

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

CONTINUING CONNECTED TRANSACTION

The Board is pleased to announce that on 26 February 2025, the Company entered into the Master Agreement with Spark EV relating to the purchases of EV Charging Solutions by Spark EV from the Company for a term commencing from 26 February 2025 and ending on 31 December 2027.

GEM LISTING RULES IMPLICATIONS

As Spark EV is a company indirect non-wholly owned as to approximately 59.3% by Gaw Capital, which is a Substantial Shareholder of the Company upon exercising conversion of the Convertible Notes, the Master Agreement constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As the highest of the applicable percentage ratios (as defined under Chapter 20 of the GEM Listing Rules) for the Proposed Annual Caps for the Transactions under the Master Agreement, on annual basis, are more than 25% and such Proposed Annual Caps is higher than HK\$10 million, such transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. As such, the Company will seek the Independent Shareholders' approval for the Transactions under the Master Agreement.

In accordance with the GEM Listing Rules, Gaw Capital and its associates will be required to abstain from voting on the resolution(s) to approve the Master Agreement 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 Master Agreement and will be required to abstain from voting on the resolution(s) to approve the Master Agreement 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 CCT and the Master Agreement are on normal commercial terms or better and fair and reasonable, whether the CCT 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 Master Agreement and the transactions contemplated thereunder; and (ii) the Proposed Annual Caps in respect of the Transactions contemplated under the Master Agreement.

A circular containing, among other things, (i) details of the CCT and the Master Agreement; (ii) the recommendation from the Independent Board Committee in respect of the CCT and the Master 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 respect of the CCT and the Master Agreement 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.

THE MASTER AGREEMENT

The Company entered into the Master Agreement with Spark EV on 26 February 2025 in relation to the purchases of EV Charging Solutions by Spark EV from the Company for a term commencing from 26 February 2025 and ending on 31 December 2027.

Pursuant to the Master Agreement, Spark EV will purchase EV Charging Solutions from the Company on its standard terms of business or on terms no more favourable to Spark EV than terms available to independent third parties and therefore, the Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice of the independent financial adviser) consider that the level of the terms to Spark EV to be fair and reasonable.

The payment for the purchases of products will be made in cash by Spark EV to the Company within a maximum of 30 days after the issue of an invoice by the Company.

The purchase price to be charged by the Company shall be determined after arm's length negotiations with reference to the prevailing market price and the price it offered to Independent Third Parties. The Company shall enter into individual agreements with Spark EV for the transactions contemplated under the Master Agreement in accordance with the principal terms thereof.

PROPOSED ANNUAL CAPS FOR THE TRANSACTIONS

The Proposed Annual Caps of the aggregate purchases payable by Spark EV to the Company for the Transactions as contemplated under the Master Agreement shall be HK\$160,000,000, HK\$160,000,000 and HK\$140,000,000 for each period ending of 26 February 2025 to 31 December 2025, year ending of 31 December 2026, and year ending of 31 December 2027, respectively, which have been determined based on Spark EV's estimate of the demand for the EV Charging Solutions to be purchased with reference to the stages of the building the EV charging stations across Thailand.

The Proposed Annual Cap was determined after arm's length negotiation between the Company and Spark EV with reference to the estimated EV Charging Solutions to be sold, market price and bulk purchase discount. When determining the Proposed Annual Cap, the Company made reference of 3 EV charging companies. The Proposed Annual Cap aligns with market standards, taking into account various factors such as product quality, cable management, and the support services offered.

The Proposed Annual Cap of HK\$160,000,000, HK\$160,000,000 and HK\$140,000,000 for the estimated sale EV Charging Solutions is aligned with the Company's normal selling price to customers. The price of selling EV Charging Solution is aligned with the Company's pricing policy and remains competitive and consistent with market standards.

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.

Spark EV

Spark EV is a company incorporated under the laws of Thailand, and principally engaged in EV charging operations in Thailand. As at the date of this announcement, Spark EV is indirectly owned as to 35.6% by the Company, indirectly owned as to 59.3% by Gaw Capital and as to 5.1% by other investors.

REASONS FOR ENTERING INTO THE MASTER AGREEMENT

On 26 January 2023, an addendum to the memorandum of understanding on cooperation in the development of EV charging stations and EV pavilions in Bangchak gas stations was entered into between EV Verse, Spark EV and the Company whereas Spark EV is able to build and operate EV charging sites at the gas stations of Bangchak in Thailand. Spark EV shall plan, install, buildout and operate over 600 EV charging stations in Thailand across the target sites assessed by Spark EV.

Spark EV being an associate of the Company and with high demand of EV Charging Solutions, the Directors hold a positive prospect for the future of Spark EV and the EV charging market in Thailand. The Directors are of the view that the entering into the Master Agreement will ensure high quality development of EV Charging Solutions for Spark EV, expand the Company's footprint into Thailand and thereby promoting the Company's capabilities outside of Hong Kong and maintain a good relationship with Spark EV for future collaboration.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice of the independent financial adviser) consider that the terms and conditions of the Master Agreement was 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.

GEM LISTING RULES IMPLICATIONS

As Spark EV is a company indirect non-wholly owned as to approximately 59.3% by Gaw Capital, which is a Substantial Shareholder of the Company upon exercising conversion of the Convertible Notes, the Master Agreement constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As the highest of the applicable percentage ratios (as defined under Chapter 20 of the GEM Listing Rules) for the Proposed Annual Caps for the Transactions under the Master Agreement, on annual basis, are more than 25% and such Proposed Annual Caps is higher than HK\$10 million, such transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. As such, the Company will seek the Independent Shareholders' approval for the Transactions under the Master Agreement.

In accordance with the GEM Listing Rules, Gaw Capital and its associates will be required to abstain from voting on the resolution(s) to approve the Master Agreement 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 Master Agreement and will be required to abstain from voting on the resolution(s) to approve the Master Agreement 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 CCT and the Master Agreement are on normal commercial terms or better and fair and reasonable, whether the CCT 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 Master Agreement and the transactions contemplated thereunder; and (ii) the Proposed Annual Caps in respect of the Transactions contemplated under the Master Agreement.

A circular containing, among other things, (i) details of the CCT and the Master Agreement; (ii) the recommendation from the Independent Board Committee in respect of the CCT and the Master 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 respect of the CCT and the Master Agreement 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.

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
“Bangchak”	Bangchak Corporation Public Company Limited
“Board”	the board of Directors
“CCT”	continuing connected transactions of the Company pursuant to the Master Agreement
“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)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Convertible Notes”	convertible notes issued and to be issued by the Company in accordance with the terms of the convertible notes subscription agreement dated 20 September 2024
“Director(s)”	director(s) of the Company
“EV”	electric vehicle

“EV Charging Solutions”	electric vehicle charging equipments, operation software and installation of the electric vehicle charging equipments provided by the Company to Spark EV pursuant to the Master Agreement
“EV Verse”	EV Verse Company Limited, a company incorporated and existing under the laws of Thailand
“Gaw Capital”	Gaw Capital Partners
“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
“Master Agreement”	the master agreement entered into between the Company and Spark EV on 26 February 2025 in relation to the purchases of EV Charging Solutions by Spark EV from the Company
“Proposed Annual Caps”	the proposed annual cap(s) of the CCT set out in the Master Agreement for the period ending 31 December 2025 and the years ending 31 December 2026 and 31 December 2027
“Shareholder(s)”	holder(s) of the Share(s)
“Spark EV”	Spark EV Company Limited, a company incorporated under the laws of Thailand and an associate of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Transactions”	the transactions contemplated under the Master Agreement
“%”	per cent

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

Hong Kong, 26 February 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 <https://www.hkexnews.hk> for at least seven days after the date of publication and on the Company’s website at www.cstl.com.hk.