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(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8112)

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF THREE RIGHTS SHARE FOR EVERY ONE SHARE HELD ON THE RECORD DATE

Reference is made to the prospectus of Cornerstone Financial Holdings Limited (“**Company**”) dated 4 April 2022 (“**Prospectus**”) in relation to the Rights Issue of 172,063,836 Rights Shares at a subscription price of HK\$0.38 each on the basis of three Rights Shares for every one Share held on the Record Date. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

The Board announces that as at 4:00 p.m. on Thursday, 21 April 2022, being the latest time for the acceptance and application of and payment for the Rights Shares, a total of 5 valid acceptances and applications were received, which comprised:

- i. a total of 1 valid acceptances of provisional allotments under the PALs in respect of 692,040 Rights Shares, representing approximately 0.40% of the total number of 172,063,836 Rights Shares available for subscription under the Rights Issue; and
- ii. a total of 4 valid applications for excess Rights Shares under the EAFs in respect of 4,771,820 excess Rights Shares have been received, representing approximately 2.77% of the total number of 172,063,836 Rights Shares available for subscription under the Rights Issue.

In aggregate, the 5,463,860 Rights Shares validly accepted and applied for under the PALs and the EAFs represented approximately 3.18% of the total number of 172,063,836 Rights Shares available for subscription under the Rights Issue. Accordingly, the Rights Issue was under-subscribed by 166,599,976 Rights Shares (“**Untaken Shares**”), representing approximately 96.82% of the total number of 172,063,836 Rights Shares available for subscription under the Rights Issue.

THE UNDERWRITING AGREEMENT

As all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement was not terminated by the Underwriter prior to the Latest Time for Termination, the Underwriting Agreement became unconditional at 4:00 p.m. on Friday, 22 April 2022.

As a result of the under-subscription of the Rights Shares and pursuant to the Underwriting Agreement, the Underwriter has procured subscribers to subscribe for an aggregate of 166,599,976 Untaken Shares, representing approximately 96.82% of the total number of 172,063,836 Rights Shares available for subscription under the Rights Issue. To the best of the Directors' knowledge, information and belief after having made reasonable enquiries, all the subscribers procured by the Underwriter are Independent Third Parties.

EXCESS RIGHTS SHARES

Given the under-subscription of the Rights Shares, the Directors consider that it is fair and reasonable to accept all valid EAFs and allot the excess Rights Shares to such applicants in full and therefore, no refund cheques for wholly and partially unsuccessful applications for excess Rights Shares will be posted.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge and information of the Directors, the shareholding structure of the Company immediately before and after the completion of the Rights Issue will be as follows:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>Approximate % (Note 1)</i>	<i>Number of Shares</i>	<i>Approximate % (Note 1)</i>
Shareholders				
An Xilei (Note 2)	6,800,000	11.86	6,800,000	2.96
Public				
Subscribers procured by the Underwriter (Note 3)	–	–	166,599,976	72.62
Other public shareholders	<u>50,554,612</u>	<u>88.14</u>	<u>56,018,472</u>	<u>24.42</u>
Total	<u>57,354,612</u>	<u>100.00%</u>	<u>229,418,448</u>	<u>100.00%</u>

Notes:

1. The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.

2. Mr. An Xilei is the deputy chairman of the Board and an executive Director.
3. To the best of the Directors' knowledge, information and belief after having made reasonable enquiries, each of the subscribers procured by the Underwriter does not hold 10% or more of the Shares immediately after completion of the Rights Issue.

DESPATCH OF SHARE CERTIFICATES

It is expected that the certificates for the fully-paid Rights Shares in respect of the valid acceptances of and applications for the Rights Shares will be despatched to the relevant Shareholders by ordinary post to their registered addresses on Tuesday, 26 April 2022 at their own risk.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the Rights Shares, in their fully-paid form, on the Stock Exchange are expected to commence at 9:00 a.m. on Wednesday, 27 April 2022.

By Order of the Board
Cornerstone Financial Holdings Limited
Gao Ran
Chairman

Hong Kong, 25 April 2022

As at the date of this announcement, the Board comprises seven Directors, including four executive Directors, namely, Mr. Gao Ran, Mr. An Xilei, Mr. Wong Hong Gay Patrick Jonathan and Mr. Mock Wai Yin and three independent non-executive Directors, namely, Mr. Chan Chi Keung Alan, Ms. Lau Mei Ying and Mr. Wong Man Hong.

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 7 days from the date of its posting. This announcement will also be posted on the Company's website at www.cs8112.com.