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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)

**SUPPLEMENTAL AGREEMENT TO
PLACING OF NEW SHARES IN TRanches
UNDER SPECIFIC MANDATE**

Placing Agent



**SUPPLEMENTAL AGREEMENT TO PLACING OF NEW SHARES IN TRanches UNDER
SPECIFIC MANDATE**

Reference is made to the announcement of the Company dated 30 September 2021 (the “**Announcement**”) in relation to the Placing. Unless otherwise defined, capitalized terms used herein shall denote the same meanings as those defined in the Announcement.

The Company announces that on 9 November 2021, the Placing Agent and the Company entered into a supplemental agreement to the Placing Agreement (the “**Supplemental Placing Agreement**”), pursuant to which the Placing Agent and the Company agree that the maximum aggregate Shares for the Placing to be issue and allot to be increased to 87,000,000 Shares, representing 14.5% of the entire issued shares of the Company as at the date of the Supplemental Placing Agreement (the “**Revised Placing Shares**”). Save for the Revised Placing Shares, all other terms and conditions of the Placing Agreement shall remain unchanged and continue in full force and effect.

The Revised Placing Shares of 87,000,000 Placing Shares represent:

- (i) Approximately 14.50% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) Approximately 12.67% of the issued share capital of the Company immediately upon completion of the Placing (assuming there is no change in the issued share capital of the Company from the date of this announcement and up to the date of completion of all the Revised Placing Shares) as enlarged by the allotment and issue of all the Revised Placing Shares.

The Revised Placing Shares to be placed under the Placing Agreement (as supplemented by the Supplemental Placing Agreement) was negotiated on arm's length basis between the Company and the Placing Agent. The Directors consider that the Placing (as supplemented by the Supplemental Placing Agreement) are on normal commercial terms and are fair and reasonable based on the current market conditions and is in the interests of the Company and the Shareholders as a whole.

Assuming all the Revised Placing Shares are fully placed, the aggregate gross proceeds from the Placing (as supplemented by the Supplemental Placing Agreement) are expected to be HK\$60.9 million. After deducting related professional fees and all related expenses of approximately HK\$3.1 million to be borne by the Company under the Placing (as supplemented by the Supplemental Placing Agreement), the net proceeds will amount to approximately HK\$57.8 million. The Company's intended use of proceeds from the Placing (as supplemented by the Supplemental Placing Agreement) will remain the same proportion as disclosed in the Announcement.

Ranking of the Revised Placing Shares

The Revised Placing Shares, when issued and allotted will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of issue and allotment of the Revised Placing Shares.

APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Revised Placing Shares.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes, the effect of the completion of the Placing (as supplemented by the Supplemental Placing Agreement) on the shareholding structure of the Company is set out below:

Shareholding structure of the Company immediately upon completion of the Placing (as supplemented by the Supplemental Placing Agreement)

Shareholders	Shareholding as at the date of this announcement		Shareholding immediately upon completion of the Placing (as supplemented by the Supplemental Placing Agreement)	
	<i>Approximate</i>		<i>Approximate</i>	
	<i>Number of Shares held</i>	<i>% of Shares in issue</i>	<i>Number of Shares held</i>	<i>% of Shares in issue</i>
Global Fortune Global Limited	235,603,225	39.28%	235,603,225	34.31%
Glorytwin Limited	81,000,000	13.50%	81,000,000	11.79%
Mr. Lau Wai Yan Lawson	30,302,703	5.05%	30,302,703	4.41%
Mr. Pan Wenyuan	23,872,000	3.98%	23,872,000	3.48%
Mr. Li Man Keung Edwin	19,112,613	3.19%	19,112,613	2.78%
The Placees	—	—	87,000,000	12.67%
Other public shareholders	<u>209,900,000</u>	<u>35.00%</u>	<u>209,900,000</u>	<u>30.56%</u>
Total	<u>599,790,541</u>	<u>100.00%</u>	<u>686,790,541</u>	<u>100.00%</u>

LISTING RULES IMPLICATIONS

As the Revised Placing Shares will be issued and allotted under the Specific Mandate to be obtained at the EGM, the Placing (as supplemented by the Supplemental Placing Agreement) is subject to the Shareholders' approval. A circular containing, among other things, (i) further details of the Placing (as supplemented by the Supplemental Placing Agreement); and (ii) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

General

Placing Completion is subject to the fulfillment of the conditions precedent set out in the Placing Agreement. As the Placing (as supplemented by the Supplemental Placing Agreement) may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 9 November 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, Mr. LAU Wai Yan Lawson and Mr. PAN Wenyuan, 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.

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.cstl.com.hk.