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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) TERMINATION OF THE PLACING OF CONVERTIBLE BONDS;**
- (2) PLACING OF NEW SHARES UNDER GENERAL MANDATE; AND**
- (3) RESUMPTION OF TRADING**

#### **Placing Agent**



**建泉融資有限公司**  
**VBG Capital Limited**

#### **TERMINATION OF THE CB PLACING AGREEMENT**

Reference is made to the announcement of Cornerstone Technologies Holdings Limited (the “**Company**”) dated 31 July 2024 (the “**Announcement**”) in relation to the placing of the Convertible Bonds in the aggregate principal amount of HK\$34,450,000. Unless otherwise defined, capitalised terms herein shall have the same meanings as defined in the Announcement.

The Board announces that on 1 August 2024 (after trading hours), the Company and the Placing Agent entered into a termination agreement pursuant to which the Company and the Placing Agent mutually agreed to terminate the CB Placing Agreement with effect from 1 August 2024, and all rights, interests, obligations and liabilities whatsoever of the parties of the CB Placing Agreement arising thereunder or in relation to the CB Placing Agreement shall cease and determine and no party to the CB Placing Agreement shall have any claim against the other party in respect of any matter arising out of or in connection with the CB Placing Agreement.

The Directors are of the view that the termination of the CB Placing Agreement and the CB Placing contemplated thereunder has no material adverse impact on the business operations and financial position of the Group.

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 2 August 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, a maximum of 65,000,000 Placing Shares at the Placing Price of HK\$0.53 per Placing Share to not less than six Placees who and whose beneficial owners shall be Independent Third Parties.

Assuming there will be no change in the number of issued Shares between the date of this announcement and the date of Completion, the maximum number of 65,000,000 Placing Shares represent (i) approximately 7.18% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 6.70% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK\$0.53 represents (i) a discount of approximately 19.70% to the closing price of HK\$0.66 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 15.87% to the average closing price per Share of approximately HK\$0.63 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

Assuming the maximum 65,000,000 Placing Shares are fully placed, the gross proceeds and net proceeds (after deducting the placing commission and other related expenses) are estimated to be approximately HK\$34.5 million and HK\$32.7 million respectively. The Company intends to apply the net proceeds from the Placing for capital expenditure for the expansion of electric vehicle charging projects in Hong Kong and general working capital of the Group.

## **TRADING RESUMPTION**

The Company applied to the Stock Exchange for trading halt of the Shares with effect from 9:00 a.m. on Thursday, 1 August 2024 pending the release of this supplemental announcement so as to release inside information and furnish all information necessary to allow our Shareholders and potential investor to make properly informed decisions. The operations of the Group have been continuing normally, and, apart from this announcement, there is nothing that needs to be brought to the attention of our Shareholders in relation to the Placing and the termination of the CB Placing Agreement and CB Placing. Application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:00a.m. on Monday, 5 August 2024.

**Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment of the conditions precedent to completion of the Placing and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## TERMINATION OF THE CB PLACING AGREEMENT

Reference is made to the announcement of Cornerstone Technologies Holdings Limited (the “**Company**”) dated 31 July 2024 (the “**Announcement**”) in relation to the placing of the Convertible Bonds in the aggregate principal amount of HK\$34,450,000. Unless otherwise defined, capitalised terms herein shall have the same meanings as defined in the Announcement.

The Board announces that on 1 August 2024 (after trading hours), the Company and the Placing Agent entered into a termination agreement pursuant to which the Company and the Placing Agent mutually agreed to terminate the CB Placing Agreement with effect from 1 August 2024, and all rights, interests, obligations and liabilities whatsoever of the parties of the CB Placing Agreement arising thereunder or in relation to the CB Placing Agreement shall cease and determine and no party to the CB Placing Agreement shall have any claim against the other party in respect of any matter arising out of or in connection with the CB Placing Agreement.

The Directors are of the view that the termination of the CB Placing Agreement and the CB Placing contemplated thereunder has no material adverse impact on the business operations and financial position of the Group.

## THE PLACING

The Board announces that on 2 August 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company agreed to issue and the Placing Agent agreed to procure, on a best effort basis, not less than six (6) Placees, who will be Independent Third Parties, to subscribe for up to 65,000,000 Placing Shares at the Placing Price of HK\$0.53 per Placing Share.

Details of the Placing Agreement are set out as follows:

## THE PLACING AGREEMENT

### Date

2 August 2024 (after trading hours)

### Parties

Issuer: The Company

Placing Agent: VBG Capital Limited

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries as at the date of this announcement, the Placing Agent is an Independent Third Party.

The Placing Agent has conditionally agreed with the Company to place a maximum of 65,000,000 Placing Shares on a best effort basis to not less than six Placees who and whose ultimate beneficial owners will be Independent Third Parties. The Placees shall be individual, institutional or professional investors. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after Completion, further announcement will be made by the Company.

## **Placing Shares**

As at the date of this announcement, the Company has 905,755,399 Shares in issue. Assuming there will be no change in the maximum number of issued Shares between the date of this announcement and the date of Completion, the maximum number of 65,000,000 Placing Shares represent (i) approximately 7.18% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 6.70% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares is HK\$650,000.

## **Placing Price**

The Placing Price of HK\$0.53 represents

- (i) a discount of approximately 19.7% to the closing price of HK\$0.66 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 15.87% to the average closing price per Share of approximately HK\$0.63 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

## **General Mandate**

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 28 June 2024. Pursuant to the General Mandate, the total number of new Shares that the Directors are authorized to allot and issue is 181,151,079 new Shares. As at the date of this announcement, the General Mandate has yet been utilised. Accordingly, the Placing Agreement and the transactions contemplated therein including the issue and allotment of Placing Shares under the General Mandate are not subject to Shareholders' approval.

## **Commission**

The Placing Agent will be entitled to a commission of 5.0% of the aggregate Placing Price for the Placing Shares successfully placed by the Placing Agent in accordance with the Placing Agreement. The placing commission was negotiated on an arm's length basis between the Company and the Placing Agent. Reference is made to the announcement of the Company dated 28 June 2024, pursuant to which, the Company entered into a service agreement with the Placing Agent on 28 June 2024 (the “**Service Agreement**”) whereas the Placing Agent shall act as the financial adviser to the Company in offering advice, information, insights, and recommendations to the Company of any proposed transaction in relation to the GEM Listing Rules for a period of five (5) years commencing on the date of the Service Agreement. Accordingly, the Placing does not fall within the scope of work of the Service Agreement.

## **Ranking of the Placing Shares**

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the existing Shares in issue on the date of allotment and issue of the Placing Shares.

## **Conditions of the Placing**

Completion of the Placing is conditional upon the fulfillment of all of the following:

- (i) the GEM Listing Committee having granted the listing of, and permission to deal in, the Placing Shares;
- (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and
- (iii) the Placing Agreement not having been terminated pursuant to the terms of the Placing Agreement.

If any of the conditions are not fulfilled on or before 23 August 2024 or such later date as the parties of the Placing Agreement may agree in writing, the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses.

## **Application for listing**

The Company will apply to the GEM Listing Committee for the listing of, and permission to deal in the Placing Shares.

## **Completion**

The Completion shall take place on a date falling within 3 Business Days after the fulfillment of the conditions set out above are satisfied (or such later date as may be agreed between the parties of the Placing Agreement in writing).

## **Termination**

If at any time between the execution of the Placing Agreement and the Completion Date, there develops occurs or comes into force:

- (i) the Company fails to comply with its material obligations under the Agreement;
- (ii) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of this Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would materially and adversely affect the success of the Placing; or
- (iii) any of the warranties of the Company under the Placing Agreement is not, or has ceased to be, true, accurate and not misleading in material respect by reference to the facts subsisting at the time;

then and in any such case, the Placing Agent may terminate the Placing Agreement without any liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to the Completion Date.

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

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

Assuming the maximum 65,000,000 Placing Shares are fully placed, the gross proceeds and net proceeds (after deducting the placing commission and other related expenses) are estimated to be approximately HK\$34.5 million and HK\$32.7 million respectively. The Company shall use the capital expenditure for the expansion of electric vehicle charging projects in Hong Kong and investment in electric vehicle charging infrastructure and general working capital of the Group and therefore providing more flexibility to the Company in its future cash management. It is anticipated that the expected time of full utilisation of the net proceeds will be by 30 September 2024.

The Directors consider that the terms of the Placing Agreement and the transactions contemplated thereunder (including the Placing, the Placing Price and the placing commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## FUND RAISING ACTIVITIES BY 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 or 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 utilised 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
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

## EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion, assuming that there is no change in the issued share capital of the Company between the date of this announcement and the Completion:

	As at the date of this Announcement		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>approx. %</i>	<i>Number of Shares</i>	<i>approx. %</i>
<b>Controlling Shareholder, Substantial Shareholders and Directors</b>				
Golden Fortune Global Limited ( <i>Note 1</i> )	235,603,225	26.01%	235,603,225	24.27%
Glory Twin Limited ( <i>Note 2</i> )	72,000,000	7.95%	72,000,000	7.42%
Gaw Capital	58,704,000	6.48%	58,704,000	6.05%
Mr. Wu Jianwei ( <i>Note 1</i> )	52,508,000	5.80%	52,508,000	5.41%
Ms. Wu Yanyan	47,550,000	5.25%	47,550,000	4.90%
Mr. Pan Wenyan	27,096,000	2.99%	27,096,000	2.79%
Tanner Enterprises Group Limited ( <i>Note 2</i> )	17,392,000	1.92%	17,392,000	1.79%
Mr. Li Man Keung Edwin	14,712,613	1.62%	14,712,613	1.52%
Mr. Liang Zihao	8,800,000	0.97%	8,800,000	0.91%
Mr. Ko Shu Ki Kenneth	3,712,000	0.41%	3,712,000	0.38%
Mr. Yip Shiu Hong	5,997,905	0.66%	5,997,905	0.62%
<b>Placees</b>	—	—	65,000,000	6.70%
<b>Other public Shareholders</b>	<u>361,679,656</u>	<u>39.93%</u>	<u>361,679,656</u>	<u>37.26%</u>
<b>Total</b>	<u><u>905,755,399</u></u>	<u><u>100.00%</u></u>	<u><u>970,799,399</u></u>	<u><u>100.00%</u></u>



*Notes:*

- (1) 235,603,225 Shares are held by Global Fortune Global Limited which is owned as to 51% by Mr. Wu Jianwei, the non-executive Director and Co-Chairman of the Board, and as to 49% by Mr. Liang Zihao, the executive Director and Co-Chairman of the Board.
- (2) 72,000,000 Shares are held by Glorytwin Limited which is wholly owned by Mr. Li Man Keung Edwin, Executive Director and Vice Chairman of the Board. 17,392,000 are held by Tanner Enterprises Group Limited which is wholly owned by Mr. Li Man Keung Edwin. Mr. Li Man Keung Edwin also directly holds 14,712,613 Shares. The aggregate Shares beneficially owned by Mr. Li Man Keung Edwin is 104,104,613 Shares, or 11.49% of total issued Shares.

Reference is made to the announcements of the Company dated 22 May 2024 and 28 June 2024 in relation to, (i) issue and allotment of new Shares to Mr. Wu Jianwei, Mr. Liang Zihao and Mr. Li Man keung Edwin; (ii) issue and allotment of award shares to Mr. Yip Shiu Hong, Mr. Lau Wai Yan Lawson, Mr. Ng Sze Chun and Mr. Karl Ho; (iii) issue and allotment of emolument shares to Mr. Yip Shiu Hong, Mr. Ng Sze Chun and Mr. Karl Ho; and (iv) issue and allotment of consultant shares to VBG Capital Limited (the “**Transactions**”). It is anticipated that upon the completion of the Transactions, the shareholding of the public shareholders is expected to be 37.59%. Upon the completion of the Placing and the Transactions, the shareholding of the public shareholders is expected to be 39.01%.

## TRADING RESUMPTION

The Company applied to the Stock Exchange for trading halt of the Shares with effect from 9:00 a.m. on Thursday, 1 August 2024 pending the release of this supplemental announcement so as to release inside information and furnish all information necessary to allow our Shareholders and potential investor to make properly informed decisions. The operations of the Group have been continuing normally, and, apart from this announcement, there is nothing that needs to be brought to the attention of our Shareholders in relation to the Placing and the termination of the CB Placing Agreement and CB Placing. Application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:00a.m. on Monday, 5 August 2024.

**Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment of the conditions precedent to completion of the Placing and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or a public holiday) on which banks are open for business in Hong Kong

“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”	the completion of the Placing Agreement
“connected person”	has the meaning set out in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM Listing Committee”	the GEM Listing Committee of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 28 June 2024 to allot, issue or deal with up to 181,151,079 Shares, representing 20% of the total number of Shares in issue as at 28 June 2024 (i.e. the date of the annual general meeting of the Company), being 905,755,399 Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Placee(s)”	any individuals, corporate, institutional investors or other investors who are Independent Third Parties, procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares, on a best effort basis, procured by the Placing Agent to the Placees, on and subject to the terms and conditions set out in the Placing Agreement
“Placing Agent”	VBG Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 2 August 2024 entered into between the Company and the Placing Agent in relation to the Placing

“Placing Price”	the placing price of HK\$0.53 per Placing Share
“Placing Share(s)”	a maximum up to 65,000,000 new Shares to be placed pursuant to the Placing Agreement
“Shareholder(s)”	holders(s) of the Shares
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 2 August 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).*