



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. Sam Weng Wa Michael
Mr. Pan Wenyuan
Ms. Wu Yanyan
Mr. Yip Shiu Hong

Registered office:

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Non-executive Director:

Mr. Wu Jianwei (*Co-Chairman*)

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Independent Non-Executive Directors:

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

4 October 2024

To the Shareholders

Dear Sir or Madam,

**(1) MAJOR TRANSACTION SUBSCRIPTION OF
COMMON SHARES IN THAILAND COMPANY;**

**(2) SUBSCRIPTION OF CONVERTIBLE NOTES UNDER
SPECIFIC MANDATE; AND**

(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 20 September 2024 in relation to, among other matters, CB Asset One entering into of the Common Shares Subscription Agreement and CN Subscription of Convertible Notes under the Specific Mandate.

The purpose of this circular is to provide you with (i) information relating to the Common Shares Subscription Agreement; (ii) information relating to the CN Subscription Agreement; (iii) other information as required under the GEM Listing Rules; and (iv) the notice of the EGM.

THE COMMON SHARES SUBSCRIPTION AGREEMENT

On 20 September 2024 (after trading hours), CB Asset One entered into the Common Share Subscription Agreement with Spark pursuant to which CB Asset One has conditionally agreed to subscribe for an aggregate of 35.6% equity interest of Spark in common shares, on a fully diluted basis, at the aggregate subscription price of HK\$180 million, pursuant to which the parties agreed to establish the JV Arrangement upon completion.

Date: 20 September 2024 (after trading hours)

Parties: (1) the Company; and
(2) Spark

JV Arrangement

Pursuant to the Common Shares Subscription Agreement, CB Asset One has conditionally agreed to subscribe for an aggregate of 35.6% equity interest of Spark in common shares at the aggregate subscription price of HK\$180 million in three tranches. On the same date, the Subscriber entered into a Preference Shares Subscription Agreement with Spark, pursuant to which the Subscriber has conditionally agreed to subscribe for equity interest of Spark in preference shares (holder(s) of which shall enjoy key rights of distribution priority and agreed return upon occurrence of liquidation events over the holder(s) of common shares) in three tranches.

Upon completion of the Tranche 1 Common Shares under the Common Shares Subscription Agreement, Spark and its shareholders (including CB Asset One) shall enter into a Shareholders' Agreement to set out their rights and obligations in relation to Spark as the joint venture and to regulate the operation and management of Spark, which will be owned as to 35.6% by CB Asset One, on a fully diluted basis. A total amount of HK\$180 million will be contributed in cash by CB Asset One pursuant to the Common Shares Subscription Agreement. Upon Completion, the Subscriber shall be a majority shareholder of Spark, and EV Verse shall have a minority interest in Spark. The capital contribution of CB Asset One and the Subscriber are based on the same valuation, and EV Verse's minority interest is sweat equity. CB Asset One has no current intention to inject further capital into Spark.

Accordingly, Spark will be accounted for as an associate of the Group and its financial results will not be consolidated into the consolidated financial statements of the Group. The aggregate capital contribution of HK\$180 million by CB Asset One will be funded by the proceeds from the CN Subscription. The Common Shares Subscription Agreement and the CN Subscription Agreement are inter-conditional, therefore if the CN Subscription is voted down at the EGM, the Common Shares Subscription Agreement shall not proceed. Subject to the terms and conditions of the Common Shares Subscription Agreement, CB Asset One has the authority to appoint one director into the board of directors of Spark, and it is anticipated that upon Completion, Spark's board of directors shall consist of four directors, the remaining three directors shall be nominated and appointed by the remaining JV Partners. Decisions of board of directors of Spark shall be subject to a simple majority vote system, subject to certain reserved matters which require consent from shareholder of Spark. The Company shall appoint Mr. Yip Shiu Hong to oversee the Company's investment into Spark.

The total capital contribution of Spark and the amount of capital contributions was determined after an arm's length negotiation between, inter alia, CB Asset One and Spark with reference to the initial capital expenditure of Spark and CB Asset One's shareholding interest in Spark. The amount of capital contribution in each tranche and the initial capital expenditure of Spark was arrived after arm's length negotiations in respect to the business plan and the expansion plans of Spark in setting up and building the amount of EV charging stations and was made with reference to the CAPEX for each charging station, the time spent for building each charging station and the expected and target turnover and utilisation rate of each charging station.

Given that the JV Arrangement provides the benefits as stated in the section headed "Reasons For and Benefits of Entering Into the Common Shares Subscription Agreement", and that the contribution of CB Asset One into Spark is determined with reference to the above, the Board is of the view that the basis of determination of the total contribution into Spark and each tranche of capital contribution is fair and reasonable, on the normal commercial terms and in the interest of the Company and its Shareholders.

Condition precedent

Tranche 1 Common Shares

Completion of the Tranche 1 Common Shares is conditional upon, among others, the following conditions precedent (or waived in accordance with the terms and conditions of the Common Shares Subscription Agreement) on or before the Initial Long Stop Date:

- (a) all conditions precedent of the CN Subscription in connection with funding for Tranche 1 having been satisfied (or waived) in accordance with the CN Subscription Agreement;
- (b) Spark having obtained all the necessary consents and approvals (including setting the appropriate governance rights in Spark and other relevant factors) from the relevant Government Authorities (including but not limited to Board of Investments of Thailand) for completion of the Common Shares Subscription and the Preference Shares Subscription, respectively;

- (c) all necessary consents or approvals and the giving of all notifications by the Company in connection with the Common Shares Subscription Agreement and the Common Shares Subscription having been obtained; and
- (d) other customary conditions precedent, including certain representations and warranties of Spark and the Company being true and correct in all respects, no material adverse effect to the Company having taken place and certain documents as required under the Common Shares Subscription Agreement being delivered by and to the parties;

provided, however, at any time before the Initial Long Stop Date, CB Asset One may, at its discretion, waive the satisfaction of any conditions precedent above (other than conditions precedent (a) and (b)) subject to the terms and conditions of the Common Shares Subscription Agreement.

Tranche 2 Common Shares

Completion of the Tranche 2 Common Shares is conditional upon, among others, the following condition being satisfied (or waived in accordance with the terms and conditions of the Common Shares Subscription Agreement) on or before the Adjustment Long Stop Date:

- (a) Spark having obtained the Board of Investment of Thailand promotion certificate confirming the shareholding percentage to include the JV Partners and the Company's investment;
- (b) Spark having obtained foreign business certificate confirming that the Company is permitted to have a majority of foreign shareholders;
- (c) Spark having obtained copy of (i) the minutes of a duly held meeting of the shareholder(s) of the Company approving the capital increase in the capital contribution in relation to the Tranche 2 Common Shares and (ii) adopting the articles of association of such capital increase;
- (d) the completion of the subscription of the Tranche 1 Common Shares having taken place in accordance with the provisions of the Common Shares Subscription Agreement; and
- (e) all conditions precedent of the CN Subscription in connection with funding for Tranche 2 having been satisfied (or waived) in accordance with the CN Subscription Agreement;
- (f) other customary conditions precedent, including certain representations and warranties of Spark being true and correct in all respects, and certain documents as required under the Common Shares Subscription Agreement being delivered by and to the parties,

provided, however, at any time before the Adjustment Long Stop Date, CB Asset One may, at its discretion, waive the satisfaction of the conditions precedent above (other than conditions precedent (a), (b), (e) and certain conditions precedent of (b) in Tranche 1 Common Shares) subject to the terms and conditions of the Common Shares Subscription Agreement. In respect of conditions precedents (a) and (b), Spark is unable to apply for the Board of Investment of Thailand ("BOI") promotion certificate until it has received the subscription funds, as the terms of the BOI approval require a registered capital of at least THB 200 million, and Spark is unable to apply for

the foreign business certificate until it has received the BOI certificate. Therefore the BOI certificate and the foreign business certificate is not a conditions precedent for the Tranche 1 Common Shares.

Tranche 3 Common Shares

Completion of the Tranche 3 Common Shares is conditional on each of the following conditions precedent (or waived in accordance with the terms and conditions of the Common Shares Subscription Agreement) on or before the Adjustment Long Stop Date:

- (a) the completion of the subscription of the Tranche 1 Common Shares and the Tranche 2 Common Shares having taken place in accordance with the provisions of the Common Shares Subscription Agreement;
- (b) all conditions precedent of the CN Subscription in connection with funding for Tranche 3 having been satisfied (or waived) in accordance with the CN Subscription Agreement; and
- (c) other customary conditions precedent, including certain representations and warranties of Spark and the Company being true and correct in all respects, no material adverse effect to the Company having taken place and certain documents as required under the Common Shares Subscription Agreement being delivered by and to the parties,

provided, however, at any time before the Adjustment Long Stop Date, CB Asset One may, at its discretion, waive the satisfaction of the conditions precedent above (other than conditions precedent (b) and certain conditions precedent (b) in Tranche 1 Common Shares) subject to the terms and conditions of the Common Shares Subscription Agreement.

Exclusive Management Services

Pursuant to the Shareholders' Agreement, the relationship between the Company and Spark, shall be governed in accordance with the terms and conditions under a service agreement to be entered into between Spark and the Company (including the requisite service level agreements, shall be subject to the review and agreement by the JV Partners) upon completion of the Common Shares Subscription Agreement and Preference Shares Subscription Agreement. It is preliminary arranged that the Company's scope of work in relation to the service agreement to be entered into is as follows:

The Company shall perform all work necessary for the complete execution and completion of the design, procurement, construction, and commissioning of EV charging stations across Thailand, including but not limited to:

- design and engineering;
- procurement of equipment and materials;
- construction and installation; and
- testing and commissioning

In consideration of entering into the service agreement, the Company shall receive a retainer fee to secure the Company's availability and commitment to provide the work above as well as a contractor fee equal to 10% of the total capital expenditure required to construct each EV charging station. It is anticipated that the service agreement shall be of a term of 9 years.

Equity transfer

Pursuant to the Shareholders' Agreement, shareholders of Spark will have a customary right of first refusal with respect to any shares of Spark proposed to be transferred (directly or indirectly) by any shareholder to any third party.

INFORMATION ON THE PARTIES TO THE JV ARRANGEMENT

The Company and CB Asset One

The Company is a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM (stock code: 8391) and together with its subsidiaries, are principally engaged in the electric vehicle charging business. CB Asset One Limited, a wholly-owned subsidiary of the Company, which is a company incorporated and existing under the law of Hong Kong. Its principal business is investment holding.

The Subscriber

The Subscriber is controlled by a fund that is managed and controlled by and its general partner is Gaw Capital and/or its affiliates as at the Latest Practicable Date. Gaw Capital, which is led and managed by Goodwin Gaw, Kenneth Gaw, Christina Gaw and Hing Bong Humbert Pang, is a private equity fund management company focusing on real estate and private equity markets in Asia Pacific and other high barrier-to-entry markets globally and has a wide investor base. Gaw Capital's investments span the entire spectrum of real estate sectors, including carparks, residential development, offices, retail malls, hospitality, logistics warehouses and internet data centre projects. To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, as of the Latest Practicable Date, Gaw Capital, Goodwin Gaw, Kenneth Gaw, Christina Gaw and Hing Bong Humbert Pang and their respective associates are Independent Third Parties.

EV Verse

EV Verse is an investment holding company incorporated and existing under the laws of Thailand, and its ultimate beneficial owners are and is owned as to (i) 50% by Coco Capital Co., Limited, which is owned as to 95% by Mr. Voravee Plookcharoen, with the remainder by investors including Krisdakom Construction Co., Limited which is owned as to 97% by Mr. Somkiat Jiebna, and by Mr. Sahapattara Suprakob, and as of the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, they and their respective associates are Independent Third Parties.

Mr. Voravee Plookcharoen, the chief executive officer of EV Verse, was chief executive officer of Solar One, a company engaged in solar panel business. His experience in the solar panel business provides him with good background in electrical system installation, project management and procurement, as well as regulatory compliance and coordination with the local electric authorities (Metropolitan Electricity Authority and Provincial Electricity Authority of Thailand).

Mr. Somkiat Jiebna is the founder and beneficial owner of Kridsakorn Construction Co., Limited, boasting over 20 years of experience in the construction industry. He is well-respected in the government sector for his leadership on critical projects, such as the Pak Taklong Water Pumping Station optimization and various water source development initiatives, underscoring his dedication to sustainable development and environmental conservation.

Mr. Sahaphattara Suprakob is a prominent figure in the construction and financial sectors, holding significant roles in multiple companies, including Kridsakorn Construction Co., Limited and Green Wellness Innovation. With over 20 years of experience in credit management at Siam Commercial Bank, he brings substantial financial expertise and strategic insight to his various leadership positions.

Spark

Spark is a company incorporated and existing under the laws of Thailand on 12 January 2024, it is principally engaged in EV charging operations in Thailand. As of the Latest Practicable Date, Spark is owned as to 1% by Mr. Sahaphattara Suprakob and as to 99% by investors including EV Verse. Prior to the entering of the Common Shares Subscription Agreement, the Company has initiated 3 pilot sites which are engaged in the operation of EV charging stations with Spark to promote stakeholder's and potential investors' interests in Spark. As at 30 June, 2024, the Company has lent approximately HK\$2.9 million to build these 3 EV charging stations, and in the event that Spark is unable to secure any investor interests or conduct any fundraising activity, the 3 EV charging stations shall be returned to the Company. The transaction does not constitute a notifiable transaction under Chapter 19 of the GEM Listing Rules, further announcement(s) in relation to the matters referred to above will be made by the Company as and when required in accordance with the GEM Listing Rules. The Company understands that the business plan of Spark is in compliant with all the relevant laws and regulations of the laws of Thailand.

To the best of the directors' knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) each of the parties to the JV Arrangement, any of its directors and legal representatives and/or any ultimate beneficial owner(s) of the parties to the JV Arrangement who can exert influence on the transactions; and (b) the Company, any connected person at the Company's level and/or any connected person of the Company's subsidiaries involved in the transactions.

Financial Information of Spark

As at the Latest Practicable Date, there is no key financial information of Spark as it was incorporated on 12 January 2024 with less than a full year of business operation. Pursuant to the management accounts of Spark, for the period between 12 January 2024 and 30 April 2024, Spark has recorded nil revenue and loss of approximately THB2.3 million. As at 30 April 2024, Spark has recorded a net liabilities position of approximately THB1.1 million.

REASONS FOR AND BENEFITS OF ENTERING INTO THE COMMON SHARES SUBSCRIPTION AGREEMENT

Reference is made to the voluntary announcements of the Company dated 19 March 2024, 17 June 2024 and 17 July 2024 (the “**Voluntary Announcements**”), pursuant to which the Company has signed a non-binding term sheet with a potential investor for a potential sizeable investment to support the Company’s overseas expansion of its EV charging business in Thailand. Upon completion of the Common Shares Subscription and Preference Shares Subscription, the Company will enter into a definitive agreement, namely the Shareholders’ Agreement, whereby the Company leveraging the resources and capital injection from the Subscriber, and the local resources and network of Mr. Sahaphattara Suprakob and Mr. Voravee Plookcharoen, parties concerned including but not limited to are able to strengthen its presence in the EV charging industry in the Southeast Asia region. Spark shall plan, install, build-out and operate over 600 EV chargers in Thailand across the target sites assessed by Spark. The total investment amount for the installation, build-out and operation of the Company into Spark shall be HK\$180 million which shall be allocated as to 42% of the total contribution to Tranche 1, 28.5% of the total contribution to Tranche 2 and 29.5% of the total contribution to Tranche 3. It is expected that Spark shall utilise the entire contribution by the end of 2029. It is anticipated that the CB Asset One’s contribution into Spark shall be utilised to fund the installation and operation of initial chargers in Tranche 1 commencing upon completion of the Tranche 1 Common Shares. Further contribution by CB Asset One into Spark in Tranche 2 and Tranche 3 shall be subject to the achieving of the agreed average daily utilization rate and average CAPEX of the chargers installed in Tranche 1 (i.e. the Tranche 2 Milestone) and the chargers installed in Tranche 1 and Tranche 2 (i.e. the Tranche 3 Milestone), respectively, and shall be utilised to fund the installation and operation of chargers to be installed in Tranche 2 and Tranche 3, respectively. Each tranche was determined based on the business and expansion plan of Spark in the installation, build-out and operation over 600 EV chargers in Thailand. The Tranche 2 Milestone and Tranche 3 Milestone and their respective contributions of Tranche 1 Common Shares, Tranche 2 Common Shares and Tranche 3 Common Shares were determined with reference to the Company’s previous projects and the labour and material costs in Thailand. While assessing the allocation of capital contribution of the three tranches, the Board has also took into account the initial expenditure in establishing a local team and sourcing of materials as well as the expected return and installation timeline of each station. The milestones together shall constitute a build out of over 600 EV charging stations, with the aggregate contribution by the Company of HK\$180 million. Given that Spark is a new project for the Company, it was agreed between the Company and Spark that a bigger portion of contribution is required for the

initial set up and preparation costs. Furthermore, the number of shares to be subscribed by the Company in each tranche, was determined with reference to the development progress and the Tranche 2 Milestone and Tranche 3 Milestone, as it is anticipated that Spark's business shall be to build out EV charging stations, therefore each tranche's contribution shall align with the number of EV charging stations built. The Board, taking into account of the above, are of the view that the Tranche 2 Milestone, and Tranche 3 Milestone and the amount of capital contribution in each tranche are fair and reasonable, on normal commercial terms and in the interest of the Company and its shareholders.

Pursuant to the 2023 Annual Report of the Group, the Group's financial performance of the EV charging business has been outstanding, the revenue of the Group increased from HK\$31.8 million for the year ended 31 December 2022 to HK\$78.1 million for the year ended 31 December 2023, representing a growth of 145.6%, whereas the gross profit of the Group from HK\$3.2 million for the year ended 31 December 2022 to HK\$14.2 million for the year ended 31 December 2023, representing a growth of 343.8%. The Hong Kong SAR Government, together with the Thai government, are supportive to the overall development of, and investments in green technology, EV infrastructure and e-mobility ecosystem. The Group's investments into Spark, with the above support by the initiatives of these two governments, is primed to benefit from the substantial EV charging market presented in Thailand. Taking into account that Thailand is gradually increasing the demand for EV charging stations with the government's support and general trend globally, the Common Shares Subscription Agreement marks the start of the expansion of CB Asset One into the EV charging business in Thailand and a potential substantial growth for CB Asset One. Prior to the signing of the Common Shares Subscription Agreement, CB Asset One has conducted due diligence on Spark including but not limited to reviewing the legal, accounting and other document and files commercial due diligence on the market and background checks of the JV Partners, and the Board and CB Asset One are satisfied with the results.

On 26 January 2023, an addendum to the memorandum of understanding on cooperation in the development of EV charging stations and EV pavilions in Bangchak gas stations was entered into between EV Verse, Spark and the Company whereas Spark is able to build and operate EV charging sites at the gas stations of Bangchak in Thailand. Pursuant to the addendum, the scope of responsibilities of the parties are Spark shall install and manage EV charging stations, EV pavilions, and other related businesses under the brand of 'SPARK' in Bangchak Gas Stations nationwide for each branch for a period of not less than 9 years from the date of first service of each EV charging station or EV pavilion and both parties agree to provide support and cooperation in order to successfully implement the project and/or other related actions according to the objectives of the memorandum of understanding. The addendum and the memorandum of understanding do not create any obligations on both parties in hiring laborers, hiring to produce something, becoming partners and appointing principals and agents between each other. The proceeds from the capital injection by CB Asset One and the JV Partners will be used to fund Spark's capital expenses and working capital for the build-out and operation of over 600 EV charging sites, at the gas stations of Bangchak in three tranches which corresponds to the initial CAPEX, Tranche 2 Milestone and Tranche 3 Milestone. As at the Latest Practicable Date, Bangchak is a Thailand based energy company listed on the Stock Exchange of Thailand (SET:

BCP) and is principally engaged in the refining and marketing of petroleum products as well as investing in and operating green power plants including solar power, hydro power and wind power in Thailand and internationally. As Spark and Bangchak have not entered into a legal binding contract as at the Latest Practicable Date, it is not ensured that Spark is able to conduct the build-out and operation of EV charging stations at the gas stations of Bangchak. Spark is in the course of obtaining written commitment from Bangchak to allow Spark to conduct the build-out and operation of EV charging stations at the gas stations of Bangchak, as requested by the Company and the JV Partners. In the event that no legal binding contract is entered into with reference to the build-out and operation of EV charging stations at the gas stations of Bangchak, the Company shall reassess the use of proceeds of Spark and seek other business plans. The Company shall make relevant announcements on Spark as and when appropriate and as required under the GEM Listing Rules.

The Directors believe that the establishment of the JV Arrangement and the cooperation with the JV Partners will help the Group seize the opportunities to expand its EV charging business into Thailand,. To leverage on the background and experience of the parties and the cooperation with Bangchak, Spark shall thrive in its business operations in the EV charging business in Thailand, and the Group will thereby obtain the management advantages and potential return in investment which will in turn benefit the long-term operation and development of the Group's EV charging business. The Company shall establish a working committee which shall be lead by the management of the Company to monitor the construction progress of each tranche milestone and the utilisation of the capital contributions for the Tranche 2 Common Shares and Tranche 3 Common Shares. Such working committee shall report to the management of the Company on a regular basis such that the milestones shall be executed accordingly. Though the holders of the preference shares of Spark shall enjoy a distribution priority in respect of Spark's dividend policy, the Company is subject to the management contract as mentioned above and is entitled to a contractual fee which is payable before the dividends to be distributed to the holders of Spark's preference shares and common shares. Accordingly, despite the Company is subscribing for the common shares of Spark, given that the Company has the right of receiving a contractual fee prior to the dividend, the Board is of the view that the entering of the Common Shares Subscription Agreement is fair and reasonable and is beneficial to the Company and its Shareholders.

The terms of the Common Shares Subscription Agreement and the JV Arrangement were arrived after arm's length negotiations. The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Common Shares Subscription Agreement and the JV Arrangement 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.

SUBSCRIPTION OF CONVERTIBLE NOTES UNDER SPECIFIC MANDATE

On 20 September 2024 (after trading hours), the Company entered into the CN Subscription Agreement with the Subscriber, pursuant to which the Company agreed to issue and the Subscriber agreed to subscribe in cash for the Convertible Notes in the aggregate principal amount of HK\$200 million at the Conversion Price of the lower of 80% of the 90-days VWAP or HK\$0.50 per Conversion Share.

Set out below are the principal terms of the CN Subscription Agreement:

Date: 20 September 2024 (after trading hours)

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

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Subscriber is controlled by a fund that is managed and controlled by Gaw Capital and/or its affiliates as at the Latest Practicable Date. As such, Gaw Capital as an existing Shareholder of the Company, is required to abstain from voting on the resolutions of approving the CN Subscription Agreement and the transactions contemplated thereunder as it has a material interest in the transactions.

CN Subscription

Subject to the fulfilment of the conditions precedent and the terms and conditions of the CN Subscription Agreement, the Subscriber shall subscribe for, and the Company shall issue to the Subscriber, the Convertible Notes in an aggregate principal amount of HK\$200 million.

Conditions Precedent

Tranche 1 Convertible Notes

Completion of the subscription of the Tranche 1 Convertible Notes shall be conditional upon, among others, the following conditions precedent being satisfied (or if applicable, waived) on or before the Tranche 1 Long Stop Date:

- (a) all conditions precedent of the Common Shares Subscription in connection with funding for Tranche 1 having been satisfied (or if applicable, waived) in accordance with the Common Shares Subscription Agreement;
- (b) the Shares remaining listed, traded and are not suspended from trading on GEM;
- (c) the Company having obtained the approval from the Stock Exchange for the listing of, and permission to deal in the Conversion Shares issued by the Company upon conversion of the Convertible Notes (including the Tranche 1 Convertible Notes, Tranche 2 Convertible Notes and Tranche 3 Convertible Notes), and such approval not having been revoked or cancelled prior to completion of the subscription and conversion of such Convertible Notes by the Subscriber;

- (d) the parties having complied with all applicable requirements under the GEM Listing Rules, and/or having completed, obtained and fulfilled all necessary approvals, notices and clearances of any relevant regulatory authorities or other relevant third parties as required (including but limited to requisite shareholders' approval if so required) in respect of the issuance of the Convertible Notes and the transactions contemplated thereunder, if applicable;
- (e) the Company having obtained the approval of the issuance of the Convertible Notes and the transactions contemplated thereunder, including the grant of the Specific Mandate;
- (f) other customary conditions precedent, including certain representations and warranties of the Company being true and correct in all respects, no material adverse effect to the Company having taken place and certain documents as required under the CN Subscription Agreement being delivered by and to the parties,

provided, however, at any time before Tranche 1 Long Stop Date, the Subscriber may waive the satisfaction of the conditions precedent, save for conditions precedent (a), (b), (c), (d), (e) and certain conditions precedent of (f) above which shall not be waived.

Tranche 2 Convertible Notes

Completion of the subscription of the Tranche 2 Convertible Notes shall be conditional upon, among others, the following conditions precedent being satisfied (or if applicable, waived) on or before the Tranche 2 Long Stop Date:

- (a) certain conditions precedent as set forth in the Tranche 1 Convertible Notes shall repeat herein and remain subsisting, valid, and not having been revoked or cancelled prior to completion date of Tranche 2;
- (b) completion of Tranche 1 Convertible Notes having taken place in accordance with the terms and conditions of the CN Subscription Agreement;
- (c) all conditions precedent of the Common Shares Subscription in connection with funding for Tranche 2 having been satisfied (or waived) in accordance with the Common Shares Subscription Agreement;
- (d) other customary conditions precedent, including certain representations and warranties of the Company being true and correct in all respects, no material adverse effect to the Company having taken place and certain documents as required under the CN Subscription Agreement being delivered by and to the parties,

provided, however, at any time before Tranche 2 Long Stop Date, the Subscriber may waive the satisfaction of the conditions precedent above, save for conditions precedent (a), (b), (c) and certain conditions precedent of (d) above which shall not be waived.

Tranche 3 Convertible Notes

Completion of the subscription of the Tranche 3 Convertible Notes shall be conditional upon, among others, the following conditions precedent being satisfied (or if applicable, waived) on or before the Tranche 3 Long Stop Date:

- (a) certain conditions precedent as set forth for the Tranche 1 Convertible Notes shall repeat herein and remain subsisting, valid, and not having been revoked or cancelled prior to the completion date of Tranche 3;
- (b) completion of Tranche 1 Convertible Notes and Tranche 2 Convertible Notes in accordance with the terms and conditions of the CN Subscription Agreement;
- (c) all conditions precedent of the Common Shares Subscription in connection with funding for Tranche 3 having been satisfied (or waived) in accordance with the Common Shares Subscription Agreement;
- (d) other customary conditions precedent, including certain representations and warranties of the Company being true and correct in all respects, no material adverse effect to the Company having taken place and certain documents as required under the CN Subscription Agreement being delivered by and to the parties,

provided, however, at any time before Tranche 3 Long Stop Date, the Subscriber may waive the satisfaction of the conditions precedent above, save for conditions precedent (a), (b), (c) and certain conditions precedent of (d) above which shall not be waived.

Completion

Completion of Tranche 1 Convertible Note, Tranche 2 Convertible Note, and Tranche 3 Convertible Note shall take place at 5:00 p.m. on the tenth (10th) Business Day after the date (not being later than Tranche 1 Long Stop Date, Tranche 2 Long Stop Date, and Tranche 3 Long Stop Date, as the case may be) upon which the last condition precedent in connection with Tranche 1 Convertible Note, Tranche 2 Convertible Note, and Tranche 3 Convertible Note (as the case may be) is satisfied or waived (or such other date and at such place as may be agreed in writing between the Subscriber and the Company). The Subscriber shall pay the Tranche 1 Subscription Price, Tranche 2 Subscription Price, and Tranche 3 Subscription Price to the Company in cash at completion of Tranche 1 Convertible Note, Tranche 2 Convertible Note, and Tranche 3 Convertible Note, respectively.

Principal terms of the Convertible Notes

The principal terms of the Convertible Notes are as follows:

Issuer:	The Company
Aggregate principal amount of the Convertible Notes:	Tranche 1 Convertible Note: HK\$95,600,000 Tranche 2 Convertible Note: HK\$51,300,000 Tranche 3 Convertible Note: HK\$53,100,000
Interest:	The Convertible Notes shall accrue 6.00% annually on the outstanding principal amount and shall be payable annually starting from the end of 2nd anniversary of the initial drawdown
Maturity Date:	the date falling on the fifth (5th) anniversary of the date of the issuance of the Tranche 1 Convertible Note. All the Convertible Notes (including the Tranche 2 Convertible Note and the Tranche 3 Convertible note) shall have the same Maturity Date as above.
Conversion Right:	The Noteholder shall have the right to convert all or any part of the Convertible Notes at any time from the date of issue of the Convertible Notes up to the Maturity Date. The number of Shares to be issued upon exercise of the Conversion Right attaching to any Convertible Notes shall be determined by dividing the principal amount and unpaid accrued interest of the Convertible Notes by the Conversion Price in effect on the the date of the Conversion. No fractions of a Conversion Share will be issued to any Noteholder upon the conversion of Convertible Notes and the number of Conversion Shares to be issued upon such conversion of Convertible Notes shall be rounded up to the nearest whole number of Conversion Shares.
Automatic Conversion:	Subject to the conversion restrictions pursuant to the terms and conditions under the Convertible Notes, prior to the Maturity Date, the principal and unpaid accrued interest on the Convertible Notes will automatically convert into the Conversion Shares upon the occurrence of the following: (a) Consolidated EBITDA is higher than zero(0) for each period of 12 months ending on the last day of each quarter of the Company's financial year, and;

- (b) the Company has completed the build-out of the 1,000 Approved EV Charging Stations in Thailand to the Subscriber's satisfaction, and;
- (c) the total capital expenditure for building the Approved EV Charging Stations does not exceed HK\$770 million, and;
- (d) the 90 days VWAP (prior to the date of occurrence of the last Automatic Conversion Milestone) is not less than HK\$1.0 per Share (subject to adjustment, from time to time in accordance with the terms and conditions according to the CN Subscription Agreement (adjustments to the Conversion Price),

Upon the occurrence of all the Automatic Conversion Milestones, subject to the Conversion Restrictions under the terms and conditions of the Convertible Notes, the Convertible Notes shall be automatically converted within 45 Business Days subject to the conversion procedure under the terms and conditions of the Convertible Notes.

Conversion Restrictions: The Company shall only allot the Convertible Shares to the Noteholder if immediately following the exercise of the Conversion Rights by the Noteholder:

- (a) the Company will be able to satisfy the public float requirement under the GEM Listing Rules;
- (b) the Noteholder and persons acting in concert with them will not be required to make a general offer under Rule 26 of the Code on Takeovers and Mergers or such obligations having been waived (regardless of whether the obligation to make general offer arises from the allotment and issue of Conversion Shares upon the exercise of the conversion rights under the convertible notes); and
- (c) the Noteholder will not be in breach of any relevant laws, rules and regulations, including but not limited to the GEM Listing Rules and Code on Takeovers and Mergers.

Conversion price: The initial Conversion Price is the lower of 80% to the 90-days VWAP or HK\$0.50 per Conversion Share

HK\$0.50 per Conversion Share represents:

- (i) a discount of approximately 21.88% to the closing price of HK\$0.64 per Share as quoted on the Stock Exchange on 19 September 2024, being the last trading day immediately preceding the date of the CN Subscription Agreement;
- (ii) a discount of approximately 24.24% to the closing price of HK\$0.66 per Share as quoted on the Stock Exchange for the five trading days immediately preceding the date of the CN Subscription Agreement; and
- (iii) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 6.89% represented by the theoretical diluted price of approximately HK\$0.592 to the benchmarked price of HK\$0.652 per Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the closing price on the last trading day immediately preceding the date of the CN Subscription Agreement of HK\$0.64 and the average closing price of the Shares for the last five consecutive trading days immediately preceding the date of the CN Subscription Agreement of HK\$0.652 per Share).

The equity fund raising activities for the past twelve months together with the CN Subscription resulted in a cumulative theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 7.59%, which is below 25% as required under Rule 10.44A of the GEM Listing Rules. The Conversion Price was determined after arm's length negotiations between the Subscriber and the Company with reference to the prevailing market price, the market conditions, and the prospects of the Common Shares Subscription. The Board considers that the Conversion Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Conversion Shares: Pursuant to the CN Subscription Agreement, in addition to the Automatic Conversion Milestones, the Noteholder shall have the right to convert all or any part of the Convertible Notes at any time from the date of issue of the Convertible Notes up to the Maturity Date. Based on the initial Conversion Price of HK\$0.50 per Conversion Share, a total of 400,000,000 Conversion Shares (subject to the Conversion Restrictions and adjustments to the Conversion Price) will be allotted and issued upon exercise of the conversion rights attached to the Convertible Notes in full, representing (i) approximately 41.95% of the total number of Shares in issue as at the Latest Practicable Date; (ii) approximately 25.40% of the total number of Shares in issue as enlarged by the allotment and issue of the 324,630,000 Conversion Shares (taking into account the Conversion Restrictions); and (iii) approximately 29.55% of the total number of Shares in issue as enlarged by the allotment and issue of the 400,000,000 Conversion Shares (without taking into account the Conversion Restrictions and adjustments to the Conversion Price) upon full conversion of the Convertible Notes, and comprising of:

Tranche 1 Convertible Note:

191,200,000 Conversion Shares, which represent approximately 20.05% of the existing issued share capital of the Company and approximately 16.70% of the enlarged issued share capital of the Company upon the full conversion of the Tranche 1 Convertible Note.

Tranche 2 Convertible Note:

102,600,000 Conversion Shares, which represent approximately 10.76% of the existing issued share capital of the Company and approximately 9.71% of the enlarged issued share capital of the Company upon the full conversion of the Tranche 2 Convertible Note.

Tranche 3 Convertible Note:

106,200,000 Conversion Shares, which represent approximately 11.14% of the existing issued share capital of the Company and approximately 10.02% of the enlarged issued share capital of the Company upon the full conversion of the Tranche 3 Convertible Note.

Adjustments to the
Conversion Price:

Distributions

Adjustment Event: If and whenever the Company shall distribute any distribution to the Shareholders, the Conversion Price shall be subject to adjustment in accordance with this condition (Distributions).

Effective Date: For the purposes of this condition (Distributions), the “**Effective Date**” means the first date on which the Shares are traded ex-the relevant Distribution on the Stock Exchange or, in the case of a purchase, redemption or buy back of Shares or any depositary receipts (or any other receipts or certificates) representing Shares, the date such purchase, redemption or buy back is made or, in the case of a Spin-Off, the first date on which the Shares are traded ex-the relevant spin-off on the Stock Exchange or (in any such case), if later, the date upon which the fair market value of the relevant distribution is capable of being determined as provided herein.

Adjustment to the Conversion Price: If and whenever the Company shall distribute any distribution to the Shareholders, in relation to each Convertible Note for which the conversion date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

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

where:

A = the current market price of one Share on the Effective Date; and

B = the fair market value on the Effective Date of the portion of the Distribution attributable to one Share

Distribution per Share: For the purposes of this condition (Adjustments to the Conversion Price), the portion of a distribution attributable to one Share shall be determined by dividing the fair market value of the distribution by the number of Shares entitled to receive the distribution (or, in the case of a purchase, redemption or buy back of Shares or any depositary receipts (or other receipts or certificates) representing Shares, by the number of Shares in issue immediately following such purchase, redemption or buy back, and treating as not being in issue any Shares, or any Shares represented by depositary receipts (or other receipts or certificates), purchased, redeemed or bought back).

Effect of adjustment: The Conversion Price as adjusted pursuant to this condition shall apply, with effect from and including the Effective Date, to each Convertible Note for which the conversion date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these conditions.

Bonus Issues

Adjustment event: If and whenever the Company shall make any Bonus Issue, the Conversion Price shall be subject to adjustment in accordance with this condition (Bonus Issues).

Effective Date: For the purposes of this condition (Bonus Issues), the “**Effective Date**” means the date of issue of the relevant Shares.

Adjustment to the Conversion Price: In relation to each Convertible Note for which the conversion date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

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

where:

A = the number of Shares in issue immediately before the issue of such Shares; and

B = the number of Shares in issue immediately after the issue of such Shares.

Effect of adjustment: The Conversion Price as adjusted pursuant to this condition (Bonus Issues) shall apply, with effect from and including the Effective Date, to each Convertible Note for which the conversion date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these conditions.

Alteration to Nominal Value

Adjustment event: If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation or subdivision, the Conversion Price shall be subject to adjustment in accordance with this condition (Alteration to Nominal Value).

Effective Date: For the purposes of this condition (Alteration to Nominal Value), the “Effective Date” means the date on which such alteration becomes effective.

Adjustment to the Conversion Price: In relation to each Convertible Note for which the conversion date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

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

where:

A = the number of Shares in issue immediately before such alteration;
and

B = the number of Shares in issue immediately after such alteration.

Effect of adjustment: The Conversion Price as adjusted pursuant to this condition (Alteration to Nominal Value) shall apply, with effect from and including the Effective Date, to each Convertible Note for which the conversion date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these conditions (Adjustment on the Conversion Price).

Shares, Rights and Share-Related Securities Issued to Shareholders

Adjustment event: If and whenever the Company shall issue, grant or offer Shares, share-related securities, rights in respect of Shares or rights in respect of share-related securities to all or substantially all of the Shareholders as a class by way of rights as a result of which, in each case, Shareholders have the right to acquire Shares at a consideration per Share which is less than the current market price of the Shares on the Effective Date, the Conversion Price shall be subject to adjustment in accordance with this condition (Shares, Rights and Share-Related Securities Issued to Shareholders).

Effective Date: For the purposes of this condition (Shares, Rights and Share-Related Securities Issued to Shareholders), the “Effective Date” means the first date on which the Shares are traded ex-rights, ex-warrants or ex-options on the Stock Exchange.

Adjustment to the Conversion Price: In relation to each Convertible Note for which the conversion date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue on the Business Day immediately preceding the Effective Date;

B = the number of Shares which the aggregate consideration would purchase at the current market price of the Shares on the Effective Date; and

C = in the case of an issue, grant or offer of Shares, the number of Shares comprised in the issue, grant or offer; or

in the case of an issue, grant or offer of share-related securities or rights, the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such share-related securities or rights at the initial price or rate.

Formula: If on the date (the “Specified Date”) of issue, grant or offer of the relevant share-related securities, rights in respect of shares or rights in respect of share related securities, the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such share related securities or rights is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time then, for the purposes of this condition (shares, rights and share-related securities issued to Shareholders), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.

Effect of adjustment: The Conversion Price as adjusted pursuant to this Condition (shares, rights and share-related securities issued to Shareholders) shall apply, with effect from and including the Effective Date, to each Convertible Note for which the conversion date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these conditions (Adjustment on the Conversion Price).

Issues of Other Securities to Shareholders

Adjustment event: If and whenever the Company shall issue or grant any securities (other than shares, share-related securities, rights in respect of shares, rights in respect of share-related securities or spin-off securities) to all or substantially all of the Shareholders as a class by way of rights or the Company shall issue or grant any rights in respect of any securities (other than Shares, share-related securities, rights in respect of shares or rights in respect of share-related securities or spin-off securities) or assets to all or substantially all of the Shareholders as a class, the Conversion Price shall be subject to adjustment in accordance with this condition (Issues of Other Securities to Shareholders).

Effective Date: For the purposes of this condition (Issues of Other Securities to Shareholders), “Effective Date” means the first date on which the Shares are traded ex-rights, ex-warrants or ex-options on the Stock Exchange.

Adjustment to the Conversion Price: In relation to each Convertible Note for which the conversion date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

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

where:

A = the current market price of one Share on the Effective Date; and

B = the fair market value on the Business Day immediately preceding the Effective Date of the portion of the rights attributable to one Share.

Effect of adjustment: The Conversion Price as adjusted pursuant to this condition (Issues of Other Securities to Shareholders) shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these conditions.

Issues of Shares at Below Current Market Price

Adjustment event: If and whenever the Company shall issue, wholly for cash, any Shares or the Company shall issue or grant, wholly for cash or for no consideration, rights in respect of Shares or rights in respect of share-related securities as a result of which, in each case, persons to whom the Shares or rights are issued or granted have the right to acquire Shares at a consideration per Share which is less than the current market price of the Shares on the date of the first public announcement of the terms of such issue or grant, the Conversion Price shall be subject to adjustment in accordance with this condition (Issues of Shares at Below Current Market Price). However, if any such issue or grant also falls within the terms of condition (Shares, Rights and Share-Related Securities Issued to Shareholders) or constitutes an issue of Shares consequent upon the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares, the Conversion Price shall not be subject to adjustment in accordance with this condition (Issues of Shares at Below Current Market Price).

Effective Date: For the purposes of this condition (Issues of Shares at Below Current Market Price), the “**Effective Date**” means the date of issue of such Shares or, as the case may be, the issue or grant of such Rights.

Adjustment to the Conversion Price: In relation to each Convertible Note for which the Conversion date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue on the Business Day immediately preceding the date of the first public announcement of the terms of such issue or grant;

B = the number of Shares which the aggregate consideration would purchase at the current market price of the Shares on the date of the first public announcement of the terms of such issue or grant; and

C = in the case of an issue of Shares, the number of Shares issued; or

in the case of an issue or grant of Rights, the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares and, if applicable, share-related securities pursuant to the terms of such rights and, if applicable, share-related securities at the initial price or rate.

Formula: If on the date (the “Specified Date”) of issue or grant of the relevant rights in respect of shares or rights in respect of share-related securities the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares and, if applicable, share-related securities pursuant to the terms of such Rights and, if applicable, share-related securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time then, for the purposes of this condition (Issues of Shares at Below Current Market Price), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.

Effect of adjustment: The Conversion Price as adjusted pursuant to this condition (Issues of Shares at Below Current Market Price) shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these conditions.

Share-Related Securities Issued Other than to Shareholders

Adjustment event: If and whenever the Company or any Subsidiary or (pursuant to arrangements with the Company or any of its Subsidiaries) any other person or entity shall issue, wholly for cash or for no consideration, any share-related securities or shall grant to any existing securities so issued such rights as to make such securities share-related securities as a result of which, in each case, persons to whom the share-related securities or such rights are issued or granted have the right to acquire Shares at a consideration per Share which is less than the current market price of the Shares on the date of the first public announcement of the terms of issue of such share-related securities or the terms of such grant, the Conversion Price shall be subject to adjustment in accordance with this condition (Share-Related Securities Issued Other than to Shareholders). However, if any such issue or grant also falls within the terms of condition (Shares, Rights and Share-Related Securities Issued to Shareholders), condition (Issues of Other Securities to Shareholders) or condition (Issues of Shares at Below Current Market Price), the Conversion Price shall not be subject to adjustment in accordance with this condition (Share-Related Securities Issued Other than to Shareholders).

Effective Date: For the purposes of this condition (Share-Related Securities Issued Other than to Shareholders) the “**Effective Date**” means the date of issue of the share-related securities or the grant of the relevant rights.

Adjustment to the Conversion Price: In relation to each Convertible Note for which the Conversion date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue on the Business Day immediately preceding the date of the first public announcement of the terms of such issue or grant;

B = the number of Shares which the aggregate consideration would purchase at the current market price of the Shares on the date of the first public announcement of the terms of such issue or grant;
and

C = the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such share-related securities at the initial price or rate.

Formula: If on the date (the “**Specified Date**”) of issue of the relevant share-related securities or date of grant of such rights the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such share-related securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time then, for the purposes of this condition (Share-Related Securities Issued Other than to Shareholders), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.

Effect of adjustment: The Conversion Price as adjusted pursuant to this condition (Share-Related Securities Issued Other than to Shareholders) shall apply, with effect from and including the Effective Date, to each Convertible Note for which the conversion date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these conditions.

Amendment of Terms of Rights or Share-Related Securities

Adjustment event: If and whenever the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of any Rights or Share-Related Securities are amended (other than in accordance with their terms of issue (including terms as to adjustment of such rights)) so that following such amendment the consideration per Share is (1) reduced and (2) less than the current market price of the Shares on the date of the first public announcement of the proposals for such amendment, the Conversion Price shall be subject to adjustment in accordance with this condition (Amendment of Terms of Rights or Share-Related Securities).

Effective Date: For the purposes of this condition (Amendment of Terms of Rights or Share-Related Securities), “Effective Date” means the date of amendment of such rights.

Adjustment to the Conversion Price: In relation to each Convertible Note for which the Conversion date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares issue on the Business Day immediately preceding the date of the first public announcement of the proposals for such amendment;

B = the number of Shares which the aggregate consideration (calculated taking account of the amended rights) would purchase at the current market price of the Shares on the date of the first public announcement of the proposals for such amendment (or, if lower, at the subscription, purchase or other acquisition price before the relevant amendment); and

C = the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such rights or share-related securities at the amended subscription, purchase or acquisition price or rate (but giving credit in such manner as shall be determined by an expert to be appropriate for any previous adjustment under condition (Distributions), condition (Shares, Rights and Share-Related Securities Issued to Shareholders), condition (Share-Related Securities Issued Other than to Shareholders) or this condition (Amendment of Terms of Rights or Share-Related Securities)).

Formula: If on the date (the “Specified Date”) of such amendment the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such rights or share-related securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time then, for the purposes of this condition (Amendment of Terms of Rights or Share-Related Securities), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.

Effect of adjustment: The Conversion Price as adjusted pursuant to this condition (Amendment of Terms of Rights or Share-Related Securities) shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these conditions.

Demerger

Adjustment event: If and whenever the Company or any subsidiary or (pursuant to arrangements with the Company or any of its subsidiaries) any other person or entity shall offer any securities in connection with which offer Shareholders as a class are entitled to participate in arrangements whereby such securities may be acquired by them, the Conversion Price shall be subject to adjustment in accordance with this condition (Demerger). However, if any such offer also causes the Conversion Price to be adjusted within the terms of condition (Shares, Rights and Share-Related Securities Issued to Shareholders) or condition (Issues of Other Securities to Shareholders) (or would cause the Conversion Price to be so adjusted if the relevant consideration per Share was less than the Current Market Price per Share on the relevant day), the Conversion Price shall not be subject to adjustment in accordance with this condition (Demerger).

Effective Date: For the purposes of this condition (Demerger), the “Effective Date” means the first date on which the Shares are traded ex-rights on the relevant exchange.

Adjustment to the Conversion Price: In relation to each Convertible Note for which the Conversion date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

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

where:

A = the current market price of one Share on the Business Day immediately preceding the date of the first public announcement of such offer; and

B = the fair market value, on the date of the first public announcement of such offer, of the portion of such offer attributable to one Share (or if such date is not an Business Day, the immediately preceding Business Day).

Effect of adjustment: The Conversion Price as adjusted pursuant to this condition (Demerger) shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these conditions.

Other Events; Contemporaneous Events

Adjustment event: If any Convertible Note Holder reasonably determines that:

- (a) an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in condition (Distributions) to condition (Demerger) (even if the relevant event or circumstance is specifically excluded from the operation of condition (Distributions) to condition (Demerger)); or
- (b) more than one event which gives rise or may give rise to an adjustment to the Conversion Price has occurred or will occur within such a short period of time that a modification to the operation of the adjustment provisions is required in order to give the intended result; or
- (c) one event which gives rise or may give rise to more than one adjustment to the Conversion Price has occurred or will occur such that a modification to the operation of the adjustment provisions is required in order to give the intended result,
- (d) it shall notify the Company and the Company shall, at its own expense, use all reasonable endeavours to procure that such adjustment (if any) to the Conversion Price as is fair and reasonable to take account thereof and the date on which such adjustment should take effect shall be Determined by an Expert provided that the Conversion Price may not be increased pursuant to this condition (Other Events; Contemporaneous Events).

Effective Date: Upon such determination, the Company shall procure that such adjustment (if any) shall be made and shall take effect in accordance with such determination.

Certificate of Expert: If any doubt shall arise as to any appropriate adjustment to the Conversion Price, the Company shall use all reasonable endeavours to procure that the appropriate adjustment shall be determined by an expert and a certificate from the relevant expert as to the appropriate adjustment to the Conversion Price shall, in the absence of fraud and manifest error, be conclusive and binding on all concerned.

General Provisions regarding Adjustments

- (a) *Rounding and adjustments of less than 0.1%:* On any adjustment of the Conversion Price, the resultant Conversion Price, if not an integral multiple of HK\$0.001, shall be rounded down to the nearest whole HK\$0.001. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than 0.1% of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment but such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time.
- (b) *Share Option Scheme:* No adjustment shall be made to the Conversion Price where Shares or other securities (including rights, warrants or options) are issued, offered, exercised, allotted, appropriated, modified or granted to or for the benefit of, or are subscribed, purchased or otherwise acquired pursuant to the share option scheme.
- (c) *Adjustments not permitted by Law:* The Conversion Price may not be adjusted so that exercise of the Conversion Right would require Shares to be issued in circumstances not permitted by applicable law.
- (d) *No upward adjustments:* The Conversion Price may not be increased pursuant to this condition (Adjustments to the Conversion Price). To the extent that an adjustment event under condition (Adjustments to the Conversion Price) is triggered and such adjustment would result in an increase to the Conversion Price, no adjustment shall be made except in the case of a consolidation of the Shares as referred to in condition (Alteration to Nominal Value) only.

Retroactive Adjustments

Adjustment Event: If and whenever the Conversion Price is to be adjusted pursuant to any of condition (Distributions) to condition (Demerger) and the Conversion date in relation to any Convertible Note is after the record date for any such issue, distribution, grant or offer as is mentioned in the relevant condition but before the relevant adjustment becomes effective under the relevant condition the Conversion Right attaching to the relevant Convertible Note shall be subject to adjustment in accordance with this condition (Retroactive Adjustments).

Adjustment to the Conversion Right: Upon the date on which the relevant adjustment becomes effective under the relevant Condition (the “**Retroactive Adjustment Date**”) the Company shall procure that there shall be issued to the converting Convertible Note Holder or in accordance with the instructions contained in the relevant Conversion Notice such additional number of Shares (the “**Additional Shares**”) as, together with the Shares issued or to be issued on conversion of the relevant Convertible Note (together with any fraction of a Share not so issued due to condition (Fractions), is equal to the number of Shares which would have been required to be issued on conversion of such Convertible Note if the relevant adjustment to the Conversion Price had in fact been made and become effective immediately before the relevant Conversion date. In calculating the number of any such Additional Shares the provisions of condition (Fractions) shall apply mutatis mutandis.

Shares in uncertificated form: Such Additional Shares will be delivered in uncertificated form through the relevant clearing system if the relevant Convertible Note Holder has requested in the Conversion Notice or otherwise notified the Company in writing that it wishes to receive the Shares in uncertificated form. Where Shares are to be issued through the relevant clearing system, they will be delivered to the account specified by the relevant Convertible Note Holder in the relevant Conversion Notice by not later than five (5) Business Days following the relevant Retroactive Adjustment Date.

Shares in certificated form: Where such Additional Shares are to be issued in certificated form, if so requested in the relevant conversion notice or otherwise notified in writing by the relevant Noteholder, the Company will make a certificate or certificates available for collection at the office of the Company's share registrar in Hong Kong or, if so requested in the relevant Conversion Notice or otherwise notified in writing by the relevant Noteholder, will cause its share registrar to deliver by courier at the request of such person such certificate or certificates to the person and at the place specified in the conversion notice or otherwise notified in writing by the relevant Noteholder, within 28 days following the relevant Retroactive Adjustment Date.

Rights Arising on Conversion: In the case of any Additional Shares, each reference in condition (Rights in respect of Shares issued upon conversion) to condition (Voting rights) to the Conversion date shall be deemed to be a reference to the relevant Retroactive Adjustment Date.

Aggregate Consideration and Consideration per Share

Applicability of this Condition: For the purpose of calculating any adjustment to the Conversion Price pursuant to this condition, in the case of any:

- (a) issue, grant or offer of Shares, share-related securities, rights in respect of shares or rights in respect of share-related securities; or
- (b) grant to any existing securities issued of such rights as to make such securities; or
- (c) amendment of the terms of any rights or share-related securities (other than in accordance with their terms of issue),

the “**Aggregate Consideration**” and the “**Number of Shares**” shall be calculated or determined (if necessary) in accordance with the following provisions of this condition (Aggregate Consideration and Consideration per Share) and the “**Consideration per Share**” shall, in each case, be the relevant Aggregate Consideration divided by the relevant Number of Shares.

Shares for cash: In the case of an issue, grant or offer of Shares for cash:

- (a) the Aggregate Consideration shall be the amount of such cash, provided that in no such case shall any deduction be made for any commissions or any expenses paid or incurred by the Company for any underwriting of the issue or otherwise in connection therewith; and
- (b) the Number of Shares shall be the number of Shares so issued, granted or offered.

Shares not for cash: In the case of the issue, grant or offer of Shares for a consideration in whole or in part other than cash:

- (a) the Aggregate Consideration shall be the amount of such cash (if any) plus the consideration other than cash, which shall be deemed to be the fair market value thereof or, if pursuant to applicable law such determination is to be made by application to a court of competent jurisdiction, the value thereof as determined by such court or an appraiser appointed by such court, irrespective of the accounting treatment thereof; and
- (b) the Number of Shares shall be the number of Shares so issued, granted or offered.

Issue of Share-Related Securities: In the case of the issue, grant or offer of share-related securities or rights in respect of share-related securities or the grant to any securities issued of such rights as to make such securities:

- (a) the Aggregate Consideration shall be:
 - (A) the consideration (if any) received by the Company for such share-related securities and (if applicable) rights or, as the case may be, such grant; plus
 - (B) the additional consideration (if any) to be received by the Company upon (and assuming) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such share-related securities at the initial price or rate and (if applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire share-related securities pursuant to the terms of such rights at the initial price or rate,

the consideration in each case to be determined in the same manner as provided in conditions (Shares for cash); and

- (b) the Number of Shares shall be the number of Shares to be issued upon (and assuming) such exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such share-related securities at the initial price or rate and (if applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire share-related securities pursuant to the terms of such Rights at the initial price or rate.

Amendment of Share-Related Securities/Rights in respect of Share-Related Securities: In the case of the amendment of the terms of any share-related securities and/or rights in respect of share-related securities (in either case, other than in accordance with their terms of issue):

- (a) the Aggregate Consideration shall be:
 - (A) the consideration (if any) received by the Company for such amendment; plus
 - (B) the additional consideration (if any) to be received by the Company upon (and assuming) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such share-related securities at the initial price or rate or (in the case of an amendment to the terms of such share-related securities) the amended price or rate and (if applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire share-related securities pursuant to the terms of such rights at the initial price or rate or (in the case of an amendment to the terms of such rights) the amended price or rate,

the consideration in each case to be determined in the same manner as provided in conditions (Shares for cash) and (Shares not for cash); and

- (b) the Number of Shares shall be the number of Shares to be issued upon (and assuming) such exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such share-related securities at the initial price or rate or (in the case of an amendment to the terms of such share-related securities) the amended price or rate and (if applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire share-related securities pursuant to the terms of such Rights at the initial price or rate or (in the case of an amendment to the terms of such rights) the amended price or rate.

Rights in respect of Shares: In the case of the issue, grant or offer of rights in respect of Shares or the amendment of the terms of any rights in respect of Shares (other than in accordance with their terms of issue):

- (a) the Aggregate Consideration shall be:
 - (A) the consideration received by the Company for any such Rights or, as the case may be, such amendment; plus
 - (B) the additional consideration to be received by the Company upon (and assuming) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Rights at the initial price or rate or (in the case of an amendment to the terms of such Rights) the amended price or rate,

the consideration in each case to be determined in the same manner as provided in conditions (Shares for cash) and conditions (Shares not for cash); and

- (b) the Number of Shares shall be the number of Shares to be issued upon (and assuming) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such rights at the initial price or rate or (in the case of an amendment to the terms of such rights) the amended price or rate.

Currency translation: If any of the consideration referred to in any of the preceding paragraphs of this condition (Aggregate Consideration and Consideration per Share) is receivable in a currency other than HK\$, such consideration shall be translated into HK\$ for the purposes of this condition (Aggregate Consideration and Consideration per Share):

- (a) in any case where there is a fixed rate of exchange between HK\$ and the relevant currency for the purposes of the issue, grant or offer of the shares, share-related securities or rights, the exercise of the rights to subscribe for, purchase or otherwise acquire share-related securities pursuant to the terms of such rights or the exercise of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such rights or share-related securities, at such fixed rate of exchange; and
- (b) in all other cases, at the Screen Rate on the date as of which the said consideration is required to be calculated.

Pursuant to the CN Subscription Agreement, the aforementioned adjustments are subject to the Conversion Restrictions and the compliance of the GEM Listing Rules and/or other requirements under relevant regulatory authority.

Transferability:	The Convertible Notes may be transferred or otherwise disposal of, by the Subscriber, subject to the terms and conditions of the Convertible Notes. In the event that the Noteholder transferred the Convertible Notes to a third party, such transfer shall be lodged in the record of the Company, and the Company shall issue a new certificate of the Convertible Note to the new Noteholder.
Security:	The Company shall pledge its entire stake in Spark as first priority security interest to the Subscriber.
Ranking of Conversion Shares:	The Conversion Shares will rank pari passu in all respects with the Shares in issue as at the date of conversion.
Application for listing:	No application will be made for a listing of the Convertible Notes. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

REASONS FOR THE CN SUBSCRIPTION AND USE OF PROCEEDS

The gross proceeds from the CN Subscription will be HK\$200.0 million. The estimated net proceeds from the CN Subscription after deduction of expenses, will amount to approximately HK\$199.5 million, which will be used as (i) HK\$180 million for the Common Shares Subscription which will be utilised as Spark's capital expenses and working capital for the build-out and operation of over 600 EV charging sites at the gas stations of Bangchak in Thailand, with approximately 42.0%, 28.5% and 29.5% to be utilised for Tranche 1, 2 and 3 and (ii) the remaining HK\$19.5 million for the general working capital of the Group which is expected to be fully utilised by December 2024. The amount of subscription of the Convertible Notes in each tranche are determined based on the Tranche 1 Milestone, Tranche 2 Milestone and Tranche 3 Milestone, which was determined with reference to the business and expansion plan of Spark. The contribution into Spark by CB Asset One shall be funded by the CN Subscription and each tranche of the Common Shares Subscription corresponds to each tranche of the CN Subscription. The determination of the interest rate was determined after arm's length negotiations with the Subscriber with reference to the merits of the CN Subscription and the Common Shares Subscription, the current market conditions, the financial position of the Company and the benchmark interest rates of the Hong Kong Dollar Best Lending Rate quoted by The Hong Kong Shanghai Banking Cooperation Limited being at 5.625% on 20 September 2024 and the base rate as quoted by the Hong Kong Monetary Authority being at 5.25% on 19 September 2024 and other factors. While determining the Conversion Price, the Board has taken into account that the size of the principal amount, the Subscriber's willingness to take the Company's interest in Spark as security and the prospects of Spark and the management fee that the Company is entitled prior to Spark's dividend distribution. After assessing the benefits of the JV Arrangement and that other investors require substantial recognised security, the Board is of the view that the discount of the Conversion Price is fair and reasonable. The Board is of the view that the interest rate and the Conversion Price and the basis of their determination is fair and reasonable, on the normal commercial terms and in the interest of the Company and its Shareholders.

The Board considers that the CN Subscription represents a good opportunity to expand its business into Thailand and strengthen its EV charging presence in the Southeast Asia region. The terms of the CN Subscription (including the initial Conversion Price) was arrived after arm's length negotiations with reference to the terms of the JV Arrangement, the prospects of expanding the Company's business into Thailand, and the current market conditions. Given the Subscriber shall also invest into Spark together with the Company, should the JV Arrangement goes according to the proposed business plan, it represents great business opportunity and bring a new income stream to the Company. The Subscriber brings potential synergies to the Company and the CN Subscription is in the interests of the Shareholders as a whole. The JV Arrangement represents an opportunity for the Company to capture capital gain and equity in terms of the business expansion of Spark, whereas the CN Subscription shall facilitate the capital required for the investment into Spark. As the JV Arrangement requires a capital contribution of HK\$180 million, the Company was able to secure financing from the Subscriber in the form of the Convertible Notes so as to capture the opportunities arising from the JV Arrangement. The Company considered other alternatives to finance the Common Shares Subscription, however only the Subscriber is willing to recognise the equity interest in Spark by CB Asset One as security and collateral to the financing, and therefore the Company is of the view that the CN Subscription represents the best option of the Company in terms of financing the the Common Shares Subscription.

HKEx B2 Q5(a)
HKEx B2 Q5(b)

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the CN Subscription Agreement (including the Conversion Price) 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.

Financial Effects of the Common Shares Subscription and the CN Subscription.

Upon completion of the Common Shares Subscription Agreement, the Company will, through CB Asset One, hold approximately 35.6% equity interest in Spark at a total consideration of HK\$180 million and Spark will become an associate of the Group. The financial results of Spark will not be consolidated in the financial statements of the Group and will be accounted for using the equity method of accounting.

Based on the unaudited consolidated statement of assets and liabilities of the Group as at 30 June 2024 as set out in the Company's 2024 Interim Report, following the CN Subscription, the net assets will decrease by approximately HK\$0.5 million while cash and cash equivalent will increase by approximately HK\$199.5 million. Upon completion of the Common Shares Subscription, there shall be no immediate effect on the assets and liabilities of the Group and the Group's cash and cash equivalent will subsequently decrease by HK\$180 million. There will be no effect on earnings upon completion of the CN Subscription and Common Shares Subscription.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purposes only, the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon full conversion of the Tranche 1 Convertible Note (assuming that there are no other changes to the shareholding structure of the Company from the Latest Practicable Date up to the full conversion of the Tranche 1 Convertible Note); (iii) immediately upon full conversion of the Tranche 1 Convertible Note and Tranche 2 Convertible Note (assuming that there are no other changes to the shareholding structure of the Company from the Latest Practicable Date up to the full conversion of the Tranche 1 Convertible Note and Tranche 2 Convertible Note); (iv) immediately upon full conversion of the Convertible Notes without taking into account the Conversion Restrictions (assuming that there are no other changes to the shareholding structure of the Company from the Latest Practicable Date up to the full conversion of the Convertible Notes); (v) immediately upon full conversion of the Convertible Notes subject to the Conversion Restrictions (assuming that there are no other changes to the shareholding structure of the Company from the Latest Practicable Date up to the full conversion of the Convertible Notes); (vi) immediately after the issue of the subscription shares, according to the announcement published by the Company on 22 May 2024, assuming there will be no change in the total number of Shares in issue (other than the issue of the abovementioned subscription shares); (vii) immediately after the issue of the award shares, according to the announcement published by the Company on 28 June 2024, assuming there will be no change in the total number of Shares in issue (other than the issue of the abovementioned award shares); (viii) immediately after the issue of the emolument shares, according to the announcement published by the Company on 28 June 2024 assuming there will be no change in the total number of Shares in issue (other than the issue of the abovementioned emolument shares); (ix) immediately after the issue of the consultant shares, according to the announcement published by the Company on 28 June 2024, assuming there will be no change in the total number of Shares in issue (other than the issue of the abovementioned consultant shares); and (x) assuming all events are effective is as follows:

Controlling Shareholder, Substantial Shareholders and Directors	As at the Latest Practicable Date	Upon full conversion of the Tranche 1 Convertible Note and Tranche 2 Convertible Note at the initial Conversion Price (For illustration purpose only)		Upon full conversion of the Tranche 1 Convertible Note and Tranche 2 Convertible Note at the initial Conversion Price (For illustration purpose only)		Upon full conversion of the Convertible Notes at the initial Conversion Price, without taking into account the Conversion Restrictions (For illustration purpose only)		Upon full conversion of the Convertible Notes at the initial Conversion Price, subject to the Conversion Restrictions (For illustration purpose only)		Immediately after the issue of the subscription shares, according to the announcement published by the Company on 22 May 2024, assuming there will be no change in the total number of Shares in issue (other than the issue of the above-mentioned subscription shares)		Immediately after the issue of the award shares, according to the announcement published by the Company on 28 June 2024, assuming there will be no change in the total number of Shares in issue (other than the issue of the above-mentioned award shares)		Immediately after the issue of the emolument shares, according to the announcement published by the Company on 28 June 2024, assuming there will be no change in the total number of Shares in issue (other than the issue of the above-mentioned emolument shares)		Immediately after the issue of the consultant shares, according to the announcement published by the Company on 28 June 2024, assuming there will be no change in the total number of Shares in issue (other than the issue of the above-mentioned consultant shares)		Assuming all events are effective			
		Number of Shares underlying	Approximate % of Shares outstanding	Number of Shares underlying	Approximate % of Shares outstanding	Number of Shares underlying	Approximate % of Shares outstanding	Number of Shares underlying	Approximate % of Shares outstanding	Number of Shares underlying	Approximate % of Shares outstanding	Number of Shares underlying	Approximate % of Shares outstanding	Number of Shares underlying	Approximate % of Shares outstanding	Number of Shares underlying	Approximate % of Shares outstanding	Number of Shares underlying	Approximate % of Shares outstanding	Number of Shares underlying	Approximate % of Shares outstanding
Global Fortune Global Limited (Note 1)	21.71%	235,603,225	20.38%	235,603,225	18.89%	235,603,225	17.41%	235,603,225	18.43%	235,603,225	24.08%	235,603,225	21.99%	235,603,225	24.22%	235,603,225	24.08%	235,603,225	24.08%	235,603,225	24.08%
Gloxyuan Limited (Note 2)	7.53%	72,000,000	6.29%	72,000,000	5.77%	72,000,000	5.32%	72,000,000	5.63%	72,000,000	7.36%	72,000,000	6.72%	72,000,000	7.40%	72,000,000	7.36%	72,000,000	7.36%	72,000,000	7.36%
Ms. Wu Yanyan	4.99%	47,550,000	4.13%	47,550,000	3.81%	47,550,000	3.51%	47,550,000	3.72%	47,550,000	4.86%	47,550,000	4.44%	47,550,000	4.89%	47,550,000	4.86%	47,550,000	4.86%	47,550,000	4.86%
Mr. Pan Wenyan	2.84%	27,096,000	2.31%	27,096,000	2.17%	27,096,000	2.00%	27,096,000	2.12%	27,096,000	2.77%	27,096,000	2.53%	27,096,000	2.78%	27,096,000	2.77%	27,096,000	2.77%	27,096,000	2.77%
Tanet Enterprises Group Limited (Note 2)	1.82%	17,392,000	1.52%	17,392,000	1.39%	17,392,000	1.28%	17,392,000	1.36%	17,392,000	1.78%	17,392,000	1.62%	17,392,000	1.79%	17,392,000	1.78%	17,392,000	1.78%	17,392,000	1.78%
Mr. Ko Shu Ki Kenneth	0.39%	3,712,000	0.31%	3,712,000	0.30%	3,712,000	0.27%	3,712,000	0.29%	3,712,000	0.38%	3,712,000	0.35%	3,712,000	0.38%	3,712,000	0.38%	3,712,000	0.38%	3,712,000	0.38%
Mr. Wu Jianwei (Note 1)	5.51%	52,508,000	4.59%	52,508,000	4.21%	52,508,000	3.88%	52,508,000	4.11%	60,844,000	6.22%	52,508,000	4.96%	52,508,000	5.40%	52,508,000	5.37%	60,844,000	5.37%	60,844,000	5.37%
Mr. Li Man Keng Edwin (Note 2)	1.54%	14,712,613	1.29%	14,712,613	1.18%	14,712,613	1.09%	14,712,613	1.15%	25,048,613	2.36%	14,712,613	1.37%	14,712,613	1.51%	14,712,613	1.50%	25,048,613	1.50%	25,048,613	1.49%
Mr. Liang Zhao (Note 1)	0.92%	8,800,000	0.77%	8,800,000	0.71%	8,800,000	0.65%	8,800,000	0.69%	17,136,000	1.75%	8,800,000	0.82%	8,800,000	0.90%	8,800,000	0.90%	17,136,000	0.90%	17,136,000	1.08%
Mr. Yip Siu Hong	0.63%	5,997,905	0.52%	5,997,905	0.48%	5,997,905	0.44%	5,997,905	0.47%	5,997,905	0.61%	5,997,905	0.47%	15,055,903	1.55%	15,055,903	0.61%	60,343,903	0.61%	60,343,903	3.80%
Mr. Ho Karl	0.00%	—	0.00%	—	0.00%	—	0.00%	—	0.00%	—	0.00%	27,173,000	2.54%	5,797,000	0.06%	—	0.00%	32,970,000	0.06%	32,970,000	2.08%
Mr. Ng Sze Chun	0.31%	2,998,953	0.26%	2,998,953	0.24%	2,998,953	0.22%	2,998,953	0.23%	2,998,953	0.31%	2,998,953	0.23%	7,521,953	0.77%	7,521,953	0.77%	2,998,953	0.31%	30,171,953	1.90%
Mr. Lau Wai Yin Lawson	2.39%	22,802,703	1.99%	22,802,703	1.84%	22,802,703	1.68%	22,802,703	1.78%	22,802,703	2.33%	45,446,703	4.24%	22,802,703	2.34%	22,802,703	2.33%	45,446,703	2.33%	45,446,703	2.86%
YBG Capital Limited	0.00%	—	0.00%	—	0.00%	—	0.00%	—	0.00%	—	0.00%	—	0.00%	—	0.00%	25,000,000	2.55%	25,000,000	2.55%	25,000,000	1.57%
Gaw Capital (Note 4)	6.16%	249,904,000	21.83%	352,504,000	28.26%	458,704,000	33.89%	383,334,000	29.99%	58,704,000	6.00%	58,704,000	5.48%	58,704,000	6.03%	58,704,000	6.00%	458,704,000	6.00%	458,704,000	28.88%
Public	40.24%	383,698,000	33.32%	383,698,000	30.76%	383,698,000	28.35%	383,698,000	30.02%	383,698,000	39.21%	383,698,000	35.82%	383,698,000	39.44%	383,698,000	39.21%	451,518,000	39.21%	451,518,000	27.18%
	100.00%	1,144,755,399	100.00%	1,247,575,399	100.00%	1,353,575,399	100.00%	1,278,205,399	100.00%	978,583,399	100.00%	1,071,324,399	100.00%	972,559,399	100.00%	978,575,399	100.00%	978,575,399	100.00%	1,588,536,399	100.00%

Notes:

- (1) 235,603,225 Shares are held by Global Fortune Global Limited which is owned as to 51% by Mr. Wu Jianwei, the non-executive Director and Co-Chairman of the Board, and as to 49% by Mr. Liang Zihao, the executive Director and Co-Chairman of the Board.

Mr. Liang Zihao directly holds 8,800,000 Shares. The aggregate Shares beneficially owned by Mr. Liang Zihao is 244,403,225 Shares, or 25.63% of total issued Shares.

Mr. Wu Jianwei directly holds 52,508,000 Shares. The aggregate Shares beneficially owned by Mr. Wu Jianwei is 288,111,225 Shares, or 30.21% of total issued Shares.

- (2) 72,000,000 Shares are held by Glorytwin Limited which is wholly owned by Mr. Li Man Keung Edwin, Executive Director and Vice Chairman of the Board. 17,392,000 are held by Tanner Enterprises Group Limited which is wholly owned by Mr. Li Man Keung Edwin. Mr. Li Man Keung Edwin also directly holds 14,712,613 Shares. The aggregate Shares beneficially owned by Mr. Li Man Keung Edwin is 104,104,613 Shares, or 10.92% of total issued Shares.

- (3) Please refer to the paragraph headed "Conversion rights" in the section headed "Convertible Note" above for details of the Conversion Restrictions. Given the Conversion Restrictions, there will be no change of control of the Company on exercise of the conversion rights under the Conversion Note.

- (4)&# The shareholding number and percentage stated here are for illustration purpose only. The conversion of the Convertible Notes is limited by the conversion restrictions (i.e. if the conversion by the Noteholder would trigger any mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the exercising bond holders or parties acting in concert with them, or reduce the public float of the Company to less than 25% (or any given percentage as required by the GEM Listing Rules for the minimum percentage of Shares being held by the public as per Rule 11.23 of the GEM Listing Rules) of the issued Shares of the Company at the time in compliance with the GEM Listing Rules, then the conversion by the Noteholder shall be restricted until and unless the regulatory requirements under the Takeovers Code and the Listing Rules are fully complied with), such that Noteholder shall convert the Convertible Notes to an extent which would reduce the public float of the Company to below the percentage prescribed under the GEM Listing Rules, or trigger the mandatory offer obligation under the Takeovers Code on the part of the exercising Noteholder and parties acting in concert with them, until and unless the regulatory requirements under the Takeovers Code and the GEM Listing Rules are fully complied with. Subject to the Conversion Restrictions, the issue of the Conversion Shares will not result in a change of control of the Company.

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

The following is the equity fund raising activity conducted by the Company in the past 12 months immediately before the Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds
31 August 2023, 12 September 2023, 19 September 2023 and 21 September 2023	Issue of 100,000,000 unlisted warrants under specific mandate	Nil	(i) production and deployment of EV business; (ii) the expansion of eTaxi/ eVan business; and (iii) working capital	Not applicable
22 December 2023 and 26 February 2024	Issue of 19,516,000 new Shares under specific mandate	HK\$16.0 million	(i) production and deployment of EV business; (ii) the general working capital	Fully utilized in accordance with the intended use

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds
22 May 2024	Issue of 25,008,000 new Shares under specific mandate	Not applicable	working capital of the Group and for general corporate purposes	Not applicable
28 June 2024	Issue of 117,749,000 new Shares under specific mandate	Not applicable	award shares for management	Not applicable
28 June 2024	Issue of 19,384,000 new Shares under specific mandate	Not applicable	emolument shares for C-suite	Not applicable
28 June 2024	Issue of 25,000,000 new Shares under specific mandate	Not applicable	consultant fee	Not applicable
2 August 2024	Issue of 47,820,000 new shares under general mandate	HK\$24.0 million	general working capital	Partially utilized in accordance with the intended use

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under GEM Listing Rule 19.07) in respect of the entering into of the Common Shares Subscription Agreement constitutes a major transaction on the part of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As the Conversion Shares shall be allotted and issued under the Specific Mandate, the CN Subscription Agreement and the transactions contemplated thereunder shall be subject to the Shareholders' approval in the EGM.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Subscriber is controlled by a fund that is managed and controlled by Gaw Capital and/or its affiliates as at the Latest Practicable Date. As such, Gaw Capital, who is an existing Shareholder of the Company as of the Latest Practicable Date, is required to abstain from voting on the resolutions of approving the Common Shares Subscription Agreement (including entering into of Shareholders' Agreement) and the CN Subscription Agreement and the transactions contemplated thereunder as it has a material interest in the transactions. Save for the above, to the best knowledge, information and belief of the Directors, as at the Latest Practicable Date, no director and no other shareholder has a material interest in the Common Shares Subscription and the CN Subscription and is required to abstain from voting at the EGM.

Application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Conversion Shares.

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 Friday, 25 October 2024 at 3:00 p.m. is set out from 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 (i) the Common Shares Subscription Agreement; (ii) the CN Subscription Agreement; and (iii) the Specific Mandate and the transaction contemplated thereunder.

Save as disclosed above and to the best of the knowledge, information and belief of the Directors and having making all reasonable enquiries, no other Shareholder has a material interest in (i) the Common Shares Subscription Agreement; (ii) CN Subscription Agreement; the Shareholders' Agreement; and (iii) the Specific Mandate and the transaction contemplated thereunder. Accordingly, no other shareholder will be required to abstain from voting on the resolutions to be proposed at the EGM.

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 3:00 p.m. on Wednesday, 23 October 2024 (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.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 22 October 2024 to Friday, 25 October 2024, both dates inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 21 October 2024.

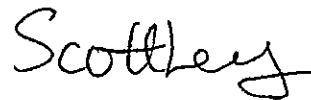
RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the opinion that the terms of the Common Shares Subscription Agreement and the CN Subscription Agreement are on normal commercial terms and fair and reasonable and the establishment of JV Arrangement and the CN Subscription are in the interests of the Company and the Shareholders as a whole. The Board recommend the Shareholders to vote in favour of the resolution to approve the Common Shares Subscription Agreement and the CN Subscription Agreement and the transactions contemplated thereunder at the EGM.

WARNING OF THE RISKS OF DEALING IN THE SHARES

Shareholders and potential investors of the Company should note that the Common Shares Subscription Agreement and the CN Subscription Agreement are conditional upon fulfilment of the conditions precedent under the Common Shares Subscription Agreement and the CN Subscription Agreement. There is no assurance that the completion of the Common Shares Subscription (including the formation of the JV Arrangement) and the completion of the CN Subscription will take place or as to when it may take place. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

Yours faithfully
On behalf of the Board
Cornerstone Technologies Holdings Limited



LIANG Zihao
Co-Chairman and Executive Director