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## **DISCLOSEABLE TRANSACTION SUBSCRIPTION OF LIMITED PARTNERSHIP INTEREST IN A FUND**

### **THE SUBSCRIPTION**

On 11 June 2021, the Subscriber, a wholly-owned subsidiary of the Company, entered into the Subscription Agreement with the Fund, pursuant to which the Subscriber agreed to subscribe for the Limited Partner Interests in the Fund, for a capital commitment of US\$10 million (equivalent to approximately HK\$78 million).

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under Rules 14.07 of the Listing Rules in respect of the Subscription exceeds 5% but not more than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to announcement and notification requirements under the Listing Rules.

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### **THE SUBSCRIPTION AGREEMENT**

The principal terms of the Subscription Agreement are summarized as follows:

|                    |   |  |
|--------------------|---|--|
| Date               | : | 11 June 2021   |
| Parties            | : | (1) the Subscriber<br>(2) the General Partner  |
| Interests acquired | : | the Limited Partnership Interests  |
| Commitment amount  | : | Up to US\$10 million (equivalent to approximately HK\$78 million),<br>which will be payable to the Fund as directed by the General Partner |

The aggregate commitment amount was determined after arm's length negotiations between the General Partner and the Subscriber. The aggregate commitment amount will be funded by cash from the Group's internal resources.

## **THE AMENDED AND RESTATED PARTNERSHIP AGREEMENT**

Shortly after the entering into of the Subscription Agreement, the General Partner, as the general partner and attorney of the Limited Partners of the Fund including the Subscriber and the Carried Interest Partner entered the Amended and Restated Partnership Agreement to govern their relationship and provide for, among others, the manner of operation and management of the Fund.

The principal terms of the Amended and Restated Partnership Agreement are summarised as follows:

- Name of the Fund : Princeville Global III LP
- Parties : (1) General Partner  
(2) Carried Interest Partner  
(3) Limited Partners (by the General Partner, as attorney-in-fact of the Limited Partners including the Subscriber)
- Purpose : The Fund is being established for the principal purposes of (a) making either directly or indirectly through an intermediate entity (owned or controlled by the Fund) "breakout" stage investments in technology companies whose businesses are seeking growth capital, with a view to generating income and capital appreciation, (b) managing, supervising and disposing of such investments.
- Term of the Fund : The Fund commenced from its establishment on 1 February 2021 and will commence winding up on the tenth (10th) anniversary of the final closing date but may be extended for an additional one-year period by the General Partner in its sole discretion, and further extended for up to two additional one-year periods by the General Partner with the approval of a majority in interest of the Limited Partners.
- Transferability of the interests : The Limited Partner Interests in the Fund may not be directly or indirectly sold, assigned or transferred in whole or in part without the prior written consent of the General Partner.
- Management of the Fund : The General Partner will have full control and management over the conduct of the business, assets and affairs of the Fund. The General Partner may appoint the Management Company to provide investment advisory services to the Fund on a non-discretionary basis.
- Management expenses : The Fund will pay a management fee to the Management Company (or its designated affiliate) in respect of each Limited Partner of the Fund equal to 2% of such Limited Partner's commitments, subject to further reductions pursuant to the terms and conditions of the Amended and Restated Partnership Agreement.

- Distributions : Pursuant to the Amended and Restated Partnership Agreement, investment proceeds from any investment shall be apportioned preliminarily among the partners in proportion to their sharing percentages with respect to the applicable investment. The amount so apportioned to each partner shall be distributed between the Carried Interest Partner and such partner as follows:
- (a) First, 100% to such partner until such partner has received cumulative distributions equal to such partner's aggregate capital contributions.
  - (b) Second, thereafter, (i) 20% to the Carried Interest Partner and (ii) 80% to such partner.
- Limited Liability : No Limited Partner shall be personally liable for any debts, liabilities, contracts or other obligations of the Fund or have any obligation to make contributions to the Fund in excess of the amount of its commitment specified in its subscription agreement (or such other amount as otherwise agreed with such Limited Partner), except to the extent required by the Amended and Restated Partnership Agreement.

## **INFORMATION OF THE FUND, THE GENERAL PARTNER AND THE MANAGEMENT COMPANY**

The Fund is an exempted limited partnership established and registered under the Exempted Limited Partnership Act (as amended) of the Cayman Islands. The Fund was established in February 2021 and has not commenced business yet.

The General Partner of the Fund, Princeville Global Partners III Ltd., is incorporated in the Cayman Islands as an exempted company. The management of the Fund shall be vested exclusively in the General Partner (acting directly or through its duly appointed agents), and the General Partner shall have full control and management over the conduct of the business, assets and affairs of the Fund. The General Partner shall have the power on behalf and in the name of the Fund to carry out any and all of the objectives and purposes of the Fund and to perform all acts and enter into and perform all contracts and other undertakings that the General Partner, in its sole discretion, deems necessary, advisable, appropriate or incidental thereto, including the power to acquire and dispose of any investment (including freely tradable securities and other marketable securities). The General Partner may appoint the Management Company to provide investment advisory services to the Fund on a non-discretionary basis.

The Management Company, Princeville Capital, is incorporated in the Cayman Islands as an exempted company. The Management Company is principally engaged and specialized in investing in technology-related growth companies around the world. The Management Company invests in companies in the "breakout stage," in which there are proven business models, technologies, unit economics, accelerating KPIs and a need for capital to grow.

For more information on Princeville Capital, including its management team and previous portfolio of investments, please refer to its website at [www.princeville-capital.com](http://www.princeville-capital.com).

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Fund, the Management Company, the General Partner, the Carried Interest Partner, and their ultimate beneficial owners are third parties, independent of the Company and connected persons of the Company.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SUBSCRIPTION AGREEMENT**

One of the principal activities of the Group is investment in financial instruments. The Group is committed to seeking for different investment opportunities that would enhance the value of the Group.

Having considered (i) past track records of the Management Company in other funds (ii) the Subscription provides the Group with an opportunity to balance and diversify its investment portfolio, as well as for potential capital appreciation and (iii) the Subscription enables the Group to make investment in technology companies while reducing direct investment risks, leveraging on the professional management team of the Fund, the General Partner and the Management Company.

The Directors consider the terms of the Subscription are on normal commercial terms, which are fair and reasonable, and the Subscription is in the interests of the Company and its shareholders as a whole.

## **INFORMATION OF THE GROUP AND THE SUBSCRIBER**

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

The Subscriber is a company incorporated in British Virgin Islands with limited liability and is principally engaged in investment holding.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under Rules 14.07 of the Listing Rules in respect of the Subscription exceeds 5% but not more than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to announcement and notification requirements under the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

|                            |  |
|----------------------------|--|
| “Board”                    | the board of Directors of the Company  |
| “Carried Interest Partner” | General Partner and/or any Person admitted to the Partnership and designated as a “Carried Interest Partner” by the General Partner (with such Person’s consent), in each case in its capacity as a carried interest partner of the Partnership, and any successor of such Person in such capacity |

|  |  |
|--|--|
| “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)   |
| “Director(s)”                                | the director(s) of the Company   |
| “Fund” or “Partnership”                      | Princeville Global III LP, an exempted limited partnership established and registered under the Exempted Limited Partnership Act (as amended) of the Cayman Islands  |
| “General Partner”                            | Princeville Global Partners III Ltd., a Cayman Islands exempted company, in its capacity as general partner of the Fund  |
| “Group”                                      | the Company and its subsidiaries   |
| “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  |
| “Limited Partners”                           | the Persons admitted as limited partners of the Partnership and in its capacity as a limited partner of the Partnership  |
| “Limited Partnership Interests”              | the limited partnership interests in the Fund represented by a capital commitment of a total amount of US\$10 million made by the Subscriber to the Fund   |
| “Listing Rules”                              | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “Management Company”                         | Princeville Capital, a Cayman Islands exempted company   |
| “Partner(s)”                                 | the General Partner, the Carried Interest Partner and other Limited Partners   |
| “Person”                                     | an individual, a partnership (general, limited or limited liability), a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental, quasi-governmental, judicial or regulatory entity or any department, agency or political subdivision thereof |
| “Amended and Restated Partnership Agreement” | the amended and restated agreement of the exempted limited partnership agreement of the Fund dated 11 June 2021  |
| “Stock Exchange”                             | The Stock Exchange of Hong Kong Limited  |

|                          |   |
|--------------------------|---|
| “Subscriber”             | Max Solution Investments Limited, a company incorporated in British Virgin Islands with limited liability, and a wholly-owned subsidiary of the Company   |
| “Subscription”           | the subscription of a limited partner interest in the Fund at a total capital commitment amount of US\$10 million (equivalent to approximately HK\$78 million) pursuant to the Subscription Agreement |
| “Subscription Agreement” | the subscription agreement dated 11 June 2021 entered into between the Subscriber and the General Partner in relation to the Subscription   |
| “US\$”                   | United States dollars, the lawful currency of the United States of America  |

By Order of the Board  
**CST Group Limited**  
**Yeung Bik Shan**  
*Company Secretary*

Hong Kong, 11 June 2021

*As at the date of this announcement, the Board comprises (i) Mr. Chiu Tao (Chairman), Mr. Hui Richard Rui, 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.*