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) PLACING OF NEW SHARES UNDER GENERAL MANDATE; AND (2) CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF NEW SHARES INVOLVING CONNECTED PERSON UNDER SPECIFIC MANDATE

Placing Agents

建泉融資有限公司
VBG Capital Limited

富滙證券
WealthLink Securities Limited

THE PLACING AGREEMENT

- On 15 December 2020 (after trading hours), the Company and the Placing Agents entered into the Placing Agreement, pursuant to which the Placing Agents jointly and severally agree, as agent of the Company, to procure on a best effort basis not less than six (6) Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 49,625,000 Placing Shares at the Placing Price of HK$0.40 per Placing Share.

- Completion of the Placing is subject to the fulfilment of the conditions referred to in the paragraph headed "**Conditions of the Placing**" of this announcement.

- The Placing Shares to be issued and allotted under the Placing Agreement represent:

  (i) approximately 10.33% of the existing issued share capital of the Company as at the date of this announcement; and

  (ii) approximately 9.36% of the issued share capital of the Company immediately upon Completion of the Placing (assuming there is no change in the issued share capital of the Company from the date of this announcement and up to the date of Completion of the Placing) as enlarged by the allotment and issue of the Placing Shares.

- The Placing Price of HK$0.40 per Placing Share represents (i) a discount of approximately 16.7% to the closing price of HK$0.480 per Share as quoted on the Stock Exchange on 15 December 2020, being the last full trading day immediately before the execution of the Placing Agreement; and (ii) a discount of approximately 17.9% to the average closing price of approximately HK$0.487 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

- The Placing Shares will be issued and allotted pursuant to the General Mandate.

THE SUBSCRIPTION AGREEMENT

The Board is pleased to announce that:

- On 15 December 2020 (after trading hours), the Company and the Subscribers entered into the Subscription Agreement, pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to issue and allot, 69,625,000 new Shares at the Subscription Price of HK$0.40 per Subscription Share.

- Completion of the Subscription is subject to the fulfilment of the conditions referred to in the paragraph headed "**Conditions of the Subscription**" of this announcement.

- The Subscription Shares to be issued and allotted under the Subscription Agreement represent:

  (i) approximately 14.49% of the existing issued share capital of the Company as at the date of this announcement;

  (ii) approximately 12.66% of the issued share capital of the Company immediately upon Completion of the Subscription (assuming there is no change in the issued share capital of the Company from the date of this announcement and up to the date of Completion of the Subscription) as enlarged by the allotment and issue of the Subscription Shares; and

  (iii) approximately 11.61% of the issued share capital of the Company immediately upon Completion of the Subscription (assuming there is no change in the issued share capital of the Company from the date of this announcement and up to the date of Completion of the Subscription other than the issuance and allotment of the Placing Shares as referred to above) as enlarged by the issuance and allotment of the Subscription Shares.

- The Subscription Price of HK$0.40 per Subscription Share represents (i) a discount of approximately 16.7% to the closing price of HK$0.480 per Share as quoted on the Stock Exchange on 15 December 2020, being the last full trading day immediately before the execution of the Subscription Agreement; and (ii) a discount of approximately 17.9% to the average closing price of approximately HK$0.487 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

- The Subscription Shares will be issued and allotted pursuant to the Specific Mandate to be sought from the Independent Shareholders at the EGM. Application will be made to the Listing Committee of the Stock Exchange for granting the approval of the listing of, and permission to deal in, the Subscription Shares.

INTENDED USE OF PROCEEDS

Assuming all the Placing Shares are fully placed and Subscription Shares are fully subscribed, the aggregate gross proceeds from the Placing and Subscription are expected to be HK$47.70 million. After deducting related professional fees and all related expenses of approximately HK$0.58 million to be borne by the Company under the Placing and Subscription, the net proceeds of the Placing and Subscription will amount to approximately HK$47.12 million. The Company intends to apply the aggregate net proceeds from the Placing and Subscription for EV charging business development, commercial and financial printing business operation, working capital and general corporate purposes.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Wu Jianwei is the non-executive Director of the Company, Mr. Liang Zihao is the Co-Chairman of the Board and Chief Executive Officer of the Company and Mr. Lau Wai Yan Lawson is the executive Director of the Company. Since the Subscribers are associates of Mr. Wu Jianwei, relatives of Mr. Liang Zihao, and the executive Director of the Company, the Subscribers are therefore the connected persons of the Company under the GEM Listing Rules, the Subscription will constitute a connected transaction for the Company, and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. As the Subscription Shares will be issued and allotted under the Specific Mandate to be obtained at the EGM, the grant of the Specific Mandate for the issuance and allotment of the Subscription Shares is subject to the Independent Shareholders' approval at the EGM.

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 96,108,108 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the Placing is not subject to any Shareholders' approval.

EGM

The EGM will be convened to consider and, if thought fit, approve (i) the Subscription Agreement and (ii) the grant of the Specific Mandate for the issuance and allotment of the Subscription Shares and the transactions contemplated thereunder. Mr. Wu Jianwei, Mr. Liang Zihao, the Subscribers and their associates shall be required to abstain from voting on the resolution(s) of the Company approving the Subscription Agreement and the grant of the Specific Mandate for the issuance and allotment of the Subscription Shares at the EGM.

An Independent Board Committee has been formed to advise the independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the independent Shareholders in this regard.

DESPATCH OF CIRCULAR

The Company will despatch the Circular in accordance with the requirements under the GEM Listing Rules as soon as practicable containing, amongst other things, (i) further information on the Subscription Agreement; (ii) further information on the Specific Mandate for the issuance and allotment of the Subscription Shares; (iii) the recommendation of the Independent Board Committee; (iv) the advice of the Independent Financial Adviser regarding the terms of the Subscription Agreement and the transactions contemplated thereunder; and (v) other information as required to be contained in the Circular under the GEM Listing Rules.

The Circular together with a notice of the EGM and a proxy form are expected to be despatched to the Shareholders on or before 5 January 2021.

GENERAL

Completion of the Placing and the Subscription are subject to the fulfillment of the conditions precedent set forth in the Placing Agreement and the Subscription Agreement respectively. As the Placing or the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that, on 15 December 2020 (after trading hours), the Company and the Placing Agents entered into the Placing Agreement, pursuant to which the Placing Agents jointly and severally agree, as agents of the Company, to procure on a best effort basis not less than six (6) Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 49,625,000 Placing Shares at the Placing Price of HK$0.40 per Placing Share.

Principal terms of the Placing Agreement are set below:

THE PLACING AGREEMENT

Date: 15 December 2020 (after trading hours)

Parties: (i) the Company (as issuer);

(ii) VBG Capital (as placing agent); and

(iii) Wealth Link Securities (as placing agent).

Independence of Placing Agents and Placees

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Placing Agents and the placees to be procured by the Placing Agents and their ultimate beneficial owner(s)are Independent Third Parties, which are independent of the directors, chief executive or substantial shareholders of the Company or any of their respective associates.

Placing Commission

Pursuant to the terms of the Placing Agreement, the Placing Agents will receive a placing commission of 2.5% of the gross proceeds from the Placing. The Placing Agents are authorised to deduct from the payment to be made by it to the Company under the Placing Agreement. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agents and was determined with reference to the prevailing market rates charged by other placing agents.

Placees

The Placing Shares will be placed to not less than six (6) Placees who shall be any person or entity, who is professional, institutional or other investors, who and whose ultimate beneficial owners are Independent Third Parties. Upon Completion of the Placing, 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 of the Placing, further announcement will be made by the Company.

Placing Shares

The Placing Shares to be issued and allotted under the Placing Agreement represent:

(i) approximately 10.33% of the existing issued share capital of the Company as at the date of this announcement; and

(ii) approximately 9.36% of the issued share capital of the Company immediately upon Completion of the Placing (assuming there is no change in the issued share capital of the Company from the date of this announcement and up to the date of Completion of the Placing) as enlarged by the allotment and issue of the Placing Shares.

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 96,108,108 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the Placing is not subject to any Shareholders' approval. The General Mandate will be utilised as to 51.63% upon the allotment and issue of all the Placing Shares. The aggregate amount of the Placing will be HK$19,850,000.

Placing Price

The Placing Price of HK$0.40 per Placing Share represents:

(i) a discount of approximately 16.7% to the closing price of HK$0.480 per Share as quoted on the Stock Exchange on 15 December 2020, being the last full trading day immediately before the execution of the Placing Agreement; and

(ii) a discount of approximately 17.9% to the average closing price of approximately HK$0.487 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading performance of the Shares.

Ranking of the Placing Shares

The Placing Shares, when issued and allotted, will rank pari passu in all respects among themselves and with the 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 fulfilment of the following conditions:

(i) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Placing Shares and such approval has not been revoked prior to Completion of the Placing; and

(ii) the Company and the Placing Agents having obtained all necessary consents and approvals in respect of the Placing Agreement and the transactions contemplated thereunder.

If, any of the conditions precedent referred to above is not fulfilled at or before 4:00 p.m. (Hong Kong time) on or before 31 December 2020, the Placing Agreement will terminate automatically and all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and none of the parties to the Placing Agreement shall have any claim against any other in respect of the Placing, save for any antecedent breaches thereof.

Completion

Completion of the Placing will take place on a date falling within fifteen (15) Business Days after the date of fulfillment of all the conditions referred to above.

Application for listing

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

SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

The Board is pleased to announce that, on 15 December 2020 (after trading hours), the Company and the Subscribers entered into the Subscription Agreement, pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 69,625,000 new Shares at the Subscription Price of HK$0.40 per Subscription Share on the Completion Date.

Principal terms of the Subscription Agreement are set below:

THE SUBSCRIPTION AGREEMENT

Date: 15 December 2020 (after trading hours)

Parties: (i) the Company (as issuer);

(ii) Wu Changxian（吳長顯）(as subscriber);

(iii) Wu Yanyan（吳燕燕）(as subscriber);

(iv) Wei Shu Wen（衛淑文）(as subscriber);

(v) Huang Lijuan（黃麗娟）(as subscriber);

(vi) Huang BaMei（黃八妹）(as subscriber); and

(vii) Lau Wai Yan Lawson（劉偉恩）(as subscriber).

Subscribers (ii), (iii), (iv), (v) and (vi) above are associates and relatives of Mr. Wu Jianwei, the non-executive Director of the Company and Mr. Liang Zihao, the Co-Chairman of the Board and Chief Executive Officer of the Company; and subscriber (vii) above is the executive Director of the Company as at the date of this announcement.

Subscription Shares

The Subscription Shares to be issued and allotted under the Subscription Agreement represent:

(i) approximately 14.49% of the existing issued share capital of the Company as at the date of this announcement;

(ii) approximately 12.66% of the issued share capital of the Company immediately upon Completion of the Subscription (assuming there is no change in the issued share capital of the Company from the date of this announcement and up to the date of Completion of the Subscription) as enlarged by the allotment and issue of the Subscription Shares; and

(iii) approximately 11.61% of the issued share capital of the Company immediately upon Completion of the Subscription (assuming there is no change in the issued share capital of the Company from the date of this announcement and up to the date of Completion of the Subscription other than the issuance and allotment of the Placing Shares as referred to below) as enlarged by the issuance and allotment of the Subscription Shares.

The Subscription Shares will be issued and allotted pursuant to the Specific Mandate to be sought from the Independent Shareholders at the EGM. The aggregate amount of the Subscription will be HK$27,850,000.

Subscription Price

The Subscription Price of HK$0.40 per Subscription Share represents:

(i) a discount of approximately 16.7% to the closing price of HK$0.480 per Share as quoted on the Stock Exchange on 15 December 2020, being the last full trading day immediately before the execution of the Subscription Agreement; and

(ii) a discount of approximately 17.9% to the average closing price of approximately HK$0.487 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the recent market prices of the Shares and current market conditions. The Directors (including the independent non-executive Directors but excluding Mr. Wu Jianwei, Mr. Liang Zihao and Mr. Lau Wai Yan Lawson who have abstained from voting on the relevant Board resolutions) consider that the Subscription Price and the terms of the Subscription Agreement are normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares, when issued and allotted, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Conditions of the Subscription

Completion of the Subscription is conditional upon the fulfilment of the following conditions:

(a) the Board having approved the Subscription Agreement and the transactions contemplated thereunder;

(b) passing of the necessary resolution(s) at the EGM by the Independent Shareholders of to approve the Subscription Agreement, the Specific Mandate for the issuance and allotment of the Subscription Shares and the transactions contemplated thereunder;

(c) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares and such approval has not been revoked prior to Completion of the Subscription;

(d) each of the Company and the Subscribers having obtained all necessary consents and approvals in respect of the Subscription Agreement and the transactions contemplated thereunder; and

(e) there not having come to the attention of the Subscribers at any time prior to Completion of the Subscription (i) any breach of, or any event rendering untrue, incorrect or misleading in any respect, any of the representations, warranties or undertakings made by the Company referred to in the Subscription Agreement or (ii) any breach of, or failure to perform, any of the other obligations of the Company as required to be performed at or before Completion of the Subscription.

If, any of the conditions precedent referred to above is not fulfilled at or before 4:00 p.m. (Hong Kong time) on or before the Long Stop Date, the Subscription Agreement will terminate automatically and all rights, obligations and liabilities of the parties to the Subscription Agreement shall cease and terminate and none of the parties to the Subscription Agreement shall have any claim against any other in respect of the Subscription, save for any antecedent breaches thereof.

Completion

Completion of the Subscription will take place on a date falling within fifteen (15) Business Days after the date of fulfillment of all the conditions referred to above.

Application for listing

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

REASONS FOR THE PLACING AND SUBSCRIPTION

The Company is an investment holding company and together with its subsidiaries are principally engaged in the provision of printing, typesetting and translation services in Hong Kong. The Company also engaged in EV charging business through a business acquisition completed in August 2020.

As disclosed in the interim report of the Company for the six months ended 30 September 2020 (the "**2020 Interim Report**"), the Directors considered that the business prospects for EV charging business is encouraging and sustainable. As the EV charging business involves high and new technology, for the purposes of strengthening the Company's competitiveness in the industry, the Group focuses on research and development activities to adapt the constant fast-changing technology market. In order to capture the opportunities arising from the potential growth in EV charging business, the Group targeted to enhance the coverage of the private car parking spaces supported by our EV integrated charging solutions.

Pursuant to the 2020 Interim Report, the Group had cash and bank balances of approximately HK$26.3 million, represent a decrease of 46.1% from 31 March 2020. Taking into consideration of the Board's intention to develop the EV charging business and the estimated costs of the Group to maintain its normal business operations in the forthcoming twelve-month period, the Directors consider that the Placing and the Subscription will provide immediate funding to the Company to (i) invest in research and development activities in EV charging business; (ii) undertake future investment opportunities in the EV charging business sector would, by nature, involve substantial amount of cash to undertake acquisitions of assets/business and/or in capital expenditures; (iii) sustain commercial and financial printing business operation; and (iv) serve as the working capital and general corporate purposes for the Group.

INTENDED USE OF PROCEEDS

Assuming all the Placing Shares are fully placed and all the Subscription Shares are fully subscribed, the aggregate gross proceeds from the Placing and Subscription are expected to be HK$47.70 million. After deducting related professional fees and all related expenses of approximately HK$0.58 million to be borne by the Company under the Placing and Subscription, the net proceeds of the Placing and Subscription will amount to approximately HK$47.12 million. The Company intends to apply the net proceeds from the Placing and Subscription as follows:

(i) as to approximately 70% of the aggregate net proceeds, for EV charging business development;

(ii) as to approximately 20% of the aggregate net proceeds, for commercial and financial printing business operation;

(iii) as to approximately 10% of the aggregate net proceeds, as working capital and general corporate purposes for the Group.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes, the effect of the completion of the Placing and the completion of Subscription on the shareholding structure of the Company is set out below:

	Shareholding as at the date of this announcement		**Shareholding immediately upon completion of the Placing (prior to completion of the Subscription)**		**Shareholding immediately upon completion of the Placing and the Subscription**	
Shareholders	*Number of Shares held*	*Approximate % of Shares in issue*	*Number of Shares held*	*Approximate % of Shares in issue*	*Number of Shares held*	*Approximate % of Shares in issue*
Global Fortune Global Limited	235,603,225	49.03%	235,603,225	44.44%	235,603,225	39.28%
Glorytwin Limited	81,000,000	16.86%	81,000,000	15.28%	81,000,000	13.50%
Mr. Li Man Keung Edwin	19,112,613	3.98%	19,112,613	3.61%	19,112,613	3.18%
The Placees	—	—	49,625,000	9.36%	49,625,000	8.27%
The Subscribers	37,422,703 *(Note)*	7.79%	37,422,703	7.06%	107,047,703	17.85%
Other public shareholders	107,402,000	22.35%	107,402,000	20.26%	107,402,000	17.91%
Total	480,540,541	100.00%	530,165,541	100.00%	599,790,541	100.00%

Note: 22,802,703 Shares are held by Cornerstone Wealth Holdings Limited which is wholly owned by Mr. Lau Wai Yan Lawson, the executive Director of the Company.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company had not conducted any equity fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Wu Jianwei is the non-executive Director of the Company, Mr. Liang Zihao is the Co-Chairman of the Board and Chief Executive Officer of the Company and Mr. Lau Wai Yan Lawson is the executive Director of the Company. Since the Subscribers are associates of Mr. Wu Jianwei, relatives of Mr. Liang Zihao, and the executive Director of the Company, the Subscribers are therefore the connected persons of the Company under the GEM Listing Rules, the Subscription will constitute a connected transaction for the Company, and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. As the Subscription Shares will be issued and allotted under the Specific Mandate to be obtained at the EGM, the grant of the Specific Mandate for the issuance and allotment of the Subscription Shares is subject to the Independent Shareholders' approval at the EGM.

As Mr. Lau Wai Yan Lawson is the executive Director of the Company, and each of the other Subscribers is an associate of Mr. Wu Jianwei and relatives of Mr. Liang Zihao, Mr. Lau Wai Yan Lawson, Mr. Wu Jianwei and Mr. Liang Zihao are considered to have a material interest in the Subscription, they did not participate in the Board's deliberations on the Subscription and had abstained from voting on the Board's resolution approving the Subscription Agreement. Save as disclosed, no other Director has a material interest in the Subscription and therefore has abstained from voting on the Board's resolution approving the Subscription Agreement and the transactions contemplated thereunder.

As the Placing Shares will be issued and allotted under the General Mandate, the Placing is not subject to any Shareholders' approval.

EGM

The EGM will be convened to consider and, if thought fit, approve (i) the Subscription Agreement and (ii) the grant of the Specific Mandate for the issuance and allotment of the Subscription Shares and the transactions contemplated thereunder. Mr. Wu Jianwei, Mr. Liang Zihao, the Subscribers and their associates shall be required to abstain from voting on the resolution(s) of the Company approving the Subscription Agreement and the grant of the Specific Mandate for the issuance and allotment of the Subscription Shares at the EGM.

Save as disclosed above and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholder has a material interest in the Subscription and is required to abstain from voting on the resolution(s) of the Company approving the Subscription Agreement and the grant of the Specific Mandate for the issuance and allotment of the Subscription Shares at the EGM.

An Independent Board Committee has been formed to advise the independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the independent Shareholders in this regard.

General

Completion of the Placing and the Subscription are subject to the fulfillment of the conditions precedent set forth in the Placing Agreement and the Subscription Agreement respectively. As the Placing or the Subscription 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 words and expressions shall have the following meanings when used herein:

"associate(s)"	has the meaning ascribed to it in the GEM Listing Rules
"Board"	the board of Directors
"Business Day"	any day on which the Stock Exchange is open for business to deal in securities
"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"	(i) in respect of the Subscription, completion of the Subscription in accordance with the Subscription Agreement; or (ii) in respect of the Placing, completion of the Placing in accordance with the Placing Agreement
"Completion Date"	(i) in respect of the Subscription, the date falling within fifteen (15) Business Days after the date of fulfillment of all the conditions set out in the Subscription Agreement; or (ii) in respect of the Placing, the date falling within fifteen (15) Business Days after the date of fulfillment of all the conditions set out in the Placing Agreement

"connected person(s)"	has the meaning as ascribed to it in the GEM Listing Rules
"Director(s)"	director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be held to approve, among other things, (i) the Subscription Agreement and (ii) the Specific Mandate for the issuance and allotment of the Subscription Shares and the transactions contemplated thereunder
"EV"	electric vehicle
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"General Mandate"	the general mandate granted to the Directors by the Shareholders at the Company's annual general meeting on 21 August 2020 to allot and issue and deal with 20% of the then issued share capital of the Company as at the date of the annual general meeting
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	an independent committee of the Board established in compliance with the GEM Listing Rules to advise the Independent Shareholders as regards the terms of the Subscription Agreement and the transactions contemplated thereunder
"Independent Financial Adviser"	the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement to be appointed by the Company
"Independent Third Party(ies)"	any person or company and their respective ultimate beneficial owner(s) (if applicable) who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with the Group, its connected persons and their respective associates and not acting in concert with any substantial shareholder (as defined under the GEM Listing Rules) of the Company within the meaning of The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong

"Listing Committee"	The Listing Committee of the Stock Exchange
"Long Stop Date"	31 March 2021 or such later date as the Company and the Subscriber may agree in writing
"Placee(s)"	any person or entity, who is professional, institutional or other investors, who and whose ultimate beneficial owners are Independent Third Parties, to be procured by the Placing Agent or its agent(s) to subscribe for any Placing Shares pursuant to the Placing Agreement
"Placing"	the placing, on a best effort basis, of up to 49,625,000 Placing Shares on and subject to the terms and condition set out in the Placing Agreement
"Placing Agents"	collectively VBG Capital and Wealth Link Securities and the term "**Placing Agent**" shall mean any of them
"Placing Agreement"	the placing agreement dated 15 December 2020 and entered into between the Company and the Placing Agents in relation to the Placing
"Placing Price"	HK$0.40 per Placing Share (exclusive of any brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable)
"Placing Share(s)"	a total of up to 49,625,000 new Shares to be placed by the Placing Agents pursuant to the Placing Agreement and to be issued and allotted under the General Mandate, and each a "**Placing Share**"
"Share(s)"	ordinary share(s) in the share capital of the Company
"Shareholder(s)"	holder(s) of the issued Share(s)
"Specific Mandate"	the specific mandate approved by the Independent Shareholders at the EGM which authorises the Directors to allot, issue and deal with the Subscription Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscribers"	collectively Wu Changxian（吳長顯）, Wu Yanyan（吳燕燕）, Wei Shu Wen（衛淑文）, Huang Lijuan（黃麗娟）, Huang BaMei（黃八妹）and Lau Wai Yan Lawson（劉偉恩）, and the term "**Subscriber**" shall mean any of them. Since the Subscribers are associates of Mr. Wu Jianwei, relatives of Mr. Liang Zihao, and the executive Director of the Company, the Subscribers are therefore the connected persons of the Company

"Subscription"	the subscription for the Subscription Shares by the Subscribers upon the terms and subject to the conditions of the Subscription Agreement
"Subscription Amount"	the aggregate cash consideration payable by the Subscriber(s) for the Subscription Shares at the Subscription Price
"Subscription Agreement"	the subscription agreement dated 15 December 2020 entered into between the Company and the Subscribers in relation to the Subscription
"Subscription Price"	HK$0.40 per Subscription Share
"Subscription Shares"	69,625,000 new Shares to be allotted and issued by the Company to the Subscribers under the Specific Mandate and pursuant to the Subscription Agreement on the Completion Date
"VBG Capital"	VBG Capital Limited, a licensed corporation which is principally engaged in type 1 regulated activity (dealing in securities) and type 6 regulated activity (advising on corporate finance) under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Wealth Link Securities"	Wealth Link Securities Limited, a licensed corporation which is principally engaged in type 1 regulated activity (dealing in securities) and type 4 regulated activity (advising on securities) under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent

On behalf of the Board
Cornerstone Technologies Holdings Limited
LIANG Zihao
Co-Chairman and Executive Director

Hong Kong, 15 December 2020

As at the date of this announcement, the executive Directors are Mr. LIANG Zihao, Mr. SAM WENG WA Michael, Mr. LI Man Keung Edwin and Mr. LAU Wai Yan Lawson, the non-executive Director is Mr. WU Jianwei and the independent non-executive Directors are Mr. TAM Ka Hei Raymond, Mr. YUEN Chun Fai and Ms. ZHU Xiaohui.

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.elegance.hk.