CORNERSTONE TECHNOLOGIES HOLDINGS LIMITED
基石科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8391)

PROFIT WARNING

This announcement is made by Cornerstone Technologies Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

After preliminary review by the Company's management on the unaudited management accounts of the Group and assessment of the information currently available, the board (the "**Board**") of directors of the Company (the "**Directors**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that the Group is expected to record a significant increase in net loss for the nine months ended 31 December 2020, as compared to a net loss of approximately HK$7.6 million for the nine months ended 31 December 2019. The loss-making position for the nine months ended 31 December 2020 was mainly attributable to:

1. the reduction in the orders from customers for printing services resulting from the increasing concern on environment protection, the popularity of digitalization of information, the rise of online marketing, social media and globalization;

2. the decrease in revenue due to the unfavorable economic environment and the extreme market and operating conditions caused by the outbreak of novel coronavirus pandemic during 2020;

3. incurrence of additional administrative and other operating expenses due to factory relocation in April 2020;

4. the additional cost incurred in the newly acquired electric vehicle charging solution and system services business since August 2020; and

5. the expected impairment loss of the Group's assets as of the reporting date.

Except for the impairment loss of the Group's assets that the Group's management required more time and information to finalize, the Group is expected to record a net loss of not exceeding HK$22.0 million for the nine months ended 31 December 2020.

As the Company is still in the process of finalizing the consolidated results of the Group for the nine months ended 31 December 2020, the information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited management accounts of the Group and information currently available, which have not been audited by the auditors of the Company or reviewed by the audit committee of the Company and may be subject to changes and adjustments. The actual nine months results of the Group may be different from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the results announcement of the Group for the nine months ended 31 December 2020 when it is published.

WARNING:

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
Cornerstone Technologies Holdings Limited
LIANG Zihao
Co-Chairman and Executive Director

Hong Kong, 21 January 2021

As at the date of this announcement, the executive Directors are Mr. LIANG Zihao, Mr. SAM WENG WA Michael, Mr. LI Man Keung Edwin and Mr. LAU Wai Yan Lawson, the non-executive Director is Mr. WU Jianwei and the independent non-executive Directors are Mr. TAM Ka Hei Raymond, Mr. YUEN Chun Fai and Ms. ZHU Xiaohui.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 announcement 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 announcement misleading.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the GEM website at www.hkgem.com for at least seven days after the date of publication and on the Company's website at www.elegance.hk.