
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Cornerstone Technologies Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
(2) PROPOSED GRANTING OF GENERAL MANDATES TO
ISSUE SHARES AND REPURCHASE SHARES;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company (“AGM”) to be held at 21/F., Grand Millennium Plaza, 181 Queen’s Road Central, Sheung Wan, Hong Kong on Friday, 28 June 2024 at 3:00 p.m. is set out from pages 21 to 26 of this circular.

Whether or not you are able to attend the AGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same by 3:00 p.m. (Hong Kong time) on Wednesday, 26 June 2024 or not later than 48 hours before the time appointed for any adjourned meeting of the AGM to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the form of proxy previously submitted shall be deemed to be revoked.

This circular will remain on the website of the Company at www.cstl.com.hk and the website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least seven days from the date of its posting.

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at 21/F., Grand Millennium Plaza, 181 Queen’s Road Central, Sheung Wan, Hong Kong on Friday, 28 June 2024 at 3:00 p.m., the notice of which is set out on pages 21 to 26 of this circular, or any adjournment thereof
“AGM Notice”	the notice convening the AGM which is set out on pages 21 to 26 of this circular
“Articles” or “Articles of Association”	the articles of association of the Company currently in force
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors of the Company
“close associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Company”	Cornerstone Technologies Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are traded on GEM (stock code: 8391)
“Companies Act”	the Companies Act (revised) of the Cayman Islands
“controlling shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“GEM”	GEM of the Stock Exchange

DEFINITIONS

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended, supplemented or otherwise modified from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise all the powers to allot, issue and otherwise deal with new Shares in the Company not exceeding 20% of the total number of issued Shares as at the date of passing of the relevant resolution
“Latest Practicable Date”	5 June 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Memorandum” or “Memorandum of Association”	the memorandum of association of the Company currently in force
“Nomination Committee”	the nomination committee of the Board
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the AGM to repurchase the Shares on the Stock Exchange up to 10% of the total number of issued Shares as at the date of passing of the relevant resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission of Hong Kong as amended, supplemented or otherwise modified from time to time
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Liang Zihao (*Co-chairman*)
Mr. Li Man Keung Edwin (*Vice Chairman*)
Mr. Yip Shiu Hong (*Chief Executive Officer*)
Mr. Sam Weng Wa Michael
Mr. Pan Wenyuan
Ms. Wu Yanyan

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Non-executive Director:

Mr. Wu Jianwei (*Co-chairman*)

*Head Office and Principal Place of
Business in Hong Kong:*

Office Units 1107-11
11th Floor, New East Ocean Centre
No. 9 Science Museum Road
Kowloon, Hong Kong

Independent Non-Executive Directors:

Mr. Tam Ka Hei Raymond
Mr. Yuen Chun Fai
Ms. Zhu Xiaohui
Mr. Ko Shu Ki Kenneth

5 June 2024

To all Shareholders,

Dear Sir or Madam,

- (1) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
(2) PROPOSED GRANTING OF GENERAL MANDATES TO
ISSUE SHARES AND REPURCHASE SHARES;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the AGM to be held on Friday, 28 June 2024. These include resolutions relating to, among other things, (i) the re-election of the retiring Directors; and (ii) the granting of general mandates to issue shares and repurchase shares.

2. RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the executive Directors were Mr. Liang Zihao, Mr. Li Man Keung Edwin, Mr. Yip Shiu Hong, Mr. Sam Weng Wa Michael, Mr. Pan Wenyuan and Ms. Wu Yanyan, the non-executive Director was Mr. Wu Jianwei and the independent non-executive Directors were Mr. Tam Ka Hei Raymond, Mr. Yuen Chun Fai, Ms. Zhu Xiaohui and Mr. Ko Shu Ki Kenneth.

Article 112 of the Articles of Association states that “The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy or as an additional Director shall hold office only until the first annual general meeting of the Company after his appointment and be subject to re-election at such meeting.”

Article 108(a) of the Articles of Association states that “Notwithstanding any other provisions in these Articles, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.”

In accordance with Articles 108(a) and 112 of the Articles of Association, Mr. Liang Zihao, Mr. Li Man Keung Edwin, Mr. Pan Wenyuan and Mr. Tam Ka Hei Raymond (collectively, the “**Retiring Directors**”) will retire at the AGM and are eligible for re-election at the AGM.

LETTER FROM THE BOARD

Pursuant to Rule 17.46A of the GEM Listing Rules, particulars of each of the Retiring Directors proposed to be re-elected at the AGM are set out in Appendix I to this circular.

The Nomination Committee has evaluated the performance of the Retiring Directors and found their performance satisfactory. Further Mr. Tam Ka Hei Raymond, Mr. Yuen Chun Fai, Ms. Zhu Xiaohui and Mr. Ko Shu Ki Kenneth, being independent non-executive Directors, have satisfied all criteria for independence set out in Rule 5.09 of the GEM Listing Rules and provided annual confirmation of independence to the Company. The Nomination Committee and the Board consider that they are independent. With the recommendation of the Nomination Committee, the Board has recommended that all the Retiring Directors stand for re-election as Directors at the AGM. As a good corporate governance practice, each of the Retiring Directors has abstained from voting at the relevant Board meeting on the respective proposals for re-election by the Shareholders.

3. RE-APPOINTMENT OF INDEPENDENT AUDITORS

The Board proposes to re-appoint D & PARTNERS CPA LIMITED as the independent auditors of the Company to hold office until the conclusion of the next annual general meeting. A resolution will be proposed to authorise the Board to fix the auditor's remuneration. D & PARTNERS CPA LIMITED has indicated its willingness to be re-appointed as the Company's independent auditors for the said period.

4. GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

The Issue Mandate

During the annual general meeting of the Company held on 30 June 2023, a general unconditional mandate was granted to the Directors on 30 June 2023 to allot, issue and deal with the Shares. The general mandate to issue Shares will remain in effect until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, the Companies Act or other applicable laws to be held; or
- (iii) the time when such mandate is varied or revoked by an ordinary resolution of the Shareholders at a general meeting.

LETTER FROM THE BOARD

In order to ensure that the flexibility and discretion be given to the Directors in the event that it becomes desirable to allot, issue and deal with the Shares, ordinary resolutions no. 4(A) as set out in the AGM Notice will be proposed to give the Directors fresh general mandates to allot, issue and deal with (i) new Shares not exceeding 20% of the total number of issued Shares at the date of passing of the resolution no. 4(A) as set out in the AGM Notice (being a maximum of 181,151,079 new Shares based on a total of 905,755,399 Shares in issue as at the Latest Practicable Date and assuming that no other Shares will be issued or repurchased between the Latest Practicable Date and the AGM) plus (ii) the total number of Shares of the Company repurchased by the Company (under the authority granted pursuant to the Repurchase Mandate) subsequent to the passing of such resolution.

The Issue Mandate shall remain in force until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.

The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme as may be approved by the Shareholders.

The Repurchase Mandate

During the annual general meeting of the Company held on 30 June 2023, a general unconditional mandate was granted to the Directors on 30 June 2023 to repurchase Shares. The general mandate to repurchase Shares will remain in effect until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, the Companies Act or other applicable laws to be held; or

LETTER FROM THE BOARD

- (iii) the time when such mandate is varied or revoked by an ordinary resolution of the Shareholders at a general meeting.

At the forthcoming AGM, an ordinary resolution, which if passed, will grant the Directors a general and unconditional mandate to repurchase Shares up to a maximum of 10% of the total number of issued Shares at the date of passing of the resolution no. 4(B) as set out in the AGM Notice (being a maximum of 905,755,399 new Shares based on a total of 90,575,539 Shares in issue as at the Latest Practicable Date and assuming that no other Shares will be issued or repurchased between the Latest Practicable Date and the AGM) at any time during the period ended on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of Cayman Islands to be held; and (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.

In accordance with Rule 13.08 of the GEM Listing Rules, an explanatory statement containing information reasonably necessary for the Shareholders to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate is set out in Appendix II to this circular.

5. EXTENSION MANDATE

Subject to the passing of the ordinary resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the AGM to extend the Issue Mandate by the addition to the aggregate number of the Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such Issue Mandate of an amount representing the aggregate number of the Shares repurchased by the Company pursuant to the Repurchase Mandate, provided that such number of Shares shall not exceed 10% of the aggregate number of the issued Shares as at the date of passing the resolution for approving the Repurchase Mandate.

LETTER FROM THE BOARD

6. AGM AND PROXY ARRANGEMENT

The notice of the AGM is set out on pages 21 to 26 of this circular.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange at www.hkexnews.hk and the Company (www.cstl.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the AGM (i.e. not later than 3:00 p.m. on Wednesday, 26 June 2024 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude the Shareholders from attending and voting at the AGM if so wish, in which case the form of proxy shall be deemed to be revoked.

7. VOTING BY POLL AT THE AGM

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith and in compliance with the GEM Listing Rules, decides to allow a resolution which relates purely a procedural or administrative matter to be voted on by a show of hands. Therefore, each resolution set out in the AGM Notice which is put to vote at the AGM shall be decided by poll. The Company will appoint a scrutineer to handle vote-taking procedures at the AGM. The results of the poll will be published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.cstl.com.hk as soon as possible after the conclusion of the AGM.

LETTER FROM THE BOARD

8. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 25 June 2024 to Friday, 28 June 2024, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 24 June 2024.

9. RESPONSIBILITY STATEMENT

This circular, 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 relating to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular 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 circular misleading.

10. RECOMMENDATION

The Board considers that the re-election of the Retiring Directors, the re-appointment of the Company's independent auditors, the Issue Mandate, the Repurchase Mandate, the Extension Mandate, the Proposed Amendments and the proposed adoption of the Amended Memorandum and Articles are in the best interests of the Company and the Shareholders as a whole, and therefore recommends the Shareholders to vote in favour of all of the relevant resolutions to be proposed at the AGM.

By Order of the Board

Cornerstone Technologies Holdings Limited

LIANG Zihao

Co-Chairman and Executive Director

APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

The details of the Directors, who will retire and will be proposed to be re-elected at the AGM are set out as follows:

EXECUTIVE DIRECTORS

Mr. Liang Zihao (“Mr. Liang”)

Mr. Liang, aged 42, was appointed as an executive Director on 22 January 2020. He obtained his bachelor of business administration, marketing from the University of Regina, Canada in 2007. Mr. Liang has been the chairman of 廣州市番禺區邦騰化工有限公司 (transliterated in English as Guangzhou Panyu District Bangteng Chemical Industry Limited*), a company that is principally engaged in the production of industrial unsaturated resin, paints and powder coating since 2007. Mr. Liang has also been the chairman of 廣州番禺區宏豪投資有限公司 (transliterated in English as Guangzhou Panyu District Honghao Investment Limited*), a company that is principally engaged in the provision of investment consultancy service and property management since 2018. Mr. Liang is primarily responsible for formulating the investment strategies in the printing business and overseeing fund raising planning and investors relations in China.

Mr. Liang entered into a service agreement with the Company as an executive Director for a term of two years commencing from 22 January 2022. Pursuant to the service agreement, Mr. Liang is not entitled to any fixed salary. He is subject to retirement by rotation at the annual general meeting of the Company at least once every three years and his remuneration is determined in accordance with his experience, responsibilities and duties within the Company and shall be reviewed annually by the Remuneration Committee.

Save as disclosed above, Mr. Liang does not hold any other positions with the Company or other members of the Group. He has no relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company and he has not held any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Mr. Liang is interested in an aggregate of 244,403,225 Shares or approximately 26.98% of the issued share capital of the Company, in which 8,800,000 Shares is directly held by him and 235,603,225 Shares is held by Global Fortune Global Limited, a company 49% owned by him. As at the Latest Practicable Date, within the meaning of Part XV of the SFO, Mr. Liang was interested in share options entitling him to subscribe for 10,400,000 Shares.

Save as disclosed above, there was no further information to be disclosed pursuant to the requirements of Rule 17.50(2)(h) to (v) of GEM Listing Rules and there are no other matters relating to the re-election of Mr. Liang that need to be brought to the attention of the Shareholders.

Mr. Li Man Keung Edwin (“Mr. Li”)

Mr. Li, aged 56, was appointed as an executive Director of the Company on 24 August 2020 and appointed as the Vice Chairman of the Company on 18 March 2022. Mr. Li obtained his diploma of Mechanical Engineering Technician – Drafting Design and diploma of Electro-Mechanical Engineering Technician from Humber College Institute of Technology and Advanced Learning in Canada in 1990 and 1991, respectively. Since 1991, he has been a director of Kwoon Kwen Metal Ware Company Limited, a company incorporated in Hong Kong, which is principally engaged in manufacturing of small metal parts, power tools and machinery parts. He has also been a director of Kwoon Kwen Ying Enterprises Limited since 1994, a company incorporated in Hong Kong, which is principally engaged in the business of property development. Mr. Li is primarily responsible for formulating the investment strategies in the electric vehicle business and overseeing fund raising planning and investors relations in Hong Kong. He has been an executive director and the chairman of Hatcher Group Limited, a company listed on GEM of the Stock Exchange (Stock Code: 8365) since 25 January 2022. The companies mentioned above have no relationship with the Company or other members of the Group.

Mr. Li entered into a service contract with the Company on 25 August 2020 for an initial term of three years and was renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term, unless terminated by not less than 3 months’ notice in writing served by either party on the other expiring at the end of the initial term or at any time thereafter. According to the service contract, Mr. Li is not entitled to any fixed salary, but entitled to a discretionary bonus and share options by reference to the financial performance of the Group in respect of each financial year, in which are subjected to the Board’s and the Remuneration Committees’ approval. Mr. Li is also the director of subsidiaries of the Company and is not entitled to any fixed salary. He is subject to retirement by rotation at the AGM of the Company at least once every three years and his remuneration is determined in accordance with his experience, responsibilities and duties within the Company and shall be reviewed annually by the Remuneration Committee of the Company.

Save as disclosed above, Mr. Li does not hold any other positions with the Company or other members of the Group. He has no relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company and he has not held any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Mr. Li is interested in an aggregate of 104,104,613 Shares or approximately 11.49% of the issued share capital of the Company, in which 14,712,613 Shares is directly held by him and 72,000,000 Shares are held by Glorytwin Limited which is wholly owned by Mr. Li and 17,392,000 Shares are held by Tanner Enterprises Group Limited which is wholly owned by Mr. Li. As at the Latest Practicable Date, within the meaning of Part XV of the SFO, Mr. Li was interested in Options entitling him to subscribe for 10,400,000 Shares.

APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

Save as disclosed above, there was no further information to be disclosed pursuant to the requirements of Rule 17.50(2)(h) to (v) of GEM Listing Rules and there are no other matters relating to the re-election of Mr. Li that need to be brought to the attention of the Shareholders.

Mr. Pan Wenyuan (“Mr. Pan”)

Mr. Pan, aged 40, was appointed as an executive Director of the Company on 22 March 2021. Mr. Pan obtained his diploma in travel, tourism and hospitality management from Windsor Management College in Singapore in 2020. He has been a director of Hao Yuan Wei Holdings Private Ltd. since 2020, a company incorporated in Singapore, which is principally engaged in the business of investment holding in Singapore. He has been responsible for deal origination, structuring, execution and portfolio management. He was previously a director of YS Development Pte. Ltd., a company incorporated in Singapore, which was principally engaged in real estate investment. His main responsibilities in YS Development Pte. Ltd. were investment advisory, project development and business sourcing. On 2 July 2017, YS Development Pte. Ltd. was struck-off and dissolved due to cessation of business. Mr. Pan is primarily responsible for development of EV charging business in South East Asia. The companies mentioned above have no relationship with the Company or other members of the Group.

Mr. Pan entered into a service contract with the Company on 23 March 2021 for an initial term of three years and was renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term, unless terminated by not less than 3 months’ notice in writing served by either party on the other expiring at the end of the initial term or at any time thereafter. According to the service contract, Mr. Pan is entitled to a monthly salary of HK\$10,000. He is also entitled to a discretionary bonus and share options by reference to the financial performance of the Group in respect of each financial year, in which are subjected to the Board’s and the Remuneration Committees’ approval. He is subject to retirement by rotation at the AGM of the Company at least once every three years and his remuneration is determined in accordance with his experience, responsibilities and duties within the Company and shall be reviewed annually by the Remuneration Committee of the Company.

Save as disclosed above, Mr. Pan does not hold any other positions with the Company or other members of the Group. He has no relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company and he has not held any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

As at the Latest Practicable Date, Mr. Pan is interested in 27,096,000 Shares or approximately 2.99% of the issued share capital of the Company held by Silver Rocket Limited, a company wholly-owned by Mr. Pan. As at the Latest Practicable Date, within the meaning of Part XV of the SFO, Mr. Pan was interested in Options entitling him to subscribe for 6,000,000 Shares.

Save as disclosed above, there was no further information to be disclosed pursuant to the requirements of Rule 17.50(2)(h) to (v) of GEM Listing Rules and there are no other matters relating to the re-election of Mr. Pan that need to be brought to the attention of the Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Tam Ka Hei Raymond (“Mr. Tam”)

Mr. Tam, aged 43, was appointed as an independent non-executive Director on 1 July 2019. He obtained his bachelor of arts degree in Accounting and Finance with Computing from University of Kent, the United Kingdom in July 2002. Mr. Tam has over 12 years of experience in corporate finance. He is currently a director of the corporate finance department at Yu Ming Investment Management Limited, a wholly-owned subsidiary of Da Yu Financial Holdings Limited (which is listed on the Main Board of the Stock Exchange) (Stock Code: 1073) and a licensed holder to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. Mr. Tam has also been appointed as an independent non-executive director of TIL Enviro Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 1790) since 4 October 2018 and an independent non-executive director of Grand Power Logistics Group Limited, a company listed on GEM of the Stock Exchange (Stock Code: 8489) since 11 December 2020.

Mr. Tam has entered into a letter of appointment with the Company for a fixed term of three years with effect from 1 July 2019 in his capacity as an independent non-executive Director, unless terminated in accordance with the said letter of appointment. Pursuant to the letter of appointment, Mr. Tam is entitled to a remuneration of HK\$10,000 per month which has been determined and will be reviewed annually by the Remuneration Committee and the Board with reference to his duties and responsibilities with the Group and the Group’s remuneration policy. He is subject to retirement by rotation at the annual general meeting of the Company at least once every three years.

Save as disclosed above, Mr. Tam does not hold any other positions with the Company or other members of the Group. He has no relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company and he has not held any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

As at the Latest Practicable Date, within the meaning of Part XV of the SFO, Mr. Tam was interested in share options entitling him to subscribe for 1,040,000 Shares.

Save as disclosed above, there was no further information to be disclosed pursuant to the requirements of Rule 17.50(2)(h) to (v) of GEM Listing Rules and there are no other matters relating to the re-election of Mr. Tam that need to be brought to the attention of the Shareholders.

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

The GEM Listing Rules permit companies with primary listing on the Stock Exchange to repurchase their fully paid-up Shares on the Stock Exchange subject to certain restrictions.

The following is the explanatory statement required to be sent to the Shareholders under the GEM Listing Rules to enable them to make an informed decision on whether to vote for or against the resolution to be proposed at the AGM in relation to the granting of the Repurchase Mandate.

1. REPURCHASES OF SHARES

As at the Latest Practicable Date, the issued share capital of the Company comprised 905,755,399 Shares.

Subject to the passing of the resolution set out in item 4(B) of the AGM Notice in respect of the granting of the Repurchase Mandate and assuming no Shares will be issued or repurchased by the Company during the period between the Latest Practicable Date and the date of the AGM, the Directors would be allowed under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, up to a maximum total of 90,575,539 Shares, representing 10% of the total number of issued Shares as at the date of the AGM.

2. REASONS FOR SHARE REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders for the Directors to have a general authority from the Shareholders to enable the Company to repurchase Shares in the market. Repurchases of Shares will only be made when the Directors believe that such repurchases will benefit the Company and its members. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value per share of the Company and its assets and/or its earnings per Share.

3. FUNDING OF REPURCHASES

Any repurchases will be made out of funds which are legally available for such purpose in accordance with the memorandum of association and the Articles, the applicable laws of the Cayman Islands and the GEM Listing Rules. The Cayman Islands laws provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on redemption may only be paid out of either the profit that would

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

otherwise be available for distribution by way of dividend or out of share premium of the Company. Under the Cayman Islands laws, the repurchased shares will remain part of the authorised but unissued share capital of the Company.

If the Repurchase Mandate is exercised, the Directors intend to apply the profits that would otherwise be available for distribution by way of dividend for any purchase of its Shares. There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 December 2023) in the event that the Repurchase Mandate is exercised in full. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date were as follows:

	Trading Prices	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2023		
June	0.750	0.650
July	1.060	0.620
August	1.120	0.700
September	1.000	0.730
October	0.810	0.700
November	0.810	0.640
December	0.860	0.620
2024		
January	0.700	0.560
February	0.620	0.560
March	0.600	0.500
April	0.590	0.510
May	0.600	0.510
June (up to the Latest Practicable Date)	0.540	0.520

5. UNDERTAKING AND GENERAL

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the Memorandum of Association and the Articles and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate if such is approved by the Shareholders.

No core connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she/it has any present intention to sell Shares to the Company, nor has he/she/it undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

6. TAKEOVERS CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date and to the best of the knowledge and belief of the Directors based on the register kept by the Company under Section 336 of the SFO, (i) Mr. Wu Jianwei and Mr. Liang Zihao, together with their associates and parties acting in concert with them, directly or indirectly, owns an aggregate of 296,911,225 Shares, representing approximately 32.78% of the issued share capital of the Company; and (ii) Mr. Li Man Keung Edwin, together with his associates and parties acting in concert with him, directly or indirectly, owns an aggregate of 104,104,613 Shares, representing approximately 11.49% of the issued share capital of the Company. Upon full exercise of the Repurchase Mandate and assuming that no further Shares are issued or repurchased prior to the date of the AGM, the aggregate shareholding of Mr. Wu Jianwei and Mr. Liang Zihao and their associates and parties acting in concert with them would be increased to approximately 36.42% of the issued share capital of the Company and the aggregate shareholding of Mr. Li Man Keung Edwin and his associates and parties acting in concert with him would be increased to approximately 12.77% of the issued share capital of the Company.

The Directors consider that such increase would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no intention to repurchase Shares to an extent that will trigger the obligations under the Takeovers Code to make a mandatory offer. Further, the Directors will ensure that the Company will fully comply with the Takeovers Code when exercising the Repurchase Mandate. Save as aforesaid, the Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of any repurchase pursuant to the Repurchase Mandate.

In addition, in exercising the Repurchase Mandate (whether in full or otherwise), the Directors will ensure that the Company shall comply with the requirements of the GEM Listing Rules, including the minimum percentage of Shares being held in public hands.

7. SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares have been made by the Company during the past six months immediately preceding the Latest Practicable Date (whether on GEM or otherwise).

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith and in compliance with the GEM Listing Rules, decides to allow a resolution which relates purely a procedural or administrative matter to be voted on by a show of hands. Therefore, each resolution set out in the AGM Notice which is put to vote at the AGM shall be decided by poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representatives, shall have one vote for every Share of which he/she is the holder.

A Shareholder present in person or by proxy or by authorised representatives who is entitled to more than one vote does not have to use all his/her votes (i.e., he/she can cast less votes than the number of Shares he/she holds or represents) or to cast all his/her votes the same way (i.e. he/she can cast some of his/her votes in favour of the resolution and some of his/her votes against the resolution).

The poll voting slip will be distributed to the Shareholders or their proxies or authorised representatives upon registration of attendance at the AGM. Shareholders who want to cast all their votes entitled may mark a “✓” in either “FOR” or “AGAINST” box corresponding to the resolution to indicate whether he/she supports that resolution. For Shareholders who do not want to use all their votes or want to split votes in casting a particular resolution shall indicate the number of votes cast on a particular resolution in the “FOR” or “AGAINST” box, where appropriate, but the total votes cast must not exceed his/her entitled votes, or otherwise, the voting slip will be spoiled and the Shareholder’s vote will not be counted.

After closing the poll, the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, will act as scrutineer and count the votes and the poll results will be published after the AGM.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of Cornerstone Technologies Holdings Limited (the “Company”) will be held at 21/F., Grand Millennium Plaza, 181 Queen’s Road Central, Sheung Wan, Hong Kong on Friday, 28 June 2024 at 3:00 p.m. for the purposes of considering and, if thought fit, passing, with or without modifications, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. To receive and adopt the audited consolidated financial statements and, together with the report of the Directors and report of the independent auditors of the Company for the year ended 31 December 2023.
2. To pass the following resolutions, each as a separate resolution:
 - (a) To re-elect Mr. Liang Zihao as an executive Director;
 - (b) To re-elect Mr. Li Man Keung Edwin as an executive Director;
 - (c) To re-elect Mr. Pan Wenyan as an executive Director;
 - (d) To re-elect Mr. Tam Ka Hei Raymond as an independent non-executive Director;
 - (e) To authorise the board of Directors to fix the remuneration of the Directors.

NOTICE OF ANNUAL GENERAL MEETING

3. To re-appoint D & PARTNERS CPA LIMITED as independent auditors of the Company and to authorize the board of Directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass, with or without modification, the following resolutions as ordinary resolutions:
 - (A) “**THAT:**
 - a. subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to allot, issue or deal with additional shares in the share capital of the Company or securities convertible into such shares and to make or grant offers, agreements, and options which might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
 - b. the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
 - c. the total number of Shares to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to adoption or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of the subscription rights or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company and from time to time outstanding;

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the exercise of any option granted under the share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible participants as stipulated in such share option scheme or similar arrangement of shares or rights to acquire shares of the Company; or
- (iv) any scrip dividend or similar arrangement providing for the allotment of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time;

shall not exceed 20 per cent. of the total number of issued Shares as at the date of passing of this resolution and the said approval be limited accordingly; and

- d. for the purpose of this resolution:

“Relevant Period” means the period from passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of shares of the Company open for a period fixed by the directors of the Company to holders of shares of the Company in the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangement as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or such stock exchange in any territory outside Hong Kong).”

(B) “**THAT:**

- a. subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase its own shares on the GEM of The Stock Exchange of Hong Kong Limited, subject to and in accordance with all applicable laws and regulations of Cayman Islands, articles of association of the Company and the requirements of the GEM Listing Rules as amended from time to time, be and is hereby generally and unconditionally approved;
- b. the total number of Shares of the Company which may be purchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent. of the total number of issued Shares as at the date of passing of this resolution and the said approval be limited accordingly; and
- c. for the purpose of this resolution:

“**Relevant Period**” means the period from passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of Cayman Islands to be held; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

(C) “**THAT** subject to the passing of resolutions numbered 4(A) and 4(B), the total number of Shares which are to be purchased by the Company pursuant to the authority granted to the directors of the Company mentioned in resolution numbered 4(B) shall be added to the total number of Shares that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution numbered 4(A) above, provided that such amount shall not exceed 10 per cent. of the total number of issued Shares as at the date of passing of this resolution.”

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

Hong Kong, 5 June 2024

Principal Place of Business in Hong Kong:
Office Units 1107-11
11th Floor, New East Ocean Centre
No. 9 Science Museum Road
Kowloon, Hong Kong

Notes:

1. A member entitled to attend and vote at the AGM (or at any adjournment thereof) is entitled to appoint one or (if he holds two or more shares) more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing, or if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
3. Where there are joint registered holders of any shares, any one of such persons may vote at the AGM (or at any adjournment thereof), either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at the AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

NOTICE OF ANNUAL GENERAL MEETING

4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practise in Hong Kong), must be deposited with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time fixed for holding the AGM (i.e. not later than 3:00 p.m. on Wednesday, 26 June 2024) or any adjournment thereof.
5. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 25 June 2024 to Friday, 28 June 2024, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on Monday, 24 June 2024.
6. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the AGM or any adjourned meeting (as the case may be) should he so wish and in such event, the proxy form previously served will be deemed to be revoked.
7. In compliance with the GEM Listing Rules, all resolutions to be proposed at the AGM will be voted by way of poll.
8. If a tropical cyclone warning signal No.8 or above is hoisted or "extreme conditions" caused by super typhoons or a black rainstorm warning signal is in force at any time after 7:00 a.m. on the date of the AGM, the AGM will be postponed. The Company will post an announcement on the respective websites of The Stock Exchange of Hong Kong Limited and the Company to notify members of the date, time and venue of the rescheduled meeting.
9. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this notice, the Board comprises Mr. LIANG Zihao, Mr. LI Man Keung Edwin, Mr. YIP Shiu Hong, Mr. SAM Weng Wa Michael, Mr. PAN Wenyuan and Ms. WU Yanyan as executive Directors, Mr. WU Jianwei as non-executive Director and Mr. TAM Ka Hei Raymond, Mr. YUEN Chun Fai, Ms. ZHU Xiaohui and Mr. KO Shu Ki Kenneth as independent non-executive Directors.