

ANNOUNCEMENT OF OFFER PRICE AND ALLOTMENT RESULTS

SUMMARY

OFFER PRICE

- The Offer Price has been determined at HK\$20.80 per Offer Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%).

NET PROCEEDS FROM THE GLOBAL OFFERING

- Based on the Offer Price of HK\$20.80 per Offer Share, the net proceeds from the Global Offering to be received by the Company, after deduction of the underwriting fees and other related expenses payable by the Company in connection with the Global Offering, are estimated to be approximately HK\$758.0 million (assuming the Over-allotment Option is not exercised). The Company intends to apply such net proceeds in accordance with the purposes as set out in the section headed “Net Proceeds from the Global Offering” in this announcement and the section headed “Future Plans and Use of Proceeds” in the Prospectus.

APPLICATIONS AND INDICATIONS OF INTEREST RECEIVED

Hong Kong Public Offering

- The Offer Shares initially offered under the Hong Kong Public Offering have been very significantly over-subscribed. A total of 42,053 valid applications have been received pursuant to the Hong Kong Public Offering on **WHITE** and **YELLOW** Application Forms and through giving **electronic application instructions** to HKSCC via CCASS and under the **White Form eIPO** service (www.eipo.com.hk) for a total of 1,071,897,800 Hong Kong Offer Shares, representing approximately 267.97 times of the total number of 4,000,000 Hong Kong Offer Shares initially available for subscription under the Hong Kong Public Offering.
- As the over-subscription in the Hong Kong Public Offering is more than 100 times of the total number of Offer Shares initially available under the Hong Kong Public Offering (before any exercise of the Over-allotment Option), the reallocation procedure as disclosed in the paragraph headed “Structure of the Global Offering – The Hong Kong Public Offering – Reallocation and Clawback” in the Prospectus was applied. The final number of Offer Shares under the Hong Kong Public Offering is 20,000,000 Offer Shares, representing 50.0% of the total number of the Offer Shares initially available under the Global Offering (assuming the Over-allotment Option is not exercised).

International Offering

- The Offer Shares initially offered under the International Offering have been over-subscribed for approximately 9.6 times of the total number of 36,000,000 International Offer Shares initially available for subscription under the International Offering. The final number of Offer Shares allocated to the Cornerstone Investors and places under the International Offering is 20,000,000 Offer Shares, representing 50.0% of the total number of 40,000,000 Offer Shares initially available under the Global Offering (assuming the Over-allotment Option is not exercised).
- The total number of places under the International Offering is 130. A total number of one, two and 71 placee(s) has/have each been allotted one, two and five board lots of H Shares or less, representing approximately 0.77%, 1.54% and 54.62% of total number of places under the International Offering, respectively. These places have been allotted 200, 600 and 45,800 International Offer Shares, respectively, representing 0.001%, 0.003% and 0.229% of the International Offer Shares, respectively.

- The Company has applied to the Stock Exchange for, and the Stock Exchange has granted the Company a consent under paragraph 5(1) of Appendix 6 to the Listing Rules to permit the Company to allocate H Shares in the International Offering to connected clients: (i) CMBI SPC – Special Opportunities Fund Segregated Portfolio; and (ii) CMBI SPC – China Sector Focus Fund.
- Save as disclosed above, no placement of H Shares has been made to any other connected client.

Cornerstone Investors

- Based on the Offer Price of HK\$20.80 per Offer Share, and pursuant to the Cornerstone Investment Agreement with the Cornerstone Investors, each of (i) OrbiMed Partners Master Fund Limited; and (ii) Worldwide Healthcare Trust PLC, has subscribed for 3,884,400 Offer Shares and 7,428,400 Offer Shares respectively, totaling 11,312,800 Offer Shares, representing in aggregate (a) approximately 7.07% of the Company’s total issued share capital immediately upon completion of the Global Offering; and (b) approximately 28.28% of the number of Offer Shares under the Global Offering, in each case assuming the Over-allotment Option is not exercised. Please refer to the section headed “Cornerstone Investors” in the Prospectus for further details relating to the Cornerstone Investors.
- To the best knowledge of the Company, each of the Cornerstone Investors is an independent third party, not a connected person (as defined in the Listing Rules), is not an existing Shareholder of the Company or their respective close associates, and will not be a substantial Shareholder of the Company upon the Listing. The subscription of Offer Shares by the Cornerstone Investors is not financed directly or indirectly by the Company, any of the Directors, any of the existing Shareholders or their respective close associates. Each of the Cornerstone Investors is making independent investment decisions and neither of the Cornerstone Investors is accustomed to take instructions from a core connected person (as defined in the Listing Rules) of the Company, the Company, any of the Directors, any of the existing Shareholders, or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares. The Offer Shares subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid Shares in issue and will be counted towards the public float of the Company.

Placees under the Placing Guidelines

- Save as disclosed in the paragraph headed “Applications and Indications of Interest Received – Placees with the consent from the Stock Exchange” in this announcement, the Directors confirm that, to the best of their knowledge, information and belief having made all reasonable enquiries, no Offer Shares placed by or through the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters under the International Offering have been placed with any core connected person (as defined in the Listing Rules) of the Company or any connected clients (as set out in paragraph 5(1) of the Placing Guidelines), or persons set out in paragraph 5(2) of the Placing Guidelines, whether in their own names or through nominees. To the best knowledge of the Directors, the International Offering is in compliance with the Placing Guidelines. None of the Sole Sponsor, the Underwriters and their affiliated companies and connected clients (as defined in the Placing Guidelines) has taken up any Offer Shares for its own benefits under the Global Offering. The Directors confirm that (a) no placee will, individually, hold more than 10% of the enlarged issued share capital of the Company immediately after the Global Offering, hence, there will not be any new substantial Shareholder (as defined in the Listing Rules) of the Company immediately after the Global Offering; (b) the three largest public Shareholders of the Company do not hold more than 50% of the shares in public hands at the time of the Listing in compliance with Rules 8.08(3) and 8.24 of the Listing Rules; and (c) 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, to the best of their knowledge, none of the Offer Shares subscribed by the placees and the public has been financed directly or indirectly by any of the Directors, chief executive of the Company, Controlling Shareholders, substantial Shareholders, existing Shareholders 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 of the Company, Controlling Shareholders, substantial Shareholders, existing Shareholders 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 Global Offering, the Company has granted the Over-allotment Option to the International Underwriters exercisable by the Joint Global Coordinators at their sole and absolute discretion at any time from the Listing Date until 30th day after the last day for lodging applications under the Hong Kong Public Offering (the last day for exercise of the Over-allotment Option being Saturday, November 30, 2019) to require the Company to issue up to 6,000,000 additional Offer Shares, representing 15% of the number of the Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering. There is an over-allocation of 6,000,000 Shares under the International Offering. Such over-allocation may be covered by exercising the Over-allotment Option or by making purchases in the secondary market at prices that do not exceed the Offer Price or through deferred settlement or a combination of these means. In the event that Over-allotment Option is exercised, an announcement will be made on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.kdl-int.com. As at the date of this announcement, the Over-allotment Option has not been exercised.

RESULTS OF ALLOCATIONS

- The final Offer Price, the level of indications of interests in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares are also published on Thursday, November 7, 2019 on the Company's website at www.kdl-int.com and the website of the Stock Exchange at www.hkexnews.hk.
- The results of allocations of the Hong Kong Offer Shares under the Hong Kong Public Offering successfully applied for under **WHITE** and **YELLOW** Application Forms and by giving **electronic application instructions** to HKSCC or to the **White Form eIPO** service, including the Hong Kong identity card numbers, passport numbers or Hong Kong business registration numbers of successful applicants (where supplied) and the number of the Hong Kong Offer Shares successfully applied for, will be made 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.kdl-int.com and the Stock Exchange's website at www.hkexnews.hk by no later than 9:00 a.m. on Thursday, November 7, 2019;

- 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 Thursday, November 7, 2019, to 12:00 midnight on Wednesday, November 13, 2019;
- by telephone enquiry line by calling (852) 2862 8669 between 9:00 a.m. and 10:00 p.m. from Thursday, November 7, 2019 to Sunday, November 10, 2019; and
- in the special allocation results booklets which will be available for inspection during opening hours from Thursday, November 7, 2019 to Saturday, November 9, 2019 at all the receiving banks’ designated outlets/branches.

DISPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND MONIES

- Applicants who have applied for 1,000,000 Hong Kong Offer Shares or more on **WHITE** Application Forms or through the **White Form eIPO** service and who have been successfully or partially successfully allocated Hong Kong Offer Shares and are eligible to collect H Share certificates in person may collect their H Share certificate(s) in person from the H 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 Thursday, November 7, 2019 or such other place or date as notified by the Company.
- H Share certificates for Hong Kong Offer Shares allotted to applicants who applied on **WHITE** Application Forms or through the **White Form eIPO** service, which are either not available for personal collection, or which are available but are not collected in person within the time specified for collection, are expected to be despatched by ordinary post to those entitled to the addresses specified in the relevant applications at their own risk on or before Thursday, November 7, 2019.
- Wholly or partially successful applicants who applied on **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC will have their H Share certificate(s) issued in the name of HKSCC Nominees Limited and deposited directly into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participant as instructed by the applicants in their **YELLOW** Application Forms or any designated CCASS Participants giving **electronic application instructions** on their behalf on Thursday, November 7, 2019.
- Applicants who applied through a designated CCASS Participant (other than a CCASS Investor Participant) should check the number of Hong Kong Offer Shares allocated to them with that CCASS Participant.
- Applicants who applied for 1,000,000 Hong Kong Offer Shares or more on **WHITE** or **YELLOW** Application Forms and have provided all information required by their **WHITE** or **YELLOW** Application Forms may collect their refund cheque(s) from the H 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 Thursday, November 7, 2019 or such other place or date as notified by the Company.

- Refund cheque(s) in respect of wholly or partially successful or unsuccessful applicants using **WHITE** or **YELLOW** Application Forms, which are either not available for personal collection or which are available but are not collected in person, are expected to be despatched by ordinary post to those entitled at their own risk on or before Thursday, November 7, 2019. No interest will be paid thereon.
- For applicants who have applied for the Hong Kong Offer Shares through the **White Form eIPO** service and paid the application monies through a single bank account, refund monies will be despatched to their application payment bank account in the form of e-Refund payment instructions on Thursday, November 7, 2019. For applicants who have applied for the Hong Kong Offer Shares through the **White Form eIPO** service and paid the application monies through multiple bank accounts, refund monies will be despatched to the addresses specified on the **White Form eIPO** applications in the form of refund cheque(s) by ordinary post and at their own risk on or before Thursday, November 7, 2019.
- Refund monies for applicants who applied by giving **electronic application instructions** to HKSCC via CCASS are expected to be credited to the relevant applicants' designated bank accounts or the designated bank accounts of their broker or custodian on Thursday, November 7, 2019.
- H Share certificates will only become valid certificates of title at 8:00 a.m. on Friday, November 8, 2019 provided that the Global Offering has become unconditional in all respects at or before that time and the right of termination as described in the paragraph headed "Underwriting – Hong Kong Underwriting Arrangements – Hong Kong Public Offering – Grounds for termination" in the Prospectus has not been exercised.
- The Company will not issue any temporary documents of title in respect of the Offer Shares. No receipt will be issued for application monies received.

COMMENCEMENT OF DEALINGS

- Dealings in the H Shares on the Main Board of the Stock Exchange are expected to commence at 9:00 a.m. on Friday, November 8, 2019. The H Shares will be traded in board lots of 200 H Shares each. The stock code of the Company is 1501.

OFFER PRICE

The Offer Price has been determined at HK\$20.80 per Offer Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%).

NET PROCEEDS FROM THE GLOBAL OFFERING

Based on the Offer Price of HK\$20.80 per Offer Share, the net proceeds from the Global Offering to be received by the Company, after deduction of the underwriting fees and other related expenses payable by the Company in connection with the Global Offering, are estimated to be approximately HK\$758.0 million. The Company intends to apply such net proceeds for the following purposes:

- approximately 34.1% of the net proceeds or HK\$258.5 million, will be intended for setting up a research and development center and an additional facility in Jiading, Shanghai;
- approximately 14.4% of the net proceeds or HK\$109.2 million, will be used to develop and commercialize existing pipeline products to further expand its product offerings;
- approximately 13.8% of the net proceeds or HK\$104.6 million, will be used to purchase additional and replace existing production equipment and to automate its production lines;
- approximately 8.7% of the net proceeds or HK\$65.9 million, will be used to expand its distribution network and coverage, collaborate with local distributors and intensify the marketing efforts;
- approximately 19.6% of the net proceeds or HK\$148.6 million, will be used to fund potential strategic investments including acquisition, partnership and license-in; and
- approximately 9.4% of the net proceeds or HK\$71.2 million, will be used for the general corporate purposes and funding its working capital.

Please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus for further details.

APPLICATIONS AND INDICATIONS OF INTEREST RECEIVED

Hong Kong Public Offering

The Company announces that the Offer Shares initially offered under the Hong Kong Public Offering have been very significantly over-subscribed. At the close of the application lists at 12:00 noon on Thursday, October 31, 2019, a total of 42,053 valid applications pursuant to the Hong Kong Public Offering on **WHITE** and **YELLOW** Application Forms, by giving **electronic application instructions** to HKSCC via CCASS and through the **White Form eIPO** service for a total of 1,071,897,800 Hong Kong Offer Shares were received, representing approximately 267.97 times of the total number of 4,000,000 Hong Kong Offer Shares initially available for subscription under the Hong Kong Public Offering.

- 40,977 valid applications in respect of a total of 271,047,800 Hong Kong Offer Shares were for the Hong Kong Public Offering with an aggregate subscription amount based on the maximum Offer Price of HK\$20.80 per Offer Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%) of HK\$5,000,000 or less, representing approximately 135.52 times of the 2,000,000 Hong Kong Offer Shares initially comprised in Pool A of the Hong Kong Public Offering; and
- 1,076 valid applications in respect of a total of 800,850,000 Hong Kong Offer Shares for the Hong Kong Public Offering with an aggregate subscription amount based on the maximum Offer Price of HK\$20.80 per Offer Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%) of more than HK\$5,000,000, representing 400.43 times of the 2,000,000 Hong Kong Offer Shares initially comprised in Pool B of the Hong Kong Public Offering.

All applications were completed in accordance with the instructions set out in the Application Forms. 119 multiple or suspected multiple applications have been identified and rejected. 3 applications have been rejected due to bounced cheque. No application has been rejected due to invalid application. No application for more than 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering (that is, more than 2,000,000 Hong Kong Offer Shares) has been identified.

As the over-subscription in the Hong Kong Public Offering is more than 100 times of the total number of Offer Shares initially available under the Hong Kong Public Offering (before any exercise of the Over-allotment Option), the reallocation procedure as disclosed in the paragraph headed “Structure of the Global Offering – The Hong Kong Public Offering – Reallocation and Clawback” in the Prospectus was applied.

The final number of Offer Shares allocated to the Hong Kong Public Offering is 20,000,000 Offer Shares, representing 50.0% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

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

International Offering

The Offer Shares initially offered under the International Offering have been over-subscribed for approximately 9.6 times of the total number of 36,000,000 International Offer Shares initially available for subscription under the International Offering. The final number of Offer Shares allocated to the Cornerstone Investors and placees under the International Offering is 20,000,000 Offer Shares, representing 50.0% of the total number of 40,000,000 Offer Shares initially available under the Global Offering (assuming the Over-allotment Option is not exercised).

The total number of placees under the International Offering is 130. A total number of one, two and 71 placee(s) has/have each been allotted one, two and five board lots of H Shares or less, representing approximately 0.77%, 1.54% and 54.62% of total number of placees under the International Offering, respectively. These placees have been allotted 200, 600 and 45,800 International Offer Shares, respectively, representing 0.001%, 0.003% and 0.229% of the International Offer Shares, respectively.

Cornerstone Investors

Based on the Offer Price of HK\$20.80 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%) and pursuant to the Cornerstone Investment Agreement with the Cornerstone Investors as disclosed in the section headed “Cornerstone Investors” in the Prospectus, the number of Offer Shares subscribed by the Cornerstone Investors has now been determined as set out below:

	Total number of Offer Shares to be subscribed by the Cornerstone Investors	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
		Percentage of the total number of Offer Shares (approximate)	Percentage of the total issued share capital of the Company immediately upon completion of the Global Offering (approximate)	Percentage of the total number of Offer Shares (approximate)	Percentage of the total issued share capital of the Company immediately upon completion of the Global Offering (approximate)
OrbiMed Partners Master Fund Limited	3,884,400	9.71%	2.43%	8.44%	2.34%
Worldwide Healthcare Trust PLC	7,428,400	18.57%	4.64%	16.15%	4.47%
Total	11,312,800	28.28%	7.07%	24.59%	6.81%

To the best knowledge of the Company, each of the Cornerstone Investors is an independent third party, not a connected person (as defined in the Listing Rules), is not an existing Shareholder of the Company or their respective close associates, and will not be a substantial Shareholder of the Company upon the Listing. The subscription of Offer Shares by the Cornerstone Investors is not financed directly or indirectly by the Company, any of the Directors, any of the existing Shareholders or their respective close associates. Each of the Cornerstone Investors is making independent investment decisions and neither of the Cornerstone Investors is accustomed to take instructions from a core connected person (as defined in the Listing Rules) of the Company, the Company, any of the Directors, any of the existing Shareholders, or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares. The Offer Shares subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid Shares in issue and will be counted towards the public float of the Company.

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months starting from and inclusive of the Listing Date (the “**Lock-up Period**”), dispose of any of the Offer Shares they have purchased pursuant to the Cornerstone Investment Agreement, save for certain limited circumstances, such as, each of the Cornerstone Investors may charge, pledge, mortgage or otherwise create security over the Offer Shares subscribed for by the Cornerstone Investors in the International Offering in favour of an institution authorized by the Hong Kong Monetary Authority (the “**Institution**”) and in compliance with the Listing Rules as security for one or more bona fide loan(s) (the “**Loan**”) on customary commercial terms to be granted to itself for the purpose of financing the acquisition of its Offer Shares pursuant to the Cornerstone Investment Agreement, and the Institution may foreclose or enforce (whether during the Lock-up Period or otherwise) the security following its default in accordance with the terms and conditions of the applicable Loan, provided always that it shall procure the Institution not to dispose of its Offer Shares during the Lock-up Period.

Please refer to the section headed “Cornerstone Investors” in the Prospectus for further details relating to the Cornerstone Investors.

Places with the consent from the Stock Exchange

16,800 and 200 Offer Shares, representing approximately 0.042% and 0.0005% of the Offer Shares initially available under the Global Offering (before exercise of the Over-allotment Option), and representing approximately 0.0105% and 0.000125% of the total issued share capital of the Company immediately upon completion of the Global Offering (before exercise of the Over-allotment Option), were placed to CMBI SPC – Special Opportunities Fund Segregated Portfolio (“**CMBI Special Opportunities Portfolio**”) and CMBI SPC – China Sector Focus Fund (“**CMBI China Sector Fund**”, together with CMBI Special Opportunities Portfolio, the “**Connected Clients**”), respectively, which will hold the Offer Shares for and on behalf of each of their independent underlying clients, as placees.

CMB International Asset Management Limited (“**CMBI AM**”) acts as discretionary fund manager of each of CMBI Special Opportunities Portfolio and CMBI China Sector Fund. As CMBI AM is a member of the same group of companies as CMBI, one of the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Underwriters of the Global Offering, each of CMBI Special Opportunities Portfolio and CMBI China Sector Fund is a connected client of CMBI within the meaning of paragraph 13(7) of Appendix 6 to the Listing Rules.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted the Company a consent under paragraph 5(1) of Appendix 6 to the Listing Rules to permit the Company to allocate H Shares in the International Offering to the Connected Clients.

The H Shares placed to the Connected Clients are held by the Connected Clients on behalf of independent third parties and are in compliance with all the conditions under the consent granted by the Stock Exchange.

Save as disclosed above, no placement of H Shares has been made to any other connected client.

Placees under the Placing Guidelines

Save as disclosed in the paragraph headed “Applications and Indications of Interest Received – Placees with the consent from the Stock Exchange” in this announcement, the Directors confirm that, to the best of their knowledge, information and belief having made all reasonable enquiries, no Offer Shares placed by or through the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters under the International Offering have been placed with any core connected person (as defined in the Listing Rules) of the Company or any connected clients (as set out in paragraph 5(1) of the Placing Guidelines for Equity Securities (the “**Placing Guidelines**”) as set out in Appendix 6 to the Listing Rules), or persons set out in paragraph 5(2) of the Placing Guidelines, whether in their own names or through nominees. To the best knowledge of the Directors, the International Offering is in compliance with the Placing Guidelines. None of the Sole Sponsor, the Underwriters and their affiliated companies and connected clients (as defined in the Placing Guidelines) has taken up any Offer Shares for its own benefits under the Global Offering. The Directors confirm that (a) no placee will, individually, hold more than 10% of the enlarged issued share capital of the Company immediately after the Global Offering, hence, there will not be any new substantial Shareholder (as defined in the Listing Rules) of the Company immediately after the Global Offering; (b) the three largest public Shareholders of the Company do not hold more than 50% of the shares in public hands at the time of the Listing in compliance with Rules 8.08(3) and 8.24 of the Listing Rules; and (c) 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, to the best of their knowledge, none of the Offer Shares subscribed by the placees and the public has been financed directly or indirectly by any of the Directors, chief executive of the Company, Controlling Shareholders, substantial Shareholders, existing Shareholders 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 of the Company, Controlling Shareholders, substantial Shareholders, existing Shareholders 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 Global Offering, the Company has granted the Over-allotment Option to the International Underwriters, exercisable by the Joint Global Coordinators at their sole and absolute discretion at any time from the Listing Date until 30th day after the last day for lodging applications under the Hong Kong Public Offering (the last day for exercise of the Over-allotment Option being Saturday, November 30, 2019) to require the Company to issue up to 6,000,000 additional Offer Shares, representing 15% of the Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering. There is an over-allocation of 6,000,000 Shares under the International Offering. Such over-allocation may be covered by exercising the Over-allotment Option or by making purchases in the secondary market at prices that do not exceed the Offer Price or through deferred settlement or a combination of these means. In the event that Over-allotment Option is exercised, an announcement will be made on the Stock Exchange’s website at www.hkexnews.hk and the Company’s website at www.kdl-int.com. As at the date of this announcement, the Over-allotment Option has not been exercised.

BASIS OF ALLOCATION UNDER THE HONG KONG PUBLIC OFFERING

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

Number of H Shares applied for	Number of valid applications	Basis of allotment/ Ballot	Approximate percentage of H Shares allotted based on the total number of H Shares applied for
POOL A			
200	21,683	6,505 out of 21,683 to receive 200 H Shares	30.00%
400	2,659	798 out of 2,659 to receive 200 H Shares	15.01%
600	2,157	929 out of 2,157 to receive 200 H Shares	14.36%
800	767	440 out of 767 to receive 200 H Shares	14.34%
1,000	1,427	1,022 out of 1,427 to receive 200 H Shares	14.32%
1,200	239	205 out of 239 to receive 200 H Shares	14.30%
1,400	188	200 H Shares	14.29%
1,600	224	200 H Shares plus 2 out of 224 to receive additional 200 H Shares	12.61%
1,800	188	200 H Shares plus 2 out of 188 to receive additional 200 H Shares	11.23%
2,000	3,577	200 H Shares plus 127 out of 3,577 to receive additional 200 H Shares	10.36%
3,000	687	200 H Shares plus 345 out of 687 to receive additional 200 H Shares	10.01%
4,000	552	400 H Shares	10.00%
5,000	733	400 H Shares plus 2 out of 733 to receive additional 200 H Shares	8.01%
6,000	333	400 H Shares plus 13 out of 333 to receive additional 200 H Shares	6.80%
7,000	148	400 H Shares plus 51 out of 148 to receive additional 200 H Shares	6.70%
8,000	213	400 H Shares plus 143 out of 213 to receive additional 200 H Shares	6.68%
9,000	1,100	600 H Shares	6.67%
10,000	1,148	600 H Shares plus 6 out of 1,148 to receive additional 200 H Shares	6.01%
20,000	714	800 H Shares	4.00%
30,000	356	800 H Shares plus 2 out of 356 to receive additional 200 H Shares	2.67%

Number of H Shares applied for	Number of valid applications	Basis of allotment/ Ballot	Approximate percentage of H Shares allotted based on the total number of H Shares applied for
40,000	216	1,000 H Shares	2.50%
50,000	307	1,200 H Shares	2.40%
60,000	135	1,400 H Shares	2.33%
70,000	86	1,600 H Shares	2.29%
80,000	98	1,800 H Shares	2.25%
90,000	55	2,000 H Shares	2.22%
100,000	394	2,200 H Shares	2.20%
150,000	280	2,800 H Shares	1.87%
200,000	313	3,400 H Shares	1.70%

40,977

POOL B

250,000	275	3,600 H Shares plus 7 out of 275 to receive additional 200 H Shares	1.44%
300,000	118	4,000 H Shares	1.33%
350,000	72	4,600 H Shares	1.31%
400,000	56	5,200 H Shares	1.30%
450,000	40	5,800 H Shares	1.29%
500,000	109	6,400 H Shares	1.28%
600,000	43	7,600 H Shares	1.27%
700,000	25	8,800 H Shares	1.26%
800,000	12	10,000 H Shares	1.25%
900,000	18	11,200 H Shares	1.24%
1,000,000	86	12,200 H Shares	1.22%
1,500,000	45	18,200 H Shares	1.21%
2,000,000	177	24,000 H Shares	1.20%

1,076

The final number of Offer Shares under the Hong Kong Public Offering is 20,000,000 Offer Shares, representing 50.0% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

SHAREHOLDING CONCENTRATION ANALYSIS

Set out below is a summary of allotment results under the Global Offering:

- Top 1, 5, 10 and 25 of the places out of the International Offering, total Offer Shares and total issued Shares of the Company upon the Listing:

Placee	Subscription (Note)	Shares held upon the Listing	Subscription as % of International Offering (after reallocation and assuming no exercise of the Over- allotment Option)	Subscription as % of International Offering (after reallocation and assuming full exercise of the Over- allotment Option)	Subscription as % of the total Offer Shares (assuming no exercise of the Over- allotment Option)	Subscription as % of the total Offer Shares (assuming full exercise of the Over- allotment Option)	% of total issued Shares (assuming no exercise of the Over- allotment Option)	% of total issued Shares (assuming full exercise of the Over- allotment Option)
Top 1	11,312,800	11,312,800	56.56%	43.51%	28.28%	24.59%	7.07%	6.81%
Top 5	18,836,200	18,836,200	94.18%	72.45%	47.09%	40.95%	11.77%	11.35%
Top 10	21,849,000	21,849,000	109.25%	84.03%	54.62%	47.50%	13.66%	13.16%
Top 25	24,913,800	24,913,800	124.57%	95.82%	62.28%	54.16%	15.57%	15.01%

- Top 1, 5, 10 and 25 of all the Shareholders of the Company, total Offer Shares and total issued Shares of the Company upon the Listing:

Shareholder	Subscription (Note)	Shares held upon the Listing	Subscription as % of International Offering (after reallocation and assuming no exercise of the Over- allotment Option)	Subscription as % of International Offering (after reallocation and assuming full exercise of the Over- allotment Option)	Subscription as % of the total Offer Shares (assuming no exercise of the Over- allotment Option)	Subscription as % of the total Offer Shares (assuming full exercise of the Over- allotment Option)	% of total issued Shares (assuming no exercise of the Over- allotment Option)	% of total issued Shares (assuming full exercise of the Over- allotment Option)
Top 1	-	42,857,142	-	-	-	-	26.79%	25.82%
Top 5	-	91,885,712	-	-	-	-	57.43%	55.35%
Top 10	-	120,000,000	-	-	-	-	75.00%	72.29%
Top 25	23,787,000	143,787,000	118.94%	91.49%	59.47%	51.71%	89.87%	86.62%

Note: The number of Shares under subscription includes Shares to be allotted and issued upon exercise of the Over-allotment Option.

RESULTS OF ALLOCATIONS

The results of allocations of the Hong Kong Offer Shares under the Hong Kong Public Offering successfully applied for under **WHITE** and **YELLOW** Application Forms and by giving **electronic application instructions** to HKSCC or through the designated **White Form eIPO** service, including the Hong Kong identity card numbers, passport numbers or Hong Kong business registration numbers of successful applicants (where supplied) and the number of the Hong Kong Offer Shares successfully applied for, will be made 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.kdl-int.com and the Stock Exchange's website at www.hkexnews.hk by no later than 9:00 a.m. on Thursday, November 7, 2019;
- 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 Thursday, November 7, 2019, to 12:00 midnight on Wednesday, November 13, 2019;
- by telephone enquiry line by calling (852) 2862 8669 between 9:00 a.m. and 10:00 p.m. from Thursday, November 7, 2019 to Sunday, November 10, 2019; and
- in the special allocation results booklets which will be available for inspection during opening hours from Thursday, November 7, 2019 to Saturday, November 9, 2019 at all the receiving banks' designated outlets/branches at the addresses set out below:

Bank of Communications Co., Ltd. Hong Kong Branch:

<u>District</u>	<u>Outlet Name</u>	<u>Address</u>
Hong Kong Island	King's Road Sub-Branch	G/F., Kailey Court, 67-71 King's Road
Kowloon	Jordan Road Sub-Branch	1/F., Booman Building, 37U Jordan Road
	Ngau Tau Kok Sub-Branch	Shop G1 & G2, G/F., Phase I, Amoy Plaza, 77 Ngau Tau Kok Road

CMB Wing Lung Bank Limited:

<u>District</u>	<u>Branch Name</u>	<u>Address</u>
Hong Kong Island	Head Office	45 Des Voeux Road Central
Kowloon	Mongkok Branch	B/F CMB Wing Lung Bank Centre, 636 Nathan Road