

MEMORANDUM

setting out full particulars of the provision of shareholder's loans to Action Soar Investments Limited by Rosy State Developments Limited as referred to in the sections respectively headed "6. MATERIAL CONTRACTS" and "8.

DOCUMENTS AVAILABLE FOR INSPECTION" in appendix III to the composite offer document dated 28 August 2020 jointly issued by CST Group Limited (the "Company") and Atlas Keen Limited (the "Offeror") regarding, among others, the making of a voluntary conditional cash offer by Get Nice Securities Limited for and on behalf of the Offeror to acquire all the issued shares of the Company (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it)

Shareholder's loans

On 7 May 2019, Rosy State Developments Limited ("**Rosy State**"), an indirect wholly-owned subsidiary of the Company, advanced a shareholder's loan of AUD1,205,399.00 (the "**Shareholder's Loan A**") to Action Soar Investments Limited ("**Action Soar**"), an investment holding company incorporated in the British Virgin Islands with limited liability which is owned as to 17.77% by Rosy State.

On 30 July 2019, Rosy State further advanced a shareholder's loan of AUD11,486,475.39 to Action Soar (the "**Shareholder's Loan B**", together with the Shareholder's Loan A, the "**Loans**").

The particulars of the Loans are set out below:-

| | Shareholder's Loan A | Shareholder's Loan B |
|-----------------------|---|----------------------|
| Date of advancement | 7 May 2019 | 30 July 2019 |
| Amount of advancement | AUD1,205,399.00 | AUD11,486,475.39 |
| Parties | 1. Rosy State as lender; and 2. Action Soar as borrower | |
| Purpose of the Loans | For Action Soar to invest in the Australian property market | |
| Principal terms | 1. The Loans are unsecured and non-interest bearing. | |

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| | <ol style="list-style-type: none">2. The Loans have no fixed repayment date.3. The Loans shall only be repaid by Action Soar in the event of realization of its investment in the Australian property market. |
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General

Additional information of the Loans has been disclosed in the announcement of the Company dated 30 July 2019 in relation to the Loans (the “**Announcement**”), as per the Appendix to this Memorandum.

APPENDIX

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

CST GROUP LIMITED
中醫集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 985)

DISCLOSEABLE TRANSACTION
PROVISION OF A SHAREHOLDER'S LOAN TO A COMPANY FOR ITS
INVESTMENT IN AUSTRALIAN PROPERTY MARKET

The Board announces that on 30 July 2019, the Lender has advanced the Shareholder's Loan B to Action Soar for Action Soar's investment in the Australian property market.

As the Lender has provided Shareholder's Loan A to Action Soar on 7 May 2019, the provision of the Shareholder's Loan B is aggregated with the Shareholder's Loan A in determining the applicable percentage ratios. The provision of Shareholder's Loan B as well as when aggregated with the Shareholder's Loan A, on an aggregate basis, constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, as one or more of the applicable percentage ratios exceeds 5% but is less than 25%. The provision of the Shareholder's Loans is therefore subject to the reporting and announcement requirements of the Listing Rules.

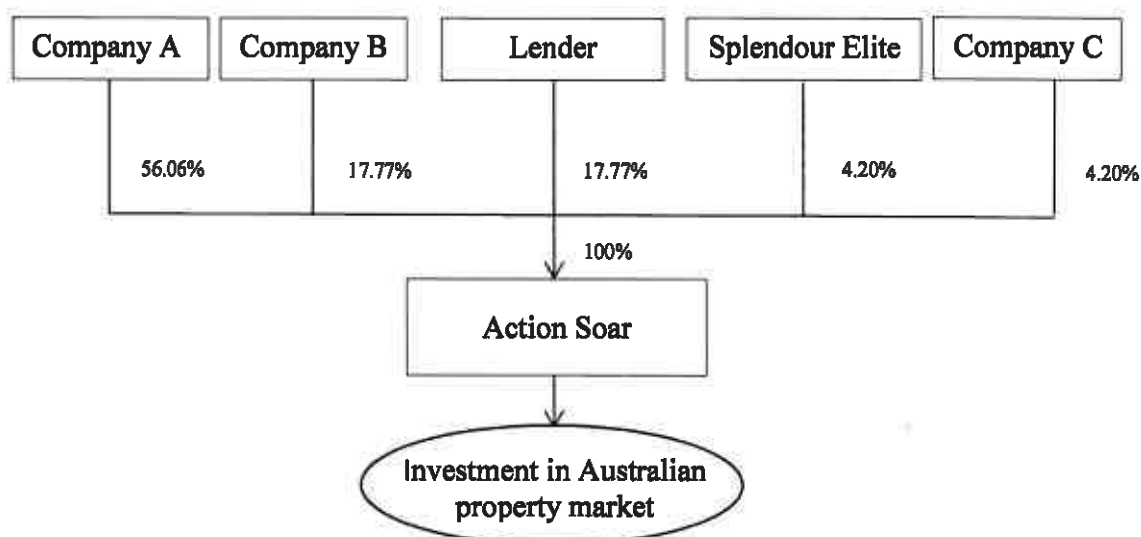
SHAREHOLDER'S LOANS

On 7 May 2019, the Lender advanced AUD1,205,399.00 (equivalent to approximately HK\$6,459,733.24) to Action Soar (Shareholder's Loan A). The Lender further advanced AUD11,486,475.39 (equivalent to approximately HK\$61,556,021.61) to Action Soar on 30 July 2019 (Shareholder's Loan B). These are loans from the Lender to Action Soar as shareholder's loans for Action Soar to invest in the Australian property market.

Principal terms of the Shareholder's Loans are set out as below:-

- (a) are unsecured and non-interest bearing;
- (b) have no fixed repayment date; and
- (c) shall only be repaid by Action Soar in the event of realization of its investment in the Australian property market.

SHAREHOLDING STRUCTURE OF ACTION SOAR



INFORMATION OF ACTION SOAR

Action Soar is a company incorporated in British Virgin Islands with limited liability and is engaged in the business of investment holding. The Lender holds approximately 17.77% shareholding interests in Action Soar.

Splendour Elite is an indirect wholly owned subsidiary of Pinnacle. Pinnacle introduced certain investment opportunity in the Australian property market to the Group and other investors. Action Soar is set up by Pinnacle for the purpose of holding the investment in the Australian property market by the Lender, Pinnacle, and other investors who are interested in the investment. The Lender has no right to nominate any director to the board of directors of Action Soar. All directors of Action Soar are appointed by Pinnacle at the moment. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Company A, Company B, Splendour Elite and Company C are Independent Third Parties of the Company and its connected persons.

The Shareholder's Loans represent the Lender's pro rata share of shareholders loans provided by all shareholders of Action Soar when being called by the board of directors of Action Soar.

INFORMATION OF PINNACLE

Pinnacle is a company incorporated in British Virgin Islands with limited liability and has been engaged in sourcing, advising and asset management for real estate investments in Asia with a focus in Australia and China.

FUNDING OF THE SHAREHOLDER'S LOANS

The Shareholder's Loans are funded by internal resources of the Group.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE SHAREHOLDER'S LOANS

The principal business activities of the Group are (i) exploration, development and mining of mineral resources materials, (ii) investment in financial instruments, (iii) property investment, (iv) money lending and (v) e-logistics platform.

The Directors consider that the investment in Action Soar and hence in the Australian property market will diversify the Group's existing investment portfolio and broaden its source of income, and will enhance and create long-term benefit for the Group. The Directors, having regard to the reasons and benefits referred to above, believe that the terms of the Shareholders' Loans are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the Lender has provided Shareholder's Loan A to Action Soar on 7 May 2019, the provision of the Shareholder's Loan B is aggregated with the Shareholder's Loan A in determining the applicable percentage ratios. The provision of Shareholder's Loan B as well as when aggregated with the Shareholder's Loan A, on an aggregate basis, constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, as one or more of the applicable percentage ratios exceeds 5% but is less than 25%. The provision of the Shareholder's Loans is therefore subject to the reporting and announcement requirements of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

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|----------------------|---|
| "Action Soar" | Action Soar Investments Limited, a company incorporated in British Virgin Islands with limited liability |
| "AUD" | Australian dollars, the lawful currency of Australia |
| "Board" | Board of Directors |
| "Company" | CST Group Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 985) |
| "Company A" | a company incorporated in British Virgin Islands with limited liability, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is Independent Third Party and not connected with the Group as at the date of this announcement |
| "Company B" | a company incorporated in British Virgin Islands with limited liability, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is Independent Third Party and not connected with the Group as at the date of this announcement |
| "Company C" | a company incorporated in British Virgin Islands with limited liability, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is Independent Third Party and not connected with the Group as at the date of this announcement |
| "Director(s)" | the director(s) of the Company |
| "Group" | the Company and its subsidiaries |

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|--------------------------------|---|
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party(ies)” | person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s)(as defined under the Listing Rules) |
| “Lender” | Rosy State Developments Limited, a company incorporated in British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Pinnacle” | Pinnacle World Limited, a company incorporated in British Virgin Islands with limited liability, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is Independent Third Party and not connected with the Group as at the date of this announcement |
| “Shareholder(s)” | holder(s) of shares of the Company |
| “Shareholder’s Loans” | Shareholder’s Loan A and Shareholder’s Loan B |
| “Shareholder’s Loan A” | a loan of AUD1,205,399.00 (equivalent to approximately HK\$6,459,733.24) provided by the Lender to Action Soar on 7 May 2019 |
| “Shareholder’s Loan B” | a loan of AUD11,486,475.39 (equivalent to approximately HK\$61,556,021.61) provided by the Lender to Action Soar on 30 July 2019 |
| “Splendour Elite” | Splendour Elite Limited, a company incorporated in Seychelles with limited liability and an indirect wholly owned subsidiary of Pinnacle |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent |

For the purpose of this announcement and for illustrative purpose only, AUD is converted into HK\$ at the rate of AUD1.00 : HK\$5.359, where appropriate.

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

Hong Kong, 30 July 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. 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.