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(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8112)

UPDATE ON THE CAPITAL REDUCTION OF ISSUED SHARES AND SUB-DIVISION OF UNISSUED SHARES

Reference is made to the circular of Cornerstone Financial Holdings Limited (the “**Company**”) dated 7 May 2020 (the “**Circular**”) and the EGM poll results announcement dated 3 June 2020 (the “**Announcement**”), in relation to, among other things, the Share Consolidation, the Capital Reduction and the Share Sub-division. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

UPDATE ON THE CAPITAL REDUCTION AND THE SHARE SUB-DIVISION

As disclosed in the Announcement, following the passing of the ordinary resolution in relation to the Share Consolidation on 3 June 2020, the Share Consolidation became effective on 5 June 2020. Subsequent to the passing of the special resolution in relation to Capital Reduction and the Share Sub-division and the Share Consolidation becoming effective, the Capital Reduction and the Share Sub-division are still subject to certain conditions as set out in the Circular. Please refer to the Circular for more details of the Share Consolidation, the Capital Reduction and the Share Sub-division.

The Board would like to update Shareholders that, as at the date of this announcement, the legal advisers to the Company (as to Cayman Islands Law) have applied to the Court for a hearing which is expected to be held on 10 September 2020 in respect of the petition for the Capital Reduction, therefore, the effective date of the Capital Reduction and the Share Sub-division (the “**Effective Date**”) is expected to be delayed accordingly. As at the date of this announcement, the Share Consolidation has become effective and the delay in the Effective Date has no impact on the Share Consolidation in all respects.

Further announcement(s) will be made by the Company to inform the Shareholders on the outcome of the Court hearing and the Effective Date as and when appropriate.

By Order of the Board
Cornerstone Financial Holdings Limited
An Xilei
Chairman

Hong Kong, 30 July 2020

As at the date of this announcement, the Board comprises Mr. An Xilei (Chairman), Mr. Wong Hong Gay Patrick Jonathan, Mr. Mock Wai Yin and Mr. Wang Jun as executive Directors; and Mr. Chan Chi Keung Alan, Mr. Lee Chi Hwa Joshua and Ms. Lau Mei Ying as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting. This announcement will also be posted on the Company’s website at www.cs8112.com.