

ANNOUNCEMENT OF OFFER PRICE AND ALLOTMENT RESULTS

SUMMARY

Final Offer Price

The Offer Price has been determined at HK\$1.75 per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

Net proceeds from the Share Offer

Based on the Offer Price of HK\$1.75 per Offer Share, the amount of net proceeds from the Share Offer to be received by the Company, after deducting related underwriting fees and estimated expenses payable by the Company in connection with the Share Offer, is estimated to be approximately HK\$96.7 million. The Company intends to apply such net proceeds in accordance with the purposes set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

Applications under the Public Offer

The Public Offer Shares initially offered under the Public Offer have been very significantly over-subscribed. A total of 19,726 valid applications were received pursuant to the Public Offer on **WHITE** and **YELLOW** Application Forms and by **electronic application instructions** given to HKSCC via CCASS and through the **White Form eIPO** Service Provider under the **White Form eIPO** service for a total of 3,155,465,000 Public Offer Shares, representing approximately 420.73 times of the total number of 7,500,000 Public Offer Shares initially available under the Public Offer.

Due to the very significant over-subscription in the Public Offer, the reallocation mechanism as described in the section headed “Structure and Conditions of the Share Offer — The Public Offer — Reallocation” in the Prospectus has been applied. As the number of Offer Shares validly applied for in the Public Offer represents more than 100 times of the number of Offer Shares initially available under the Public Offer, 30,000,000 Offer Shares have been reallocated from the Placing to the Public Offer. As a result of such reallocation, the final number of the Public Offer Shares is 37,500,000, representing 50% of the total number of the Offer Shares available under the Share Offer.

The Placing

The Offer Shares initially offered under the Placing have been moderately over-subscribed, representing approximately 1.09 times of the total number of 67,500,000 Placing Shares initially available under the Placing. Following the reallocation as described above, the final number of Placing Shares allocated to 202 placees under the Placing is 37,500,000 Placing Shares, representing 50% of the total number of Offer Shares available under the Share Offer. A total of 101 placees have been allotted five board lots of the Placing Shares or less, representing approximately 50.0% of total number of placees under the Placing. A total of 1,430,000 Placing Shares have been allotted to these placees, representing approximately 3.8% of the 37,500,000 Placing Shares after reallocation. A total of 10 placees have been allotted one board lot of the Placing Shares, representing approximately 5.0% of total number of placees under the Placing. A total of 50,000 Placing Shares have been allotted to these placees, representing approximately 0.1% of the 37,500,000 Placing Shares after reallocation.

The Directors confirm that, to the best of their knowledge, information and belief, and having made all reasonable enquiries, no Offer Shares have been allocated to applicants who are Directors, existing Shareholders or beneficial owners of Shares and/or any securities of the Company's subsidiaries and core connected persons of the Company or their close associates within the meanings of the Listing Rules, whether in their own names or through nominees. None of the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters or any of their affiliated companies and the connected clients of the lead broker or of any distributors (as defined in Appendix 6 to the Listing Rules) have taken up any Offer Shares for their own benefit under the Share Offer, whether in their own names or through nominees. The Directors further confirm that the Placing has been conducted in compliance with the placing guidelines for equity securities as set out in Appendix 6 to the Listing Rules and no placee will, individually, be placed with more than 10% of the enlarged issued share capital of the Company immediately after the Share Offer. As such, the Directors confirm that none of the placees will become a substantial shareholder of the Company (within the meaning of the Listing Rules) immediately after the Share Offer, and the Company's public float percentage will satisfy the minimum percentage as prescribed by Rule 8.08(1)(a) of the Listing Rules. The Directors also confirm that (i) the three largest public shareholders of the Company do not hold more than 50% of the Shares held in public hands at the time of the Listing in compliance with Rules 8.08(3) and 8.24 of the Listing Rules; and (ii) the Shares will be held by at least 300 Shareholders at the time of the Listing in compliance with Rule 8.08(2) of the Listing Rules.

Results of allocations

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers (where applicable) of successful applicants under the Public Offer will be available at the times and dates and in the manner specified below:

- in the announcement to be posted on the Company's website at www.szeternity.com and the Stock Exchange's website at www.hkexnews.hk by no later than 8:00 a.m. on Wednesday, 15 August 2018;
- from the designated results of allocations website at www.iporesults.com.hk (alternatively: English <https://www.eipo.com.hk/en/Allotment>; Chinese <https://www.eipo.com.hk/zh-hk/Allotment>) with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Wednesday, 15 August 2018 to 12:00 midnight on Tuesday, 21 August 2018;
- by telephone enquiry line by calling 2862 8669 between 9:00 a.m. and 10:00 p.m. from Wednesday, 15 August 2018 to Saturday, 18 August 2018; and
- in the special allocation results booklets which will be available for inspection during opening hours from Wednesday, 15 August 2018 to Friday, 17 August 2018 at the designated receiving bank branches.

Despatch/collection of Share certificates and refund monies

Applicants who have applied for 1,000,000 Public Offer Shares or more and are successfully or partially successfully allocated Public Offer Shares and have provided all information required by their **WHITE** Application Form or **White Form eIPO**, may collect their refund cheque(s) (where applicable) and/or share certificate(s) from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Wednesday, 15 August 2018 or such other date as notified by the Company. Applicants being individuals who are eligible for personal collection must not authorise any other person to collect for them. Corporate applicants who are eligible for personal collection must attend by their authorised representatives bearing a letter of authorisation from their corporations stamped with the corporations' chop. Both individuals and authorised representatives of corporations must produce, at the time of collection, identification and (where applicable) documents acceptable to the Hong Kong Share Registrar.

Share certificates for Public Offer Shares allotted to applicants using **WHITE** Application Forms or **White Form eIPO**, who have applied for less than 1,000,000 Public Offer Shares, are expected to be despatched by ordinary post to those entitled to the address specified in the relevant **WHITE** Application Form or **White Form eIPO** on or before Wednesday, 15 August 2018, at their own risk.

Wholly or partially successful applicants on **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC via CCASS will have their share certificate(s) issued in the name of HKSCC Nominees and deposited directly into CCASS for credit to their or the designated CCASS Participants' stock account as stated in their **YELLOW** Application Form on Wednesday, 15 August 2018, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

Applicants applying through a designated CCASS participant (other than a CCASS investor participant) should check the number of Public Offer Shares allotted to them with that CCASS participant.

Applicants applying as a CCASS investor participant on **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC via CCASS should check the announcement made by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Wednesday, 15 August 2018 or any other date as determined by HKSCC or HKSCC Nominees. Immediately following the credit of the Public Offer Shares to their stock account, they can check their new account balance via the CCASS Phone System and CCASS Internet System.

Applicants using **YELLOW** Application Form who have applied for 1,000,000 Public Offer Shares or more and have provided all information required by their **YELLOW** Application Form may collect their refund cheque(s) (where applicable) in person from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Wednesday, 15 August 2018 or such other date as notified by the Company. Refund cheques for applicants using **WHITE** or **YELLOW** Application Forms who have applied for less than 1,000,000 Public Offer Shares, are expected to be despatched by ordinary post to those entitled on or before Wednesday, 15 August 2018, at their own risk.

Applicants using **White Form eIPO** who have applied and paid the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Refund payment instructions. Applicants using **White Form eIPO** who have applied and paid the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in their application instructions in the form of refund cheque(s) by ordinary post at their own risk.

Refund monies (if any) for applicants giving **electronic application instructions** to HKSCC via CCASS will be credited to the relevant applicants' designated bank accounts or the designated bank accounts of their brokers or custodians on Wednesday, 15 August 2018.

For individuals and authorised representatives who do not collect their refund cheque(s) and/or share certificate(s) personally within the time specified for collection, their refund cheque(s) and/or share certificate(s) will be despatched promptly to the address specified in their Application Form by ordinary post at their own risk.

Share certificates for the Offer Shares will only become valid at 8:00 a.m. on Thursday, 16 August 2018 provided that the Share Offer has become unconditional and the right of termination as described in the section headed "Underwriting — Underwriting arrangements and expenses — Public Offer Underwriting Agreement — Grounds for termination" in the Prospectus has not been exercised.

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application for the Offer Shares.

Commencement of dealings

Assuming that the Share Offer becomes unconditional in all aspects at or before 8:00 a.m. on Thursday, 16 August 2018, dealings in the Shares on the Main Board of Stock Exchange are expected to commence at 9:00 a.m. on Thursday, 16 August 2018. The Shares will be traded in board lots of 5,000 Shares each. The stock code of the Shares is 1725.

FINAL OFFER PRICE

The Offer Price has been determined at HK\$1.75 per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

NET PROCEEDS FROM THE SHARE OFFER

Based on the Offer Price of HK\$1.75 per Offer Share, the net proceeds from the Share Offer to be received by the Company, after deducting related underwriting fees and estimated expenses payable by the Company in connection with the Share Offer, is estimated to be approximately HK\$96.7 million. The Company presently intends to apply such net proceeds as follows:

- (i) approximately 66.9%, or HK\$64.7 million, will be used to expand our production efficiency.
- (ii) approximately 18.0%, or HK\$17.4 million, will be used to lease new premises to align with our production capacity expansion, convert our existing warehouse into an intelligent warehouse and set up an additional intelligent warehouse.
- (iii) approximately 4.7%, or HK\$4.5 million, will be used to further strengthen our research and development capabilities.
- (iv) approximately 3.5%, or HK\$3.4 million, will be used to upgrade our ERP system and enhance our capabilities in information technology.
- (v) approximately 6.9%, or HK\$6.7 million, will be used as general working capital of our Company

Please refer to the section headed “Future plans and use of proceeds” in the Prospectus for more details of the Company’s intended use of the net proceeds from the Share Offer.

APPLICATIONS UNDER THE PUBLIC OFFER

The Public Offer Shares initially offered under the Public Offer have been very significantly over-subscribed. At the close of the application lists at 12:00 noon on Wednesday, 8 August 2018, a total of 19,726 valid applications have been received pursuant to the Public Offer on **WHITE** and **YELLOW** Application Forms and by **electronic application instructions** given to HKSCC via CCASS and through the **White Form eIPO** Service Provider under the **White Form eIPO** service for a total of 3,155,465,000 Public Offer Shares, equivalent to approximately 420.73 times of the total number of 7,500,000 Public Offer Shares initially available under the Public Offer.

Of the 19,726 valid applications on **WHITE** and **YELLOW** Application Forms and by giving **electronic application instructions** to HKSCC via CCASS and through the **White Form eIPO** Service Provider under the **White Form eIPO** service for a total of 3,155,465,000 Public Offer Shares:

- a total of 19,130 valid applications for a total of 1,124,965,000 Public Offer Shares were for the Public Offer with an aggregate subscription amount of HK\$5,000,000 or less, representing approximately 299.99 times of the total number of 3,750,000 Public Offer Shares initially available for allocation in pool A; and
- a total of 596 valid applications for a total of 2,030,500,000 Public Offer Shares were for the Public Offer with an aggregate subscription amount of more than HK\$5,000,000, representing approximately 541.47 times of the total number of 3,750,000 Public Offer Shares initially available for allocation in pool B.

1 application has been rejected due to invalid application which is not completed in accordance with the instructions set out in the **White** or **Yellow** Application Forms. 1 application has been rejected due to bounced cheque. 29 multiple or suspected multiple applications have been identified and rejected. No application for more than 50% of the Public Offer Shares initially offered under the Public Offer (i.e. 3,750,000 Public Offer Shares) has been identified.

Due to the very significant over-subscription in the Public Offer, the reallocation mechanism as described in the section headed “Structure and Conditions of the Share Offer — The Public Offer — Reallocation” in the Prospectus has been applied. As the number of Offer Shares validly applied for in the Public Offer represents more than 100 times of the number of Offer Shares initially available under the Public Offer, 30,000,000 Offer Shares have been reallocated from the Placing to the Public Offer. As a result of such reallocation, the final number of the Public Offer Shares is 37,500,000, representing 50% of the total number of the Offer Shares available under the Share Offer.

THE PLACING

The Offer Shares initially offered under the Placing have been moderately over-subscribed, which are equivalent to approximately 1.09 times of the total number of 67,500,000 Placing Shares initially available under the Placing. Following the reallocation as described above, the final number of Placing Shares allocated to 202 places under the Placing is 37,500,000 Placing Shares, representing 50% of the total number of Offer Shares available under the Share Offer. A total of 101 places have been allotted five board lots of the Placing Shares or less, representing approximately 50.0% of total number of places under the Placing. A total of 1,430,000 Placing Shares have been allotted to these places, representing

approximately 3.8% of the 37,500,000 Placing Shares after reallocation. A total of 10 placees have been allotted one board lot of the Placing Shares, representing approximately 5.0% of total number of placees under the Placing. A total of 50,000 Placing Shares have been allotted to these placees, representing approximately 0.1% of the 37,500,000 Placing Shares after reallocation.

The distribution of the Placing Shares is set out below:

		Aggregate percentage of Placing Shares allocated	Aggregate percentage of the total Placing Shares under the Share Offer	Approximate aggregate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of Share Offer and Capitalization Issue
Top placee	2,040,000 Shares	5.44%	2.72%	0.68%
Top 5 placees	8,950,000 Shares	23.87%	11.93%	2.98%
Top 10 placees	14,775,000 Shares	39.40%	19.70%	4.93%
Top 25 placees	26,785,000 Shares	71.43%	35.71%	8.93%
Top 30 placees	29,215,000 Shares	77.91%	38.95%	9.74%

Number of Placing Shares allocated	Number of placees
5,000 to 50,000	134
50,001 to 500,000	40
500,001 to 1,000,000	14
1,000,001 to 1,500,000	11
1,500,001 to 2,000,000	2
2,000,001 and above	1
	<u>202</u>

The Directors confirm that, to the best of their knowledge, information and belief, and having made all reasonable enquiries, no Offer Shares have been allocated to applicants who are Directors, existing Shareholders or beneficial owners of Shares and/or any securities of the Company's subsidiaries and core connected persons of the Company or their close associates within the meanings of the Listing Rules, whether in their own names or through nominees. None of the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters or any of their affiliated companies and the connected clients of the lead broker or of any distributors (as defined in Appendix 6 to the Listing Rules) have taken up any Offer Shares for their own benefit under the Share Offer, whether in their own names or through nominees. The Directors further confirm that the Placing has been conducted in compliance with the placing guidelines for equity securities as set out in Appendix 6 to the Listing Rules and no placee will, individually, be placed with more than 10% of the enlarged issued share capital of the Company immediately after the Share Offer. As such, the Directors confirm that none of the placees will become a substantial shareholder of the Company (within the meaning of the Listing Rules) immediately after the Share Offer, and the Company's public float percentage will satisfy the minimum percentage as prescribed by Rule 8.08(1)(a) of the Listing Rules. The Directors also confirm that (i) the three largest public shareholders of the Company do not hold more than 50% of the Shares held in public hands at the time of the Listing in compliance with Rules 8.08(3) and 8.24 of the Listing Rules; and (ii) the Shares will be held by at least 300 Shareholders at the time of the Listing in compliance with Rule 8.08(2) of the Listing Rules.

BASIS OF ALLOTMENT UNDER THE PUBLIC OFFER

Subject to the satisfaction of the conditions set out in the section headed “Structure and Conditions of the Share Offer — Conditions of the Share Offer” in the Prospectus, valid applications made by the public on **WHITE** and **YELLOW** Application Forms and by giving **electronic application instructions** to HKSCC via CCASS and through the **White Form eIPO** Service Provider under the **White Form eIPO** service will be conditionally allocated on the basis set out below:

NO. OF SHARES APPLIED FOR	NO. OF VALID APPLICATIONS	BASIS OF ALLOTMENT / BALLOT POOL A	APPROXIMATE PERCENTAGE ALLOTTED OF THE TOTAL NO. OF SHARES APPLIED FOR
5,000	13,619	1,362 out of 13,619 to receive 5,000 Shares	10.00%
10,000	769	80 out of 769 to receive 5,000 Shares	5.20%
15,000	437	46 out of 437 to receive 5,000 Shares	3.51%
20,000	1,031	124 out of 1,031 to receive 5,000 Shares	3.01%
25,000	163	21 out of 163 to receive 5,000 Shares	2.58%
30,000	157	23 out of 157 to receive 5,000 Shares	2.44%
35,000	96	15 out of 96 to receive 5,000 Shares	2.23%
40,000	98	17 out of 98 to receive 5,000 Shares	2.17%
45,000	122	23 out of 122 to receive 5,000 Shares	2.09%
50,000	426	87 out of 426 to receive 5,000 Shares	2.04%
60,000	77	18 out of 77 to receive 5,000 Shares	1.95%
70,000	65	17 out of 65 to receive 5,000 Shares	1.87%
80,000	79	23 out of 79 to receive 5,000 Shares	1.82%
90,000	469	150 out of 469 to receive 5,000 Shares	1.78%
100,000	258	90 out of 258 to receive 5,000 Shares	1.74%
150,000	143	74 out of 143 to receive 5,000 Shares	1.72%
200,000	170	115 out of 170 to receive 5,000 Shares	1.69%
250,000	163	137 out of 163 to receive 5,000 Shares	1.68%
300,000	84	5,000 Shares	1.67%
350,000	49	5,000 Shares plus 2 out of 49 to receive additional 5,000 Shares	1.49%
400,000	54	5,000 Shares plus 3 out of 54 to receive additional 5,000 Shares	1.32%
450,000	46	5,000 Shares plus 3 out of 46 to receive additional 5,000 Shares	1.18%
500,000	127	5,000 Shares plus 9 out of 127 to receive additional 5,000 Shares	1.07%
600,000	56	5,000 Shares plus 15 out of 56 to receive additional 5,000 Shares	1.06%

NO. OF SHARES APPLIED FOR	NO. OF VALID APPLICATIONS	BASIS OF ALLOTMENT / BALLOT POOL A	APPROXIMATE PERCENTAGE ALLOTTED OF THE TOTAL NO. OF SHARES APPLIED FOR
700,000	28	5,000 Shares plus 13 out of 28 to receive additional 5,000 Shares	1.05%
800,000	19	5,000 Shares plus 12 out of 19 to receive additional 5,000 Shares	1.02%
900,000	16	5,000 Shares plus 13 out of 16 to receive additional 5,000 Shares	1.01%
1,000,000	99	10,000 Shares	1.00%
1,500,000	42	10,000 Shares plus 4 out of 42 to receive additional 5,000 Shares	0.70%
2,000,000	27	10,000 Shares plus 16 out of 27 to receive additional 5,000 Shares	0.65%
2,500,000	141	15,000 Shares	0.60%
	<u>19,130</u>		

NO. OF SHARES APPLIED FOR	NO. OF VALID APPLICATIONS	BASIS OF ALLOTMENT / BALLOT POOL B	APPROXIMATE PERCENTAGE ALLOTTED OF THE TOTAL NO. OF SHARES APPLIED FOR
3,000,000	268	25,000 Shares plus 188 out of 268 to receive additional 5,000 Shares	0.95%
3,500,000	14	30,000 Shares plus 6 out of 14 to receive additional 5,000 Shares	0.92%
3,750,000	314	30,000 Shares plus 248 out of 314 to receive additional 5,000 Shares	0.91%
	<u>596</u>		

The final number of Public Offer Shares is 37,500,000, representing 50% of the total number of the Offer Shares available under the Share Offer. The final number of Placing Shares is 37,500,000, representing 50% of the total number of the Offer Shares available under the Share Offer.

RESULTS OF ALLOCATIONS

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers (where applicable) of successful applicants under the Public Offer will be available at the times and dates and in the manner specified below:

- in the announcement to be posted on the Company's website at www.szeternity.com and the Stock Exchange's website at www.hkexnews.hk by no later than 8:00 a.m. on Wednesday, 15 August 2018;
- from the designated results of allocations website at www.iporesults.com.hk (alternatively: English <https://www.eipo.com.hk/en/Allotment>; Chinese <https://www.eipo.com.hk/zh-hk/Allotment>) with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Wednesday, 15 August 2018 to 12:00 midnight on Tuesday, 21 August 2018;
- by telephone enquiry line by calling 2862 8669 between 9:00 a.m. and 10:00 p.m. from Wednesday, 15 August 2018 to Saturday, 18 August 2018; and
- in the special allocation results booklets which will be available for inspection during opening hours from Wednesday, 15 August 2018 to Friday, 17 August 2018 at the designated branches of Bank of China (Hong Kong) Limited as set out below:

District	Branch	Address
Hong Kong Island	Johnston Road Branch	152-158 Johnston Road, Wan Chai, Hong Kong
Kowloon	Tsim Sha Tsui East Branch	Shop 3, LG/F, Hilton Towers, 96 Granville Road, Tsim Sha Tsui East, Kowloon
New Territories	East Point City Branch	Shop Nos. 217 D-E, Level 2, East Point City, 8 Chung Wa Road, Tseung Kwan O, New Territories