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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  
IN RELATION TO SETTLEMENT OF LOAN  
THROUGH SUBSCRIPTION OF NEW SHARES**

**CONNECTED TRANSACTION IN RELATION TO SETTLEMENT OF LOAN THROUGH  
SUBSCRIPTION OF NEW SHARES**

As at the date of this announcement, the Company as debtor is indebted to the Creditors in an aggregate amount of HK\$16,023,004.

On 21 January 2025, the Company as debtor entered into the Deed with the Creditors, pursuant to which the Company has conditionally agreed to issue and allot to the Creditors (or their nominee(s)) an aggregate of 32,046,008 Subscription Shares at the Subscription Price of HK\$0.50 per Subscription Share. The subscription amount payable by the Creditors under the Deed shall be satisfied by capitalizing the entire amount of the Shareholders' Loan due to the Creditors from the Company. The 32,046,008 Subscription Shares represent (i) approximately 3.36% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.25% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, assuming that there will be no change in the authorised share capital and issued share capital of the Company between the date of this announcement and up until the Completion. The aggregate nominal value of the Subscription Shares is approximately HK\$320,460. The Subscription Shares will be allotted and issued under the Specific Mandate to be sought for approval from the Independent Shareholders at the EGM.

## **GEM LISTING RULES IMPLICATIONS**

The Creditors are either substantial shareholders or Directors of the Company, and are therefore connected persons of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Subscription will constitute a connected transaction for the Company and is subject to the announcement, reporting and Independent Shareholder's 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 and the Deed are on normal commercial terms or better and fair and reasonable, whether the Subscription is in the interests of the Company and the 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 and held for the purpose of considering and, if thought fit, approving (i) the Deed and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandate to allot and issue the Subscription Shares.

A circular containing, among other things, (i) details of the Subscription and the Deed; (ii) the recommendation from the Independent Board Committee in respect of the Subscription and the Deed 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 respect of the Subscription and the Deed and the transactions contemplated thereunder; and (iv) the notice of the EGM, will be dispatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

## **CONNECTED TRANSACTION IN RELATION TO SETTLEMENT OF LOAN THROUGH SUBSCRIPTION OF NEW SHARES**

As at the date of this announcement, the Company as debtor is indebted to the Creditors in an aggregate amount of HK\$16,023,004.

On 21 January 2025, the Company as debtor entered into the Deed with the Creditors, pursuant to which the Company has conditionally agreed to issue and allot to the Creditors (or their nominee(s)) an aggregate of 32,046,008 Subscription Shares at the Subscription Price of HK\$0.50 per Subscription Share. The subscription amount payable by the Creditors under the Deed shall be satisfied by capitalizing the entire amount of the Shareholders' Loan due to the Creditors from the Company. Details of the terms of the Deed are summarized below:

## **DEED OF SETTLEMENT OF DEBT**

**Date** : 21 January 2025 (after trading hours)

**Parties** : (1) Issuer/debtor: the Company; and  
(2) Creditors: Mr. Liang Zihao as Creditor (A)  
Ms. Wu Yanyan as Creditor (B)

### **Subscription Shares**

Pursuant to the Deed:

- (1) the Company has conditionally agreed to issue and allot to Creditor (A) (or its nominee(s)) 2,055,562 Subscription Shares at the Subscription Price of HK\$0.50 per Subscription Share. The subscription amount payable by Creditor (A) shall be satisfied by capitalizing the amount of Debt (A) due to Creditor (A) from the Company; and
- (2) the Company has conditionally agreed to issue and allot to Creditor (B) (or its nominee(s)) 29,990,446 Subscription Shares at the Subscription Price of HK\$0.50 per Subscription Share. The subscription amount payable by Creditor (B) shall be satisfied by capitalizing the amount of Debt (B) due to Creditor (B) from the Company.

### **Number of Subscription Shares**

The 32,046,008 Subscription Shares represent (i) approximately 3.36% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.25% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, assuming that there will be no change in the authorised share capital and issued share capital of the Company between the date of this announcement and the date of Completion. The aggregate nominal value of the Subscription Shares is approximately HK\$320,460.

The Subscription Shares will be allotted and issued under the Specific Mandate to be sought for approval from the Independent Shareholders at the EGM.

## **Subscription Price**

The Subscription Price of HK\$0.50 per Subscription Share represents:

- (i) an equal to the closing price of HK\$0.50 per Share as quoted on the Stock Exchange on the date of the Deed; and
- (ii) an equal to the average closing price of approximately HK\$0.50 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Deed.

The Subscription Price was determined, among others, with reference to (i) the prevailing market price of the Shares and the market conditions; and (ii) the funding needs and financial position of the Group and was negotiated on an arm's length basis between the Company and the Creditors.

## **Conditions Precedent for the Subscription of Subscription Shares for Capitalizing the Entire Amount of Debts**

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 necessary consents and approvals in relation to the Deed and the transactions contemplated thereunder having been obtained; and
- (c) 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 Deed and the date of Completion.

The Creditors may waive any conditions, except the condition referred to in (a) above which may not be waived by any party to the Deed. If the above conditions are not fulfilled or waived (as the case may be) by 5:00 p.m. on 30 June 2025 (or such other date as the parties to the Deed may agree in writing), the Deed will be automatically terminated and lapsed and none of the parties to the Deed shall have any claim against the other in respect of the Subscription, save for any antecedent breaches thereof.

## **Completion**

Completion shall take place within ten (10) Business Days after the date of fulfillment of the conditions precedent set out in the Deed. The subscription amount payable by the Creditors shall be satisfied by capitalizing the entire amount of the Shareholders' Loan due to the Creditors from the Company.

## **APPLICATION FOR LISTING**

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.

## **INFORMATION ON THE PARTIES**

### **The Group**

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

### **The Creditors**

Creditor (A) is an executive Director, and is therefore a connected person of the Company.

Creditor (B) is an executive Director and the elder sister of Mr. Wu Jianwei, an executive Director, and is therefore a connected person of the Company.

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

On 16 July 2024 and 19 August 2024, each of the Creditors separately entered into a loan agreement with the Company, pursuant to which the Creditors each granted a loan with an aggregate principal amount of HK\$15,664,960 to the Company. The parties agreed that the amount of HK\$16,023,004 of the Shareholders' Loan shall be capitalized as part of the consideration for the Subscription upon Completion.

Given the Group's financial position, the Group is not in a position to repay the amount due to the Creditors without tightening the existing financial resources. The Loan Capitalisation enables the Group to settle its existing liabilities without utilising the existing financial resources and can avoid cash outflows.

The Directors have considered other alternative means for raising funds to settle the Shareholders' Loan, such as bank borrowings, share placement or rights issue. However, having taken into account that:

- (i) debt financing and bank borrowing will inevitably increase the gearing ratio of the Group and lenders generally require pledge of assets from the borrower;
- (ii) the Loan Capitalisation will reduce the indebtedness of the Group;
- (iii) other equity financing such as placing of new shares and rights issue usually require attractive discount to the prevailing market price of the Shares and is relatively more time consuming and less cost effective as compared to the Loan Capitalisation; and
- (iv) the Loan Capitalisation demonstrates the support and solid confidence given by the Creditors to the Group.

the Directors consider that the Loan Capitalisation is a more desirable solution for the Group to settle the Loan.

Although the allotment and issue of the Subscription Shares will have a dilution effect to the existing Independent Shareholders, having considered the Subscription Shares, when allotted and issued, will be recognised entirely as equity of the Company which in turn will reduce the gearing ratio, enlarge the capital base and enhance the net asset position of the Group, the Directors are of the view that the dilution effect arising from the allotment and issue of the Subscription Shares is justifiable in this regard.

In view of the above, the Directors (other than the independent non-executive Directors, who shall provide their views after considering the advice from the independent financial adviser) consider that the terms of the Deed are fair and reasonable based on the current market conditions and are on normal commercial terms, accordingly, the Loan Capitalisation is in the interest of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS**

As the Subscription will be satisfied by way of offsetting part of the outstanding principal amount under the Shareholders' Loan owed by the Company to the Creditors, there will be no remaining net proceeds from the allotment and issue of the Subscription Shares available to be utilised by the Company.

## 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 the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds
22 December 2023 and 26 February 2024	Issue of 19,516,000 new Shares under specific mandate	HK\$16.0 million	(i) production and deployment of EV business; (ii) the general working capital	Fully utilized in accordance with the intended use
22 May 2024	Issue of 25,008,000 new Shares under specific mandate	Not applicable	working capital of the Group and for general corporate purposes	Not applicable
2 August 2024	Issue of 47,820,000 new shares under general mandate	HK\$24.0 million	general working capital	Partially utilized in accordance with the intended use

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 953,575,399 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:

	As at the date of this announcement		Immediately after completion of the Subscription	
	<i>Number of Shares</i>	<i>Approx.% of shareholding</i>	<i>Number of Shares</i>	<i>Approx.% of shareholding</i>
<b>Controlling Shareholder, Substantial Shareholders and Directors</b>				
Global Fortune Global Limited (Note 1)	235,603,225	24.71%	235,603,225	23.90%
Glorytwin Limited (Note 2)	72,000,000	7.55%	72,000,000	7.31%

	As at the date of this announcement		Immediately after completion of the Subscription	
	Number of Shares	Approx.% of shareholding	Number of Shares	Approx.% of shareholding
Gaw Capital	58,704,000	6.16%	58,704,000	5.96%
Mr. Wu Jianwei ( <i>Note 1</i> )	52,508,000	5.51%	52,508,000	5.33%
Mr. Pan Wenyan	27,096,000	2.84%	27,096,000	2.75%
Tanner Enterprises Group Limited ( <i>Note 2</i> )	17,392,000	1.82%	17,392,000	1.76%
Mr. Li Man Keung Edwin ( <i>Note 2</i> )	14,712,613	1.54%	14,712,613	1.49%
Mr. Yip Shiu Hong	5,997,905	0.63%	5,997,905	0.61%
Creditor (A) ( <i>Note 1</i> )	8,800,000	0.92%	10,855,562	1.10%
Creditor (B)	47,550,000	4.99%	77,540,446	7.87%

### Public Shareholders

Other public Shareholders	413,211,656	43.33%	413,211,656	41.92%
<b>Total</b>	<b>953,575,399</b>	<b>100.00%</b>	<b>985,621,407</b>	<b>100.00%</b>

### Notes:

- (1) 235,603,225 Shares are held by Global Fortune Global Limited which is owned as to 51% by Mr. Wu Jianwei, the 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. Mr. Liang Zihao directly holds 8,800,000 Shares. The aggregate Shares beneficially owned by Mr. Liang Zihao is 244,403,225 Shares, or 25.63% of total issued Shares. Mr. Wu Jianwei directly holds 52,508,000 Shares. The aggregate Shares beneficially owned by Mr. Wu Jianwei is 288,111,225 Shares, or 30.21% of total issued Shares.
- (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 10.92% of total issued Shares.

### GEM LISTING RULES IMPLICATION

The Creditors are either substantial shareholders or Directors of the Company, and are therefore connected persons of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Subscription will constitute a connected transaction for the Company and is subject to the announcement, reporting and Independent Shareholder's approval requirements under Chapter 20 of the GEM Listing Rules.



In accordance with the GEM Listing Rules, the Creditors 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. 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 the Deed and will be required to abstain from voting on the resolution(s) to approve the Subscription and the Deed 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 and the Deed are on normal commercial terms or better and fair and reasonable, whether the Subscription is in the interests of the Company and the 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 and held for the purpose of considering and, if thought fit, approving (i) the Deed and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandate to allot and issue the Subscription Shares.

A circular containing, among other things, (i) details of the Subscription and the Deed; (ii) the recommendation from the Independent Board Committee in respect of the Subscription and the Deed 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 respect of the Subscription and the Deed and the transactions contemplated thereunder; and (iv) the notice of the EGM, will be dispatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

**Completion is subject to the satisfaction of the conditions precedent in the Subscription and the Deed. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **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 Deed
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Creditor (A)”	Mr. Liang Zihao, an executive Director, a substantial shareholder and co-chairman of the Company
“Creditor (A)’s Loan Agreement”	the agreement dated 16 July 2024 entered into between Creditor (A) and the Company in respect of Debt (A)
“Creditor (B)”	Ms. Wu Yanyan, an executive Director of the Company
“Creditor (B)’s Loan Agreement”	the agreement dated 19 August 2024 entered into between Creditor (B) and the Company in respect of Debt (B)
“Creditors”	collectively Creditor (A) and (B)
“Debt (A)”	the principal amount owing to Creditor (A) by the Company in the amount of HK\$1,000,000 pursuant to the Creditor (A)’s Loan Agreement
“Debt (B)”	the principal amount owing to Creditor (B) by the Company in the amount of HK\$14,664,960 pursuant to the Creditor (B)’s Loan Agreement
“Deed”	the deed of settlement of the Shareholders’ Loan dated 21 January 2025 entered into between the Company and the Creditors for the issue and subscription of the Subscription Shares at the Subscription Price
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve (i) the Deed and the transactions contemplated thereunder; and (ii) the grant of the 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors
“Independent Shareholders”	Shareholder(s) other than those that are required under the GEM Listing Rules to abstain from voting on the resolution(s) to be proposed at the EGM
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Loan Agreements”	collectively Creditor (A)’s Loan Agreement and Creditor (B)’s Loan Agreement
“Loan Capitalisation”	the capitalisation and set off of the Shareholders' Loan pursuant to the terms and conditions under the Deed
“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)
“Shareholders’ Loan”	the total outstanding amount owing to the Creditors by the Company in respect of the Loan Agreements in the aggregate amount of approximately HK\$16,023,004 as at the date of the Deed

“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
“Subscription”	the subscription of the Subscription Shares by the Creditors pursuant to the Deed
“Subscription Price”	HK\$0.50 per Subscription Share
“Subscription Shares”	an aggregate of 32,046,008 Shares to be issued and allotted by the Company to the Creditors pursuant to the Deed
“%”	per cent

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

Hong Kong, 21 January 2025

*As at the date of this announcement, the executive Directors are Mr. LIANG Zihao, Mr. WU Jianwei, Mr. LI Man Keung Edwin, Mr. YIP Shiu Hong, Mr. HO Karl, Mr. PAN Wenyuan and Ms. WU Yanyan, the non-executive Director is Mr. KOH Herbin Puay Teck and the independent non-executive Directors are Ms. IP Ka Lai, Ms. SO Sze Wan Lisa, Mr. TAM Ka Hei Raymond and Ms. YEUNG Pik Wah.*

*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 website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) 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).*