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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)

COMPLETION OF
(1) MAJOR TRANSACTION SUBSCRIPTION OF
COMMON SHARES IN THAILAND COMPANY; AND
(2) SUBSCRIPTION OF CONVERTIBLE NOTES UNDER SPECIFIC MANDATE

Financial Adviser to the Company



建泉融資有限公司
VBG Capital Limited

Reference is made to the announcements of Cornerstone Technologies Holdings Limited (the “**Company**”) dated 20 September 2024 and 23 September 2024 (the “**Announcements**”) and the circular of the Company dated 4 October 2024 in relation to the major transaction regarding the subscription of common shares in Spark EV Limited and the issue of the convertible notes in the aggregate principal amount of HK\$200 million by the Company under specific mandate. Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

COMPLETION OF THE SUBSCRIPTION OF COMMON SHARES IN THAILAND COMPANY AND THE SUBSCRIPTION OF CONVERTIBLE NOTES UNDER SPECIFIC MANDATE

The Board is pleased to announce that all the conditions precedent to the Common Shares Subscription Agreement and the CN Subscription Agreement have been fulfilled and completion of the Common Shares Subscription and the CN Subscription took place on 6 December 2024.

Upon the completion of the Common Shares Subscription and the CN Subscription, the Company is interested in an aggregate of 35.6% equity interest of Spark and the Company shall issue the Convertible Notes pursuant to the terms and conditions of the CN Subscription Agreement. Accordingly, Spark will be accounted for as an associate of the Company and its financial results will not be consolidated into the consolidated financial statements of the Group.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Immediately following full exercise of the conversion rights attaching to the Convertible Notes, the shareholding structure of the Company will be as follows:

	As at the day of this announcement		After allotment of the Tranche 1 Conversion Shares upon full conversion of the Tranche 1 Convertible Notes at the initial Conversion Price <i>(For illustration purpose only)</i>		After allotment of the Tranche 1 and Tranche 2 Conversion Shares upon full conversion of the Tranche 1 and Tranche 2 Convertible Notes at the initial Conversion Price <i>(For illustration purpose only)</i>		Upon full conversion of the Convertible Notes at the initial Conversion Price, without taking into account the Conversion Restrictions <i>(For illustration purpose only)</i>		Upon full conversion of the Convertible Notes at the initial Conversion Price, subject to the Conversion Restrictions <i>(For illustration purpose only)</i>	
	Number of Shares	Approx.% of shareholding	Number of Shares	Approx.% of shareholding	Number of Shares	Approx.% of shareholding	Number of Shares	Approx.% of shareholding	Number of Shares	Approx.% of shareholding
Controlling Shareholder, Substantial Shareholders and Directors										
Global Fortune Global Limited <i>(Note 1)</i>	235,603,225	24.71%	235,603,225	20.88%	235,603,225	18.98%	235,603,225	17.41%	235,603,225	18.43%
Glorytwin Limited <i>(Note 2)</i>	72,000,000	7.55%	72,000,000	6.38%	72,000,000	5.80%	72,000,000	5.32%	72,000,000	5.63%
Mr. Wu Jianwei <i>(Note 1)</i>	52,508,000	5.51%	52,508,000	4.65%	52,508,000	4.23%	52,508,000	3.88%	52,508,000	4.11%
Ms. Wu Yanyan	47,550,000	4.99%	47,550,000	4.21%	47,550,000	3.83%	47,550,000	3.51%	47,550,000	3.72%
Mr. Pan Wenyuan	27,096,000	2.84%	27,096,000	2.40%	27,096,000	2.18%	27,096,000	2.00%	27,096,000	2.12%
Tanner Enterprises Group Limited <i>(Note 2)</i>	17,392,000	1.82%	17,392,000	1.54%	17,392,000	1.40%	17,392,000	1.28%	17,392,000	1.36%
Mr. Li Man Keung Edwin <i>(Note 2)</i>	14,712,613	1.54%	14,712,613	1.30%	14,712,613	1.19%	14,712,613	1.09%	14,712,613	1.15%
Mr. Liang Zihao <i>(Note 1)</i>	8,800,000	0.92%	8,800,000	0.78%	8,800,000	0.71%	8,800,000	0.65%	8,800,000	0.69%
Mr. Yip Shiu Hong	5,997,905	0.63%	5,997,905	0.53%	5,997,905	0.48%	5,997,905	0.44%	5,997,905	0.47%
Gaw Capital	58,704,000	6.16%	233,704,000	20.71%	346,204,000	27.90%	458,704,000	33.89%	383,334,000	29.99%
Public	413,211,656	43.33%	413,211,656	36.62%	413,211,656	33.29%	413,211,656	30.54%	413,211,656	32.33%
	<u>953,575,399</u>	<u>100.00%</u>	<u>1,128,575,399</u>	<u>100.00%</u>	<u>1,241,075,399</u>	<u>100.00%</u>	<u>1,353,575,399</u>	<u>100.00%</u>	<u>1,278,205,399</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. 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.
- (3) Please refer to the paragraph headed “Conversion rights” in the section headed “Convertible Note” above for details of the Conversion Restrictions. Given the Conversion Restrictions, there will be no change of control of the Company on exercise of the conversion rights under the Conversion Note.
- (4) The shareholding number and percentage stated here are for illustration purpose only. The conversion of the Convertible Notes is limited by the conversion restrictions (i.e. if the conversion by the Noteholder would trigger any mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the exercising bond holders or parties acting in concert with them, or reduce the public float of the Company to less than 25% (or any given percentage as required by the GEM Listing Rules for the minimum percentage of Shares being held by the public as per Rule 11.23 of the GEM Listing Rules) of the issued Shares of the Company at the time in compliance with the GEM Listing Rules, then the conversion by the Noteholder shall be restricted until and unless the regulatory requirements under the Takeovers Code and the Listing Rules are fully complied with), such that Noteholder shall convert the Convertible Notes to an extent which would reduce the public float of the Company to below the percentage prescribed under the GEM Listing Rules, or trigger the mandatory offer obligation under the Takeovers Code on the part of the exercising Noteholder and parties acting in concert with them, until and unless the regulatory requirements under the Takeovers Code and the GEM Listing Rules are fully complied with. Subject to the Conversion Restrictions, the issue of the Conversion Shares will not result in a change of control of the Company.

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

Hong Kong, 6 December 2024

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 for at least seven days after the date of publication and on the Company’s website at www.cstl.com.hk.