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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 ANNOUNCEMENT
(1) GREEN FACILITY AGREEMENT
AND
(2) PROPOSED ISSUE OF UNLISTED WARRANTS
UNDER SPECIFIC MANDATE

Reference is made to the announcement of Cornerstone Technologies Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 31 August 2023 (the “**Announcement**”). Unless otherwise stated, capitalized terms used herein shall bear the same meanings as defined in the Announcement.

The Board would like to provide further information regarding the maximum number of the new Shares to be issued according to the Rule 21.02(1) of the GEM Listing Rules as follows:

GEM LISTING RULES IMPLICATIONS

Pursuant to Rule 21.02(1) of the GEM Listing Rules, the Warrant Shares to be issued on the exercise of the Warrants must not, when aggregated with all other equity securities remain to be issued on the exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the time the Warrants are issued. Options granted under share option schemes which comply with Chapter 23 of the GEM Listing Rules are excluded for the purpose of such limit.

EXERCISE OF SUBSCRIPTION RIGHTS ATTACHING TO ALL THE WARRANTS IN FULL

As at the date of the Announcement, the existing issued share capital of the Company is 886,239,399 Shares and 20% of the issued share capital of the Company amounts to 177,247,879 Shares. Assuming the full exercise of the subscription rights attaching to the Warrants, an aggregate of 100,000,000 Warrant Shares will be issued, representing approximately 11.28% of the existing issued share capital of the Company.

Reference is made to the announcements and circular of the Company dated 31 March 2022, 24 May 2022 and 8 July 2022, respectively whereas the Company issued 120,000,000 warrants to Gaw Capital Partners. As at the date of the Announcement, 97,000,000 warrants issued to Gaw Capital Partners was exercised and 23,000,000 warrants are not yet exercised and are required to be aggregated with the Warrant Shares in accordance with Rule 21.02(1) of the GEM Listing Rules. Assuming the full exercise of the Warrants and the Existing Warrants, an aggregate of 123,000,000 Shares will be issued, representing approximately 13.88% of the issued share capital of the Company. Accordingly, the issue of the Warrants is in compliance with Rule 21.02(1) of the GEM Listing Rules.

The following table illustrates the above calculation of the proposed issuance of the Warrants are in compliance of Rule 21.02(1) of the GEM Listing Rules:

	Number of Shares
20 % of the existing issued share capital of the Company as at the date of the Announcement (being 886,239,399 Shares)	177,247,879
minus the Existing Warrants not yet exercised	23,000,000
minus the Warrant Shares	<u>100,000,000</u>
Remaining number of warrants that can be further issued	<u><u>54,247,879</u></u>

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

Hong Kong, 12 September 2023

As at the date of this announcement, the executive Directors are Mr. LIANG Zihao, Mr. LI Man Keung Edwin, Mr. SAM Weng Wa Michael, Mr. PAN Wenyuan, Ms. WU Yanyan and Mr. YIP Shiu Hong, the non-executive Director is Mr. WU Jianwei and the independent non-executive Directors are Mr. TAM Ka Hei Raymond, Mr. YUEN Chun Fai, Ms. ZHU Xiaohui and Mr. KO Shu Ki Kenneth.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk "Latest Listed Company Information" page for at least seven days from the date of its posting. This announcement will also be published on the website of the Company at www.cstl.com.hk.