

ANNOUNCEMENT OF OFFER PRICE AND ALLOTMENT RESULTS

SUMMARY

Final Offer Price

The final Offer Price has been determined at HK\$2.00 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 final Offer Price of HK\$2.00 per Offer Share, the net proceeds from the Share Offer to be received by the Company, after deducting the underwriting fees and commissions and other estimated expenses payable by the Group in connection with the Share Offer, are estimated to be approximately HK\$91.9 million. The Company intends to apply such net proceeds from the Share Offer in the manner set out in the paragraphs headed “Net Proceeds from the Share Offer” in this announcement.

Applications under the Public Offer

The Public Offer Shares initially offered under the Public Offer have been moderately over-subscribed. A total of 7,504 valid applications were received for a total of 80,488,000 Public Offer Shares, representing approximately 12.88 times of the total number of 6,250,000 Public Offer Shares initially available for subscription under the Public Offer.

As the number of Offer Shares validly applied for under the Public Offer represents less than 15 times of the number of Offer Shares initially available for subscription under the Public Offer, no Offer Shares have been reallocated to the Public Offer from the Placing pursuant to the reallocation procedures as described in the paragraph headed “Structure and Conditions of the Share Offer — The Public Offer — Reallocation” in the Prospectus. The final number of Offer Shares allocated to the Public Offer is 6,250,000 Offer Shares, representing 10% of the total number of Offer Shares initially available under the Share Offer.

The Placing

The Placing Shares initially offered under the Placing have been fully-subscribed. The final number of the Placing Shares allocated to 180 placees under the Placing is 56,250,000, representing 90% of the total number of the Offer Shares initially available under the Share Offer. A total of 75 placees have each been allotted no more than ten board lots of the Placing Shares, representing approximately 41.7% of the total number of 180 placees under the Placing. These placees have been allotted approximately 0.5% of the total number of Offer Shares under the Placing.

The Directors confirm that none of the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and their respective affiliated companies and connected clients (as defined in Appendix 6 to the Listing Rules) has taken up any Offer Shares whether in their own names or through nominees for their own benefits under the Placing. The Directors confirm that no Placing Shares have been allocated to applicants who are (i) Directors or existing Shareholders; or (ii) core connected persons (as defined in the Listing Rules) of the Company; or (iii) close associates (as defined in the Listing Rules) of (i) and/or (ii), 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. The Directors confirm that no placees will, individually, be placed with more than 10% of the enlarged issued share capital of the Company immediately after the Share Offer and as such, none of the placees under the Placing will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after the Share Offer and the number of Shares to be held by the public will satisfy the minimum percentage prescribed by Rule 8.08(1)(a) of the Listing Rules. The Directors further confirm that 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 there will be at least 300 Shareholders at the time of the Listing in compliance with Rule 8.08(2) of the Listing Rules. The Directors confirm that none of the Offer Shares subscribed by the placees or the public has been financed directly or indirectly by any of the directors, chief executive, Controlling Shareholders, substantial shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees and the public who has subscribed the Offer Shares is accustomed to taking instructions from any of the directors, chief executive, Controlling Shareholders, substantial shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it.

Over-allotment Option

In connection with the Share Offer, the Company has granted the Over-allotment Option to the Placing Underwriters which is exercisable in full or in part at the sole discretion of the Joint Bookrunners (for themselves and on behalf of the Placing Underwriters), at any time from the Listing Date until the 30th day after the last day for lodging of applications under the Public Offer being Sunday, 3 November 2019, to require the Company to allot and issue up to 9,375,000 additional Shares, representing 15% of the number of Offer Shares initially being offered under the Share Offer, at the Offer Price, to cover over-allocation in the Placing, if any, and/or the obligations of the Stabilising Manager to return securities borrowed under the Stock Borrowing Agreement. The Joint Bookrunners confirmed that there was no over-allocation of the Offer Shares in the Placing and therefore, it is expected that the Over-allotment Option will not be exercised.

Results of Allocations

In relation to the Public Offer, the results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers 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 our Company's website at www.szxinken.com and the Stock Exchange's website at www.hkexnews.hk by no later than 9:00 a.m. on Thursday, 17 October 2019;
- from the designated results of allocations website at www.tricor.com.hk/ipo/result and www.hkeipo.hk/iporesult with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Thursday, 17 October 2019 to 12:00 midnight on Wednesday, 23 October 2019;
- by telephone enquiry line by calling (852) 3691 8488 between 9:00 a.m. and 6:00 p.m. from Thursday, 17 October 2019 to Tuesday, 22 October 2019 (excluding Saturday, Sunday and Public Holidays in Hong Kong); and
- in the special allocation results booklets which will be available for inspection during opening hours from Thursday, 17 October 2019 to Monday, 21 October 2019 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 **HK eIPO White Form**, may collect their refund cheque(s) (where applicable) and/or share certificate(s) from the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, 17 October 2019 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, evidence of identity and (where applicable) documents acceptable to the Hong Kong Branch Share Registrar.

Share certificates for Public Offer Shares allotted to applicants using **WHITE** Application Forms or **HK eIPO White Form**, 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 application instructions on or before Thursday, 17 October 2019, at their own risk.

Wholly or partially successful applicants using **YELLOW** Application Form or who applied 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 CCASS Investor Participant's stock accounts or the designated CCASS Participants' stock account as stated in their **YELLOW** Application Form, on Thursday, 17 October 2019 or any other date determined by HKSCC or HKSCC Nominees.

Applicants applying through a designated CCASS Participant (other than a CCASS Investor Participant) using **YELLOW** Application Forms 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 Thursday, 17 October 2019 or any other date as determined by HKSCC or HKSCC Nominees.

Applicants using **YELLOW** Application Forms who have applied for 1,000,000 Public Offer Shares or more and have provided all information required by their **YELLOW** Application Forms may collect their refund cheque(s) (where applicable) in person from the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, 17 October 2019 or such other date as notified by the Company.

Refund cheques (if any) 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 Thursday, 17 October 2019, at their own risk.

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

Refund of application monies (if any) in respect of wholly or partially unsuccessful applications (including brokerage fee, SFC transaction levy and the Stock Exchange trading fee but without interest) and/or difference between the Offer Price and the maximum Offer Price initially paid on applications made via **electronic application instructions** to HKSCC will be credited to the relevant applicants' designated bank accounts or the designated bank accounts of their brokers or custodians on Thursday, 17 October 2019.

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 Friday, 18 October 2019 provided that the Share Offer has become unconditional and the right of termination as described in the paragraph 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 at or before 8:00 a.m. on Friday, 18 October 2019, dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Friday, 18 October 2019. The Shares will be traded in board lots of 2,000 Shares each. The stock code of the Company is 1967.

FINAL OFFER PRICE

The final Offer Price has been determined to be HK\$2.00 per Offer Share (exclusive of brokerage fee 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 final Offer Price of HK\$2.00 per Offer Share, the net proceeds from the Share Offer to be received by the Company, after deducting the underwriting fees and commission and other estimated expenses payable by the Group in connection with the Share Offer, are estimated to be approximately HK\$91.9 million. The Company intends to apply such net proceeds from the Share Offer in the manner set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus as follows:

Approximate amount of net proceeds	Intended use of proceeds
HK\$49.9 million (54.3%)	For expanding production capacity and enhancing production efficiency
HK\$7.6 million (8.3%)	For acquiring additional automated testing and packaging lines for enhancing the level of automation in quality control and packaging system
HK\$5.9 million (6.4%)	For setting up an RF shielding room for testing RF connectivity
HK\$3.1 million (3.4%)	For expanding manpower to cater for the anticipated expansion plans
HK\$2.1 million (2.3%)	For setting up of the cloud-based simulation platform for strengthening product testing capabilities for IoT products
HK\$3.1 million (3.4%)	For upgrading MES system and enhancing its capabilities in information technology
HK\$2.5 million (2.7%)	For upgrading intelligent warehouse
HK\$8.6 million (9.3%)	For repayment of existing bank facilities
HK\$9.1 million (9.9%)	For general working capital

APPLICATIONS UNDER THE PUBLIC OFFER

The Public Offer Shares initially offered under the Public Offer have been moderately over-subscribed. A total of 7,504 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 **HK eIPO White Form** Service Provider under the **HK eIPO White Form** service for a total of 80,488,000 Public Offer Shares, representing approximately 12.88 times of the total number of 6,250,000 Public Offer Shares initially available for subscription under the Public Offer.

Of the 7,504 valid applications on **WHITE** and **YELLOW** Application Forms and by **electronic application instructions** given to HKSCC via CCASS and to the **HK eIPO White Form** Service Provider through **HK eIPO White Form** service for a total of 80,488,000 Public Offer Shares:

- a total of 7,494 valid applications for a total of 54,864,000 Public Offer Shares were for the Public Offer with an aggregate subscription amount of HK\$5,000,000 or less, representing approximately 17.55 times of the total number of 3,126,000 Public Offer Shares initially available for allocation in pool A; and
- a total of 10 valid applications for a total of 25,624,000 Public Offer Shares were for the Public Offer with an aggregate subscription amount of more than HK\$5,000,000, representing approximately 8.20 times of the total number of 3,124,000 Offer Shares initially available for allocation in pool B.

No multiple application or suspected multiple application has been identified and rejected. No application has been rejected due to bounced cheque or rejection of electronic payment instructions. No application has been rejected due to invalid application. No application for more than 3,124,000 Offer Shares under the Public Offer has been identified.

As the number of Public Offer Shares validly applied for under the Public Offer represents less than 15 times of the number of Offer Shares initially available for subscription under the Public Offer, no Offer Shares have been reallocated to the Public Offer from the Placing pursuant to the reallocation procedures as described in the paragraph headed “Structure and Conditions of the Share Offer — The Public Offer — Reallocation” in the Prospectus. The final number of Offer Shares allocated to the Public Offer is 6,250,000 Offer Shares, representing 10% of the total number of Offer Shares initially available under the Share Offer.

The Public Offer Shares offered in the Public Offer were conditionally allocated on the basis set forth in the paragraph headed “Basis of Allocation under Public Offer” below.

THE PLACING

The Placing Shares initially offered under the Placing have been fully-subscribed. The final number of the Placing Shares allocated to 180 placees under the Placing is 56,250,000, representing 90% of the total number of the Offer Shares initially available under the Share Offer. A total of 75 placees have each been allotted no more than ten board lots of the Placing Shares, representing approximately 41.7% of the total number of 180 placees under the Placing. These placees have been allotted approximately 0.5% of the total number of Offer Shares under the Placing.

The distribution of the Placing Shares is set out below:

- Subscription of top 1, 5, 10 and 25 of the placees out of the Placing Shares, the Offer Shares and the entire issued share capital of the Company upon Listing:

	Aggregate number of Placing Shares allocated under the Placing	Approximate aggregate % of the total number of Placing Shares allocated under the Placing	Approximate aggregate % of the total number of Offer Shares under the Share Offer	Approximate aggregate % of the entire issued share capital immediately after completion of the Share Offer
Top 1 placee	2,000,000	3.56%	3.20%	0.80%
Top 5 placees	9,000,000	16.00%	14.40%	3.60%
Top 10 placees	16,900,000	30.04%	27.04%	6.76%
Top 25 placees	31,550,000	56.09%	50.48%	12.62%

- Subscription of and total number of Shares held by top 1, 5, 10 and 25 of all the Shareholders out of the Placing Shares, the Offer Shares and the entire issued share capital of the Company upon Listing:

	Subscription under the Placing	Total Shares held following the Share Offer	Subscription as approximate aggregate percentage of the total number of Placing Shares allocated under the Placing	Subscription as approximate aggregate percentage of the total number of Offer Shares under the Share Offer	Total number of Shares as approximate aggregate percentage of the entire issued share capital immediately upon completion of Share Offer
Top Shareholder	0	99,881,250	0.00%	0.00%	39.95%
Top 5 Shareholders	2,000,000	189,500,000	3.56%	3.20%	75.80%
Top 10 Shareholders	10,750,000	198,250,000	19.11%	17.20%	79.30%
Top 25 Shareholders	28,050,000	215,550,000	49.87%	44.88%	86.22%

The Directors confirm that none of the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and their respective affiliated companies and connected clients (as defined in Appendix 6 to the Listing Rules) has taken up any Offer Shares whether in their own names or through nominees for their benefits under the Placing. The Directors confirm that no Placing Shares have been allocated to applicants who are (i) Directors or existing Shareholders; or (ii) core connected persons (as defined in the Listing Rules) of the Company; or (iii) the close associates (as defined in the Listing Rules) of (i) and/or (ii), 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. The Directors confirm that no places will, individually, be placed with more than 10% of the enlarged issued share capital of the Company immediately after the Share Offer and as such, none of the places under the Placing will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after the Share Offer and the number of Shares to be held by the public will satisfy the minimum percentage prescribed by Rule 8.08(1)(a) of the Listing Rules. The Directors further confirm that 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 there will be at least 300 Shareholders at the time of the Listing in compliance with Rule 8.08(2) of the Listing Rules. The Directors confirm that none of the Offer Shares subscribed by the places or the public has been financed directly or indirectly by any of the directors, chief executive, Controlling Shareholders, substantial shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the places and the public who has subscribed the

Offer Shares is accustomed to taking instructions from any of the directors, chief executive, Controlling Shareholders, substantial shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it.

OVER-ALLOTMENT OPTION

In connection with the Share Offer, the Company has granted the Over-allotment Option to the Placing Underwriters which is exercisable in full or in part at the sole discretion of the Joint Bookrunners (for themselves and on behalf of the Placing Underwriters), at any time from the Listing Date until the 30th day after the last day for lodging of applications under the Public Offer being Sunday, 3 November 2019, to require the Company to allot and issue up to 9,375,000 additional Shares, representing 15% of the number of Offer Shares initially being offered under the Share Offer, at the Offer Price, to cover over-allocation in the Placing, if any, and/or the obligations of the Stabilising Manager to return securities borrowed under the Stock Borrowing Agreement. The Joint Bookrunners confirmed that there was no over-allocation of the Offer Shares in the Placing and therefore, it is expected that the Over-allotment Option will not be exercised.

BASIS OF ALLOCATION UNDER PUBLIC OFFER

Subject to the satisfaction of the conditions set out in the paragraph 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 to the **HK eIPO White Form Service Provider** through **HK eIPO White Form** service will be conditionally allocated on the basis set out below:

Number of Shares applied for	Number of valid applications	Basis of allotment/ballot	Approximate percentage allotted of the total number of Shares applied for
POOL A			
2,000	5,571	836 out of 5,571 applicants to receive 2,000 Shares	15.01%
4,000	219	41 out of 219 applicants to receive 2,000 Shares	9.36%
6,000	106	26 out of 106 applicants to receive 2,000 Shares	8.18%
8,000	125	35 out of 125 applicants to receive 2,000 Shares	7.00%
10,000	860	267 out of 860 applicants to receive 2,000 Shares	6.21%
20,000	467	187 out of 467 applicants to receive 2,000 Shares	4.00%
30,000	48	28 out of 48 applicants to receive 2,000 Shares	3.89%
40,000	13	10 out of 13 applicants to receive 2,000 Shares	3.85%
50,000	15	13 out of 15 applicants to receive 2,000 Shares	3.47%
60,000	5	2,000 Shares	3.33%
70,000	27	2,000 Shares plus 2 out of 27 applicants to receive an additional 2,000 Shares	3.07%
80,000	5	2,000 Shares plus 1 out of 5 applicants to receive an additional 2,000 Shares	3.00%
90,000	3	2,000 Shares plus 1 out of 3 applicants to receive an additional 2,000 Shares	2.96%
100,000	16	2,000 Shares plus 6 out of 16 applicants to receive an additional 2,000 Shares	2.75%
200,000	3	4,000 Shares plus 1 out of 3 applicants to receive an additional 2,000 Shares	2.33%
300,000	1	6,000 Shares	2.00%
400,000	1	6,000 Shares	1.50%
500,000	1	6,000 Shares	1.20%
800,000	1	8,000 Shares	1.00%
1,500,000	1	8,000 Shares	0.53%
2,000,000	6	10,000 Shares	0.50%
TOTAL	<u><u>7,494</u></u>		

Number of Shares applied for	Number of valid applications	Basis of allotment/ballot	Approximate percentage allotted of the total number of Shares applied for
POOL B			
2,500,000	9	312,000 Shares	12.48%
3,124,000	<u>1</u>	316,000 Shares	10.12%
TOTAL	<u><u>10</u></u>		

The final number of Offer Shares allocated to the Public Offer is 6,250,000 Offer Shares, representing 10% of the total number of Offer Shares initially available under the Share Offer. The final number of Offer Shares allocated to the Placing is 56,250,000 Offer Shares, representing 90% of the total number of the Offer Shares initially available under the Share Offer.

RESULTS OF ALLOCATIONS

In relation to the Public Offer, the results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Public Offer will be available at the times and date and in the manner specified below:

- in the announcement to be posted on our Company's website at www.szxinken.com and the Stock Exchange's website at www.hkexnews.hk by no later than 9:00 a.m. on Thursday, 17 October 2019;
- from the designated results of allocations website at www.tricor.com.hk/ipo/result and www.hkeipo.hk/iporesult with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Thursday, 17 October 2019 to 12:00 midnight on Wednesday, 23 October 2019;
- by telephone enquiry line by calling (852) 3691 8488 between 9:00 a.m. and 6:00 p.m. from Thursday, 17 October 2019 to Tuesday, 22 October 2019 (excluding Saturday, Sunday and Public Holidays in Hong Kong); and

- in the special allocation results booklets which will be available for inspection during opening hours from Thursday, 17 October 2019 to Monday, 21 October 2019 at the designated receiving bank branches as set out below:

Bank of China (Hong Kong) Limited

District	Branch name	Address
Hong Kong Island	Central District (Wing On House) Branch	B/F-2/F Wing On House 71 Des Voeux Road Central Hong Kong
Kowloon	Tsim Sha Tsui East Branch	Shop 3, LG/F Hilton Towers 96 Granville Road Tsim Sha Tsui East Kowloon
New Territories	Tseung Kwan O Plaza Branch	Shop 112–125, Level 1 Tseung Kwan O Plaza Tseung Kwan O New Territories
	Tuen Mun San Hui Branch	G13-G14 Eldo Court Heung Sze Wui Road Tuen Mun New Territories