vote at the Court Meeting (as defined below) and an undertaking to be bound by the terms of the Scheme.
11. The Offeror and Mr. Chiu will undertake to be bound by the terms of the Scheme.

The Scheme

12. The purpose of the Scheme is to privatise the Company and de-list the Company from the Stock Exchange such that the Offeror and Mr. Chiu will together hold 100% of the issued Shares.
13. The Scheme involves:
 - (a) the cancellation of all Scheme Shares in return for payment of a cancellation price of HK\$1.00 per Scheme Share (the “**Cancellation Price**”) by the Offeror;
 - (b) subject to and immediately after the cancellation of the Scheme Shares, the issued share capital of the Company will be restored to its former amount by the issue to the Offeror of an aggregate number of new Shares which is equal to the number of Scheme Shares cancelled and the Company will apply the credit created in its books of account as a result of the cancellation of the Scheme Shares to pay up in full at par the new Shares issued to the Offeror (the “**Restoration of Capital**”).
14. The Scheme presents an immediate opportunity for Scheme Shareholders to realise their investments in the Company for cash at a premium and redeploy the cash received from accepting the Scheme into other investment opportunities. The Cancellation Price is fully explained in the Scheme Document together with the recommendation to the Disinterested Scheme Shareholders from the Independent Financial Adviser (as defined in the Scheme Document).
15. After careful consideration, the board of directors of the Company has determined that the Scheme, the Capital Reduction and the Restoration of Capital are in the best interests of the Company.

16. Under the Takeovers Code, unless permitted by the Securities and Futures Commission of Hong Kong (the “**SFC**”), Scheme Shareholders who are acting in concert with the Offeror in relation to the implementation of the Scheme may not be counted for the purposes of satisfying the voting requirements of Rule 2.10 of the Takeovers Code but may be counted for the purposes of satisfying the voting requirements of section 86 of the Companies Act. As noted under paragraph 10, Mr. Hung Hon Man and his associate(s), as Offeror Concert Parties, will undertake not to attend nor vote at the Court Meeting and will undertake to be bound by the terms of the Scheme.

17. The Company intends to make an application for directions, declarations and orders that, amongst other things:
 - (a) all Scheme Shareholders form one class for the purpose of approving the Scheme and are identified as one class in the Scheme Document;

 - (b) the Company be at liberty to convene a meeting of the Scheme Shareholders (the “**Court Meeting**”) for the purpose of considering and, if thought fit, approving the Scheme (with or without modification);

 - (c) directions as to the mode of delivery of the Scheme Document (including an explanatory memorandum) together with a proxy form to the Scheme Shareholders; and

 - (d) the appointment of a chairman of the Court Meeting and for the conduct of the Court Meeting generally.

18. The Company proposes to convene the Court Meeting at which the following resolution (with such amendments as may be approved at the Court Meeting) will be considered:

“THAT a scheme of arrangement (the “Scheme”) dated [date] 2023 between the Company and the Scheme Shareholders (as defined in Scheme) in the form of the print thereof which has been produced to the meeting and, for the purpose of identification signed by the chairman of the meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands, be and is hereby approved.”

19. The Scheme Document exhibited as Exhibit “HRR-1” to the first affirmation of Hui Richard Rui will be sent to all Scheme Shareholders (with the possible exception of overseas shareholders of the Company).

Effect of the Scheme on Issued Share Capital

20. Article 55 of the amended and restated articles of association of the Company provides as follows:

“The Company may from time to time by special resolution, subject to any confirmation or consent required by the [Companies] Act, reduce its share capital or any capital redemption reserve or other undistributable reserve in any manner permitted by law.”

21. The Company intends to convene an extraordinary general meeting of the Shareholders to take place immediately after the conclusion or adjournment of the Court Meeting at which it is intended to submit, amongst other things, a special resolution to approve the Capital Reduction and an ordinary resolution to approve the Restoration of Capital. The proposed resolutions are set out below.

SPECIAL RESOLUTION

1. "THAT:

- (a) *pursuant to a scheme of arrangement dated [date] October 2023 (the "Scheme") between the Company and the Scheme Shareholders (as defined in the Scheme) in the form of the print thereof, which has been produced to this meeting and for the purpose of identification signed by the chairman of this meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands, on the Effective Date (as defined in the Scheme), any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares (as defined in the Scheme) be and is hereby approved;"*

ORDINARY RESOLUTIONS

2. "THAT:

- (a) *subject to and immediately after the cancellation of the Scheme Shares referred to in resolution 1(a) above, the issued share capital of the Company be restored to the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror (as defined in the Scheme) the same number of Shares (as defined in the Scheme) as is equal to the number of Scheme Shares cancelled and the credit arising in the books of account of the Company as a result of the cancellation of the Scheme Shares be applied by the Company in paying up in full at par the new Shares to be issued to the Offeror, and any one of the directors of*

the Company be and is hereby authorized to allot and issue the same accordingly;

(b) any one of the directors of the Company be and is hereby unconditionally authorized to do all such acts and things and/or to sign all such documents as considered by him to be necessary or desirable for and in connection with the implementation of the Proposal (as defined in the Scheme), including without limitation, any reduction of share capital and restoration of share capital, the allotment and issue of Shares, and the giving on behalf of the Company of consent to any modification of, or addition to, the Scheme, which the Grand Court of the Cayman Islands may see fit to impose; and

(c) any one of the directors of the Company be and is hereby authorized to apply to The Stock Exchange of Hong Kong Limited for the withdrawal of the listing of the shares of the Company, subject to the Scheme taking effect.”

22. The Scheme and the Capital Reduction will not involve any diminution of liability in respect of any unpaid share capital or the payment to any member of the Company of any paid up capital or other monies by the Company or alteration of the underlying assets, business operations, management or financial position of the Company and will have no effect on the creditors of the Company. The Restoration of Capital will take place immediately after the Capital Reduction and the overall effect is that the issued share capital of the Company will be the same pre and post Scheme. The Company will continue to be able to pay its debts as they fall due in the ordinary course of business. It is therefore suggested that preparing a list of creditors be dispensed with and no enquiry as to creditors is necessary.

23. The form of minute proposed to be registered in relation to the Capital Reduction is as follows:

“The issued shares of par value HK\$0.01 each (the “Shares”) in the share capital of CST Group Limited 中譽集團有限公司 was by virtue of a special resolution passed on 2023 and with the sanction of an Order of the Grand Court of the Cayman Islands dated 2023 reduced from HK\$ divided into Shares to HK\$ divided into Shares (the “Capital Reduction”). Immediately after the Capital Reduction, the issued Shares in the share capital of CST Group Limited 中譽集團有限公司 was restored to HK\$ by issuing to Atlas Keen Limited, credited as fully paid at par, Shares.”

The authorised share capital of the Company, on the registration of this minute, is HK\$10,000,000,000 divided into 1,000,000,000,000 shares of par value HK\$0.01 each.”

24. The completed minute will be provided to the Court before the sanction of the Capital Reduction pursuant to the Scheme by the Court.
25. The Company therefore humbly prays as follows:
- (a) That the Scheme to be approved at the Court Meeting to be convened at the direction of this Honourable Court may be sanctioned by this Honourable Court.
 - (b) That the Capital Reduction may be confirmed and that the minute referred to in paragraph 23 may be approved by the Court.

- (c) That the preparation of a list of creditors be dispensed with and an enquiry as to creditors is not necessary.
- (d) That, to this end, all necessary inquiries and directions may be made and given.
- (e) That such further or other order be made as the Court shall see fit.

Dated this 29th day of September 2023

Conyers Dill & Pearman LLP

Conyers Dill & Pearman LLP
Attorneys-at-Law for the Petitioner herein

NOTE: It is intended to serve this Petition on CST Group Limited 中譽集團有限公司 at its registered office located at 94 Solaris Avenue, 2nd Floor, Camana Bay, P.O. Box 30745, Grand Cayman KY1-1203.

This Petition is presented by Conyers Dill & Pearman LLP, for and on behalf of the Petitioner, of Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Notice of Hearing

This Petition, having been presented to the Court on the day of
2023, will be heard at the Law Courts, George Town, Grand Cayman on the 30 day
of nov 2023 at 10 a.m. or as soon thereafter as the Petition can be heard.