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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)

PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

Placing Agent



VBG Capital Limited

PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

On 31 July 2024 (after trading hours), the Company entered into the CB Placing Agreement with the Placing Agent, 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 in cash for the Convertible Bonds in the aggregate principal amount of HK\$34,450,000 at the issue price of 100% of the principal amount of the Convertible Bonds.

Assuming full exercise of the conversion rights attaching to the Convertible Bonds at the initial Conversion Price of HK\$0.53 per Conversion Share, a maximum of 65,000,000 new Shares will be allotted and issued by the Company, representing (i) approximately 7.18% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 6.70% of the total number of issued Shares as enlarged by the issue of 65,000,000 Conversion Shares (assuming there is no other change in the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds).

Assuming all the Convertible Bonds are successfully placed by the Placing Agent, the net proceeds from the CB Placing will be approximately HK\$32.7 million, which will be used by the Company for general working capital of the Group.

GENERAL

The CB Placing is not subject to the Shareholders' approval as the Conversion Shares falling to be issued upon conversion of the Convertible Bonds will be issued under the General Mandate. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

Shareholders and potential investors of the Company should note that the CB Placing is subject to the fulfilment of the conditions precedent under the CB Placing Agreement. As the CB Placing may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

On 31 July 2024 (after trading hours), the Company entered into the CB Placing Agreement with the Placing Agent, 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 in cash for the Convertible Bonds in the aggregate principal amount of HK\$34,450,000 at the issue price of 100% of the principal amount of the Convertible Bonds.

Set out below are the principal terms of the CB Placing Agreement:

Date : 31 July 2024 (after trading hours)

Parties : (1) the Company as Issuer; and
(2) the Placing Agent.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

CB Placing commission

In consideration of the services of the Placing Agent in connection with the CB Placing, the Company shall pay the Placing Agent a placing commission of 5.0% of the aggregate principal amount of the Convertible Bonds to be issued under the CB Placing Agreement. The placing commission is arrived at after arm's length negotiations between the Company and the Placing Agent.

CB Placing

Pursuant to the CB Placing Agreement, 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 in cash for the Convertible Bonds in the aggregate principal amount of HK\$34,450,000 at the issue price of 100% of the principal amount of the Convertible Bonds.

Conditions of the CB Placing

The CB Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Conversion Shares;
- (ii) the Stock Exchange having approved the issue of the Convertible Bonds, or the Company not having received any objection from the Stock Exchange to the issue of the Convertible Bonds; and
- (iii) none of the representations, warranties or undertakings given by the Company under the CB Placing Agreement being or having become untrue, inaccurate or misleading in any respect at any time before the CB Placing Agreement becoming unconditional and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any respect if it was repeated as at the time of Completion.

If any of the conditions precedent above is not fulfilled at or before 5:00 p.m. (Hong Kong time) on the Long Stop Date (or such later time or date as may be agreed between the Placing Agent and the Company in writing), all obligations of the Placing Agent and of the Company under the CB Placing Agreement shall cease and terminate and none of the parties shall have any claim against the other in relation thereto.

Completion

Completion of the CB Placing shall take place within three (3) Business Days after the fulfilment (or waiver, if applicable) of the above conditions precedent (or on such later date as the Company and the Placing Agent may agree in writing).

Termination

(A) Notwithstanding anything contained in the CB Placing Agreement, if, at any time prior to 10:00 a.m. on the Completion Date, in the reasonable opinion of the Placing Agent that the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (i) any material breach of any of the representations and warranties set out pursuant to the terms and conditions of the CB Placing Agreement; or
- (ii) any of the following events:
 - (a) any new law or regulation or any change or development involving a prospective change in existing laws or regulations in Hong Kong which in the reasonable opinion of the Placing Agent has or is likely to have a material adverse effect on the financial position of the Group as a whole;
 - (b) any significant change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the reasonable opinion of the Placing Agent is or would be materially adverse to the success of the Placing; or
 - (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (d) a change or development involving a prospective change in taxation in Hong Kong or Cayman Islands or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or
 - (e) any change or deterioration in the conditions of local, national or international securities markets occurs,

then and in any such case, the Placing Agent may terminate the CB Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 10:00 a.m. on the Completion Date.

- (B) In the event that the Placing Agent terminates the CB Placing Agreement pursuant to the termination clause, all obligations of each of the parties under the CB Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with this Agreement except for any breach arising prior to such termination.

Principal terms of the Convertible Bonds

The principal terms of the Convertible Bonds are as follows:

Issuer	:	The Company
Issue price	:	100% of the principal amount
Principal amount	:	HK\$34,450,000
Interest rate	:	4.0% per annum payable semi-annually
Conversion price	:	The Conversion Price per Conversion Share shall be HK\$0.53, which
		(a) represents a discount of approximately 19.70% to the closing price of HK\$0.66 per Share as quoted on the Stock Exchange on 31 July 2024, being the date of the CB Placing Agreement; and
		(b) represents a discount of approximately 14.24% over the average closing price of HK\$0.618 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the CB Placing Agreement.

The Conversion Price is subject to adjustments as hereafter described.

Adjustment events : Subject as hereinafter provided, the Conversion Price shall from time to time be adjusted in accordance with the following relevant provisions and so that if the event giving rise to any such adjustment shall be such as would be capable of falling within more than one of sub-paragraphs (1) to (7) inclusive of this Condition VIII A, it shall fall within the first of the applicable paragraphs to the exclusion of the remaining paragraphs:

- i. If and whenever the Shares by reason of any consolidation or sub-division become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{B}$$

where:

A = the revised nominal amount; and

B = the former nominal amount.

Each such adjustment shall be effective from the close of business in Hong Kong on the same day as the date on which the consolidation or sub-division becomes effective.

- ii. If and whenever the Company shall issue (other than in lieu of a cash dividend) any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the following fraction:

$$\frac{C}{C+D}$$

where:

C = the aggregate nominal amount of the issued Shares immediately before such issue; and

D = the aggregate nominal amount of the Shares issued in such capitalisation.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for such issue.

- iii. If and whenever the Company shall make any Capital Distribution (as defined in Condition VIII B) (except where, and to the extent that, the Conversion Price falls to be adjusted under sub-paragraph (2) above) to holders (in their capacity as such) of Shares (whether on a reduction of capital or otherwise) or shall grant to such holders rights to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be adjusted by multiplying it by the following fraction:

$$\frac{E-F}{E}$$

where:

E = the market price per share (as defined in Condition VIII B) on the date on which the Capital Distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) next preceding the date of the Capital Distribution or, as the case may be, of the grant; and

F = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by an approved merchant bank of the portion of the Capital Distribution or of such rights which is attributable to one Share,

Provided that:

1. if in the opinion of the relevant approved merchant bank, the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine, and in such event the above formula shall be construed as if F meant the amount of the said market price which should properly be attributed to the value of the Capital Distribution or rights; and
2. the provisions of this sub-paragraph (3) shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the Capital Distribution or grant.

- iv. If and whenever the Company shall after the date hereof offer to holders of Shares new Shares for subscription by way of rights, or shall grant to holders of Shares any options, warrants or other rights to subscribe for or purchase any Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer by the following fraction:

$$\frac{G + \frac{H \times I}{J}}{G + H}$$

where:

G = the number of Shares in issue immediately before the date of such announcement;

H = the aggregate number of Shares so offered for subscription;

I = the amount (if any) payable for the rights, options or warrants or other rights to subscribe for each new Share, plus the subscription price payable for each new Share; and

J = the greater of either the closing price per Share on the trading day immediately prior to such announcement or the Conversion Price in effect immediately prior to the trading day immediately prior to such announcement.

Such adjustment shall become effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer.

- v. (i) If and whenever the Company shall issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the Total Effective Consideration per Share (as defined below in this sub-paragraph 5) initially receivable for such securities is less than the greater of either the closing price per Share at the date of the announcement of the terms of issue of such securities or the Conversion Price in effect immediately prior to the date of the announcement of the terms of issue of such securities (for the purpose of this section (i), the “**Applicable Price**”), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by a fraction of which the numerator is the number of Shares in issue immediately before the date of the issue plus the number of Shares which the Total Effective Consideration receivable for the securities issued would purchase at the Applicable Price and the denominator is the number of Shares in issue immediately before the date of the issue plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities, at the initial conversion or exchange rate or subscription price. Such adjustment shall become effective (if appropriate retrospectively) from the close of business in Hong Kong on the Business Day next preceding whichever is the earlier of the date on which the issue is announced and the date on which the Company determines the conversion or exchange rate or subscription price.

- (ii) If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (i) of this sub-paragraph (5) are modified so that the Total Effective Consideration (as defined below in this sub-paragraph (5)) per Share initially receivable for such securities shall be less than the greater of either the closing price per Share at the date of announcement of the proposal to modify such rights of conversion or exchange or subscription or the Conversion Price in effect immediately prior to the date of announcement of the proposal to modify such rights of conversion or exchange or subscription (for the purpose of this section (ii), the “**Applicable Price**”), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by a fraction of which the numerator is the number of Shares in issue immediately before the date of such modification plus the number of Shares which the Total Effective Consideration receivable for the securities issued at the modified conversion price would purchase at the Applicable Price and of which the denominator is the number of Shares in issue immediately before such date of modification plus the number of Shares to be issued upon conversion of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price, such adjustment shall take effect as at the date upon which such modification takes effect. A right of conversion or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights or capitalisation issues and other events normally giving rise to adjustment of conversion or exchange terms.

For the purposes of this sub-paragraph (5), the “**Total Effective Consideration**” receivable for the securities issued shall be deemed to be the consideration receivable by the Company for any such securities plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights, and the Total Effective Consideration per Share initially receivable for such securities shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue.

- vi. If and whenever the Company shall issue wholly for cash any Shares at a price per Share which is less than the greater of either the closing price per Share at the date of the announcement of the terms of such issue or the Conversion Price in effect immediately prior to the date of the announcement of the terms of such issue (for the purpose of this sub-paragraph (6), the “Applicable Price”), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate amount payable for the issue would purchase at the Applicable Price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued. Such adjustment shall become effective on the date of the issue.

- vii. If and whenever the Company shall issue Shares for the acquisition of assets at a Total Effective Consideration per Share (as defined below in this sub-paragraph (7)) which is less than the greater of either the closing price per Share at the date of the announcement of the terms of such issue or the Conversion Price in effect immediately prior to the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted in such manner as may be determined by an approved merchant bank, such adjustment to become effective on the date of issue. For the purposes of this sub-paragraph (7), “**Total Effective Consideration**” shall be the aggregate consideration credited as being paid for such Shares by the Company on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**Total Effective Consideration per Share**” shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid.

- viii. If the Company and the Bondholder determine that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances (whether or not referred to in sub-paragraphs i to vii above) (even if the relevant event or circumstance is specifically excluded in the Conditions from the operation of sub-paragraphs i to vii above), or that an adjustment should not be made (even if the relevant or circumstance is specifically provided for in sub-paragraphs i to vii above), or that the effective date for the relevant adjustment should be a date other than that mentioned in sub-paragraphs i to vii above, the Company or the Bondholder may, at the expense of the Company and the Bondholder, request the approved merchant bank, acting as expert, to determine as soon as practicable (i) what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereto and is appropriate to give the result which the approved merchant bank considers in good faith to reflect the intentions of the provisions of this Condition VIII; and (ii) the date on which such adjustment should take effect; and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this sub-paragraph viii if the approved merchant bank is so requested to make such a determination.

- Conversion Shares** : Based on the principal amount of the Convertible Bonds of HK\$34,450,000, the Convertible Bonds are convertible into 65,000,000 Conversion Shares at the initial conversion Price of HK\$0.53 per Conversion Share (subject to adjustments).
- Conversion period** : The conversion period (the “**Conversion Period**”) of the Convertible Bonds shall be the period commencing from the issue date of the Convertible Bonds up to 4:00 p.m. (Hong Kong time) on the Maturity Date.
- Conversion rights and restrictions** : The holder(s) of the Convertible Bonds shall, subject to compliance with the procedures set out in the terms and conditions thereunder, have the right to convert the whole or part of the outstanding principal amount of the Convertible Bonds registered in its name into the Conversion Shares (i) on the Maturity Date; or (ii) at any time during the Conversion Period, and provided further that (i) the exercise of the conversion rights attached to the Convertible Bonds will not cause the Company to be unable to meet the public float requirement under the GEM Listing Rules; and (ii) trigger an obligation to make a general offer under the Hong Kong Takeovers Code after such exercise of the Conversion Right.
- The principal amount of the Convertible Bonds shall automatically be converted into the Conversion Shares at the Conversion Price upon the successful investment by a fund of at least HK\$100.00 million into the Company for Hong Kong and southeast Asia expansion subject to the terms and conditions of the CB Placing Agreement.
- Ranking** : The Conversion Shares, when allotted and issued, shall rank pari passu in all respects with the Shares in issue on the relevant conversion date including the right to all dividends or other distributions, paid or made on or after the relevant conversion date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the relevant conversion date.

Maturity Date	:	the date falling on the 6 months from the issue date of the Convertible Bonds and if that is not a Business Day, the first Business Day thereafter, being the maturity date of the Convertible Bonds
Voting rights	:	The holder(s) of the Convertible Bonds shall not have any right to attend or vote in any general meeting of the Company.
Transferability	:	Subject to compliance with the Listing Rules and prior written consent of the Company, the Convertible Bonds may be transferred or assigned in whole or in part by the holder(s) of the Convertible Bonds to any party.
Security	:	The obligations of the Company under the Convertible Bonds are unsecured.

Assuming full exercise of the conversion rights attaching to the Convertible Bonds at the initial Conversion Price of HK\$0.53 per Conversion Share, a maximum of 65,000,000 new Shares will be allotted and issued by the Company, representing (i) approximately 7.18% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 6.70% of the total number of issued Shares as enlarged by the issue of 65,000,000 Conversion Shares (assuming there is no other change in the total number of issued Shares of the Company between the date of this announcement and the full conversion of the Convertible Bonds).

The maximum aggregate nominal value of the Conversion Shares is HK\$650,000.

GENERAL MANDATE TO ISSUE AND ALLOT THE CONVERSION SHARES

At the annual general meeting of the Company held on 28 June 2024, a resolution of the Shareholders was passed to grant to the Directors the General Mandate to allot, issue and otherwise deal with new Shares not exceeding 20% of the number of Shares in issue as at the date of passing such resolution. The Company is authorised to allot and issue a maximum of 181,151,079 Shares under the General Mandate and the total number of Shares in issue as at 28 June 2024, being the date of the annual general meeting of the Company, was 905,755,399.

As at the date of this announcement, the General Mandate has yet been utilised. Accordingly, the CB Placing Agreement and the transactions contemplated therein including the issue and allotment of Conversion Shares under the General Mandate are not subject to Shareholders' approval.

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; and (ii) immediately upon full conversion of the Convertible Bonds at the initial Conversion (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 Bonds) is as follows:

Controlling Shareholder, Substantial Shareholders and Directors	As at the date of the Latest Practicable Date		Immediately upon full conversion of the Convertible Bonds	
	Number of Shares	Approx.% of shareholding	Number of Shares	Approx.% of shareholding
Golden Fortune Global Limited ^(Note 1)	235,603,225	26.02%	235,603,225	24.27%
Glorytwin Limited ^(Note 2)	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 ^(Note 1)	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 Wenyuan	27,096,000	2.99%	27,096,000	2.79%
Tanner Enterprises Group Limited ^(Note 2)	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%
Placees	—	—	65,000,000	6.70%
Other public Shareholders	361,679,656	39.93%	361,679,656	37.26%
Total	905,755,399	100.00%	970,799,399	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 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.

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 all the Convertible Bonds are successfully placed by the Placing Agent, the net proceeds from the CB Placing will be approximately HK\$32.7 million, which will be used by the Company for capital expenditure for the expansion of electric vehicle charging projects in Hong Kong and general working capital of the Group and therefore providing more flexibility to the Company in its future cash management.

Having considered the benefits to the issue of the Convertible Bonds, the Directors consider that the terms and conditions of the CB Placing Agreement and the issue of the Convertible Bonds are fair and reasonable and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

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
2 September 2022 and 22 December 2022	Subscription of 20,000,000 new Shares under specific mandate	Approximately HK\$12.2 million	EV-charging business development, commercial and financial printing business operation and as general corporate purposes	Fully utilized in accordance with the intended use
7 December 2022 and 18 January 2023	Subscription of 35,200,000 new Shares under specific mandate	Approximately HK\$40.1 million	EV charging infrastructure investment, upgrade and acquire new equipment, hardware and software and working capital and general corporate purposes	Fully utilized in accordance with the intended use
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

GENERAL

Shareholders and potential investors of the Company should note that the CB Placing is subject to the fulfilment of the conditions precedent under the CB Placing Agreement. As the CB Placing may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities
“CB Placing”	the placing of the Convertible Bonds pursuant to the terms and conditions of the CB Placing Agreement under the General Mandate
“CB Placing Agreement”	the conditional placing agreement dated 28 July 2023 and entered into between the Company as issuer and the Placing Agent as placing agent in relation to the CB Placing
“Company”	Cornerstone Technologies Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM (stock code: 8391)
“Completion”	completion of the CB Placing
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Conversion Price”	the conversion price per Conversion Share (subject to adjustments) of the Convertible Bonds and being HK\$0.53 per Conversion Share initially
“Conversion Share(s)”	the Shares to be issued and allotted upon conversion of the Convertible Bonds
“Convertible Bonds”	the 4.0% coupon convertible bonds due on Maturity Date of the Convertible Bonds in the principal amount of HK\$34,450,000 to be issued by the Company to the Placees and/or the Placing Agent in accordance with the terms of the CB Placing Agreement

“Director(s)”	director(s) of the Company
“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
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Committee”	the listing committee of the Stock Exchange
“Long Stop Date”	30 September 2024 (or such later date as may be agreed between the Company and the Placing Agent in writing), the date falling 14 days after the date of the CB Placing Agreement
“Maturity Date”	the date falling on the 6 months from the issue date of the Convertible Bonds and if that is not a Business Day, the first Business Day thereafter, being the maturity date of the Convertible Bonds
“Placee(s)”	any professional, institutional and/or other investor(s) to whom the Placing Agent or its agents shall procure or, as the case may be, shall have procured to subscribe for the Convertible Bonds pursuant to the CB Placing Agreement
“Placing Agent”	VBG Capital Limited, a licensed corporation carrying out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the placing agent appointed by the Company pursuant to the Placing Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“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, 31 July 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 for at least seven days after the date of publication and on the Company’s website at www.cstl.com.hk.