

## ANNOUNCEMENT OF ALLOTMENT RESULTS

### SUMMARY

#### **Net Proceeds from the Global Offering**

Based on the Offer Price of HK\$15.80 per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), the net proceeds from the Global Offering to be received by the Company, after deduction of underwriting commissions, fees and estimated expenses payable by the Company in connection with the Global Offering, and assuming the Over-allotment Option is not exercised, is estimated to be approximately HK\$1,356.7 million. 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, the Company will receive additional net proceeds of approximately HK\$213.7 million for 14,163,500 additional Offer Shares to be issued and allotted upon the exercise of the Over-allotment Option.

#### **Applications under the 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 81,126 valid applications have been received pursuant to the Hong Kong Public Offering through the **HK eIPO White Form** service and through the **CCASS EIPO** service for a total of 1,511,480,500 Hong Kong Offer Shares, representing approximately 160.06 times of the total number of 9,443,000 Hong Kong Offer Shares initially available for subscription under the Hong Kong Public Offering. The total number of successful applicants under the Hong Kong Public Offering is 31,661, among which, 23,410 were allocated with one board lot of the Offer Shares.

As the over-subscription in the Hong Kong Public Offering is more than 100 times, the reallocation procedures as described in the section headed “Structure of the Global Offering – The Hong Kong Public Offering – Reallocation and Clawback” in the Prospectus have been applied. A total number of 37,769,000 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 47,212,000 Offer Shares, representing 50% of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

## **International Offering**

The Offer Shares initially offered under the International Offering have been over-subscribed by approximately 8.39 times of the total number of 84,981,000 International Offer Shares initially available for subscription under the International Offering. After reallocation of the Offer Shares to the Hong Kong Public Offering from the International Offering, the final number of Offer Shares under the International Offering is 47,212,000 Shares, representing 50% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

A total of 25 places have been allotted five board lots of Offer Shares or less, representing approximately 19.8% of 126 places under the International Offering. These places have been allotted 0.02% and 0.03% of the Offer Shares initially available under the International Offering and available under the final International Offer Shares, respectively (assuming the Over-allotment Option is not exercised).

## **Cornerstone Investors**

Based on the Offer Price of HK\$15.80 per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), pursuant to the Cornerstone Investment Agreements, the Cornerstone Investors will be allocated with a total of 47,212,000 Offer Shares, representing in aggregate (a) approximately 9.08% of the total issued share capital of the Company immediately upon completion of the Global Offering and (b) approximately 50.00% 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 of the Cornerstone Investors.

## **Connected client places with consent under paragraph 5(1) of the Placing Guidelines**

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted to the Company, its consent under paragraph 5(1) of the Placing Guidelines to permit the Company to allocate Shares in the International Offering to the places set out in paragraph headed “Connected client places with consent under paragraph 5(1) of the Placing Guidelines” of this announcement. The Shares placed to the above connected clients are held by the connected clients on behalf of independent third parties and are in compliance with the Placing Guidelines and all the conditions under the consent granted by the Stock Exchange.

Save as disclosed in the paragraph headed “Connected client placees with consent under paragraph 5(1) of the Placing Guidelines” of this announcement, to the best knowledge, information and belief of the Directors, no Offer Shares placed by or through the Joint Global Coordinators, the Joint Bookrunners or the Underwriters under the Global Offering have been placed with applicants who are core connected persons (as defined in the Listing Rules) or directors of the Company, or to 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. The International Offering is in compliance with the Placing Guidelines.

The Directors confirm that (a) no placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after the Global Offering; (b) there will not be any new Substantial Shareholder (as defined in the Listing Rules) of the Company immediately after the Global Offering; (c) the number of Shares in public hands will satisfy the minimum percentage prescribed by Rule 8.08(1)(a) of the Listing Rules; (d) the three largest public Shareholders of the Company do not hold more than 50% of the Shares in public hands at the time of Listing in compliance with Rules 8.08(3) and 8.24 of the Listing Rules; and (e) there will be at least 300 Shareholders at the time of Listing in compliance with Rule 8.08(2) of the Listing Rules.

The Directors confirm that, to the best of their knowledge, (i) 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, Controlling Shareholders, Substantial Shareholders or existing Shareholders of the Company or any of its subsidiaries or their respective close associates, and (ii) none of the placees and the public who has subscribed for 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 names 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 on behalf of the International Underwriters, at any time from the Listing Date until Wednesday, January 5, 2022 being the 30th day after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue and allot up to an aggregate of 14,163,500 Shares, representing not more than 15% of the Offer Shares initially available under the Global Offering, at the Offer Price to cover over-allocations in the International Offering, if any. There has been an over-allocation of 14,163,500 Shares in the International Offering and such over-allocation will be settled using Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price, or through stock borrowing arrangements, or a combination of these means. In order to facilitate the settlement of over-allocations, in connection with the Global Offering, the Stabilization Manager, its affiliates, or any person acting for it may choose to borrow up to 14,163,500 Shares (being the maximum number of Shares which may be issued upon exercise of the Over-allotment Option) pursuant to the Stock Borrowing Agreement, or acquire Shares from other sources, including the exercising of the Over-allotment Option. If the Over-allotment Option is exercised, an announcement will be made in accordance with the Listing Rules. As at the date of this announcement, the Over-allotment Option has not been exercised.

## **Lock-Up Undertakings**

The Company, the Controlling Shareholders, certain existing Shareholders and the Cornerstone Investors are subject to certain lock-up undertakings as set out in the paragraph headed “Lock-up Undertakings” in this announcement.

## **Results of Allocations**

The results of allocations of the Hong Kong Offer Shares under the Hong Kong Public Offering successfully applied through the **HK eIPO White Form** service and through the **CCASS EIPO** service, including the Hong Kong identity card numbers, passport numbers, Hong Kong business registration numbers, certificate of incorporation numbers or beneficial owner identification codes 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 this announcement posted on the Company’s website at [www.yonghegroup.cn](http://www.yonghegroup.cn) and the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) by no later than 9:00 a.m. on Friday, December 10, 2021. Please note that the list of identification document numbers in this announcement may not be a complete list of successful applicants since only successful applicants whose identification document numbers are provided to HKSCC by CCASS Participants are disclosed. Applicants with beneficial names only but not identification document numbers are not disclosed due to personal privacy issue as elaborated below. Applicants who applied for the Offer Shares through their brokers can consult their brokers to enquire about their application result;

- from the “IPO Results” function in the **IPO App** or the designated results of allocations website at [www.tricor.com.hk/ipo/result](http://www.tricor.com.hk/ipo/result) or [www.hkeipo.hk/IPOResult](http://www.hkeipo.hk/IPOResult) with a “search by ID” function on a 24-hour basis from 8:00 a.m. on Friday, December 10, 2021 to 12:00 midnight on Thursday, December 16, 2021; and
- from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Friday, December 10, 2021 to Wednesday, December 15, 2021 (excluding Saturday, Sunday and public holidays in Hong Kong).

The level of indication 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 will also be published on the Company’s website at [www.yonghegroup.cn](http://www.yonghegroup.cn) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on Friday, December 10, 2021.

This announcement contains a list of identification document numbers. Identification document numbers shown in the section headed “Results of Applications Made by **HK eIPO White Form**” refer to Hong Kong identity card numbers/passport numbers/Hong Kong business registration numbers/certificate of incorporation numbers/beneficial owner identification codes (if such applications are made by nominees as agent for the benefit of another person) whereas those displayed in the section headed “Results of Applications Made by Giving **Electronic Application Instructions** to HKSCC via CCASS” are provided by CCASS Participants via CCASS. Therefore, the identification document numbers shown in the two sections are different in nature.

Since applications are subject to personal information collection statements, beneficial owner identification codes displayed in the sections headed “Results of Applications Made by **HK eIPO White Form**” and “Results of Applications Made by Giving **Electronic Application Instructions** to HKSCC via CCASS” are redacted and not all details of applications are disclosed in this announcement.

### **Despatch/Collection of Share Certificates/e-Auto Refund Payment Instructions/Refund Cheques**

Applicants who have applied for 1,000,000 Hong Kong Offer Shares or more through the **HK eIPO White Form** service and who have been wholly successfully or partially successfully allocated Hong Kong Offer Shares and are eligible to collect Share certificates in person may collect their Share certificates from the Hong Kong 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 Friday, December 10, 2021, or such other date as notified by the Company in the newspapers as the date of despatch/collection of Share certificates/e-Auto Refund payment instructions/refund cheques.

Applicants being individuals who are eligible for personal collection cannot authorize any other person to make collection on their behalf. Corporate applicants which are eligible for personal collection must attend by their authorised representatives bearing letters of authorisation from their corporations stamped with the corporations’ chops. Both individuals and authorised representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to Tricor Investor Services Limited.

Share certificates for Hong Kong Offer Shares allotted to applicants who applied for less than 1,000,000 Hong Kong Offer Shares through the **HK eIPO White Form** service are expected to be despatched to those entitled to the addresses specified in the relevant application instructions by ordinary post at their own risk on or before Friday, December 10, 2021.

Share certificates for Hong Kong Offer Shares allotted to applicants who applied through the **HK eIPO White Form** 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 Friday, December 10 2021.

Wholly or partially successful applicants who applied by giving **electronic application instructions** to HKSCC via CCASS will have their Share certificate(s) issued in the name of HKSCC Nominees Limited and deposited into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participant who gave **electronic application instructions** on their behalf on Friday, December 10, 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 with that CCASS Participant.

Applicants who applied as a CCASS Investor Participant by giving **electronic application instructions** to HKSCC via CCASS can check the number of Hong Kong Offer Shares allotted 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 Friday, December 10, 2021. Immediately following the credit of the Hong Kong Offer Shares to their stock account and the credit of refund monies to their bank account, HKSCC will also make available to the CCASS Investor Participants an activity statement showing the number of Hong Kong Offer Shares credited to their CCASS Investor Participant stock accounts and the refund amount credited to their respective designated bank accounts (if any).

Applicants who have applied through the **HK eIPO White Form** service and paid the application monies through a single bank account, will have refund monies (if any) despatched to their application payment bank accounts in the form of e-Auto Refund payment instructions on Friday, December 10, 2021. Applicants who have applied through the **HK eIPO White Form** service and paid the application monies through multiple bank accounts, will have refund monies (if any) despatched to the addresses specified on their **HK eIPO White Form** applications in the form of refund cheque(s) in favour of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post and at their own risk on or before Friday, December 10, 2021. No interest will be paid thereon.

Refund monies (if any) for applicants who have applied by giving **electronic application instructions** to HKSCC via CCASS are expected to be credited to their designated bank accounts or the designated bank accounts of their broker or custodian on Friday, December 10, 2021. No interest will be paid thereon.

Share certificates will only become valid certificates of title at 8:00 a.m. on Monday, December 13, 2021 provided that the Global Offering has become unconditional at or before that time and the right of termination as described in the paragraph headed “Underwriting – Underwriting Arrangements and Expenses – 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 before any exercise of the Over-allotment Option, over 25% of the issued share capital of the Company will count towards the public float and is expected to satisfy the minimum percentage prescribed by Rule 8.08(1)(a) of the Listing Rules.

### **Commencement of Dealings in the Shares**

Assuming that the Global Offering becomes unconditional at 8:00 a.m. in Hong Kong on Monday, December 13, 2021, dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. in Hong Kong on Monday, December 13, 2021. The Shares will be traded in board lots of 500 Shares each under the stock code of the Company 2279.

**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.**

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

Based on the Offer Price of HK\$15.80 per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), the net proceeds from the Global Offering to be received by the Company, after deduction of underwriting commissions, fees and estimated expenses payable by the Company in connection with the Global Offering, and assuming the Over-allotment Option is not exercised, is estimated to be approximately HK\$1,356.7 million. The Company intends to apply the proceeds from the Global Offering as follows:

- approximately 42.1%, or HK\$571.2 million, will be used to expand and upgrade existing hair transplant clinics in its network in China;

- approximately 17.5%, or HK\$237.4 million, will be used to fund its innovations in product and service offerings;
- approximately 9.7%, or HK\$131.6 million, will be used for investment in research and development to upgrade its service system with cutting-edge technology;
- approximately 23.4%, or HK\$317.5 million, will be used to integrate industry resources to raise brand awareness in China;
- approximately 1.6%, or HK\$21.7 million, will be used to settle the outstanding balance of the acquisition considerations payable by the Group to Xinsiyu, a related party, for its acquisition of Nu/Hart Hair in May 2021; and
- approximately 5.7%, or HK\$77.3 million, will be used for its working capital and general corporate purposes.

If the Over-allotment Option is exercised in full, the Company will receive additional net proceeds of approximately HK\$213.7 million for 14,163,500 additional Offer Shares to be issued and allotted upon the exercise of the Over-allotment Option.

For details of the use of proceeds, see the section headed “Future Plans and Use of Proceeds” in the Prospectus.

## **APPLICATIONS UNDER THE HONG KONG PUBLIC OFFERING**

The Hong Kong 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 Monday, December 6, 2021, a total of 81,126 valid applications have been received pursuant to the Hong Kong Public Offering through the **HK eIPO White Form** service and through the **CCASS EIPO** service for a total of 1,511,480,500 Hong Kong Offer Shares, representing approximately 160.06 times of the total number of 9,443,000 Hong Kong Offer Shares initially available for subscription under the Hong Kong Public Offering, among which:

- 79,667 valid applications in respect of a total of 548,192,500 Hong Kong Offer Shares were for the Hong Kong Public Offering with an aggregate subscription amount based on the Offer Price of HK\$15.80 per Offer Share (excluding brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of HK\$5 million or less, representing approximately 116.11 times of the 4,721,500 Hong Kong Offer Shares initially comprised in Pool A; and



- 1,459 valid applications in respect of a total of 963,288,000 Hong Kong Offer Shares were for the Hong Kong Public Offering with an aggregate subscription amount based on the Offer Price of HK\$15.80 per Offer Share (excluding brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of more than HK\$5 million, representing approximately 204.02 times of the 4,721,500 Hong Kong Offer Shares initially comprised in Pool B.

No application has been rejected due to invalid application. 165 multiple or suspected multiple applications have been identified and rejected. No application has been rejected due to dishonoured payments. No application for more than 4,721,500 Hong Kong Offer Shares (being 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering) has been identified.

As the Offer Shares offered under the Hong Kong Public Offering have been very significantly over-subscribed by approximately 160.06 times and the number of Offer Shares validly applied for under the Hong Kong Public Offering represents more than 100 times of the total number of Offer Shares initially available for subscription under the Hong Kong Public Offering, the reallocation procedure as disclosed in the section headed “Structure of the Global Offering – The Hong Kong Public Offering – Reallocation and Clawback” in the Prospectus has been applied and 37,769,000 Offer Shares have been reallocated from the International Offering to the Hong Kong Public Offering. The final number of Offer Shares under the Hong Kong Public Offering has been increased to 47,212,000 Offer Shares, representing 50% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), and being allocated to 31,661 successful applicants under the Hong Kong Public Offering. A total number of 23,410 applicants have been allotted with one board lot of Offer Shares.

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

## **INTERNATIONAL OFFERING**

The Offer Shares initially offered under the International Offering have been over-subscribed by approximately 8.39 times of the total number of 84,981,000 International Offer Shares initially available for subscription under the International Offering. After reallocation of the Offer Shares to the Hong Kong Public Offering from the International Offering, the final number of Offer Shares under the International Offering is 47,212,000 Shares, representing 50% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

A total of 25 places have been allotted five board lots of Offer Shares or less, representing approximately 19.8% of 126 places under the International Offering. These places have been allotted 0.02% and 0.03% of the Offer Shares initially available under the International Offering and available under the final International Offer Shares, respectively (assuming the Over-allotment Option is not exercised).

A total of 23 places have been allotted one board lot of Offer Shares or less, representing approximately 18.3% of 126 places under the International Offering. These places have been allotted 0.01% and 0.02% of the Offer Shares initially available under the International Offering and available under the final International Offer Shares, respectively (assuming the Over-allotment Option is not exercised).

## CORNERSTONE INVESTORS

Based on the Offer Price of HK15.80 per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), pursuant to the Cornerstone Investment Agreements and taking into account the reallocation of 37,769,000 Offer Shares from the International Offering to the Hong Kong Public Offering, the number of Offer Shares subscribed for by the Cornerstone Investors has now been determined as set out below:

	<b>Number of Shares subscribed (rounded down to nearest whole board lot of 500 Shares)</b>	<b>Approximate percentage of Offer Shares in the Global Offering<sup>(1)</sup></b>	<b>Approximate percentage of the total issued share capital immediately following the completion of the Global Offering<sup>(1)</sup></b>
NCC China A-share Master Fund	9,734,500	10.31%	1.87%
Lake Bleu Prime Healthcare Master Fund Limited	4,867,000	5.15%	0.94%
Hudson Bay Master Fund Ltd	4,867,000	5.15%	0.94%
LAV Star Limited and LAV Star Opportunities Limited	4,867,000	5.15%	0.94%
Yi Fang Da Hadar Investment Limited	4,867,000	5.15%	0.94%
WT Asset Management Limited	4,867,000	5.15%	0.94%
Enreal China Master Fund and Forreal China Value Fund	4,867,000	5.15%	0.94%
IvyRock Asset Management (HK) Limited	3,407,500	3.61%	0.66%
Athos Capital Limited	2,434,000	2.58%	0.47%
York Asian Opportunities Investments Master Fund, LP	2,434,000	2.58%	0.47%
<b>Total</b>	<b>47,212,000</b>	<b>50.00%</b>	<b>9.08%</b>

<sup>(1)</sup> Assuming that the Over-allotment Option is not exercised.

To the best knowledge of the Company, (i) each of the Cornerstone Investors is an Independent Third Party; (ii) none of the Cornerstone Investors is accustomed to take instructions from the Company, its subsidiaries, the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of their respective close associates in relation to the acquisition, disposal, voting, or other disposition of Shares registered in its name or otherwise held by it; and (iii) none of the subscription of the relevant Offer Shares by any of the Cornerstone Investors is financed by the Company, its subsidiaries,

the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of their respective close associates. There are no side arrangements or agreements between the Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Cornerstone Placing, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price.

The Cornerstone Placing will form part of the International Offering and the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors will rank pari passu in all respect with the fully paid Shares in issue and to be listed on the Stock Exchange, and will be counted towards the public float of the Company. None of the Cornerstone Investors will become a substantial shareholder of the Company, the Cornerstone Investors or their close associates will not, by virtue of their cornerstone investments, have any Board representation in the Company. Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders.

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months from the Listing Date (the “**Lock-up Period**”), dispose of any of the Offer Shares they have purchased pursuant to the relevant Cornerstone Investment Agreements, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

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

## **CONNECTED CLIENT PLACEDS WITH CONSENT UNDER PARAGRAPH 5(1) OF THE PLACING GUIDELINES**

Certain Offer Shares were placed to connected clients of certain distributors (each a “**Connected Distributor**”) within the meaning of the Placing Guidelines for Equity Securities as set out in Appendix 6 to the Listing Rules, details of which are set out below:

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

Connected Distributor(s)	Placee/Connected Client	Number of Offer Shares placed	Approximate % of the Offer Shares initially available under the Global Offering <sup>(1)</sup>	Approximate % of the total issued share capital immediately following the completion of the Global Offering <sup>(1)</sup>	Relationship with the Connected Underwriter
Tiger Brokers (NZ) Limited (“ <b>Tiger Brokers</b> ”)	Global Enhanced Income Innovative-IPO Fund S.P. (“ <b>Tiger Fund</b> ”)	12,500	0.013%	0.0024%	Tiger Brokers places order as the broker on behalf of Tiger Fund. Tiger Brokers and Tiger Fund are under the same ultimate 100% control of UP Fintech Holding Limited.

## Connected clients holding Shares on a non-discretionary basis:

Connected Distributor <sup>(2)</sup>	Placee/Connected Client <sup>(2)</sup>	Number of Offer Shares placed	Approximate % of the Offer Shares initially available under the Global Offering <sup>(1)</sup>	Approximate % of the total issued share capital immediately following the completion of the Global Offering <sup>(1)</sup>	Relationship with the Connected Underwriter
Huatai Financial Holdings (Hong Kong) Limited (“HTFH”)	Huatai Capital Investment Limited (“HTCI”)	25,000	0.026%	0.0048%	HTFH and HTCI are both wholly-owned subsidiaries of Huatai Securities Co., Ltd.

- (1) Assuming that the Over-allotment Option is not exercised.
- (2) As confirmed by HTCI, HTCI will hold the Shares on a non-discretionary basis as the single underlying holder under a back-to-back total return swap (the “**Back-to-back TRS**”) to be entered by HTCI in connection with the total return swap order (the “**Client TRS**”) placed by and fully funded by the ultimate clients of HTCI (the “**HTCI Ultimate Clients**”). The purpose of HTCI to purchase the Shares is for hedging the Back-to-back TRS in connection with the Client TRS placed by the HTCI Ultimate Clients. Pursuant to the terms of the contracts of the Back-to-back TRS and the Client TRS, during the tenor of the Back-to-back TRS and the Client TRS, all economic returns of the Shares will be passed to the HTCI Ultimate Clients through the Back-to-back TRS and the Client TRS and all economic loss shall be borne by the HTCI Ultimate Clients. HTCI will not take any economic return or bear any economic loss in relation to the Shares. HTCI will hold the legal title and the voting right of the Shares by itself and will not exercise the voting right of the Shares during the tenor of the Back-to-back TRS. To the best knowledge of the Company and Joint Global Coordinators and after making all reasonable enquiries, each of the HTCI Ultimate Clients is an Independent Third Party, and is not a connected person and their respective associates of the Company.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted to the Company, its 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 as set 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 the Placing Guidelines and all the conditions under the consent granted by the Stock Exchange.

Save as disclosed above, to the best knowledge, information and belief of the Directors, no Offer Shares placed by or through the Joint Global Coordinators, the Joint Bookrunners or the Underwriters under the Global Offering have been placed with applicants who are core connected persons (as defined in the Listing Rules) or directors of the Company, or to 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. The International Offering is in compliance with the Placing Guidelines.

The Directors confirm that (a) no placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after the Global Offering; (b) there will not be any new Substantial Shareholder (as defined in the Listing Rules) of the Company immediately after the Global Offering; (c) the number of Shares in public hands will satisfy the minimum percentage prescribed by Rule 8.08(1)(a) of the Listing Rules; (d) the three largest public Shareholders of the Company do not hold more than 50% of the Shares in public hands at the time of Listing in compliance with Rules 8.08(3) and 8.24 of the Listing Rules; and (e) there will be at least 300 Shareholders at the time of Listing in compliance with Rule 8.08(2) of the Listing Rules.

The Directors confirm that, to the best of their knowledge, (i) 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, Controlling Shareholders, Substantial Shareholders or existing Shareholders of the Company or any of its subsidiaries or their respective close associates, and (ii) none of the placees and the public who has subscribed for 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 names 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 on behalf of the International Underwriters, at any time from the Listing Date until Wednesday, January 5, 2022 being the 30th day after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue and allot up to an aggregate of 14,163,500 Shares, representing not more than 15% of the Offer Shares initially available under the Global Offering, at the Offer Price to cover over-allocations in the International Offering, if any. There has been an over-allocation of 14,163,500 Shares in the International Offering and such over-allocation will be settled using Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price, or through stock borrowing arrangements, or a combination of these means. In order to facilitate the settlement of over-allocations, in connection with the Global Offering, the Stabilization Manager, its affiliates, or any person acting for it may choose to borrow up to 14,163,500 Shares (being the maximum number of Shares which may be issued upon exercise of the Over-allotment Option) pursuant to the Stock Borrowing Agreement, or acquire Shares from other sources, including the exercising of the Over-allotment Option. If the Over-allotment Option is exercised, an announcement will be made in accordance with the Listing Rules. As at the date of this announcement, the Over-allotment Option has not been exercised.

## LOCK-UP UNDERTAKINGS

Each of the Company, the Controlling Shareholders, certain existing Shareholders and the Cornerstone Investors 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 day subject to the Lock-up Undertakings
<b>The Company</b> ( <i>subject to lock-up obligations pursuant to the Listing Rules and the Hong Kong Underwriting Agreement</i> )	N/A	N/A	June 12, 2022 (First Six-Month Period), December 12, 2022 (Second Six Month Period) <sup>(2)</sup>
<b>The Controlling Shareholders</b> ( <i>subject to lock-up obligations pursuant to the Listing Rules</i> )			
Mr. ZHANG Yu, ZY Investment Capital Ltd and ZY Ventures Ltd	181,531,916	34.91%	June 12, 2022 (First Six-Month Period), 12 December 2022 (Second Six Month Period) <sup>(3)</sup>
Yonghe Hair Service Holdings Limited, Panmao (Shanghai) Investment Center (Limited Partnership), Shanghai Pannuo Corporate Management Service Company Limited, CITIC Private Equity Funds Management Co., Ltd., CYH Cosmetic Medical Holdings Limited, CYH Cosmetic Medical Investment Limited, CPEChina Fund II, L.P., CPEChina Fund IIA, L.P., Citron PE Associates II, L.P., Citron PE Funds II Limited and Citron PE Holdings Limited	183,733,336	35.34%	June 12, 2022 (First Six-Month Period), 12 December 2022 (Second Six Month Period) <sup>(3)</sup>

**The Existing Shareholders** *(subject to lock-up obligations pursuant to their respective lock-up undertakings in favour of the Company and the Joint Global Coordinators)*

ZH Investment Capital Ltd.	24,000,000	4.62%	June 12, 2022 <sup>(4)</sup>
Yunuo Technology Holdings Limited	20,000,000	3.85%	June 12, 2022 <sup>(4)</sup>
Ever Horizon Developments Limited	18,546,664	3.57%	June 12, 2022 <sup>(4)</sup>
Zhirui Technology Holdings Limited	12,000,000	2.31%	June 12, 2022 <sup>(4)</sup>
NieLei Hair Service Holdings Limited	3,778,664	0.73%	June 12, 2022 <sup>(4)</sup>
JiaQi Hair Service Holdings Limited	658,668	0.13%	June 12, 2022 <sup>(4)</sup>
SiQi Hair Service Holdings Limited	658,668	0.13%	June 12, 2022 <sup>(4)</sup>
Tanxu Hair Service Holdings Limited	312,000	0.06%	June 12, 2022 <sup>(4)</sup>
LinFeng Hair Service Holdings Limited	312,000	0.06%	June 12, 2022 <sup>(4)</sup>

**Cornerstone Investors** *(subject to lock-up obligations pursuant to the Cornerstone Investment Agreements)*

NCC China A-share Master Fund	9,734,500	1.87%	June 12, 2022 <sup>(5)</sup>
Lake Bleu Prime Healthcare Master Fund Limited	4,867,000	0.94%	June 12, 2022 <sup>(5)</sup>
Hudson Bay Master Fund Ltd	4,867,000	0.94%	June 12, 2022 <sup>(5)</sup>
LAV Star Limited and LAV Star Opportunities Limited	4,867,000	0.94%	June 12, 2022 <sup>(5)</sup>
Yi Fang Da Hadar Investment Limited	4,867,000	0.94%	June 12, 2022 <sup>(5)</sup>
WT Asset Management Limited	4,867,000	0.94%	June 12, 2022 <sup>(5)</sup>
Enreal China Master Fund and Forreal China Value Fund	4,867,000	0.94%	June 12, 2022 <sup>(5)</sup>
IvyRock Asset Management (HK) Limited	3,407,500	0.66%	June 12, 2022 <sup>(5)</sup>
Athos Capital Limited	2,434,000	0.47%	June 12, 2022 <sup>(5)</sup>
York Asian Opportunities Investments Master Fund, LP	2,434,000	0.47%	June 12, 2022 <sup>(5)</sup>

- (1) Assuming that the Over-allotment Option is not exercised.
- (2) The Company shall not (a) issue any Shares during the First Six-Month Period; and (b) issue any Shares such that any Controlling Shareholders, directly or indirectly, would cease to be a controlling shareholder (within the meaning defined in the Listing Rules) of the Company during the Second Six-Month Period. Please refer to the section headed “Underwriting – Underwriting Arrangements and Expenses” in the Prospectus for further details.
- (3) Each of the Controlling Shareholders shall not (a) dispose of or transfer Shares during the First Six-Month Period; and (b) dispose of or transfer Shares during the Second Six-Month Period if immediately following such disposal the Controlling Shareholder would cease to be a controlling shareholder (within the meaning defined in the Listing Rules) of the Company. Please refer to the section headed “Underwriting – Underwriting Arrangements and Expenses” in the Prospectus for further details.
- (4) Each of the existing Shareholders (other than the Controlling Shareholders) and their legal owners undertakes that, it will not and will procure that no company controlled by it or any nominee or trustee holding in trust for it will, at any time during the period ending on a date which is six months from the Listing Date dispose of or transfer Shares. Such existing Shareholders may dispose of or transfer Shares without any lock-up obligation after the indicated date.

- (5) The Cornerstone Investors shall not dispose of their respective relevant Shares for a period of six months from the Listing Date, save for certain special circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the lock-up period restriction. The Cornerstone Investors may dispose of or transfer Shares without any lock-up obligation after the indicated date.

## **BASIS OF ALLOTMENT UNDER THE HONG KONG PUBLIC OFFERING**

Subject to the satisfaction of the conditions set out in the section headed “Structure of the Global Offering – Conditions of the Global Offering” in the Prospectus, valid applications made by the public through the **HK eIPO White Form** service and through the **CCASS EIPO** service will be conditionally allocated on the basis set out below:

<b>Pool A</b>			<b>Approximate percentage allotted of the total number of shares applied for</b>
<b>Number of shares applied for</b>	<b>Number of valid applications</b>	<b>Basis of allocation/ballot</b>	
500	43,777	6,567 out of 43,777 applicants to receive 500 shares	15.00%
1,000	5,265	1,264 out of 5,265 applicants to receive 500 shares	12.00%
1,500	2,478	744 out of 2,478 applicants to receive 500 shares	10.01%
2,000	1,600	608 out of 1,600 applicants to receive 500 shares	9.50%
2,500	1,181	514 out of 1,181 applicants to receive 500 shares	8.70%
3,000	5,401	2,658 out of 5,401 applicants to receive 500 shares	8.20%
3,500	449	246 out of 449 applicants to receive 500 shares	7.83%
4,000	582	350 out of 582 applicants to receive 500 shares	7.52%
4,500	382	248 out of 382 applicants to receive 500 shares	7.21%
5,000	3,482	2,368 out of 3,482 applicants to receive 500 shares	6.80%
6,000	1,028	815 out of 1,028 applicants to receive 500 shares	6.61%
7,000	2,005	1,783 out of 2,005 applicants to receive 500 shares	6.35%
8,000	794	500 shares	6.25%
9,000	332	500 shares plus 27 out of 332 applicants to receive an additional 500 shares	6.01%
10,000	2,883	500 shares plus 505 out of 2,883 applicants to receive an additional 500 shares	5.88%
15,000	1,942	500 shares plus 622 out of 1,942 applicants to receive an additional 500 shares	4.40%
20,000	1,246	500 shares plus 798 out of 1,246 applicants to receive an additional 500 shares	4.10%
25,000	873	1,000 shares	4.00%
30,000	625	1,000 shares plus 138 out of 625 applicants to receive an additional 500 shares	3.70%
35,000	285	1,000 shares plus 149 out of 285 applicants to receive an additional 500 shares	3.60%
40,000	310	1,000 shares plus 248 out of 310 applicants to receive an additional 500 shares	3.50%
45,000	157	1,500 shares	3.33%



**Pool A**

Number of shares applied for	Number of valid applications	Basis of allocation/ballot	Approximate percentage allotted of the total number of shares applied for
50,000	635	1,500 shares plus 127 out of 635 applicants to receive an additional 500 shares	3.20%
60,000	274	1,500 shares plus 198 out of 274 applicants to receive an additional 500 shares	3.10%
70,000	174	2,000 shares	2.86%
80,000	132	2,000 shares plus 70 out of 132 applicants to receive an additional 500 shares	2.83%
90,000	83	2,500 shares	2.78%
100,000	694	2,500 shares plus 209 out of 694 applicants to receive an additional 500 shares	2.65%
200,000	377	4,500 shares	2.25%
300,000	221	6,500 shares	2.17%
Total	<u>79,667</u>	<b>Total number of Pool A successful applicants: 30,202</b>	

**Pool B**

Number of shares applied for	Number of valid applications	Basis of allocation/ballot	Approximate percentage allotted of the total number of shares applied for
400,000	1,012	11,000 shares plus 18 out of 1,012 applicants to receive an additional 500 shares	2.75%
500,000	104	13,000 shares	2.60%
600,000	81	15,000 shares	2.50%
700,000	22	17,000 shares	2.43%
800,000	29	19,000 shares	2.38%
900,000	8	21,000 shares	2.33%
1,000,000	114	23,000 shares	2.30%
2,000,000	33	43,000 shares	2.15%
3,000,000	15	63,000 shares	2.10%
4,000,000	9	83,000 shares	2.08%
4,721,500	32	96,000 shares	2.03%
Total	<u>1,459</u>	<b>Total number of Pool B successful applicants: 1,459</b>	

The final number of Offer Shares comprised in the Hong Kong Public Offering is 47,212,000 Offer Shares, representing 50% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option). The final number of Offer Shares comprised in the International Offering is 47,212,000 Offer Shares, representing 50% of the total number of the Offer Shares initially available under 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 through the **HK eIPO White Form** service and through the **CCASS EIPO** service, including the Hong Kong identity card numbers, passport numbers, Hong Kong business registration numbers, certificate of incorporation numbers or beneficial owner identification codes 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 this announcement posted on the Company's website at [www.yonghegroup.cn](http://www.yonghegroup.cn) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) by no later than 9:00 a.m. on Friday, December 10, 2021. Please note that the list of identification document numbers in this announcement may not be a complete list of successful applicants since only successful applicants whose identification document numbers are provided to HKSCC by CCASS Participants are disclosed. Applicants with beneficial names only but not identification document numbers are not disclosed due to personal privacy issue as elaborated below. Applicants who applied for the Offer Shares through their brokers can consult their brokers to enquire about their application result;
- from the "IPO Results" function in the **IPO App** or the designated results of allocations website at [www.hkeipo.hk/IPOResult](http://www.hkeipo.hk/IPOResult) (or [www.tricor.com.hk/ipo/result](http://www.tricor.com.hk/ipo/result)) with a "search by ID" function from 8:00 a.m. on Friday, December 10, 2021 to 12:00 midnight on Thursday, December 16, 2021; and
- from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Friday, December 10, 2021 to Wednesday, December 15, 2021 (excluding Saturday, Sunday and public holidays in Hong Kong).

The level of indication 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 will also be published on the Company's website at [www.yonghegroup.cn](http://www.yonghegroup.cn) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on Friday, December 10, 2021.

This announcement contains a list of identification document numbers. Identification document numbers shown in the section headed “Results of Applications Made by **HK eIPO White Form**” refer to Hong Kong identity card numbers/passport numbers/Hong Kong business registration number/certificate of incorporation numbers/beneficial owner identification codes (if such applications are made by nominees as agent for the benefit of another person) whereas those displayed in the section headed “Results of Applications Made by Giving **Electronic application instructions** to HKSCC via CCASS” are provided by CCASS Participants via CCASS. Therefore, the identification document numbers shown in the two sections are different in nature.

Since applications are subject to personal information collection statements, beneficial owner identification codes displayed in the sections headed “Results of Applications Made by **HK eIPO White Form**” and “Results of Applications Made by Giving **Electronic application instructions** to HKSCC via CCASS” are redacted and not all details of applications are disclosed in this announcement.

Results of allocations of the Hong Kong Offer Shares in the Hong Kong Public Offering, including the level of indication 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 will also be published on the Company’s website at [www.yonghegroup.cn](http://www.yonghegroup.cn) and the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) by no later than 9:00 a.m. on Friday, December 10, 2021.

## SHAREHOLDING CONCENTRATION ANALYSIS

A summary of allotment results under the International Offering is set out below:

- subscription and number of Shares held by the top 1, 5, 10, 20 and 25 of the places out of the final International Offer Shares, total Offer Shares and total issued share capital of the Company upon Listing:

Placee	Subscription	Shares held following the Global Offering	Subscription as %	Subscription as %	Subscription as %	Subscription as %	% of the total	% of the total
			of International Offer Shares (assuming the Over-allotment Option is not exercised)	of International Offer Shares (assuming the Over-allotment Option is fully exercised)	of total Offer Shares (assuming the Over-allotment Option is not exercised)	of total Offer Shares (assuming the Over-allotment Option is fully exercised)	issued Shares (assuming the Over-allotment Option is not exercised)	issued Shares (assuming the Over-allotment Option is fully exercised)
Top 1	9,734,500	9,734,500	20.6%	15.9%	10.3%	9.0%	1.9%	1.8%
Top 5	29,202,500	29,202,500	61.9%	47.6%	30.9%	26.9%	5.6%	5.5%
Top 10	47,528,000	47,528,000	100.7%	77.4%	50.3%	43.8%	9.1%	8.9%
Top 20	56,775,500	56,775,500	120.3%	92.5%	60.1%	52.3%	10.9%	10.6%
Top 25	58,905,500	58,905,500	124.8%	96.0%	62.4%	54.2%	11.3%	11.0%

- number of Shares held by the top 1, 5, 10, 20 and 25 of all the Shareholders out of the final International Offer Shares, 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 Offer Shares (assuming the Over-allotment Option is not exercised)	Subscription as % of International Offer Shares (assuming the Over-allotment Option is fully exercised)	Subscription as % of total Offer Shares (assuming the Over-allotment Option is not exercised)	Subscription as % of total Offer Shares (assuming the Over-allotment Option is fully exercised)	% of the total issued Shares (assuming the Over-allotment Option is not exercised)	% of the total issued Shares (assuming the Over-allotment Option is fully exercised)
Top 1	-	183,733,336	-	-	-	-	35.3%	34.4%
Top 5	-	419,811,916	-	-	-	-	80.7%	78.6%
Top 10	29,202,500	449,014,416	61.9%	47.6%	30.9%	26.9%	86.4%	84.1%
Top 20	53,212,000	477,461,248	112.7%	86.7%	56.4%	49.0%	91.8%	89.4%
Top 25	55,375,500	480,283,416	117.3%	90.2%	58.6%	51.0%	92.4%	89.9%

**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 Shares.**