



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 of the Board*)
Mr. Wu Jianwei (*Co-Chairman of the Board*)
Mr. Li Man Keung Edwin (*Vice-Chairman of the Board*)
Mr. Yip Shiu Hong (*Chief Executive Officer*)
Mr. Ho Karl (*Chief Financial Officer*)
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. Koh Herbin Puay Teck

*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:

Ms. Ip Ka Lai
Ms. So Sze Wan Lisa
Mr. Li Michael Hankin
Mr. Tam Ka Hei Raymond

11 July 2025

To the Shareholders

Dear Sir or Madam,

**(1) CONTINUING CONNECTED TRANSACTIONS;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcements of the Company dated 27 December 2024, 11 February 2025, 26 February 2025, 13 May 2025 and 30 June 2025 in relation to the Agreements and the transactions contemplated thereunder. The purpose of this circular is to provide you with, among other things, (i) information in relation to the Agreements; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders regarding the Agreements and the transactions contemplated thereunder (including the Proposed Annual Caps); (iii) the recommendation of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Agreements and the transactions contemplated thereunder (including the Proposed Annual Caps); (iv) the notice of the EGM; and (v) other information as required under the GEM Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

The Company entered into the Master Agreement with Spark EV on 26 February 2025 in respect of, amongst other things, the provision of EV Charging Solutions for the period of 26 February 2025 to 31 December 2027 on terms and conditions stipulated in the Master Agreement. Subsequently, the Company and Spark EV entered into the Supplemental Agreement on 30 June 2025 to amend (i) the expiry date of the Master Agreement to 26 December 2027; and (ii) each of the periods under the Proposed Annual Caps to 26 February 2025 to 26 December 2025, year ending 26 December 2026, and year ending 26 December 2027 respectively.

The Master Agreement

The principal terms of the Master Agreement (as supplemented by the Supplemental Agreement) are set out as follows:

Date	:	26 February 2025 (after trading hours)
Parties	:	(1) the Company; and (2) Spark EV
Duration	:	From 26 February 2025 to 26 December 2027
Services provided	:	Subject to the terms and conditions of the Master Agreement, the Company shall provide: (1) the EV chargers and their installation; and (2) maintenance and operation software of the EV chargers. Ownership of the EV chargers will be passed to Spark EV upon completion of the installation of the EV chargers.
Fees and pricing basis	:	Service fees payable by Spark EV to the Company and the commercial terms in the Specific Contracts shall be determined: (i) based on market-oriented, fair and reasonable principles; (ii) based on normal commercial terms or better; and (iii) in accordance with the Company's prevailing pricing policy.

The services fees for the Company's EV Charging Solutions are determined after the parties have negotiated the terms and conditions of the Specific Contract, making reference to the market price and the service fees of the same or similar services provided to Independent Third Parties to ensure that the services fees offered to Spark EV is no less favourable to the Company than those available to Independent Third Parties for the same or similar services.

The Company's prevailing pricing policy will be reviewed and if necessary to ensure that it is consistent with market-oriented, fair and reasonable principles. Determination of the service fees in respect of the provision of the EV Charging Solutions by the Group to Spark EV shall comply with the internal control procedures of the Company to ensure that the agreed price and the terms must be in accordance with normal commercial terms or better and are no less favourable to the Company than those available to Independent Third Parties.

Pricing basis for EV chargers

The Company has conducted market analysis while determining the price for EV chargers. The Company reviewed 3 independent third party providers offering EV charger at the price between HK\$111,000 to HK\$130,000, and the Company's pricing aligns with market standards for the equipment.

The Company also considers bulk purchase discount while determining the price for EV chargers. The bulk purchase discount offered to Spark EV is derived from the supplier of EV chargers, who provides a discount for the equipment in view of the large purchase volume. A portion of the discount is then passed on to Spark EV.

Pricing basis for EV Charging Solutions (including EV chargers, installation, operation software and maintenance)

The basis for formulating pricing policy of the Company derives from considering market trends and current average price of the EV Charging Solutions gathered from different market channels including local reports and related local service providers as well as the sales department of the Company.

The reports of reference were published by International Journal of Energy Economics and Policy, an international academic journal platform providing worldwide articles in the areas of energy economics, energy policy and related disciplines (the “**Reports**”). According to the Reports, the cost of constructing an EV Charging Station ranges from THB3 million to THB3.8 million (equivalent to approximately HK\$666,000 to HK\$844,000), depending on the infrastructure and services offered. In addition, the Company also consulted with local service providers in Thailand, who reported construction costs between THB2.7 million and THB2.8 million (equivalent to approximately HK\$600,000 to HK\$622,000) in relation to an EV Charging Station.

The pricing basis is also determined by the cost of installing each EV Charging Station: (i) the EV charger, (ii) the operation software to be installed in the EV charger; and (iii) the installation difficulty like the length of the electric cable, which is the variable of installing each EV Charging Station. The Company has conducted market analysis while determining the price for EV charger. The Company reviewed 3 independent third-party providers offering EV charger at the price between HK\$111,000 to HK\$130,000, and the Company’s pricing aligns with market standards for the equipment, additionally the fee includes installation, providing maintenance and operation service, taking into account factors such as location of and complexity of work required for the EV Charging Station, cost of materials such as power cables, transformers and other electrical components, quotations of subcontractor, prices of equipment provided by hardware suppliers, shipping and logistics fees, and tax and duties. For the factors considered by the Company in determining the service fee, which is also applicable to the 74 EV chargers sold to Spark EV under the Connected Transaction requiring the same type of services, the Company will refer to the available data for the past 3 years. In this regard, the Company will primarily consider the relevant data for the most recent year and also take into account the trend over the past 3 years. The number of price quotations for similar services provided to Independent Third Parties at the price between HK\$650,000 to HK\$750,000 which the Company takes into account in determining the price charged to Spark EV vary from time to time and depend on the number of comparable contracts the Company has on hand in relation to the similar service provided to Independent Third Parties, in the case of there no available data for the same or similar services, the Company will make reference to available data from the EV charger market and the cost of the EV chargers and the maintenance and operation. All of the historical prices of similar services provided by the Company within the reference period will be taken into account for deriving the service fee.

The Company has also considered bulk purchase discount while determining the service fee. The bulk purchase discount offered to Spark EV is derived from the supplier of EV chargers, who provides a discount for the equipment in view of the large purchase volume. A portion of the discount is then passed on to Spark EV.

The fee paid by Spark EV to the Company vary depending on the each Specific Contract of the EV chargers sold by the Company which the Company takes into account of the market reference, the historical data, the cost of the EV chargers, the maintenance fee and the operation cost.

In addition, the Company believes the pricing basis for the EV charger under the Continuing Connected Transactions aligns with that of the Connected Transaction, as both involve making reference to independent third-party providers of EV chargers. Our pricing basis and the profit margin align with the market standard.

The Company will have meeting in each year to analyse and discuss the proposed pricing policy, based on certain evaluation criteria including the market conditions, the business trend and the development strategy plan of the Company. After the service fee is approved by the Company, the new pricing policy with new service fee will be released and applied within the Company. The staff in charge from the business support department is responsible for checking whether the service fee has been properly adhered to for each contract the Company intends to sign.

Where the Company determines that the proposed amendments to the pricing policy may be material, we will seek independent advice from a qualified professional adviser to determine whether the amendments constitute a material change to the terms of the Continuing Connected Transactions under the GEM Listing Rules. If the Company is advised that the amendments are material, the Company will make a full and transparent disclosure of the proposed amendments to the Shareholders. This disclosure will include a detailed explanation of the rationale for the amendments, the expected impact on the Company's financial performance, and any other relevant information. The Company will then seek Shareholders' approval for the amended terms of the Continuing Connected Transactions in compliance with Chapter 20 of the GEM Listing Rules. The Company will ensure full compliance with all applicable requirements of Chapter 20 of the GEM Listing Rules, including but not limited to obtaining independent board committee approval and making timely and accurate announcements.

Payment terms	:	Payment of service fees for the EV Charging Solutions will be made in cash by Spark EV to the Company within a maximum of 30 days after the issue of an invoice by the Company.
Conditions precedent	:	The Master Agreement is conditional on and subject to (i) the approval by the Independent Shareholders at the EGM; and (ii) the compliance by the Company with the relevant requirements under Chapter 20 of the GEM Listing Rules.
Termination	:	Each of the Company or Spark EV may terminate the Master Agreement upon 30 days' written notice to the other party if the other party is in material breach of any obligation under the Master Agreement and fails to remedy such breach within 30 days following receipt of written notice specifying the breach and requiring it to be remedied.

CONNECTED TRANSACTION

On 27 December 2024, the Company entered into the Sale and Purchase Agreement with Spark EV in relation to the sale of EV chargers by the Company to Spark EV at the Consideration of US\$1,266,222.14 (approximately HK\$9.8 million).

The Sale and Purchase Agreement

The principal terms of the Sale and Purchase Agreement are set out as follows:

Date:	:	27 December 2024 (after trading hours)
Parties:	:	(1) the Company; and (2) Spark EV
Subject assets	:	74 EV chargers, the ownership of which will be passed to Spark EV upon delivery of the EV chargers.
Consideration	:	US\$1,266,222.14 (approximately HK\$9.8 million)
Basis of consideration	:	<p>The Consideration was determined after arm's length negotiation between the Company and Spark EV with reference to the market price and bulk purchase discount. When determining the Consideration, the Company made reference of 3 EV charging companies ("Comparable Companies"), who are Independent Third Parties. These Comparable Companies offer EV chargers at prices ranging from HK\$111,000 to HK\$130,000.</p> <p>The Consideration aligns with market standards, taking into account various factors such as product quality, cable management, and the support services offered. The Consideration of approximately HK\$9.8 million for the sale of 74 EV chargers was aligned with the Company's normal selling price to customers. The price range of selling EV charger to independent customers is between HK\$127,000 to HK\$162,000 and the Company's pricing policy remains competitive and consistent with market standards.</p> <p>The Company has also considered bulk purchase discount while determining the Consideration. The bulk purchase discount offered to Spark EV is derived from the supplier of EV chargers, who provides a discount for the equipment in view of the large purchase volume. A portion of the discount is then passed on to Spark EV.</p>
Payment terms	:	The Consideration shall be payable to the Company within 10 Business Days upon signing of the Sale and Purchase Agreement.
Completion	:	Completion shall take place upon the full settlement of the Consideration in respect of EV chargers to the Company.

PROPOSED ANNUAL CAPS

The Proposed Annual Caps in respect of the transactions under the Agreements for each of the years ending 26 December 2025, 2026 and 2027 are HK\$160 million, HK\$160 million and HK\$140 million, respectively. The Proposed Annual Cap for the year ending 26 December 2025 has included the transaction amount of approximately HK\$9.8 million contemplated under the Connected Transaction.

Basis of the Proposed Annual Caps

Set out below are the Proposed Annual Caps for the Continuing Connected Transactions and the Connected Transaction:

	For the year ending 26 December 2025	For the year ending 26 December 2026	For the year ending 26 December 2027
Proposed Annual Caps	HK\$160 million	HK\$160 million	HK\$140 million

The Proposed Annual Caps were derived from Spark EV's estimate of the demand for the EV Charging Solutions to be purchased with reference to the stages of building the EV Charging Stations across Thailand and have included a 10% buffer of the entire transaction amount to provide flexibility to the Company in case of any unforeseen increase in the market demand in the first two years ending 26 December 2026. The proposed stages of building the EV Charging Stations across Thailand for the years ending 26 December 2025, 2026 and 2027 are as follows:

	For the year ending 26 December 2025	For the year ending 26 December 2026	For the year ending 26 December 2027
Proposed EV Charging Stations to be built	220	220	200
EV chargers acquired	74	–	–

As disclosed in the paragraph headed “REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS” below, Spark EV principally engaged in EV charging operations in Thailand. The Group expected to develop the overseas expansion, therefore, in arriving at the Proposed Annual Caps, the Company has considered the following principal factors: (i) the proposed EV Charging Stations to be built for the three years ending 26 December 2025, 2026 and 2027; and (ii) the estimated growth of the EV charging market in Thailand.

Spark EV has obtained written commitment from Bangchak Corporation Public Company Limited (“**Bangchak**”) to allow Spark EV to conduct the buildout and operation of EV Charging Stations at the gas stations of Bangchak. Under the written commitment, Spark EV has committed to build 150 EV Charging Stations, and upon completion of 150 EV Charging Stations, Spark EV has the right to build additional 1,000 EV Charging Stations at the gas stations of Bangchak. There are 74 EV chargers sold under the Connected Transaction and 640 EV Charging Stations to be built under the Continuing Connected Transactions.

The revenue generated from the production of EV Charging Stations will be recognized over time as the stations are built and commissioned. The revenue forecast aligns with the production schedule and is based on the estimated number of stations to be built in each year, the production costs per station, and the maintenance and operation fee.

The Company's revenue model on EV Charging Solutions is based on cost-plus method. The selling price of each unit of EV Charging Solution may fluctuate depending on the market price of the equipment and the cost of installing the equipment, with a certain profit margin for the Company. The profit margin is determined by referencing to other independent third-party customers of the Company, as those independent third-party customers can reflect the market situation and the market tolerance.

For the Continuing Connected Transactions, which involves the buildout of 640 EV Charging Stations by 2027, the Company referenced previous projects (including EV-charging at Home Subsidy Scheme (EHSS) and large trade projects) which had profit margins ranging from 5% to 12%. Based on these prior projects, the Company believes that a 10% to 15% profit margin is reasonable for the Continuing Connected Transactions, after taking into account the bulk purchase discount that may be offered to Spark EV, which is typically between 5% to 6% according to a quotation received from one of the EV charger suppliers of the Company.

The Board has also reviewed the market data for selling EV chargers, as well the Company's previous sale to independent third-party customers, and the Board believes that the profit margin from selling to Spark EV is not more favourable to Spark EV than to independent third-party customers, it is fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

The Board has taken into account the pricing basis, the market reference and the Company's historical data for providing similar services to Independent Third Parties, and considers that the terms and conditions of the Master Agreement were entered into on normal commercial terms and the terms therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL

Internal control policy to monitor Proposed Annual Caps

According to the requirements of management system of the connected transactions of the Company, the management of the Company is responsible for monitoring the transaction amounts relating to the Proposed Annual Caps under the Master Agreement for the Continuing Connected Transactions and designating personnel for management and maintenance, and consolidating and preparing statistics for the transaction amounts incurred in the Continuing Connected Transactions on a monthly basis. The Company will re-comply with the necessary approval procedures in accordance with the GEM Listing Rules in respect of Continuing Connected Transactions that are expected to exceed their annual caps.

Re-complying with the GEM Listing Rules in respect of revision of Proposed Annual Caps

If it is anticipated that any of the Proposed Annual Caps under the Master Agreement will be exceeded during the term of the Master Agreement, the Company will re-comply with the applicable compliance obligations at applicable percentage ratios under Chapter 20 of the GEM Listing Rules based on revised annual caps under the Master Agreement.

Annual review of Continuing Connected Transactions by external auditors

The external auditors of the Company will issue a letter to the Board regarding the Continuing Connected Transactions of the Company annually pursuant to the GEM Listing Rules, reporting the Company's pricing policies and Proposed Annual Caps of Continuing Connected Transactions conducted every year (including the transactions to be contemplated under the Master Agreement).

Annual review of Continuing Connected Transactions by independent non-executive Directors

The independent non-executive Directors will conduct an annual review on the Continuing Connected Transactions conducted by the Company during the entire previous financial year in accordance with the requirements of the GEM Listing Rules, and confirm the transaction amount and terms of the Continuing Connected Transactions in the Company's annual report, and make sure that these transactions are entered into on normal commercial terms, are fair and reasonable, and are conducted in accordance with the relevant terms of the agreements governing the Continuing Connected Transactions.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

On 26 January 2023, an addendum to the memorandum of understanding on cooperation in the development of EV Charging Stations and EV pavilions in gas stations of Bangchak was entered into between EV Verse, Spark EV and the Company whereas Spark EV is able to build and operate EV charging sites at the gas stations of Bangchak in Thailand. Spark EV shall plan, install, buildout and operate over 600 EV Charging Stations in Thailand across the target sites assessed by Spark EV.

On 28 December 2023, the Excise Department of Thailand unveiled rules, conditions and procedures outlined in the Thai government's "BEV 3.5 policy", which Thai government encourages EV to be imported to Thailand and manufactured locally to increase the use of EV in Thailand.

The Company confirmed that as at the Latest Practicable Date, the earthquake happened in Myanmar on 28 March 2025 has no effect on the Company building EV Charging Stations in Thailand.

Spark EV being an associate of the Company and with high demand of EV Charging Solutions, the Directors hold a positive prospect for the future of Spark EV and the EV charging market in Thailand. The Directors are of the view that the entering into the Master Agreement will ensure high quality development of EV Charging Solutions for Spark EV, expand the Company's footprint into Thailand and thereby promoting the Company's capabilities outside of Hong Kong and maintain a good relationship with Spark EV for future collaboration.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice of the Independent Financial Adviser) consider that the terms and conditions of the Master Agreement was entered into on normal commercial terms and the terms therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Group

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

Spark EV

Spark EV is a company incorporated under the laws of Thailand, and principally engaged in EV charging operations in Thailand. As at the date of this circular, Spark EV is indirectly owned as to 35.6% by the Company, indirectly owned as to 59.3% by Gaw Capital and as to 5.1% by other investors.

GEM LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Spark EV is a company indirect non-wholly owned as to 59.3% by Gaw Capital, which is a substantial shareholder of the Company upon exercising conversion of the Convertible Notes. Accordingly, Spark EV is a connected person of the Company, and the transactions contemplated under the Agreements constitute continuing connected transactions and connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

Pursuant to Rules 20.79 and 20.80 of the GEM Listing Rules, as the transactions contemplated under the Master Agreement and the Sale and Purchase Agreement were entered into or completed within a 12-month period with Spark EV, a connected person of the Company, the transactions contemplated under the Master Agreement and the Sale and Purchase Agreement are required to be aggregated for the calculation of the relevant percentage ratios to determine the classification of the transactions contemplated under the Agreements. In addition, following such aggregation, the Continuing Connected Transactions will be deemed to start on 27 December 2024, which is the date of the Sale and Purchase Agreement. Pursuant to the Supplemental Agreement, the expiry date of the Master Agreement was revised from 31 December 2027 to 26 December 2027 and as a result the term of the Master Agreement does not exceed three years and can comply with the requirements under Rule 20.50 of the GEM Listing Rules.

The Connected Transaction refers to a transaction completed within 12-month period prior to the date of this circular between the Company and Spark EV in relation to the provision of EV chargers by the Company to Spark EV, which consist of the Sale and Purchase Agreement entered into with Spark EV as disclosed in the announcements of the Company dated 27 December 2024 and 11 February 2025. The key terms of the Connected Transaction, including nature of the transaction, the assets to be acquired and basis of the Consideration, largely resemble those of the Master Agreement.

As the highest of the applicable percentage ratios (as defined under Chapter 20 of the GEM Listing Rules) in respect of the Proposed Annual Caps exceeds 25% and the Proposed Annual Caps exceed HK\$10 million, the transaction contemplated under the Agreements are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. As such, the Company will seek the Independent Shareholders' approval for the Agreements and the transactions contemplated thereunder (including the Proposed Annual Caps).

Mr. Yip Shiu Hong and Mr. Koh Herbin Puay Teck, each an executive Director and non-executive Director respectively, are directors of Spark EV. Accordingly, they are considered as having a material interest in the Agreements and the transaction contemplated thereunder (including the Proposed Annual Caps). Therefore, each of Mr. Yip Shiu Hong and Mr. Koh Herbin Puay Teck has abstained from voting on the Board resolutions for approving the same.

In accordance with the GEM Listing Rules, Gaw Capital, Mr. Yip Shiu Hong, Mr. Koh Herbin Puay Teck and their respective associates will be required to abstain from voting on the resolution(s) to approve the Agreements and the transactions contemplated thereunder (including the Proposed Annual Caps) at the EGM. Save as disclosed above, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the transactions contemplated under the Agreements and will be required to abstain from voting on the resolution(s) to approve the Agreements and the transactions contemplated thereunder (including the Proposed Annual Caps) at the EGM.

EGM

A notice convening the EGM to be held at 21/F., Grand Millennium Plaza, 181 Queen's Road Central, Sheung Wan, Hong Kong on Tuesday, 29 July 2025 at 2:00 p.m. is set out on pages EGM-1 to EGM-3 of this circular. At the EGM, ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, approve the Agreements and the transactions contemplated thereunder (including the Proposed Annual Caps).

If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the chairman of the EGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting in the proxy form, the duly completed and signed proxy form must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the office of 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 not later than 2:00 p.m. on Sunday, 27 July 2025 (being not less than forty-eight (48) hours before the EGM), failing which the appointment will be treated as invalid. A form of proxy for use at the EGM is enclosed with this circular.

INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Ms. Ip Ka Lai, Mr. Li Michael Hankin, Ms. So Sze Wan Lisa and Mr. Tam Ka Hei Raymond, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the terms of the Agreements and the transactions contemplated thereunder (including the Proposed Annual Caps). Pelican Financial has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

The Independent Board Committee, having taken into account the advice and recommendation of the Independent Financial Adviser, consider that the terms of the Agreements (including the Proposed Annual Caps) are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned. While the Agreements have been entered into in the ordinary and usual course of business of the Group and the terms were agreed on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and accordingly recommends the Independent Shareholders to vote in favour of the relevant ordinary resolution(s) which will be proposed at the EGM for approving, inter alia, the Agreements and the transactions contemplated thereunder (including the Proposed Annual Caps). The text of the letter from the Independent Board Committee is set out on page 18 of this circular while the text of the letter from the Independent Financial Adviser containing its advice is set out on pages 19 to 43 of this circular.

RECOMMENDATION

You are advised to read carefully the letter from the Independent Board Committee of this circular. The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, the text of which is set out on pages 19 to 43 of this circular, consider that the terms of the Agreements (including the Proposed Annual Caps) are on normal commercial terms, fair and reasonable and, the Agreements have been entered into in the ordinary and usual course of business of the Group and the terms were agreed on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM to approve the Agreements and the transactions contemplated thereunder (including the Proposed Annual Caps).

The Board (including members of the Independent Board Committee) considers that the terms of the Agreements (including the Proposed Annual Caps) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

Yours faithfully

On behalf of the Board

Cornerstone Technologies Holdings Limited

A handwritten signature in black ink, appearing to read 'Li Man Keung', with a stylized flourish at the end.

Li Man Keung Edwin
Vice Chairman and Executive Director