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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)**

### **(1) MAJOR TRANSACTION SUBSCRIPTION OF COMMON SHARES IN THAILAND COMPANY; AND**

### **(2) SUBSCRIPTION OF CONVERTIBLE NOTES UNDER SPECIFIC MANDATE**

#### **Financial Adviser to the Company**



#### **SUBSCRIPTION OF COMMON SHARES IN THAILAND COMPANY**

The Board is pleased to announce that on 20 September 2024 (after trading hours), CB Asset One entered into the Common Shares Subscription Agreement with Spark pursuant to which CB Asset One has conditionally agreed to subscribe for an aggregate of 35.6% equity interest of Spark in common shares, on a fully diluted basis, at the aggregate subscription price of HK\$180 million, pursuant to which the parties agreed to establish the JV Arrangement upon completion.

Upon completion of the Common Shares Subscription Agreement, Spark and its shareholders (including CB Asset One) shall enter into a Shareholders' Agreement to set out the shareholders' rights and obligations in relation to Spark as the joint venture and to regulate the operation and management of Spark, which will be owned as to 35.6% by CB Asset One, on a fully diluted basis. A total amount of HK\$180 million will be contributed in cash by CB Asset One pursuant to the Common Shares Subscription Agreement. CB Asset One has no current intention to inject further capital into Spark.

## **SUBSCRIPTION OF CONVERTIBLE NOTES UNDER SPECIFIC MANDATE**

On 20 September 2024 (after trading hours), the Company entered into the CN Subscription Agreement with the Subscriber, pursuant to which the Company agreed to issue and the Subscriber agreed to subscribe in cash for the Convertible Notes in the aggregate principal amount of HK\$200 million at the Conversion Price of the lower of 80% of the 90-days VWAP or HK\$0.50 per Conversion Share.

Based on the initial Conversion Price of HK\$0.50 per Conversion Share, a total of 400,000,000 Conversion Shares (subject to the Conversion Restrictions) will be allotted and issued upon exercise of the conversion rights attached to the Convertible Notes in full, representing (i) approximately 41.95% of the total number of Shares in issue as at the date of this announcement, and (ii) approximately 29.55% of the total number of Shares in issue as enlarged by the allotment and issue of the 400,000,000 Conversion Shares (subject to the Conversion Restrictions) upon full conversion of the Convertible Notes.

The gross proceeds from the CN Subscription will be HK\$200 million. The estimated net proceeds from the CN Subscription after deduction of expenses, will amount to approximately HK\$199.5 million, which will be used as (i) HK\$180 million for the Common Shares Subscription, which will be utilised as Spark's capital expenses and working capital for the build-out and operation of over 600 EV charging sites at the gas stations of Bangchak in Thailand; and (ii) the remaining HK\$19.5 million for the general working capital of the Group.

## **GEM LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the entering into of the Common Shares Subscription Agreement and the transactions contemplated thereunder exceeds 25% but is less than 100%, the entering into of the Common Shares Subscription Agreement and the transactions contemplated thereunder constitute a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As the Conversion Shares shall be allotted and issued under the Specific Mandate, a general meeting will be convened to consider and, if thought fit, approve the CN Subscription Agreement and the transactions contemplated thereunder.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Subscriber is controlled by a fund managed and controlled by Gaw Capital and/or its affiliates as at the date of this announcement. As such, Gaw Capital, an existing Shareholder of the Company, is required to abstain from voting on the resolutions of approving the Agreements and the transactions contemplated thereunder as it has a material interest in the transactions.

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Conversion Shares.

## **EGM**

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

A circular, containing, among other things, (i) further information on the Common Shares Subscription Agreement and the transactions contemplated thereunder; (ii) further information on the CN Subscription Agreement and the transactions contemplated thereunder; and (iii) other information required under the GEM Listing Rules, is expected to be despatched by the Company to the Shareholders on or before 30 September 2024 in accordance with the GEM Listing Rules. Save for the above, to the best knowledge, information and belief of the Directors, as at the date of this announcement, no Director and no other Shareholder has a material interest in the Agreements and is required to abstain from voting at the EGM.

**Shareholders and potential investors of the Company should note that the Agreements are conditional upon fulfilment or waiver of the conditions precedent under the Agreements. There is no assurance that the completion of the Common Shares Subscription (including the formation of the JV Arrangement) and the completion of the CN Subscription will take place or as to when it may take place. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.**

## **(1) THE COMMON SHARES SUBSCRIPTION AGREEMENT**

The Board is pleased to announce that on 20 September 2024 (after trading hours), CB Asset One entered into the Common Share Subscription Agreement with Spark, pursuant to which CB Asset One has conditionally agreed to subscribe for an aggregate of 35.6% equity interest of Spark in common shares, on a fully diluted basis, at the aggregate subscription price of HK\$180 million pursuant to which the parties agreed to establish the JV Arrangement upon completion.

Date: 20 September 2024 (after trading hours)

Parties: (1) CB Asset One; and

(2) Spark

### **JV Arrangement**

Pursuant to the Common Shares Subscription Agreement, Spark has conditionally agreed to issue and CB Asset One has conditionally agreed to subscribe for an aggregate of 35.6% equity interest of Spark in common shares at the aggregate subscription price of HK\$180 million in three tranches. On the same date, the Subscriber entered into a Preference Shares Subscription Agreement with Spark, pursuant to which the Subscriber has conditionally agreed to subscribe for equity interest of Spark in preference shares (holder(s) of which shall enjoy key rights of distribution priority and agreed return upon occurrence of liquidation events over the holder(s) of common shares) in three tranches.

Upon completion of the Tranche 1 under the Common Shares Subscription Agreement, Spark and its shareholders (including CB Asset One) shall enter into a Shareholders' Agreement to set out the shareholders' rights and obligations in relation to Spark as the joint venture and to regulate the operation and management of Spark, which will be owned as to 35.6% by CB Asset One, on a fully diluted basis. A total amount of HK\$180 million will be contributed in cash by CB Asset One pursuant to the Common Shares Subscription Agreement. Upon Completion, the Subscriber shall be a majority shareholder of Spark whereas EV Verse shall have a minority interest in Spark. The capital contribution of CB Asset One and the Subscriber are based on the same valuation, and EV Verse's minority interest is sweat equity. CB Asset One has no current intention to inject further capital into Spark.

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. The aggregate capital contribution of HK\$180 million by CB Asset One will be funded by the proceeds from the CN Subscription.

The total capital contribution to Spark and the amount of capital contributions was determined after arm's length negotiation between, inter alia, CB Asset One and Spark with reference to the initial capital expenditure of Spark and CB Asset One's shareholding interest in Spark.

## **Condition precedent**

### ***Tranche 1 Common Shares***

Completion of the Tranche 1 Common Shares is conditional upon, among others, the following conditions precedent (or waived in accordance with the terms and conditions of the Common Shares Subscription Agreement) on or before the Initial Long Stop Date:

- (a) all conditions precedent of the CN Subscription in connection with funding for Tranche 1 having been satisfied (or waived) in accordance with the CN Subscription Agreement;
- (b) Spark having obtained all the necessary consents and approvals from the relevant Government Authorities (including but not limited to Thailand Board of Investments) for completion of the Common Share Subscription and the Subscription, respectively; and
- (c) other customary conditions precedent, including certain representations and warranties of Spark being true and correct in all respects, and certain documents as required under the Common Shares Subscription Agreement being delivered by and to the parties;

provided, however, at any time before the Initial Long Stop Date, CB Asset One may, at its discretion, waive the satisfaction of any conditions precedent above (other than conditions precedent (a) and (b)) subject to the terms and conditions of the Common Shares Subscription Agreement.

### ***Tranche 2 Common Shares***

Completion of the Tranche 2 Common Shares is conditional upon, among others, the following condition being satisfied (or waived in accordance with the terms and conditions of the Common Shares Subscription Agreement) on or before the Adjustment Long Stop Date:

- (a) Spark having obtained the BOI promotion certificate confirming the shareholding percentage to include the JV Partners and the Company's investment;
- (b) Spark having obtained foreign business certificate confirming that the Company is permitted to have a majority of foreign shareholders;
- (c) Spark having obtained copy of (i) the minutes of a duly held meeting of the shareholder(s) of the Company approving the capital increase in the Tranche 2 Payment; and (ii) adopting the articles of association of such capital increase;
- (d) the completion of the subscription of the Tranche 1 Common Shares having taken place in accordance with the provisions of the Common Shares Subscription Agreement;

- (e) all conditions precedent of the CN Subscription in connection with funding for Tranche 2 having been satisfied (or waived) in accordance with the CN Subscription Agreement; and
- (f) other customary conditions precedent, including certain representations and warranties of Spark being true and correct in all respects, and certain documents as required under the Common Shares Subscription Agreement being delivered by and to the parties,

provided, however, at any time before the Adjustment Long Stop Date, CB Asset One may, at its discretion, waive the satisfaction of the conditions precedent above (other than conditions precedent (a), (b), (e) and condition precedent (b) in Tranche 1 Common Shares) subject to the terms and conditions of the Common Shares Subscription Agreement.

### ***Tranche 3 Common Shares***

Completion of the Tranche 3 Common Shares is conditional upon, among others, the following conditions precedent (or waived in accordance with the terms and conditions of the Common Shares Subscription Agreement) on or before the Adjustment Long Stop Date:

- (a) the completion of the subscription of the Tranche 1 Common Shares and the Tranche 2 Common Shares having taken place in accordance with the provisions of the Common Shares Subscription Agreement;
- (b) all conditions precedent of the CN Subscription in connection with funding for Tranche 3 having been satisfied (or waived) in accordance with the CN Subscription Agreement; and
- (c) other customary conditions precedent, including certain representations and warranties of Spark being true and correct in all respects, and certain documents as required under the Common Shares Subscription Agreement being delivered by and to the parties,

provided, however, at any time before the Adjustment Long Stop Date, CB Asset One may, at its discretion, waive the satisfaction of the conditions precedent above (other than conditions precedent (b) and condition precedent (b) in Tranche 1 Common Shares) subject to the terms and conditions of the Common Shares Subscription Agreement.

## **Exclusive Management Services**

Pursuant to the Shareholders' Agreement, the relationship between the Company and Spark shall be governed in accordance with the terms and conditions under a service agreement to be entered into between Spark and the Company (including the requisite service level agreements, shall be subject to the review and agreement by the JV Partners) upon completion of the Common Shares Subscription Agreement and Preference Shares Subscription Agreement. It is preliminary arranged that the Company's scope of work in relation to the service agreement to be entered into is as follows.

The Company shall perform all work necessary for the complete execution and completion of the design, procurement, construction, and commissioning of EV charging stations across Thailand, including but not limited to:

- design and engineering
- procurement of equipment and materials
- construction and installation
- testing and commissioning

In consideration of entering into the service agreement, the Company shall receive a retainer fee to secure the Company's availability and commitment to providing the work above as well as a contractor fee equal to 10% of the total capital expenditure required to construct each EV charging station.

## **Equity transfer**

Pursuant to the Shareholders' Agreement, shareholders of Spark will have a customary right of first refusal with respect to any shares of Spark proposed to be transferred (directly or indirectly) by any shareholder to any third party.

## **INFORMATION ON THE PARTIES TO THE JV ARRANGEMENT**

### **CB Asset One**

CB Asset One Limited, a wholly-owned subsidiary of the Company, which is a company incorporated and existing under the laws of Hong Kong. Its principal business is investment holding.



## **The Subscriber**

The Subscriber is controlled by a fund that is managed and controlled by Gaw Capital and/or its affiliates as at the date of this announcement. Gaw Capital, which is led and managed by Goodwin Gaw, Kenneth Gaw, Christina Gaw and Hing Bong Humbert Pang, is a private equity fund management company focusing on real estate and private equity markets in Asia Pacific and other high barrier-to-entry markets globally. Gaw Capital's investments span the entire spectrum of real estate sectors, including carparks, residential development, offices, retail malls, hospitality, logistics warehouses and Internet data centre projects. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, as of the date of this announcement, Gaw Capital, Goodwin Gaw, Kenneth Gaw, Christina Gaw and Hing Bong Humbert Pang and their respective associates are Independent Third Parties.

## **EV Verse**

EV Verse is an investment holding company incorporated and existing under the laws of Thailand, and its ultimate beneficial owners are and is owned as to 50% by Coco Capital Co., Limited, which is owned as to 95% by Mr. Voravee Plookcharoen, with the remainder by investors including Krisdakom Construction Co., Limited which is owned as to 97% by Mr. Somkiat Jiebna, and by Mr. Sahapattara Suprakob, and as of the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, they and their respective associates are Independent Third Parties.

Mr. Voravee Plookcharoen, the CEO of EV Verse, was CEO of Solar One. His experience in the solar panel business provides him with good background in electrical system installation, project management and procurement, as well as regulatory compliance and coordination with the local electric authorities (MEA and PEA).

Mr. Somkiat Jiebna is the founder and beneficial owner of Kridsakorn Construction Co., Limited, boasting over 20 years of experience in the construction industry. He is well-respected in the government sector for his leadership on critical projects, such as the Pak Taklong Water Pumping Station optimization and various water source development initiatives, underscoring his dedication to sustainable development and environmental conservation.

Mr. Sahaphattara Suprakob is a prominent figure in the construction and financial sectors, holding significant roles in multiple companies, including Kridsakorn Construction Co., Limited and Green Wellness Innovation. With over 20 years of experience in credit management at Siam Commercial Bank, he brings substantial financial expertise and strategic insight to his various leadership positions.



## Spark

Spark is a company incorporated and existing under the laws of Thailand on 12 January 2024, it is principally engaged in EV charging operations in Thailand, as at the date of this announcement, there is no key financial information of Spark as it was incorporated on 12 January 2024 with less than a full year of business operation. As of the date of this announcement, Spark is owned as to 1% by Mr. Sahaphattara Suprakob and as to 99% by investors including EV Verse. Prior to the entering of the Common Shares Subscription Agreement, the Company has initiated 3 pilot sites which are engaged in the operations of EV charging stations with Spark to promote stakeholder's and potential investors' interests in Spark. As at 30 June 2024, the Company has lent approximately HK\$2.9 million to build these 3 EV charging stations. The Company understands that the business plan of Spark is in compliant with all the relevant laws and regulations of Thailand.

## REASONS FOR AND BENEFITS OF ENTERING INTO THE COMMON SHARES SUBSCRIPTION AGREEMENT

References are made to the voluntary announcements of the Company dated 19 March 2024, 17 June 2024 and 17 July 2024 (the “**Voluntary Announcements**”), pursuant to which the Company has signed a non-binding term sheet with a potential investor for a potential sizeable investment to support the Company's overseas expansion of its EV charging business in Thailand. Upon completion of the Common Shares Subscription and Preference Shares Subscription, the Company will enter into a definitive agreement, namely the Shareholders' Agreement, whereby the Company leveraging the resources and capital injection from the Subscriber, and the local resources and network of parties concerned including but not limited to Mr. Sahaphattara Suprakob and Mr. Voravee Plookcharoen, are able to strengthen its presence in the EV charging industry in the Southeast Asia region. Spark shall plan, install, build-out and operate over 600 EV chargers in Thailand across the target sites assessed by Spark. The total investment amount for the installation, build-out and operation of the Company into Spark shall be HK\$180 million which shall be allocated as to 42% of the total contribution to Tranche 1, 28.5% of the total contribution to Tranche 2 and 29.5% of the total contribution to Tranche 3. It is expected that Spark shall utilise the entire contribution by the end of 2029. It is anticipated that CB Asset One's contribution into Spark shall be utilised to fund the installation and operation of initial chargers in Tranche 1 commencing upon completion of the Tranche 1 Common Shares. Further contribution by CB Asset One into Spark in Tranche 2 and Tranche 3 shall be subject to the achieving of the agreed average daily utilization rate and average CAPEX of the chargers installed in Tranche 1 (“**Tranche 2 Milestone**”) and the chargers installed in Tranche 1 and Tranche 2 (“**Tranche 3 Milestone**”), respectively, and shall be utilised to fund the installation and operation of chargers to be installed in Tranche 2 and Tranche 3, respectively.

Pursuant to the 2023 Annual Report of the Company, the Group's financial performance of the EV charging business has been outstanding, the revenue of the Group increased from HK\$31.8 million for the year ended 31 December 2022 to HK\$78.1 million for the year ended 31 December 2023, representing a growth of 145.6%, whereas the gross profit of the Group from HK\$3.2 million for the year ended 31 December 2022 to HK\$14.2 million for the year ended 31 December 2023, representing a growth of 343.8%. The Hong Kong SAR Government, together with the Thai government, are supportive to the overall development of, and investments in green technology, EV infrastructure and e-mobility ecosystem. The Group's investments into Spark, with the initiatives and supports of these two governments, is primed to benefit from the substantial EV charging market presented in Thailand. Taking into account that Thailand is gradually increasing the demand for EV charging stations with the government's support and general trend globally, the Common Shares Subscription Agreement marks the start of the expansion of CB Asset One into the EV charging business in Thailand and a potential substantial growth for CB Asset One. Prior to the signing of the Common Shares Subscription Agreement, CB Asset One has conducted due diligence on Spark including but not limited to reviewing the legal, accounting and other document and files commercial due diligence on the market and background checks of the JV Partners, and CB Asset One is satisfied with the results.

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 and the Company whereas Spark is able to build and operate EV charging sites at the gas stations of Bangchak in Thailand. The proceeds from the capital injection by CB Asset One and the JV Partners will be used to fund Spark's capital expenses and working capital for the build-out and operation of an agreed number of EV charging sites at the gas stations of Bangchak in multiple tranches. As at the date of this announcement, Bangchak is a Thailand based energy company listed on the Stock Exchange of Thailand (SET: BCP) and is principally engaged in the refining and marketing of petroleum products as well as investing in and operating green power plants including solar power, hydro power and wind power in Thailand and internationally.

The Directors believe that the establishment of the JV Arrangement and the cooperation with the JV Partners will help the Group seize the opportunities to expand its EV charging business into Thailand. To leverage on the background and experience of the parties and the cooperation with Bangchak, Spark shall thrive in its business operations in the EV charging business in Thailand, and the Group will thereby obtain the management advantages and potential return in investment which will in turn benefit the long-term operation and development of the Group's EV charging business.

The terms of the Common Shares Subscription Agreement and the JV Arrangement were arrived at after arm's length negotiations. The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Common Shares Subscription Agreement and the JV Arrangement 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.

## **(2) SUBSCRIPTION OF CONVERTIBLE NOTES UNDER SPECIFIC MANDATE**

On 20 September 2024 (after trading hours), the Company entered into the CN Subscription Agreement with the Subscriber, pursuant to which the Company agreed to issue and the Subscriber agreed to subscribe in cash for the Convertible Notes in the aggregate principal amount of HK\$200 million at the Conversion Price of the lower of 80% of the 90-days VWAP or HK\$0.50 per Conversion Share.

Set out below are the principal terms of the CN Subscription Agreement:

Date : 20 September 2024 (after trading hours)

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

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Subscriber is controlled by a fund that is managed and controlled by Gaw Capital and/or its affiliates as at the date of this announcement. As such, Gaw Capital as an existing Shareholder of the Company is required to abstain from voting on the resolutions of approving the CN Subscription Agreement and the transactions contemplated thereunder as it has a material interest in the transactions.

### **CN Subscription**

Subject to the fulfilment of the conditions precedent and the terms and conditions of the CN Subscription Agreement, the Subscriber shall subscribe for, and the Company shall issue to the Subscriber, the Convertible Notes in the aggregate principal amount of HK\$200 million.

### **Conditions Precedent**

#### ***Tranche 1 Convertible Notes***

Completion of the subscription of the Tranche 1 Convertible Notes shall be conditional upon, among others, the following conditions precedent being satisfied (or if applicable, waived) on or before the Tranche 1 Long Stop Date:

- (a) all conditions precedent of the Common Shares Subscription in connection with funding for Tranche 1 having been satisfied (or if applicable, waived) in accordance with the Common Shares Subscription Agreement;
- (b) the Shares remaining listed, traded and are not suspended from trading on the GEM;

- (c) the Company having obtained the approval from the Stock Exchange for the listing of, and permission to deal in the Conversion Shares issued by the Company upon conversion of the Convertible Notes (including the Tranche 1 Convertible Notes, Tranche 2 Convertible Notes and Tranche 3 Convertible Notes), and such approval not having been revoked or cancelled prior to completion of the subscription and conversion of such Convertible Notes by the investors to the Convertible Notes;
- (d) the parties having complied with all applicable requirements under the GEM Listing Rules, and/or having completed, obtained and fulfilled all necessary approvals, notices and clearances of any relevant regulatory authorities or other relevant third parties as required (including but limited to requisite shareholders' approval if so required) in respect of the issuance of the Convertible Notes and the transactions contemplated thereunder, if applicable;
- (e) the Company having obtained the approval of the issuance of the Convertible Notes and the transactions contemplated thereunder, including the grant of the Specific Mandate; and
- (f) other customary conditions precedent, including certain representations and warranties of the Company being true and correct in all respects, no material adverse effect to the Company having taken place and certain documents as required under the CN Subscription Agreement being delivered by and to the parties,

provided, however, at any time before Tranche 1 Long Stop Date, the Subscriber may waive the satisfaction of the conditions precedent, save for conditions precedent (a), (b), (c), (d), (e) and certain conditions precedent of (f) above which shall not be waived.

### ***Tranche 2 Convertible Notes***

Completion of the subscription of the Tranche 2 Convertible Notes shall be conditional upon, among others, the following conditions precedent being satisfied (or if applicable, waived) on or before the Tranche 2 Long Stop Date:

- (a) certain conditions precedent as set forth in the Tranche 1 Convertible Notes shall repeat herein and remain subsisting, valid, and not having been revoked or cancelled prior to completion date of Tranche 2;
- (b) completion of Tranche 1 Convertible Notes having taken place in accordance with the terms and conditions of the CN Subscription Agreement;
- (c) all conditions precedent of the Common Shares Subscription in connection with funding for Tranche 2 having been satisfied (or waived) in accordance with the Common Shares Subscription Agreement;

- (d) other customary conditions precedent, including certain representations and warranties of the Company being true and correct in all respects, no material adverse effect to the Company having taken place and certain documents as required under the CN Subscription Agreement being delivered by and to the parties,

provided, however, at any time before Tranche 2 Long Stop Date, the Subscriber may waive the satisfaction of the conditions precedent above, save for conditions precedent (a), (b), (c) and certain conditions precedent of (d) above which shall not be waived.

### ***Tranche 3 Convertible Notes***

Completion of the subscription of the Tranche 3 Convertible Notes shall be conditional upon, among others, the following conditions precedent being satisfied (or if applicable, waived) on or before the Tranche 3 Long Stop Date:

- (a) certain conditions precedent as set forth for the Tranche 1 Convertible Notes shall repeat herein and remain subsisting, valid, and not having been revoked or cancelled prior to the completion date of Tranche 3;
- (b) completion of Tranche 1 Convertible Notes and Tranche 2 Convertible Notes in accordance with the terms and conditions of the CN Subscription Agreement;
- (c) all conditions precedent of the Common Shares Subscription in connection with funding for Tranche 3 having been satisfied (or waived) in accordance with the Common Shares Subscription Agreement;
- (d) other customary conditions precedent, including certain representations and warranties of the Company being true and correct in all respects, no material adverse effect to the Company having taken place and certain documents as required under the CN Subscription Agreement being delivered by and to the parties,

provided, however, at any time before Tranche 3 Long Stop Date, the Subscriber may waive the satisfaction of the conditions precedent above, save for conditions precedent (a), (b), (c) and certain conditions precedent of (d) above which shall not be waived.

### **Completion**

Completion of Tranche 1 Convertible Note, Tranche 2 Convertible Note, and Tranche 3 Convertible Note shall take place at 5:00 p.m. on the tenth (10th) Business Day after the date (not being later than Tranche 1 Long Stop Date, Tranche 2 Long Stop Date, and Tranche 3 Long Stop Date, as the case may be) upon which the last condition precedent in connection with Tranche 1 Convertible Note, Tranche 2 Convertible Note, and Tranche 3 Convertible Note (as the case may be) is satisfied or waived (or such other date and at such place as may be agreed in writing between the Subscriber and the Company). The Subscriber shall pay the Tranche 1 Subscription Price, Tranche 2 Subscription Price, and Tranche 3 Subscription Price to the Company in cash at completion of Tranche 1 Convertible Note, Tranche 2 Convertible Note, and Tranche 3 Convertible Note, respectively.

## Principal terms of the Convertible Notes

The principal terms of the Convertible Notes are as follows:

Issuer:	The Company
Aggregate principal amount of the Convertible Notes:	Tranche 1 Convertible Note: HK\$95,600,000 ( <b>“Tranche 1 Subscription Price”</b> ) Tranche 2 Convertible Note: HK\$51,300,000 ( <b>“Tranche 2 Subscription Price”</b> ) Tranche 3 Convertible Note: HK\$53,100,000 ( <b>“Tranche 3 Subscription Price”</b> )
Interest:	The Convertible Notes shall accrue 6.00% annually on the outstanding principal amount and shall be payable annually starting from the end of 2 <sup>nd</sup> anniversary of the initial drawdown
Maturity Date:	the date falling on the fifth (5th) anniversary of the date of the issuance of the Tranche 1 Convertible Note. All the Convertible Notes shall have the same Maturity Date.
Conversion Right:	The Noteholder shall have the right to convert all or any part of the Convertible Notes at any time from the date of issue of the Convertible Notes up to the Maturity Date. The number of Shares to be issued upon exercise of the Conversion Right attaching to any Convertible Notes shall be determined by dividing the principal amount and unpaid accrued interest of the Convertible Notes by the Conversion Price in effect on the the date of the Conversion. No fractions of a Conversion Share will be issued to any Noteholder upon the conversion of Convertible Notes and the number of Conversion Shares to be issued upon such conversion of Convertible Notes shall be rounded up to the nearest whole number of Conversion Shares.
Automatic Conversion:	Subject to the conversion restrictions pursuant to the terms and conditions under the Convertible Notes, prior to the Maturity Date, the principal and unpaid accrued interest on the Convertible Notes will automatically convert into the Conversion Shares upon the occurrence of the following:  (a) Consolidated EBITDA is higher than zero(0) for each period of 12 months ending on the last day of each quarter of the Company’s financial year, and;

- (b) the Company has completed the build-out of the 1,000 Approved EV Charging Stations to the Subscriber's satisfaction, and;
- (c) the total capital expenditure for building the Approved EV Charging Stations does not exceed HK\$770 million, and;
- (d) the 90 days VWAP (prior to the date of occurrence of the last Milestone) is not less than HK\$1.0 per Share (subject to adjustment, from time to time in accordance with the terms and conditions according to the CN Agreement (adjustments to the Conversion Price),

(each, the “**Milestone**”, and collectively the “**Automatic Conversion Milestones**”).

Upon the occurrence of the Automatic Conversion Milestones, subject to the conversion restrictions under the terms and conditions of the Convertible Notes, the Convertible Notes shall be automatically converted within 45 business days subject to the conversion procedure under the terms and conditions of the Convertible Notes.

#### Conversion Restrictions:

The Company shall only allot the Convertible Shares to the Noteholder if immediately following the exercise of conversion rights by the Noteholder:

- (a) the Company will be able to satisfy the public float requirement under the GEM Listing Rules;
- (b) the Noteholder and persons acting in concert with them will not be required to make a general offer under Rule 26 of the Code on Takeovers and Mergers or such obligations having been waived (regardless of whether the obligation to make general offer arises from the allotment and issue of Conversion Shares upon the exercise of the conversion rights under the convertible notes); and
- (c) the Noteholder will not be in breach of any relevant laws, rules and regulations, including but not limited to the GEM Listing Rules and Code on Takeovers and Mergers.



Conversion price:

The initial Conversion Price is the lower of 80% to the 90-days VWAP or HK\$0.50 per Conversion Share

HK\$0.50 per Conversion Share represents:

- (i) a discount of approximately 21.88% to the closing price of HK\$0.64 per Share as quoted on the Stock Exchange on 19 September 2024, being the last trading day immediately preceding the date of the CN Subscription Agreement;
- (ii) a discount of approximately 24.24% to the average closing price of HK\$0.66 per Share as quoted on the Stock Exchange in the last five consecutive trading days immediately preceding the date of the CN Subscription Agreement; and
- (iii) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 9.27% represented by the theoretical diluted price of approximately HK\$0.592 to the benchmarked price of HK\$0.652 per Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the closing price on the last trading day immediately preceding the date of the CN Subscription Agreement of HK\$0.64 and the average closing price of the Shares for the last five consecutive trading days immediately preceding the date of the CN Subscription Agreement of HK\$0.66 per Share).

The equity fund raising activities for the past twelve months together with the CN Subscription resulted in a cumulative theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 13.31%, which is below 25% as required under Rule 10.44A of the GEM Listing Rules.

Conversion Shares:

Pursuant to the CN Subscription Agreement, in addition to the Automatic Conversion Milestones, the Noteholder shall have the right to convert all or any part of the Convertible Notes at any time from the date of issue of the Convertible Notes up to the Maturity Date. Based on the initial Conversion Price of HK\$0.50 per Conversion Share, a total of 400,000,000 Conversion Shares (subject to the Conversion Restrictions and adjustments to the Conversion Price) will be allotted and issued upon exercise of the conversion rights attached to the Convertible Notes in full, representing (i) approximately 41.95% of the total number of Shares in issue as at the date of this announcement; (ii) approximately 25.40% of the total number of Shares in issue as enlarged by the allotment and issue of the 324,630,000 Conversion Shares (taking into account the Conversion Restrictions); and (iii) approximately 29.55% of the total number of Shares in issue as enlarged by the allotment and issue of the 400,000,000 Conversion Shares (without taking into account the Conversion Restrictions adjustments to the Conversion Price) upon full conversion of the Convertible Notes, and comprising of:

Tranche 1 Convertible Note:

191,200,000 Conversion Shares, which represent approximately 20.05% of the existing issued share capital of the Company and approximately 16.70% of the enlarged issued share capital of the Company upon the full conversion of the Tranche 1 Convertible Note.

Tranche 2 Convertible Note:

102,600,000 Conversion Shares, which represent approximately 10.76% of the existing issued share capital of the Company and approximately 9.71% of the enlarged issued share capital of the Company upon the full conversion of the Tranche 2 Convertible Note.

Tranche 3 Convertible Note:

106,200,000 Conversion Shares, which represent approximately 11.14% of the existing issued share capital of the Company and approximately 10.02% of the enlarged issued share capital of the Company upon the full conversion of the Tranche 3 Convertible Note.

Adjustments to the Conversion Price:

The Conversion Price will be subject to adjustment(s) for the following adjustment events:

- (i) distribution to the shareholders;
- (ii) bonus issues;
- (iii) alteration to the nominal value of the Shares as result of consolidation or subdivision;
- (iv) issue, grant or offer Shares, rights and share-related securities;
- (v) issue of other securities to shareholders;
- (vi) issue of Shares at below current market price;
- (vii) issue of share-related securities other than to shareholders;
- (viii) amendment of terms of rights or share-related securities;
- (ix) demerger of the Group; and
- (x) other events the bondholder reasonably determines that an adjustment should be made to the Conversion Price.

Transferability:

The Convertible Notes may be transferred or otherwise disposal of, by the Subscriber, subject to the terms and conditions of the Convertible Notes.

Security:

The Company shall pledge its entire stake in Spark as first priority security interest to the Subscriber.

Ranking of Conversion Shares:

The Conversion Shares will rank pari passu in all respects with the Shares in issue as at the date of conversion.

Application for listing: No application will be made for a listing of the Convertible Notes. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

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

The gross proceeds from the CN Subscription will be HK\$200.0 million. The estimated net proceeds from the CN Subscription after deduction of expenses, will amount to approximately HK\$199.5 million, which will be used as (i) HK\$180 million for the Common Shares Subscription which will be utilised as Spark's capital expenses and working capital for the build-out and operation of over 600 EV charging sites at the gas stations of Bangchak in Thailand, with approximately 53.0%, 28.5% and 29.5% to be utilised for Tranche 1, Tranche 2 and Tranche 3; and (ii) the remaining HK\$19.5 million for the general working capital of the Group.

The Board considers that the CN Subscription represents a good opportunity to expand its business into Thailand and strengthen its EV charging presence in the Southeast Asia region. The terms of the CN Subscription (including the initial Conversion Price) was arrived at after arm's length negotiations with reference to the terms of the JV Arrangement, the prospects of expanding the Company's business into Thailand, and the current market conditions. Given the Subscriber shall also invest into Spark together with the Company, should the JV Arrangement goes according to the proposed business plan, it represents great business opportunity and brings a new income stream to the Company. The Subscriber brings potential synergies to the Company and the CN Subscription is in the interests of the Shareholders as a whole. The JV Arrangement represents an opportunity for the Company to capture capital gain and equity in terms of the business expansion of Spark, whereas the CN Subscription shall facilitate the capital required for the investment into Spark. As the JV Arrangement requires a capital contribution of HK\$180 million, the Company was able to secure financing from the Subscriber in the form of the Convertible Notes so as to capture the opportunities arising from the JV Arrangement.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the CN Subscription Agreement (including the Conversion 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.

## **EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY**

For illustrative purposes only, the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon full conversion of the Tranche 1 Convertible Note (assuming that there are no other changes to the shareholding structure of the Company from the date of this announcement up to the full conversion of the Tranche 1 Convertible Note); (iii) immediately upon full conversion of the Tranche 1 Convertible Note and Tranche 2 Convertible Note (assuming that there are no other changes to the shareholding structure of the Company from the date of this announcement up to the full conversion of the Tranche 1 Convertible Note and Tranche 2 Convertible Note); (iv) immediately upon full conversion of the Convertible Notes without taking into account the Conversion Restrictions (assuming that there are no other changes to the shareholding structure of the Company from the date of this announcement up to the full conversion of the Convertible Notes); (v) immediately upon full conversion of the Convertible Notes subject to the Conversion Restrictions (assuming that there are no other changes to the shareholding structure of the Company from the date of this announcement up to the full conversion of the Convertible Notes ; (vi) immediately after the issue of the subscription shares, according to the announcement published by the Company on 22 May 2024, assuming there will be no change in the total number of Shares in issue (other than the issue of the abovementioned subscription shares); (vii) immediately after the issue of the award shares, according to the announcement published by the Company on 28 June 2024, assuming there will be no change in the total number of Shares in issue (other than the issue of the abovementioned award shares); (viii) immediately after the issue of the emolument shares, according to the announcement published by the Company on 28 June 2024 assuming there will be no change in the total number of Shares in issue (other than the issue of the abovementioned emolument shares); (ix) immediately after the issue of the consultant shares, according to the announcement published by the Company on 28 June 2024, assuming there will be no change in the total number of Shares in issue (other than the issue of the abovementioned consultant shares); and (x) assuming all events are effective is as follows:

	As at the date of this announcement	Upon full conversion of the Tranche 1 Convertible Note at the initial Conversion Price (For illustration purpose only)	Upon full conversion of the Tranche 1 Convertible Note and Tranche 2 Convertible Note at the initial Conversion Price (For illustration purpose only)	Upon full conversion of the Convertible Notes at the initial Conversion Price, without taking into account the Conversion Restrictions (For illustration purpose only)	Upon full conversion of the Convertible Notes at the initial Conversion Price, subject to the Conversion Restrictions (For illustration purpose only)	Immediately after the issue of the subscription shares, according to the announcement published by the Company on 22 May 2024, assuming there will be no change in the total number of Shares in issue (other than the issue of the above-mentioned subscription shares)	Immediately after the issue of the award shares, according to the announcement published by the Company on 28 June 2024, assuming there will be no change in the total number of Shares in issue (other than the issue of the above-mentioned award shares)	Immediately after the issue of the emolument shares, according to the announcement published by the Company on 28 June 2024 assuming there will be no change in the total number of Shares in issue (other than the issue of the above-mentioned emolument shares)	Immediately after the issue of the consultant shares, according to the announcement published by the Company on 28 June 2024, assuming there will be no change in the total number of Shares in issue (other than the issue of the above-mentioned consultant shares)	Assuming all events are effective
	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 (Note 1)	235,603,225	24.71%	235,603,225	18.89%	235,603,225	17.41%	235,603,225	18.43%	235,603,225	24.08%
Glorywin Limited (Note 2)	72,000,000	7.55%	72,000,000	5.77%	72,000,000	5.32%	72,000,000	5.63%	72,000,000	7.36%
Ms. Wu Yanyan	47,550,000	4.99%	47,550,000	3.81%	47,550,000	3.51%	47,550,000	3.72%	47,550,000	4.48%
Mr. Pan Wenyuan	27,096,000	2.84%	27,096,000	2.17%	27,096,000	2.00%	27,096,000	2.12%	27,096,000	2.53%
Tanner Enterprises Group Limited (Note 2)	17,392,000	1.82%	17,392,000	1.39%	17,392,000	1.28%	17,392,000	1.36%	17,392,000	1.62%
Mr. Ko Shu Ki Kenneth	3,712,000	0.39%	3,712,000	0.30%	3,712,000	0.27%	3,712,000	0.29%	3,712,000	0.35%
Mr. Wu Jianwei (Note 1)	52,508,000	5.51%	52,508,000	4.21%	52,508,000	3.88%	52,508,000	4.11%	52,508,000	4.90%
Mr. Li Man Keung Edwin (Note 2)	14,712,613	1.54%	14,712,613	1.18%	14,712,613	1.09%	14,712,613	1.15%	14,712,613	1.37%
Mr. Liang Zihao (Note 1)	8,800,000	0.92%	8,800,000	0.71%	8,800,000	0.65%	8,800,000	0.69%	8,800,000	0.82%
Mr. Yip Shiu Hong	5,997,905	0.63%	5,997,905	0.48%	5,997,905	0.44%	5,997,905	0.47%	5,997,905	0.61%
Mr. Ho Karl	–	0.00%	–	0.00%	–	0.00%	–	0.00%	–	0.00%
Mr. Ng Sze Chun	2,998,953	0.31%	2,998,953	0.24%	2,998,953	0.22%	2,998,953	0.23%	2,998,953	0.27%
Mr. Lau Wai Yan Lawson	22,802,703	2.39%	22,802,703	1.84%	22,802,703	1.68%	22,802,703	1.78%	22,802,703	2.33%
VBG Capital Limited	–	0.00%	–	0.00%	–	0.00%	–	0.00%	–	0.00%
Gaw Capital	58,704,000	6.16%	249,904,000	21.83%	352,504,000	28.26%	458,704,000	33.89% <sup>†</sup>	58,704,000	6.03%
Public	383,698,000	40.24%	383,698,000	30.76%	383,698,000	28.35%	383,698,000	30.02%	383,698,000	39.21%
	953,575,399	100.00%	1,144,755,399	100.00%	1,247,375,399	100.00%	1,353,575,399	100.00%	1,588,536,399	100.00%

*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) 81,000,000 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 Shares 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 113,104,613 Shares, or 12.76% 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 Convertible Notes.
- (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 GEM 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.



## 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:

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds
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
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 100,000,000 unlisted warrants under specific mandate	Not applicable	working capital of the Group and for general corporate purposes	Not applicable
28 June 2024	Issue of 117,749,000 new Shares under specific mandate	Not applicable	award shares for management	Not applicable
28 June 2024	Issue of 19,384,000 new Shares under specific mandate	Not applicable	emolument shares for C-suite	Not applicable
28 June 2024	Issue of 25,000,000 new Shares under specific mandate	Not applicable	consultant fee	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

## GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the entering into of the Common Shares Subscription Agreement and the transactions contemplated thereunder exceeds 25% but is less than 100%, the entering into of the Common Shares Subscription Agreement and the transactions contemplated thereunder constitute a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As the Conversion Shares shall be allotted and issued under the Specific Mandate, a general meeting will be convened to consider and, if thought fit, approve the CN Subscription Agreement and the transactions contemplated thereunder.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Subscriber is controlled by a fund managed and controlled by Gaw Capital and/or its affiliates as at the date of this announcement. As such, Gaw Capital, an existing Shareholder of the Company is required to abstain from voting on the resolutions of approving the Agreements and the transactions contemplated thereunder as it has a material interest in the transactions. Save for the above, to the best knowledge, information and belief of the Directors, as at the date of this announcement, no director and no other shareholder has a material interest in the Agreements and is required to abstain from voting at the EGM.

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Conversion Shares.

## EGM

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

A circular, containing, among other things, (i) further information on the Common Shares Subscription Agreement and the transactions contemplated thereunder; (ii) further information on the CN Subscription Agreement and the transactions contemplated thereunder; and (iii) other information required under the GEM Listing Rules; is expected to be despatched by the Company to the Shareholders on or before 30 September 2024 in accordance with the GEM Listing Rules. Save for the above, to the best knowledge, information and belief of the Directors, as at the date of this announcement, no Director and no other Shareholder has a material interest in the Agreements and is required to abstain from voting at the EGM.

**Shareholders and potential investors of the Company should note that the the Agreements are conditional upon fulfilment of the conditions precedent under the Agreements. There is no assurance that the of the JV Arrangement and the completion of the CN Subscription will take place or as to when it may take place. Shareholders and potential investors should therefore 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:

<b>“Adjustment Long Stop Date”</b>	31 December 2027 or such other date as the parties may agree in writing;
<b>“Agreements”</b>	the Common Shares Subscription Agreement and the CN Subscription Agreement
<b>“Approved EV Charging Stations”</b>	the electric vehicle charging stations located at the gas stations operated by Bangchak as approved by the Subscriber
<b>“associate(s)”</b>	has the meaning ascribed to it under the GEM Listing Rules
<b>“Bangchak”</b>	Bangchak Corporation Public Company Limited
<b>“Board”</b>	the board of Directors
<b>“Business Day(s)”</b>	any day on which the Stock Exchange is open for the business of dealing in securities
<b>“CB Asset One”</b>	CB Asset One Limited, a wholly-owned subsidiary of the Company, incorporated and existing under the laws of Hong Kong.
<b>“CN Subscription”</b>	the subscription of the Convertible Notes pursuant to the terms and conditions of the CN Subscription Agreement under the Specific Mandate
<b>“CN Subscription Agreement”</b>	the conditional subscription agreement dated 20 September 2024 and entered into between the Company as issuer and the Subscriber
<b>“Common Shares Subscription”</b>	the aggregate subscription of 35.6% equity interest of Spark in common shares by CB Asset One in tranches pursuant to the terms and conditions of the Common Shares Subscription Agreement
<b>“Common Shares Subscription Agreement”</b>	the subscription agreement dated 20 September 2024 and entered into between CB Asset One and Spark
<b>“Company”</b>	Cornerstone Technologies Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM (stock code: 8391)
<b>“Completion”</b>	completion of the Common Shares Subscription Agreement

<b>“connected person(s)”</b>	has the meaning ascribed to it under the GEM Listing Rules
<b>“Conversion Price”</b>	the conversion price per Conversion Share (subject to adjustments) of the Convertible Notes and being the lower of 80% to the 90-days VWAP or HK\$0.50 per Conversion Share initially
<b>“Conversion Share(s)”</b>	the Shares to be issued and allotted upon conversion of the Convertible Notes
<b>“Convertible Notes”</b>	Tranche 1 Convertible Note, Tranche 2 Convertible Note and Tranche 3 Convertible Note
<b>“Conversion Restrictions”</b>	the restrictions on the conversion of the Convertible Shares to the holder(s)
<b>“Director(s)”</b>	director(s) of the Company
<b>“EGM”</b>	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Agreements and the transactions contemplated thereunder including but not limited to the allotment and issue of the Conversion Shares
<b>“EV”</b>	electric vehicle
<b>“EV Verse”</b>	EV Verse Company Limited, a company incorporated and existing under the laws of Thailand
<b>“Gaw Capital”</b>	Gaw Capital Partners
<b>“GEM”</b>	GEM operated by the Stock Exchange
<b>“GEM Listing Rules”</b>	the Rules Governing the Listing of Securities on GEM
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Independent Third Party(ies)”</b>	third party(ies) independent of the Company and its connected persons

<b>“Initial Long Stop Date”</b>	30 November 2024 or such other date as the parties may agree in writing
<b>“JV Arrangement”</b>	the arrangement of between CB Asset One and the JV Partners for the holding and operation of Spark subject to the terms and conditions of the Shareholders’ Agreement
<b>“JV Partners”</b>	shareholders of Spark, other than CB Asset One
<b>“Listing Committee”</b>	the listing committee of the Stock Exchange
<b>“Maturity Date”</b>	5 years from the date of the issuance of the Tranche 1 Convertible Notes
<b>“Noteholder(s)”</b>	holder of the Convertible Notes
<b>“Preference Shares Subscription”</b>	the subscription of equity interest of Spark in preference shares by the Subscriber in tranches pursuant to the terms and conditions of the Preference Shares Subscription Agreement
<b>“Preference Shares Subscription Agreement”</b>	the subscription agreement dated 20 September 2024 and entered into between the Subscriber and Spark
<b>“Share(s)”</b>	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of the Company
<b>“Shareholder(s)”</b>	holder(s) of the Share(s) of the Company
<b>“Shareholders’ Agreement”</b>	the agreement to be entered into between CB Asset One and the JV Partners in relation to the arrangement, inter alia the shareholders’ right and each shareholders’ commitment and responsibilities, of Spark
<b>“Spark”</b>	Spark EV Company Limited, a company incorporated under the laws of Thailand, being the subject vehicle of the Shareholders’ Agreement
<b>“Specific Mandate”</b>	the specific mandate for the allotment and issue of the Conversion Shares which is subject to the approval by the Shareholders at the EGM
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited

<b>“Subscriber”</b>	Floryn Passie Limited
<b>“Tranche 1”</b>	completion of the initial number of Approved EV Charging Stations
<b>“Tranche 2”</b>	completion of the additional number of Approved EV Charging Stations following Tranche 1
<b>“Tranche 3”</b>	completion of the additional number of Approved EV Charging Stations following Tranche 1 and Tranche 2
<b>“Tranche 1 Common Shares”</b>	711,521 common shares of Spark
<b>“Tranche 2 Common Shares”</b>	1 common share of Spark
<b>“Tranche 3 Common Shares”</b>	1 common share of Spark
<b>“Tranche 1 Convertible Note”</b>	the 6.0% coupon convertible notes due on Maturity Date in the principal amount of HK\$95,600,000 to be issued by the Company to the Subscriber in accordance with the terms of the CN Subscription Agreement
<b>“Tranche 2 Convertible Note”</b>	the 6.0% coupon convertible notes due on Maturity Date in the principal amount of HK\$51,300,000 to be issued by the Company to the Subscriber in accordance with the terms of the CN Subscription Agreement
<b>“Tranche 3 Convertible Note”</b>	the 6.0% coupon convertible notes due on Maturity Date in the principal amount of HK\$53,100,000 to be issued by the Company to the Subscriber in accordance with the terms of the CN Subscription Agreement
<b>“Tranche 1 Long Stop Date”</b>	30 November 2024 or such other date as the parties may agree in writing;
<b>“Tranche 2 Long Stop Date”</b>	31 December 2027 or such other date as the parties may agree in writing;
<b>“Tranche 3 Long Stop Date”</b>	31 December 2027 or such other date as the parties may agree in writing;
<b>“VWAP”</b>	volume weighted adjusted price

“%”

per cent

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

Hong Kong, 20 September 2024

*As at the date of this notice, 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).*