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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)**

**CONNECTED TRANSACTION**  
**SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

**SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

On 22 December 2023 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 19,516,000 new Shares at the Subscription Price of HK\$0.82 per Subscription Share. Completion of the Subscription is subject to the fulfilment of the conditions referred to in the paragraph headed “**Conditions of the Subscription**” of this announcement.

The Subscription Shares represent (i) approximately 2.20% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 2.15% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares immediately after completion of the Subscription, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and the date of Completion. The aggregate nominal value of the Subscription Shares will be HK\$195,160.

The gross proceeds from the Subscription will be HK\$16,003,120. The estimated net proceeds from the Subscription after deduction of expenses, will amount to approximately HK\$15,700,000. On such basis, the net price per Subscription Share will be approximately HK\$0.80. The Company intends to apply the net proceeds from the Subscription as working capital of the Group and for general corporate purposes.

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought at the EGM. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Subscriber is an executive Director and is therefore a connected person of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Subscription constitutes a connected transaction and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

### **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising all the independent non-executive Directors has been established to give a recommendation to the Independent Shareholders as to whether the terms of the Subscription are on commercial terms or better and fair and reasonable, and whether the Subscription is in the interests of the Company and Shareholders as a whole. An independent financial adviser will also be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

### **EGM**

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Subscription Agreement and the transactions contemplated thereunder, including the grant of Specific Mandate to allot and issue the Subscription Shares.

A circular containing (i) details of the Subscription Agreement; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder; and (iv) the notice of the EGM and proxy form, will be despatched as soon as practicable in accordance with the GEM Listing Rules.

**Completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

On 22 December 2023 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 19,516,000 new Shares at the Subscription Price of HK\$0.82 per Subscription Share. Completion of the Subscription is subject to the fulfilment of the conditions referred to in the paragraph headed “**Conditions of the Subscription**” of this announcement.

Principal terms of the Subscription Agreement are set out below:

### **THE SUBSCRIPTION AGREEMENT**

**Date** : 22 December 2023 (after trading hours)

**Parties** : (1) the Company as issuer; and  
(2) the Subscriber.

### **Subscription Shares**

Pursuant to the Subscription Agreement:

- (1) approximately 2.20% of the existing issued share capital of the Company as at the date of this announcement; and
- (2) approximately 2.15% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after completion of the Subscription, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and the date of Completion.

The aggregate nominal value of the Subscription Shares will be HK\$195,160.

### **Subscription Price**

The Subscription Price of HK\$0.82 per Subscription Share represents:

- (a) a premium of approximately 17% over the closing price of HK\$0.70 per Share as quoted on the Stock Exchange on 22 December 2023, being the date of the Subscription Agreement; and
- (b) a premium of approximately 14% to the average closing price of HK\$0.72 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the recent market prices of the Shares and current market conditions. The Directors (excluding the independent non-executive Directors whose view will be expressed in the circular after considering the opinion of the independent financial adviser) consider that the terms and conditions of the Subscription Agreement (including the Subscription Price) were entered into on normal commercial terms and the terms therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Ranking of the Subscription Shares**

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

### **Conditions of the Subscription**

Completion is conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

- (a) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares and such approval has not been revoked prior to Completion;
- (b) the passing of the resolution(s) at the EGM by the Independent Shareholders to approve the Subscription Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate relating to the Subscription to issue and allot the Subscription Shares;
- (c) the necessary consents and approvals in relation to the Subscription Agreement and the transactions contemplated thereunder having been obtained; and
- (d) the representation and warranties of the Company remaining true and accurate in all material respects and are not misleading as at the date of the Subscription Agreement and the date of Completion.

None of the conditions precedent set out above can be waived by the parties to the Subscription Agreement. If the above conditions are not fulfilled by 5:00 p.m. on or before Long Stop Date (or such other date as the parties may agree in writing), the Subscription Agreement will be automatically terminated and lapsed and none of the parties to the Subscription Agreement shall have any claim against the other in respect of the Subscription, save for any antecedent breaches thereof.

### **Completion**

Completion of the Subscription will take place within ten Business Days after the date of fulfillment of the conditions referred to above.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 886,239,399 Shares in issue. The following is a table illustrating the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and the date of Completion:

<b>Controlling Shareholder, Substantial Shareholders and Directors</b>	<b>As at the date of this announcement</b>		<b>Immediately after completion of the Subscription</b>	
	<i>Number of Shares</i>	<i>Approx.% of shareholding</i>	<i>Number of Shares</i>	<i>Approx.% of shareholding</i>
Global Fortune Global Limited ( <i>Note 1</i> )	235,603,225	26.58%	235,603,225	26.01%
Glorytwin Limited ( <i>Note 2</i> )	72,000,000	8.12%	72,000,000	7.95%
Gaw Capital	60,944,000	6.88%	60,944,000	6.73%
Ms. Wu Yanyan	47,550,000	5.37%	47,550,000	5.25%
Mr. Pan Wenyuan	27,096,000	3.06%	27,096,000	2.99%
Tanner Enterprises Group Limited ( <i>Note 2</i> )	17,392,000	1.96%	17,392,000	1.92%
Mr. Li Man Keung Edwin ( <i>Note 2</i> )	14,712,613	1.66%	14,712,613	1.62%
Mr. Liang Zihao	8,800,000	0.99%	8,800,000	0.97%
Mr. Yip Shiu Hong	5,997,905	0.68%	5,997,905	0.66%
Mr. Ko Shu Ki Kenneth	3,712,000	0.42%	3,712,000	0.41%
<b>Subscriber</b>	32,992,000	3.72%	52,508,000	5.80%
<b>Other public Shareholders</b>	359,439,656	40.56%	359,439,656	39.68%
<b>Total</b>	<u>886,239,399</u>	<u>100.00%</u>	<u>905,755,399</u>	<u>100.00%</u>

Notes:

- (1) 235,603,225 Shares are held by Global Fortune Global Limited which is owned as to 51% by Mr. Wu Jianwei, the non-executive Director and Co-Chairman of the Board, and as to 49% by Mr. Liang Zihao, the executive Director and Co-Chairman of the Board.
- (2) 72,000,000 Shares are held by Glorytwin Limited which is wholly owned by Mr. Li Man Keung Edwin, Executive Director and Vice Chairman of the Board. 17,392,000 are held by Tanner Enterprises Group Limited which is wholly owned by Mr. Li Man Keung Edwin. Mr. Li Man Keung Edwin also directly holds 14,712,613 Shares. The aggregate Shares beneficially owned by Mr. Li Man Keung Edwin is 104,104,613 Shares, or 11.75% of total issued Shares.

## **INFORMATION ON THE PARTIES**

### **The Group**

The Company is an investment holding company and its subsidiaries are principally engaged in electric vehicle charging business in Hong Kong.

### **The Subscriber**

The Subscriber is a non-executive Director and the sibling of Ms. Wu Yanyan, an executive Director of the Company, and is therefore a connected person of the Company. As at the date of this announcement, the Subscriber is interested in 268,595,225 Shares, representing approximately 30.30% of the total issued share capital of the Company.

## **REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

Pursuant to the Interim Report of the Company published on 14 August 2023, as at 30 June 2023 the Company's cash and bank balance was approximately HK\$4.2 million, representing an approximately HK\$6.3 million decrease from the Company's cash and bank balance as at 31 December 2022 being approximately HK\$10.5 million. As the Directors hold a positive prospect for the future of the Company and the EV-charging market in Hong Kong, the Directors (including the independent non-executive Directors) are of the view that the Subscription will bring additional working capital and immediate funding for the Company's operations in the upcoming months.

The gross proceeds from the Subscription will be HK\$16,003,120. The estimated net proceeds from the Subscription after deduction of expenses, will amount to approximately HK\$15,700,000. On such basis, the net price per Subscription Share will be approximately HK\$0.80. The Company intends to apply the net proceeds from the Subscription as working capital of the Group and for general corporate purposes.

The Directors (excluding the independent non-executive Directors whose view will be expressed in the circular after considering the opinion of the independent financial adviser) consider that the terms and conditions of the Subscription Agreement (including the Subscription Price) were entered into on normal commercial terms and the terms therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The following is the equity fund raising activity conducted by the Company in the past 12 months immediately before this announcement:

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds raised</b>	<b>Intended use of net proceeds</b>	<b>Actual use of net proceeds</b>
2 September 2022 and 22 December 2022	Subscription of 20,000,000 new Shares under specific mandate	Approximately HK\$12.2 million	EV-charging business development, commercial and financial printing business operation and as general corporate purposes	Fully utilized in accordance with the intended use
7 December 2022 and 18 January 2023	Subscription of 35,200,000 new Shares under specific mandate	Approximately HK\$40.1 million	EV charging infrastructure investment, upgrade and acquire new equipment, hardware and software and working capital and general corporate purposes	Fully utilized in accordance with the intended use
31 August 2023, 12 September 2023, 19 September 2023 and 21 September 2023	Issue of 100,000,000 unlisted warrants under specific mandate	Nil	(i) production and deployment of EV business; (ii) the expansion of eTaxi/eVan business; and (iii) working capital	Not applicable

## LISTING RULES IMPLICATION

As at the date of this announcement, the Subscriber is an executive Director, and is therefore a connected person of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Subscription constitutes a connected transaction and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.



In accordance with the GEM Listing Rules, the Subscriber and its associates will be required to abstain from voting on the resolution(s) to approve the Subscription and the transactions contemplated thereunder at the EGM. The Subscriber is the sibling of Ms. Wu Yanyan and while Global Fortune Global Limited is owned as to 51% by the Subscriber, hence, each of the Subscriber, Ms. Wu Yanyan, Global Fortune Global Limited and Mr. Liang Zihao are required to abstain from voting on the relevant resolutions at the EGM.

The Subscriber, Ms. Wu Yanyan and Mr. Liang Zihao, as Directors, are considered to have a material interest in the Subscription, therefore they did not participate in the Board's deliberations on the Subscription and had abstained from voting on the Board's resolution.

Save as disclosed above, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the transactions contemplated under the Subscription and will be required to abstain from voting on the resolution(s) to approve the Subscription and the transactions contemplated thereunder at the EGM.

## **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising all the independent non-executive Directors has been established to give a recommendation to the Independent Shareholders as to whether the terms of the Subscription are on commercial terms or better, fair and reasonable, and whether the Subscription is in the interests of the Company and Shareholders as a whole. An independent financial adviser will also be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

## **EGM**

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Subscription Agreement and the transactions contemplated thereunder, including the grant of Specific Mandate to allot and issue the Subscription Shares.

A circular containing (i) details of the Subscription Agreement; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder; and (iv) the notice of the EGM and proxy form, will be despatched as soon as practicable in accordance with the GEM Listing Rules.

**Completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**



## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities
“Company”	Cornerstone Technologies Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM (stock code: 8391)
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting to be convened by the Company to consider, among other things, the Subscription Agreement and the transactions contemplated thereunder, including the grant of Specific Mandate to allot and issue the Subscription Shares
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Independent Shareholders”	Shareholders who do not have any material interest in the transactions under the Subscription;

“Long Stop Date”	31 March 2024 or such later date as the Company and the Subscriber may agree in writing
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM and to be granted to the Board for the allotment and issue of the Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Mr. Wu Jianwei, a non-executive Director and a substantial shareholder of the Company
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 22 December 2023 entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Price”	HK\$0.82 per Subscription Share
“Subscription Shares”	19,516,000 Shares to be allotted and issued by the Company to the Subscriber pursuant to the Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board  
**Cornerstone Technologies Holdings Limited**  
**LIANG Zihao**  
*Co-Chairman and Executive Director*

Hong Kong, 22 December 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 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](http://www.hkgem.com) for at least seven days after the date of publication and on the Company’s website at [www.cstl.com.hk](http://www.cstl.com.hk).*