

# ANNOUNCEMENT OF OFFER PRICE AND ALLOTMENT RESULTS

## SUMMARY

### OFFER PRICE

- The Offer Price has been determined at HK\$1.23 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

### NET PROCEEDS FROM THE GLOBAL OFFERING

- Based on the Offer Price of HK\$1.23 per Offer Share, the net proceeds from the Global Offering to be received by the Company, after deduction of the underwriting fees and commissions and other estimated expenses payable by the Company in connection with the Global Offering, are estimated to be approximately HK\$206.3 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.
- If the Over-allotment Option is exercised in full, we will receive additional net proceeds of approximately HK\$36.7 million for 30,600,000 Shares to be issued upon the exercise of the Over-allotment Option.

## APPLICATIONS AND INDICATIONS OF INTEREST RECEIVED

### HONG KONG PUBLIC OFFERING

- The Hong Kong Offer Shares initially offered under the Hong Kong Public Offering have been very significantly over-subscribed. A total of 332,091 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 at [www.eipo.com.hk](http://www.eipo.com.hk) for a total of 26,005,040,000 Hong Kong Offer Shares, representing approximately 1,274.76 times of the total number of 20,400,000 Hong Kong Offer Shares initially available for subscription under the Hong Kong Public Offering.
- As the over-subscription in the Hong Kong Public Offering was more than 100 times, the clawback procedures as disclosed in the section headed “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation” in the Prospectus have been applied. A total number of 81,600,000 Offer Shares have been reallocated to the Hong Kong Public Offering from the International Offering. As a result of such reallocation, the final number of Offer Shares available under the Hong Kong Public Offering has been increased to 102,000,000 Offer Shares, representing five times of the total number of Offer Shares initially available under the Hong Kong Public Offering and 50% of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), and being allocated to 13,754 successful applicants under the Hong Kong Public Offering.

## INTERNATIONAL OFFERING

- The Offer Shares initially offered under the International Offering have been very significantly over-subscribed by approximately 21.7 times. There are a total of 204 places under the International Offering. A total number of 112 places have been allotted 5 board lots of Shares or less, representing approximately 54.90% of total number of places under the International Offering. These places have been allotted approximately 0.6% of the 102,000,000 Offer Shares available under the International Offering after reallocation and approximately 0.3% of the Offer Shares under the Global Offering (assuming the Over-allotment Option is not exercised). The final number of Offer Shares allocated to the places under the International Offering is 102,000,000 Offer Shares, representing 50% of the total number of Offer Shares initially available under the Global Offering (assuming the Over-allotment Option is not exercised).

### Over-allotment Option

- In connection with the Global Offering, the Company has granted the Over-allotment Option to the International Underwriters, exercisable at the sole and absolute discretion by the Sole Representative (for itself and on behalf of the International Underwriters) from the date of the International Underwriting Agreement up to (and including) Sunday, February 7, 2021, being the thirtieth day from the last day for lodging applications under the Hong Kong Public Offering to require the Company to allot and issue up to an aggregate of 30,600,000 additional Shares, representing 15% of the Shares initially being offered under the Global Offering, at the Offer Price. There has been an over-allocation of 30,600,000 Shares in the International Offering and such over-allocation will be settled using Shares to be borrowed under the Stock Borrowing Agreement between XC Group and ABCI Securities Company Limited. Such borrowed Shares will 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 a combination of these means. In the event that the Over-allotment Option is exercised, an announcement will be made on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.cheshi.com](http://www.cheshi.com). As of the date of this announcement, the Over-allotment Option has not been exercised.

## Cornerstone Investors

- Based on the Offer Price of HK\$1.23 per Offer Share and pursuant to the Cornerstone Investment Agreements with the Cornerstone Investors, the number of Offer Shares subscribed for by the Cornerstone Investors has been determined. Huatai Financial subscribed for 31,516,000 Shares, Shimmering Skyline subscribed for 18,908,000 Shares, GCML subscribed for 12,604,000 Shares and Coast SPC subscribed for 10,716,000 Shares, in all totalling 73,744,000 Shares representing in aggregate (i) approximately 6.12% of the Company's total issued share capital following the completion of the Global Offering; and (ii) approximately 36.15% of the number of Offer Shares under the Global Offering, 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 our Company, (i) each of the Cornerstone Investors is an Independent Third Party and is not our connected person (as defined in the Listing Rules); (ii) none of the Cornerstone Investors is accustomed to take instructions from our Company, our Directors, chief executive, substantial shareholders (including our Controlling Shareholders) of our Company, existing Shareholders or any of their subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in their name or otherwise held by them; and (iii) none of the subscription of the relevant Offer Shares by any of the Cornerstone Investors is financed by our Company, our Directors, chief executive, substantial shareholders (including our Controlling Shareholders) of our Company, existing Shareholders or any of their subsidiaries or their respective close associates.
- As confirmed by each of the Cornerstone Investors, the Cornerstone Investors are independent from each other and they each made their own independent decisions to enter into the Cornerstone Investment Agreements, and their subscription under the Cornerstone Placing would be financed by their own internal resources. None of the Cornerstone Investors or any of their affiliates, directors, officers, employees, agents or representatives, has accepted or entered into any agreement or arrangement to accept any direct or indirect benefits by side letter or otherwise, other than a guaranteed allocation to take up the Offer Shares under the Global Offering, from our Company or any member of our Group.

- Each of the Cornerstone Investors has agreed that it will not, and will cause its affiliates not to, 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**”) (i) dispose of, in any way, any Offer Shares subscribed by the Cornerstone Investors pursuant to the respective Cornerstone Investment Agreements and any interest in any company or entity holding any of the relevant Offer Shares, and any Shares or other securities in our Company which are derived therefrom pursuant to any rights issue, capitalization issue or other form of capital reorganization (whether such transactions are to be settled in cash or otherwise) and any interest therefrom; (ii) allow itself to undergo a change of control (as defined in the Takeovers Code promulgated by the SFC) at the level of its ultimate beneficial owner(s); or (iii) enter into any transactions directly or indirectly with the same economic effect as any aforesaid transaction, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will undertake to be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

### **Lock-up Undertakings**

- The Company, the Controlling Shareholders, the Pre-IPO Investor and the Cornerstone Investors are subject to certain lock-up undertakings as set out in section headed “Lock-up Undertakings” below.

### **Connected Client Places with the Consent under Paragraph 5(1) of Placing Guidelines**

- ABCI Asset Management Limited is connected with one or more of the Joint Global Coordinators, the Joint Bookrunners and/or Underwriters as defined in the Placing Guidelines for Equity Securities as set out in Appendix 6 to the Listing Rules (“**Placing Guidelines**”). The Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted the Company, consent under the Placing Guidelines to permit the Company to allocate Offer Shares in the International Offering to ABCI Asset Management Limited.
- Under the Global Offering, 220,000 Shares were allocated to ABCI Asset Management Limited, which is connected with ABCI Capital Limited and ABCI Securities Company Limited, representing approximately 0.11% of the Offer Shares and approximately 0.02% of the total issued share capital of the Company following the completion of the Global Offering assuming the Over-allotment Option is not exercised.

- To the best knowledge of the Directors, save as disclosed above, no Offer Shares have been placed to any connected clients (as defined in paragraph 13 of the Placing Guidelines) or person set out in paragraph 5(2) of the Placing Guidelines whether in their own names or through nominees. The Directors confirm that no places will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after the Global Offering. The Directors confirm that immediately after the Global Offering, there will not be any new substantial shareholder (as defined in the Listing Rules) of the Company.
- To the best knowledge of the Directors, none of the Offer Shares subscribed by the places and the public has been financed directly or indirectly by any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or the existing shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the places and the public subscribers is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or the 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.

## RESULTS OF ALLOCATIONS

- The final Offer Price, the level of indications of interest 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 the Company's website at [www.cheshi.com](http://www.cheshi.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://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 through 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.cheshi.com](http://www.cheshi.com) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) by no later than 9:00 a.m. on Thursday, January 14, 2021;
  - from the designated results of allocations website at [www.iporeresults.com.hk](http://www.iporeresults.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, January 14, 2021, to 12:00 midnight on Thursday, January 21, 2021;

- by telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. from Thursday, January 14, 2021 to Friday, January 15, 2021 and from Monday, January 18, 2021 to Tuesday, January 19, 2021;
- in the special allocation results booklets which will be available for inspection during opening hours from Thursday, January 14, 2021 to Saturday, January 16, 2021 at the Receiving Bank's designated branches.

## **DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND CHEQUES**

- 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 Share certificates in person may collect their Share certificate(s) 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, Wan Chai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, January 14, 2021.
- 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 eligible for personal collection, or which are eligible 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, January 14, 2021.
- Wholly or partially successful applicants who applied on **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC will have their 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 on Thursday, January 14, 2021.
- 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 and the refund amount payable to them (if the applicant applied by giving **electronic application instructions** to HKSCC) with that CCASS Participant.

Applicants who applied as a CCASS Investor Participant on **YELLOW** Application Forms 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, January 14, 2021 or such other date as shall be determined by HKSCC or HKSCC Nominees. Applicants who applied as a CCASS Investor Participant on **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC via CCASS may also check the number of Hong Kong Offer Shares allocated to them and the amount of refund monies (if any) payable to them via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Thursday, January 14, 2021. Immediately following the credit of the Hong Kong Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

- 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) (where applicable) 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, Wan Chai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, January 14, 2021.
- Refund cheque(s) in respect of wholly or partially successful or unsuccessful applicants using **WHITE** or **YELLOW** Application Forms, which are either not eligible for personal collection or which are eligible 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, January 14, 2021. 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 (if any) will be despatched to their application payment bank account in the form of e-Auto Refund payment instructions. 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 (if any) 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, January 14, 2021.
- Refund monies (if any) 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, January 14, 2021.
- Share certificates will only become valid certificates of title at 8:00 a.m. on Friday, January 15, 2021 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 — Underwriting Arrangements and Expenses — The 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 Hong Kong Offer Shares. No receipt will be issued for application monies received.

## **PUBLIC FLOAT**

- Immediately following completion of the Global Offering and assuming the Over-allotment Option is not exercised, at least 25% of the Company's enlarged issued share capital would be held by the public hands, which satisfies the minimum percentage prescribed in Rule 8.08(1) of the Listing Rules. The Directors confirm that the three largest public Shareholders 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. The Directors also confirm that there will be at least 300 Shareholders at the time of the Listing in compliance with Rule 8.08(2) of the Listing Rules.

## **COMMENCEMENT OF DEALINGS**

- Dealings in the Shares on the Main Board of the Stock Exchange are expected to commence at 9:00 a.m. on Friday, January 15, 2021. The Shares will be traded in board lots of 4,000 Shares each. The stock code of the Shares is 1490.

**In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could move substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.**

## **OFFER PRICE**

The Offer Price has been determined at HK\$1.23 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

## **NET PROCEEDS FROM THE GLOBAL OFFERING**

Based on the Offer Price of HK\$1.23 per Offer Share, the net proceeds from the Global Offering to be received by the Company, after deduction of the underwriting fees and commissions and other estimated expenses payable by the Company in connection with the Global Offering, are estimated to be approximately HK\$206.3 million based on the latest estimation (assuming the Over-Allotment Option is not exercised). The Company intends to apply such net proceeds for the following purposes:

- approximately 39.8%, or approximately HK\$82.1 million, will be used for business expansion which includes solidifying our market position and quantity of our PGC, strengthening collaboration with business partners and capturing new customer and business opportunities;
- approximately 36.1%, or approximately HK\$74.5 million, will be used for technology development which includes strengthening R&D and IT system, optimizing our Picker engine and developing and promoting new products;

- (iii) approximately 14.1%, or approximately HK\$29.1 million, will be used for future investments and acquisitions which includes making future investments and acquisitions on companies that can generate synergy with our current business; and
- (iv) approximately 10%, or approximately HK\$20.6 million, for working capital and other general corporate purposes.

If the Over-allotment Option is exercised in full, we will receive additional net proceeds of approximately HK\$36.7 million for 30,600,000 Shares to be issued upon the exercise of the Over-allotment Option.

## APPLICATIONS AND INDICATIONS OF INTEREST RECEIVED

### Hong Kong Public Offering

The Company announces that at the close of the application lists at 12:00 noon on Friday, January 8, 2021, a total of 332,091 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 26,005,040,000 Hong Kong Offer Shares were received, representing approximately 1,274.76 times of the total number of 20,400,000 Hong Kong Offer Shares initially available for subscription under the Hong Kong Public Offering.

- 329,386 valid applications in respect of a total of 12,122,440,000 Hong Kong Offer Shares were for the Hong Kong Public Offering with an aggregate subscription amount based on the Offer Price of HK\$1.28 per Offer Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of HK\$5 million or less, representing approximately 1,188.47 times of the 10,200,000 Hong Kong Offer Shares initially comprised in Pool A of the Hong Kong Public Offering; and
- 2,705 valid applications in respect of a total of 13,882,600,000 Hong Kong Offer Shares for the Hong Kong Public Offering with an aggregate subscription amount based on the Offer Price of HK\$1.28 per Offer Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of more than HK\$5 million, representing 1,361.04 times of the 10,200,000 Hong Kong Offer Shares initially comprised in Pool B of the Hong Kong Public Offering.

Applications not completed in accordance with the instructions set out in the Application Forms have been rejected. 1,021 multiple or suspected multiple applications have been identified and rejected. 1 application has been rejected due to bounced cheque. 1 application has been rejected due to invalid application. No application for more than approximately 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering (that is, more than 10,200,000 Hong Kong Offer Shares) has been identified.

As the over-subscription in the Hong Kong Public Offering was more than 100 times, the clawback procedures as disclosed in the section headed “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation” in the Prospectus have been applied. A total number of 81,600,000 Offer Shares have been reallocated to the Hong Kong Public Offering from the International Offering. As a result of such reallocation, the final number of Offer Shares available under the Hong Kong Public Offering has been increased to 102,000,000 Offer Shares, representing 50% of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), and being allocated to 13,754 successful applicants under the Hong Kong Public Offering.

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

## **INTERNATIONAL OFFERING**

The Offer Shares initially offered under the International Offering have been very significantly over-subscribed by approximately 21.7 times. There are a total of 204 places under the International Offering. A total number of 112 places have been allotted 5 board lots of Shares or less, representing approximately 54.90% of total number of places under the International Offering. These places have been allotted approximately 0.6% of the 102,000,000 Offer Shares available under the International Offering after reallocation and approximately 0.3% of the offer shares under the Global Offering (assuming the Over-allotment Option is not exercised). The final number of Offer Shares allocated to the places under the International Offering is 102,000,000 Offer Shares, representing 50% of the total number of Offer Shares initially available under the Global Offering (before the exercise of the Over-allotment Option).

The Directors confirm that no Offer Shares under the Global Offering have been allocated to applicants who are (i) core connected persons (as defined in the Listing Rules) of the Company, (ii) directors, existing shareholders or existing beneficial owners or their respective close associates (as defined in the Listing Rules) of the Company and/or any of its subsidiaries or (iii) the respective close associates (as defined in the Listing Rules) of (i) and/or (ii) above, whether in their own names or through nominees. None of the places and the public who has subscribed for the Offer Shares has been financed directly or indirectly by the Company, 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 for the Offer Shares is accustomed to taking instructions from the Company, 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 (as defined in the Listing Rules) 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.

Save as disclosed in this announcement, none of the Sole Sponsor, the Sole Representative, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and their respective affiliated companies and connected clients of the lead broker or of any distributors (as defined in Appendix 6 to the Listing Rules) has taken up any Offer Shares for its own benefit under the Global Offering. The International Offering has been conducted in compliance with the Placing Guidelines as set out in Appendix 6 to the Listing Rules.

### Cornerstone Investors

Based on the Offer Price of HK\$1.23 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) and pursuant to the Cornerstone Investment Agreements as disclosed in the section headed “Cornerstone Investors” in the Prospectus, the number of Offer Shares subscribed for by the Cornerstone Investors has now been determined as set out below:

	Investment Amount (US\$ in million)	Number of Offer Shares Placed (rounded down to nearest whole board lot of 4,000 Shares)	Approximate% of total number of Offer Shares		Approximate% of total Shares in issue immediately following the completion of Global Offering	
			Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full
Huatai Financial	5.0	31,516,000	15.45%	13.43%	2.62%	2.55%
Shimmering Skyline	3.0	18,908,000	9.27%	8.06%	1.57%	1.53%
GCML	2.0	12,604,000	6.18%	5.37%	1.05%	1.02%
Coast SPC	1.7	10,716,000	5.25%	4.57%	0.89%	0.87%
<b>Total</b>	<b>11.7</b>	<b>73,744,000</b>	<b>36.15%</b>	<b>31.43%</b>	<b>6.13%</b>	<b>5.97%</b>

To the best knowledge of our Company, (i) each of the Cornerstone Investors is an Independent Third Party and is not our connected person (as defined in the Listing Rules); (ii) none of the Cornerstone Investors is accustomed to take instructions from our Company, our Directors, chief executive, substantial shareholders (including our Controlling Shareholders) of our Company, existing Shareholders or any of their subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in their name or otherwise held by them; and (iii) none of the subscription of the relevant Offer Shares by any of the Cornerstone Investors is financed by our Company, our Directors, chief executive, substantial shareholders (including our Controlling Shareholders) of our Company, existing Shareholders or any of their subsidiaries or their respective close associates.

As confirmed by each of the Cornerstone Investors, the Cornerstone Investors are independent from each other and they each made their own independent decisions to enter into the Cornerstone Investment Agreements, and their subscription under the Cornerstone Placing would be financed by their own internal resources. None of the Cornerstone Investors or any of their affiliates, directors, officers, employees, agents or representatives, has accepted or entered into any agreement or arrangement to accept any direct or indirect benefits by side letter or otherwise, other than a guaranteed allocation to take up the Offer Shares under the Global Offering, from our Company or any member of our Group.

The Offer Shares to be subscribed for by the Cornerstone Investors will rank equally the same in all respects with other fully paid Shares then in issue upon completion of the Global Offering and to be listed on the Hong Kong Stock Exchange and will be counted towards the public float of our Company under Rule 8.24 of the Listing Rules. None of the Cornerstone Investors shall become a new substantial shareholder (as defined in the Listing Rules) of the Company.

Each of the Cornerstone Investors has agreed that it will not, and will cause its affiliates not to, 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**”) (i) dispose of, in any way, any Offer Shares subscribed by the Cornerstone Investors pursuant to the respective Cornerstone Investment Agreements and any interest in any company or entity holding any of the relevant Offer Shares, and any Shares or other securities in our Company which are derived therefrom pursuant to any rights issue, capitalization issue or other form of capital reorganization (whether such transactions are to be settled in cash or otherwise) and any interest therefrom; (ii) allow itself to undergo a change of control (as defined in the Takeovers Code promulgated by the SFC) at the level of its ultimate beneficial owner(s); or (iii) enter into any transactions directly or indirectly with the same economic effect as any aforesaid transaction, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will undertake to be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

## Connected Client Places with the Consent under Paragraph 5(1) of Placing Guidelines

Certain Offer Shares were placed to connected clients of one of the Joint Global Coordinators, the Joint Bookrunners and/or the Underwriters (the “**Connected Underwriters**”, each a “**Connected Underwriter**”) within the meaning of the Placing Guidelines, details of which are set out below:

### *Connected clients holding Shares on a discretionary basis:*

Connected Underwriter(s)	Placee	Number of Offer Shares placed	Approximate percentage of the Offer Shares initially available under the Global Offering <sup>(1)</sup> (%)	Approximate percentage of the total issued share capital of the Company immediately following the completion of the Global Offering <sup>(1)</sup> (%)	Relationship with the Connected Underwriter(s)
ABCI Capital Limited and ABCI Securities Company Limited	ABCI Asset Management Limited	220,000	0.11%	0.02%	ABCI Asset Management Limited is a member of the same group of ABCI Capital Limited and ABCI Securities Company Limited

(1) Assuming that the Over-allotment Option is not exercised.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted to the Company, consent under paragraph 5(1) of the Placing Guidelines to permit the Company to allocate Offer Shares in the International Offering to the connected clients described above. The Offer Shares placed to the above 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.

To the best knowledge of the Directors, save as disclosed above, no Offer Shares have been placed to any connected clients (as defined in paragraph 13 of the Placing Guidelines) or person set out in paragraph 5(2) of the Placing Guidelines whether in their own names or through nominees. The Directors confirm that no placees will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after the Global Offering. The Directors confirm that immediately after the Global Offering, there will not be any new substantial shareholder (as defined in the Listing Rules) of the Company.

To the best knowledge of the Directors, none of the Offer Shares subscribed by the placees and the public has been financed directly or indirectly by the Company, any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or the existing shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees and the public subscribers is accustomed to taking instructions from the Company, any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or the 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 Global Offering, the Company has granted the Over-allotment Option to the International Underwriters, exercisable by the Sole Representative at its sole and absolute discretion (for itself and on behalf of the International Underwriters) from the date of the International Underwriting Agreement up to (and including) Sunday, February 7, 2021, being the thirtieth day from the last day for lodging applications under the Hong Kong Public Offering to require the Company to allot and issue up to an aggregate of 30,600,000 additional Shares, representing 15% of the Shares initially being offered under the Global Offering, at the Offer Price. There has been an over-allocation of 30,600,000 Shares in the International Offering and such over-allocation will be settled using Shares to be borrowed under the Stock Borrowing Agreement between XC Group and ABCI Securities Company Limited. Such borrowed Shares 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 a combination of these means. In the event the Over-allotment Option is exercised, an announcement will be made on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.cheshi.com](http://www.cheshi.com). As of the date of this announcement, the Over-allotment Option has not been exercised.

## Lock-up Undertakings

Each of the Company, the Controlling Shareholders, the Pre-IPO Investor and the Cornerstone Investor has given certain undertakings in relation to the issue or disposal of Shares (the “**Lock-up Undertakings**”). The major terms of the Lock-up Undertakings are set out as follows:

Name	Number of Shares held in the Company subject to the Lock-up Undertakings upon the Listing	Percentage of shareholding in the Company subject to the Lock-up Undertakings upon the Listing <sup>(1)</sup>	Last days subject to the Lock-up Undertakings
<b>The Company</b> ( <i>subject to lock-up obligations pursuant to the Listing Rules and the Underwriting Agreements</i> )	N/A	N/A	July 14, 2021 <sup>(2)</sup>
<b>The Controlling Shareholders</b> ( <i>subject to lock-up obligations pursuant to the Listing Rules and the Underwriting Agreements</i> )			
Mr. Xu <sup>(3)</sup>	802,500,000	66.65%	July 14, 2021 <sup>(4)</sup> January 14, 2022 <sup>(5)</sup>
XC Group <sup>(3)</sup>	802,500,000	66.65%	July 14, 2021 <sup>(4)</sup> January 14, 2022 <sup>(5)</sup>
<b>The Pre-IPO Investor</b> ( <i>subject to lock-up obligations pursuant to the Pre-IPO Investment Agreement</i> )	50,000,000	4.15%	June 20, 2021 <sup>(5)</sup>

<b>Name</b>	<b>Number of Shares held in the Company subject to the Lock-up Undertakings upon the Listing</b>	<b>Percentage of shareholding in the Company subject to the Lock-up Undertakings upon the Listing<sup>(1)</sup></b>	<b>Last days subject to the Lock-up Undertakings</b>
<b>The Cornerstone Investors</b> <i>(subject to lock-up obligations pursuant to the Cornerstone Investment Agreement)</i>			
Huatai Financial	31,516,000	2.6%	July 14, 2021 <sup>(5)</sup>
Shimmering Skyline	18,908,000	1.6%	July 14, 2021 <sup>(5)</sup>
GCML	12,604,000	1.0%	July 14, 2021 <sup>(5)</sup>
Coast SPC	10,716,000	0.9%	July 14, 2021 <sup>(5)</sup>

*Notes:*

- (1) Assuming the Over-allotment Option is not exercised.
- (2) The Company may issue Shares without any lock-up obligations after the indicated date.
- (3) Mr. Xu beneficially owns 100% of the issued shares of XC Group. Mr. Xu is deemed, or taken to be, interested in 802,500,000 Shares held by XC Group for the purpose of the SFO.
- (4) Each Controlling Shareholder may dispose of or transfer Shares after the indicated date subject to that such Controlling Shareholder will not cease to be a Controlling Shareholder until January 14, 2022.
- (5) The Controlling Shareholders, the Pre-IPO Investor and the Cornerstone Investors may dispose of or transfer Shares without any lock-up obligation after the indicated date.

## 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 Global 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:

### POOL A

NO. OF SHARES APPLIED FOR	NO. OF VALID APPLICATIONS	BASIS OF ALLOTMENT/BALLOT	APPROXIMATE PERCENTAGE ALLOTTED OF THE TOTAL NO. OF SHARES APPLIED FOR
4,000	245,015	1,049 out of 245,015 to receive 4,000 Shares	0.43%
8,000	14,618	123 out of 14,618 to receive 4,000 Shares	0.42%
12,000	6,353	80 out of 6,353 to receive 4,000 Shares	0.42%
16,000	4,545	76 out of 4,545 to receive 4,000 Shares	0.42%
20,000	5,791	122 out of 5,791 to receive 4,000 Shares	0.42%
24,000	2,537	64 out of 2,537 to receive 4,000 Shares	0.42%
28,000	1,601	47 out of 1,601 to receive 4,000 Shares	0.42%
32,000	1,675	56 out of 1,675 to receive 4,000 Shares	0.42%
36,000	6,464	244 out of 6,464 to receive 4,000 Shares	0.42%
40,000	9,872	415 out of 9,872 to receive 4,000 Shares	0.42%
60,000	3,800	239 out of 3,800 to receive 4,000 Shares	0.42%
80,000	5,167	434 out of 5,167 to receive 4,000 Shares	0.42%
100,000	3,132	329 out of 3,132 to receive 4,000 Shares	0.42%
120,000	1,944	245 out of 1,944 to receive 4,000 Shares	0.42%
140,000	1,344	198 out of 1,344 to receive 4,000 Shares	0.42%
160,000	1,684	283 out of 1,684 to receive 4,000 Shares	0.42%
180,000	629	119 out of 629 to receive 4,000 Shares	0.42%
200,000	3,451	725 out of 3,451 to receive 4,000 Shares	0.42%
300,000	1,870	589 out of 1,870 to receive 4,000 Shares	0.42%
400,000	2,313	971 out of 2,313 to receive 4,000 Shares	0.42%
500,000	988	519 out of 988 to receive 4,000 Shares	0.42%
600,000	601	379 out of 601 to receive 4,000 Shares	0.42%
700,000	392	288 out of 392 to receive 4,000 Shares	0.42%
800,000	822	690 out of 822 to receive 4,000 Shares	0.42%
900,000	235	222 out of 235 to receive 4,000 Shares	0.42%
1,000,000	1,019	4,000 Shares plus 51 out of 1,019 to receive additional 4,000 Shares	0.42%
1,400,000	595	4,000 Shares plus 280 out of 595 to receive additional 4,000 Shares	0.42%
1,800,000	370	4,000 Shares plus 329 out of 370 to receive additional 4,000 Shares	0.42%

<b>NO. OF SHARES APPLIED FOR</b>	<b>NO. OF VALID APPLICATIONS</b>	<b>BASIS OF ALLOTMENT/BALLOT</b>	<b>APPROXIMATE PERCENTAGE ALLOTTED OF THE TOTAL NO. OF SHARES APPLIED FOR</b>
2,200,000	206	8,000 Shares plus 64 out of 206 to receive additional 4,000 Shares	0.42%
2,600,000	119	8,000 Shares plus 87 out of 119 to receive additional 4,000 Shares	0.42%
3,000,000	139	12,000 Shares plus 21 out of 139 to receive additional 4,000 Shares	0.42%
3,400,000	45	12,000 Shares plus 26 out of 45 to receive additional 4,000 Shares	0.42%
3,800,000	50	16,000 Shares	0.42%
	<u>329,386</u>		

### **POOL B**

<b>NO. OF SHARES APPLIED FOR</b>	<b>NO. OF VALID APPLICATIONS</b>	<b>BASIS OF ALLOTMENT/BALLOT</b>	<b>APPROXIMATE PERCENTAGE ALLOTTED OF THE TOTAL NO. OF SHARES APPLIED FOR</b>
4,200,000	1,930	12,000 Shares plus 1,708 out of 1,930 to receive additional 4,000 Shares	0.37%
4,600,000	131	16,000 Shares plus 33 out of 131 to receive additional 4,000 Shares	0.37%
5,000,000	154	16,000 Shares plus 96 out of 154 to receive additional 4,000 Shares	0.37%
6,000,000	72	20,000 Shares plus 40 out of 72 to receive additional 4,000 Shares	0.37%
7,000,000	44	24,000 Shares plus 21 out of 44 to receive additional 4,000 Shares	0.37%
8,000,000	44	28,000 Shares plus 9 out of 44 to receive additional 4,000 Shares	0.36%
9,000,000	45	32,000 Shares plus 5 out of 45 to receive additional 4,000 Shares	0.36%
10,200,000	285	36,000 Shares plus 51 out of 285 to receive additional 4,000 Shares	0.36%
	<u>2,705</u>		

The final number of Offer Shares comprised in the Hong Kong Public Offering is 102,000,000 Shares, representing 50% of the Offer Shares in the Global Offering (before any exercise of the Over-allotment Option).

The final number of Offer Shares available in the International Offering is 102,000,000 Shares, representing 50% of the Offer Shares in the Global Offering (before any 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 **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.cheshi.com](http://www.cheshi.com) and the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) by no later than 9:00 a.m. on Thursday, January 14, 2021;
- from the designated results of allocations website at [www.iporeresults.com.hk](http://www.iporeresults.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, January 14, 2021, to 12:00 midnight on Thursday, January 21, 2021;
- by telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. from Thursday, January 14, 2021 to Friday, January 15, 2021 and from Monday, January 18, 2021 to Tuesday, January 19, 2021;
- in the special allocation results booklets which will be available for inspection during opening hours from Thursday, January 14, 2021 to Saturday, January 16, 2021, at the Receiving Bank’s designated branches.

### Bank of China (Hong Kong) Limited:

District	Branch Name	Address
Hong Kong Island	409 Hennessy Road Branch	409–415 Hennessy Road, Wan Chai, Hong Kong
Kowloon	Hoi Yuen Road Branch	55 Hoi Yuen Road, Kwun Tong, Kowloon
New Territories	Tai Po Branch	68–70 Po Heung Street, Tai Po Market, 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

The final Offer Price, the indications of level 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, January 14, 2021 on the Company's website at [www.cheshi.com](http://www.cheshi.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

## SHAREHOLDING CONCENTRATION ANALYSIS

We set out below a summary of allotment results under the International Offering:

- subscription and number of Shares held by the top 1, 5, 10 and 25 of the placees out of the International Offering, total Offer Shares and total issued share capital of the Company upon Listing:

Placees	Subscription	Shares held following the global offering	Subscription as % of International Offering (assuming no exercise of the Over-allotment Option)	Subscription as % of International Offering (assuming full exercise of the Over-allotment Option)	Subscription as % of total offer shares (assuming no exercise of the Over-allotment Option)	Subscription as % of 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)
Top1	31,516,000	31,516,000	30.90%	23.77%	15.45%	13.43%	2.62%	2.55%
Top5	81,144,000	81,144,000	79.55%	61.19%	39.78%	34.59%	6.74%	6.57%
Top10	103,112,000	103,112,000	101.09%	77.76%	50.55%	43.95%	8.56%	8.35%
Top25	121,504,000	121,504,000	119.12%	91.63%	59.56%	51.79%	10.09%	9.84%

- subscription and number of Shares held by the top 1, 5, 10 and 25 of the Shareholders out of the International Offering, total Offer Shares and total issued share capital of the Company upon Listing:

Shareholder	Subscription	Shares held following the global offering	Subscription as % of International Offering (assuming no exercise of the Over-allotment Option)	Subscription as % of International Offering (assuming full exercise of the Over-allotment Option)	Subscription as % of total offer shares (assuming no exercise of the Over-allotment Option)	Subscription as % of 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)
Top1	0	802,500,000	0.00%	0.00%	0.00%	0.00%	66.65%	65.00%
Top5	31,516,000	1,011,516,000	30.90%	23.77%	15.45%	13.43%	84.01%	81.93%
Top10	81,144,000	1,081,144,000	79.55%	61.19%	39.78%	34.59%	89.8%	87.57%
Top25	118,572,000	1,118,572,000	116.25%	89.42%	58.12%	50.54%	92.90%	90.60%

**Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares in the secondary market. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

**In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could move substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.**