

TARGET

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CORNERSTONE TECHNOLOGIES HOLDINGS LTD: WOULD YOU LIKE TO PURCHASE SOME OF THE SHARES OF THIS COMPANY ?

The financials of Cornerstone Technologies Holdings Ltd (基石科技控股有限公司) (Code: 8391, The **G**rowth **E**nterprise **M**arket – The **GEM** – The Stock Exchange of Hongkong Ltd) in respect of the 2022 Financial Year, ended December 31, 2022, are such that anybody with the slightest inkling of economics and or commerce would have to be off his/her rocker to consider purchasing shares of this Company.

The above is **TARGET**'s opinion after scanning the 178-Page Annual Report of Cornerstone Technologies Holdings Ltd.

But, on reading the eight paragraphs of the 2022 Annual Report, found at Pages Four and Five, all of which have, supposedly, been penned by Mr Liang Zi Hao (梁子豪), the Co-Chairman of the Company, one might become irresolute on noting this gentleman's seemingly tantalising prose.

The following is a verbatim, goodly part of Mr Liang Zi Hao's report to his shareholders:

'... As the world transitions towards a low-carbon economy, the demand for electric vehicles (EVs) has been increasing rapidly, leading to a growing need for charging infrastructure to support EVs in Hong Kong. It is an exciting time for the industry and for Cornerstone, as companies and organizations around the world are working together to provide convenient and sustainable charging solutions for EVs. In Hong Kong, we have seen a significant increase in the number of EVs on the road, drivers are quickly adapting to the new driving behavior and as a result, the need for charging infrastructure has become more crucial.

'Over the past year, the Company has continued to grow and expand our network of electric vehicle charging stations across Hong Kong. Our team has worked tirelessly to deliver high-quality charging solutions to an ever-growing number of electric vehicle owners, asset owners and fleet operators alike. As a result, we are proud to announce that we have increased our charging infrastructure in the region by ten times over the past year, significantly increasing our market share in the industry. Our

efforts have been particularly successful in the commercial and residential sectors, where we have secured major contracts and partnerships with leading stakeholders in Hong Kong.

‘Despite the unforeseeable and unprecedented challenges posed by the Covid-19 pandemic, the Company has maintained a positive financial performance for the year 2022 with revenue growing by 3.7 times. We have been diligent in monitoring our cash flow, operating expenses, and capital expenditures to ensure that we remain financially stable and viable in the long run. Additionally, we have secured new funding and have captured the interest of potential investors, and that has enabled us to begin the expansion of our operations within and beyond the Hong Kong market.

‘The government of Hong Kong has continued to take a proactive approach to support the EV charging industry, introducing subsidies and incentives for building infrastructure and charging stations. The private sector has also been actively investing in the industry, creating partnerships and collaborations to develop innovative solutions.

‘Despite the challenges brought on by the COVID-19 pandemic, the industry has continued to grow steadily. The electric vehicle market in Hong Kong continues to grow rapidly, with more consumers embracing electric mobility solutions. The increasingly wide variety of models and rising fuel costs has attracted more drivers to switch to trade in their ICE cars (Internal Combustion Engine Cars) for an EV (Electric Vehicles), creating an acceleration of growth in the industry, with more people recognizing the need for sustainable mobility. As a leader in the industry, we have been working determinedly to offer convenient and reliable charging solutions for our customers, ensuring that the infrastructure is in place to support the growing demand of EVs. We are dedicated to meeting the increasing demand for our products and services. The Company has been actively engaging with regulatory bodies, industry stakeholders, and customers to stay ahead of market trends and developments. Our constant investment in cutting-edge technology will continue to drive our growth and success in this industry.

‘We have also taken steps to go beyond Hong Kong and starting to establish foothold in the South East Asia Markets, including Cambodia, Indonesia, Malaysia and Thailand. While these markets are still at early stages of EV adoption, they present tremendous growth potentials for the company, with their large car owning population, and the stakeholders’ desire to have an experienced technology partner who can help them take on the EV charging buildout journey rapidly. We believe the overseas market will be another important growth engine for the company in the coming years...’.

Reads good and exciting?

Wait for it!

At Page 53 of the 2022 Annual Report of Cornerstone Technologies Holdings Ltd, the principal activities of the Company have been given as follows:

‘The principal activity of the Company is investment holding. The Group are printing services providers which principally engage in the provisions of printing, typesetting and translation services in Hong Kong. The Group also engaged in supplying EV integrated charging solutions, including central management system, hub for e-payment, load management system and license plate recognition system to electric vehicle and smart parking.’

At Page 15 of the 2022 Annual Report of the Company, the following statistics were presented:

	For The Financial Year, Ended December 31	
	2022	2021
	\$HK'000	\$HK'000
Commercial printing services:	27,728	30,857
Financial printing services:	19,030	15,837
<u>Other services:</u>	1,557	1,535
Printing business:	48,315	48,229
Sales of electric vehicle charging systems:	21,136	6,450
Subscription fee income:	1,434	353
Provision of installation service income:	8,937	Nil
<u>Maintenance fee income:</u>	320	Nil
Electric vehicle charging business:	31,827	6,803
Total:	80,142	55,032

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