

# ANNOUNCEMENT OF OFFER PRICE AND ALLOTMENT RESULTS

## SUMMARY

### Offer Price

- The final Offer Price has been determined at HK\$7.37 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%).

### Net Proceeds from the Global Offering

- Based on the Offer Price of HK\$7.37 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 paid and payable by the Company in relation to the Global Offering, are estimated to be approximately HK\$706.4 million. The Company intends to use the net proceeds from the Global Offering in the manner as set out in the section headed “Net Proceeds from the Global Offering” in this announcement.

### Applications and Indications of Interest Received in the Hong Kong Public Offering

- The Hong Kong Offer Shares initially offered under the Hong Kong Public Offering have been slightly over-subscribed. A total of 5,104 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 81,761,000 Hong Kong Offer Shares, representing approximately 7.66 times of the total number of 10,667,000 Hong Kong Offer Shares initially available for subscription under the Hong Kong Public Offering.
- As the over-subscription in the Hong Kong Public Offering represents less than 15 times the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, no reallocation procedure as disclosed in the section headed “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation” in the Prospectus has been applied and no 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 is 10,667,000 Shares, representing approximately 10% of the total number of Offer Shares initially available under the Global Offering, and being allocated to 4,483 successful applicants under the Hong Kong Public Offering, 3,125 of which have been allocated one board lot of Shares totaling 1,562,500 Shares, representing approximately 14.65% of total Offer Shares under the Hong Kong Public Offering.

## **International Offering**

- The Offer Shares initially offered under the International Offering have been slightly over-subscribed, representing approximately 1.13 times of the total number of Offer Shares initially available under the International Offering. The final number of Offer Shares under the International Offering is 96,000,000 Shares, representing approximately 90% of the total number of Offer Shares initially available under the Global Offering.
- There are a total of 134 placees under the International Offering, among which 118 placees, representing approximately 88.06% of the total number of placees under the International Offering, have been allotted five or fewer board lots of Offer Shares, totalling 59,000 Shares, representing approximately 0.06% of the total number of the Offer Shares available under the International Offering. A total of 118 placees have been allotted one board lot of Offer Shares, totaling 59,000 Shares, representing approximately 0.06% of the total number of the Offer Shares available under the International Offering.

## ***Cornerstone Investors***

- Based on the Offer Price of HK\$7.37 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) and pursuant to the Cornerstone Investment Agreements, the Cornerstone Investors have subscribed for a total of 60,196,500 Offer Shares, representing (a) approximately 56.43% of the number of Offer Shares pursuant to the Global Offering and (b) approximately 14.11% of the Shares in issue immediately following completion of the Global Offering (without taking into account any Shares which may be issued under the Post-IPO Share Scheme). Please refer to the section headed “Cornerstone Investors” in the Prospectus for further details of the Cornerstone Investors.

## ***Connected Client Placee with Consent under the Placing Guidelines***

- We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a consent under paragraph 5(1) of Appendix 6 to the Listing Rules (the “**Placing Guidelines**”) to permit the Company to allocate Offer Shares in the Global Offering to the placee set out in the section headed “International Offering — Connected Client Placee with Consent under the Placing Guidelines” in this announcement.

## **Confirmations Regarding Public Shareholders in the Hong Kong Public Offering and Places in the International Offering**

- Save as disclosed in the section headed “International Offering — Connected Client Placee with Consent under the Placing Guidelines” in this announcement, to the best knowledge, information and belief of the Directors, no Offer Shares placed by or through the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, or the Underwriters under the Global Offering have been placed with applicants or their respective ultimate beneficial owners who are core connected persons (as defined in the Listing Rules) of the Company 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, to the best of their knowledge, information and belief, (i) none of the Offer Shares subscribed by public Shareholders in the Hong Kong Public Offering and places in the International Offering has been financed directly or indirectly by the Company, any of the Directors, chief executive of the Company, the Controlling Shareholders, the substantial Shareholders, the existing Shareholders or any of their subsidiaries or their respective close associates; (ii) none of the public Shareholders in the Hong Kong Public Offering and places in the International Offering who has subscribed for the Offer Shares is accustomed to taking instructions from the Company, any of the Directors, chief executive of the Company, the Controlling Shareholders, the substantial Shareholders, the 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; (iii) no rebate has been, directly or indirectly, provided by the Company, the Directors, chief executive of the Company, the Controlling Shareholders, the substantial Shareholders, the existing Shareholders or any of their subsidiaries, or their respective close associates, or syndicate members or any brokers or underwriters to any public Shareholders in the Hong Kong Public Offering or places in the International Offering; (iv) the consideration payable by the public Shareholders in the Hong Kong Public Offering and places in the International Offering for each Offer Share subscribed for or purchased by them is the same as the final Offer Price as determined by the Company, in addition to brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%; and (v) there is no side agreement or arrangement between the Company, any of the Directors, chief executive of the Company, the Controlling Shareholders, the substantial Shareholders of the Company, the existing Shareholders or any of their subsidiaries or their respective close associates or syndicate members or any other brokers or underwriters, on one hand, and the public subscribers or the placee who has subscribed for the Offer Shares, on the other hand.

- None of the Sole Sponsor, the Sole Overall Coordinator, the Sole Global Coordinator, 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 the Placing Guidelines) has taken up any Offer Shares for its own benefit under the Global Offering.

### **Lock-up Undertakings**

- Each of the Company, the Controlling Shareholders, Shipston (the “**Pre-IPO Investor**”) and the Cornerstone Investors is subject to certain lock-up undertakings as set out in the section headed “Lock-up Undertakings” in this announcement.

### **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 will be published on Wednesday, October 11, 2023 on the Company’s website at [www.luyuan.cn](http://www.luyuan.cn) 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 and the Hong Kong identity card numbers, passport numbers, Hong Kong business registration numbers or certificate of incorporation numbers of successful applicants (under the Hong Kong Public Offering where applicable) will be available at the times and dates and in the manner set out below:
  - (i) in the announcement to be posted on our Company’s website and the website of the Stock Exchange at [www.luyuan.cn](http://www.luyuan.cn) and [www.hkexnews.hk](http://www.hkexnews.hk), respectively on Wednesday, October 11, 2023;
  - (ii) from the “IPO Results” function in the **IPO App** and 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 Wednesday, October 11, 2023 to 12:00 midnight on Tuesday, October 17, 2023; and
  - (iii) from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Wednesday, October 11, 2023 to Monday, October 16, 2023 (excluding Saturday, Sunday and public holiday in Hong Kong).

- 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**” in this announcement 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” in this announcement are provided by CCASS Participants via CCASS. Therefore, the identification document numbers shown in the two sections are different in nature. Please note that the list of identification document numbers set out 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 or via the **HK eIPO White Form** service 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 Hong Kong Offer Shares through their brokers or nominees can consult their brokers or nominees to enquire about their application results;
- 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.

#### **Dispatch/Collection of Share Certificates/e-Auto Refund Payment Instructions/Refund Checks**

- 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 or partially successfully allocated Hong Kong Offer Shares, may collect Share certificate(s) (where applicable) in person from the Hong Kong Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Wednesday, October 11, 2023, or any other place or date notified by the Company as the date of dispatch or collection of Share certificates.
- Applicants being individuals who are eligible for personal collection must not authorize any other person to collect on their behalf. Corporate applicants which are eligible for personal collection must attend by their authorized representative bearing letters of authorization from their corporations stamped with the corporations’ chops. Both individuals and authorized representatives 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 dispatched to those entitled to the addresses specified in the relevant application instructions by ordinary post at their own risk on or before Wednesday, October 11, 2023.
- 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 by 1:00 p.m. on Wednesday, October 11, 2023 are expected to be despatched by ordinary post to those entitled to the address specified in the relevant application at their own risk on or before Wednesday, October 11, 2023.

- Wholly or partially successful applicants who applied by giving **electronic application instructions** to HKSCC via CCASS will have their Share certificates 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 Participants who gave **electronic application instructions** on their behalf on Wednesday, October 11, 2023.
- 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 should check and report any discrepancies to HKSCC before 5:00 p.m. on Wednesday, October 11, 2023, or such other date as shall be determined by HKSCC or HKSCC Nominees. Applicants who applied as a CCASS Investor Participant by giving **electronic application instructions** to HKSCC via CCASS may also check the results of their applications and the amount of refund monies 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). Immediately after the crediting of the Hong Kong Offer Shares to the CCASS Investor Participants stock accounts and the credit of refund monies to the CCASS Investor Participants bank accounts, HKSCC will also make available to the CCASS Investor Participants an activity statement showing the number of Hong Kong Offer Shares credited to their stock accounts and the refund amount credited to their respective designated bank accounts (if any).
- Applicants who applied through the **HK eIPO White Form** service and paid the application monies from a single bank account will have refund monies (if any) despatched to their application payment accounts in the form of e-Auto Refund payment instructions on Wednesday, October 11, 2023. Applicants who applied through the **HK eIPO White Form** service and paid the application monies from multiple bank accounts will have refund monies (if any) despatched to the addresses specified in their application instructions in the form of refund check(s) in favour of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at their own risk on or before Wednesday, October 11, 2023. 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 the relevant applicants’ designated bank accounts or the designated bank accounts of their brokers or custodians on Wednesday, October 11, 2023.
- Share certificates will only become valid at 8:00 a.m. on Thursday, October 12, 2023, provided that the Global Offering has become unconditional in all respects at or before that time and the right of termination described in the section 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 Offer Shares and will not issue any receipt for application monies received.

### **Public Float**

- Immediately following the completion of the Global Offering, approximately 25% of the total issued Shares will be held by the public in compliance with the requirements under Rule 8.08 of the Listing Rules.
- The Directors confirm that immediately after the Global Offering, (i) at least 25% of the Company's enlarged issued share capital will be held by the public hands in compliance with Rule 8.08(1) of the Listing Rules, (ii) no placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company, (iii) there will not be any new substantial shareholder (as defined in the Listing Rules) of the Company, (iv) the three largest public Shareholders will not hold more than 50% of the shares held in public hands at the time of the Listing in compliance with Rules 8.08(3) and 8.24 of the Listing Rules, and (v) 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**

- Assuming that the Global Offering becomes unconditional in all respects at or before 8:00 a.m. on Thursday, October 12, 2023 (Hong Kong time), dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Thursday, October 12, 2023 (Hong Kong time). The Shares will be traded in board lots of 500 Shares each. The stock code of the Shares is 2451.

**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.**

## **OFFER PRICE**

The Offer Price is HK\$7.37 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%).

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

Based on the Offer Price of HK\$7.37 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 the other estimated expenses payable by the Company in connection with the Global Offering, are estimated to be approximately HK\$706.4 million. The estimated total listing expenses are approximately HK\$79.7 million, or 10.1% of the gross proceeds of the Global Offering, comprising HK\$31.5 million underwriting-related expenses, HK\$30.2 million fees and expenses of legal advisors and the Reporting Accountant, and HK\$18.0 million other fees and expenses.

The Company intends to apply the net proceeds as follows:

- approximately 30.0%, or HK\$211.9 million, is expected to be used for the Group's research and development efforts to maintain the Group's technical edge. In particular:
  - (i) approximately 24.0%, or HK\$169.5 million, will be used for the research and development of new and upgraded products as well as technologies;
  - (ii) approximately 3.0%, or HK\$21.2 million, will be used to recruit additional research and development personnel, including high caliber talents specializing in areas including battery swapping, IoT technologies, software programing, circuit design and structural simulation; and
  - (iii) approximately 3.0%, or HK\$21.2 million, will be used for other research and development costs, such as purchasing and upgrading research and development equipment to enhance the Group's research and development infrastructure and support the Group's research and development personnel.
- approximately 30.0%, or HK\$211.9 million, is expected to be used to strengthen the Group's sales and distribution channels and for branding and marketing activities to raise the Group's brand awareness. In particular:
  - (i) approximately 18.0%, or HK\$127.2 million, will be used for the expansion of the Group's distributor retail outlets across China;
  - (ii) approximately 9.0%, or HK\$63.6 million, will be used for branding and marketing activities;
  - (iii) approximately 1.5%, or HK\$10.6 million, will be used to enhance the Group's online channels and bring online traffic to the Group's physical retail outlets; and
  - (iv) approximately 1.5%, or HK\$10.6 million, will be used to expand the Group's sales in international markets, with a focus on the markets in Europe, the U.S. and Southeast Asia, and take advantage of favorable policies globally, including carbon neutral strategies and green mobility policies.
- approximately 30.0%, or HK\$211.9 million, is expected to be used to strengthen the Group's production capabilities, mainly involving the construction of new production facilities and upgrading of production equipment and machinery. In particular:
  - (i) approximately 12.0%, or HK\$84.8 million, will be used for acquisition of land use rights and production infrastructure construction in relation to the construction of a new production facility in a Southwestern China city with mature supply chains and supporting resources;
  - (ii) approximately 9.0%, or HK\$63.6 million, will be used for the capacity expansion plan of the Group's Shandong Plant; and
  - (iii) approximately 9.0%, or HK\$63.6 million, will be used for the capacity expansion plan of the Group's Guangxi Plant.



- approximately 10.0%, or HK\$70.6 million, is expected to be used for working capital and other general corporate purposes.

For further information, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus.

## **APPLICATIONS AND INDICATIONS OF INTEREST RECEIVED IN THE HONG KONG PUBLIC OFFERING**

The Hong Kong Offer Shares initially available under the Hong Kong Public Offering have been slightly over-subscribed. At the close of the application lists at 12:00 noon on Wednesday, October 4, 2023, a total of 5,104 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 81,761,000 Hong Kong Offer Shares, representing approximately 7.66 times of the total number of 10,667,000 Hong Kong Offer Shares initially available for subscription under the Hong Kong Public Offering, 3,125 of which have been allocated one board lot of Shares totaling 1,562,500 Shares, among which:

- 5,053 valid applications in respect of a total of 32,627,500 Hong Kong Offer Shares were for the Hong Kong Public Offering with an aggregate subscription amount based on the maximum Offer Price of HK\$8.00 per Offer Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) of HK\$5 million or less, representing approximately 6.12 times of the 5,333,500 Hong Kong Offer Shares initially comprised in Pool A; and
- 51 valid applications in respect of a total of 49,133,500 Hong Kong Offer Shares were for the Hong Kong Public Offering with an aggregate subscription amount based on the maximum Offer Price of HK\$8.00 per Offer Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) of more than HK\$5 million, representing approximately 9.21 times of the 5,333,500 Hong Kong Offer Shares initially comprised in Pool B.

No application has been rejected due to invalid application. Two multiple or suspected multiple applications have been identified and rejected. No application has been rejected due to dishonored payment. No application for more than 5,333,500 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 over-subscription in the Hong Kong Public Offering represents less than 15 times the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, no reallocation procedure as disclosed in the section headed “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation” in the Prospectus has been applied and no 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 is 10,667,000 Shares, representing approximately 10% of the total number of Offer Shares initially available under the Global Offering, and being allocated to 4,483 successful applicants under the Hong Kong Public Offering, 3,125 of which have been allocated one board lot of Shares totaling 1,562,500 Shares, representing approximately 14.65% of total Offer Shares 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” below.

## INTERNATIONAL OFFERING

The Offer Shares initially offered under the International Offering have been slightly over-subscribed, representing approximately 1.13 times of the total number of Offer Shares initially available under the International Offering. The final number of Offer Shares under the International Offering is 96,000,000 Shares, representing approximately 90% of the total number of Offer Shares initially available under the Global Offering.

There are a total of 134 places under the International Offering, among which 118 places, representing approximately 88.06% of the total number of places under the International Offering, have been allotted five or fewer board lots of Offer Shares, totalling 59,000 Shares, representing approximately 0.06% of the total number of the Offer Shares available under the International Offering. A total of 118 places have been allotted one board lot of Offer Shares, totaling 59,000 Shares, representing approximately 0.06% of the total number of the Offer Shares available under the International Offering.

### Cornerstone Investors

Based on the Offer Price of HK\$7.37 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%), 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 and is set out below:

Cornerstone Investor	Investment Amount <sup>(1)</sup> <i>(HK\$ in million)</i>	Number of Offer Shares <sup>(2)</sup>	Approximate % of total number of Offer Shares	Approximate % of total Shares in issue immediately following the completion of Global Offering
Jinhua Jinkai State Owned Capital Investments Co., Ltd. (金華金開國有資本投資有限公司) (“Jinhua Jinkai”) <sup>(3)</sup>	135.36	18,367,000	17.22%	4.30%
Chongqing Dazuhuaiyuan Construction Investment Co., Ltd (重慶市大足區懷遠建設投資有限公司) (“Chongqing Dazuhuaiyuan”) <sup>(3)</sup>	85.24	11,565,500	10.84%	2.71%
Hainan Dongfang Runze Private Equity Fund Management Co., Ltd. (海南東方潤澤私募基金管理有限公司) (“Hainan Dongfang”)	85.00	11,533,000	10.81%	2.70%

Cornerstone Investor	Investment Amount <sup>(1)</sup> <i>(HK\$ in million)</i>	Number of Offer Shares <sup>(2)</sup>	Approximate % of total number of Offer Shares	Approximate % of total Shares in issue immediately following the completion of Global Offering
Jinhua Industrial Fund Co., Ltd. (金華市產業基金有限公司) ("Jinhua Industrial") <sup>(3)</sup>	84.38	11,448,500	10.73%	2.68%
Phylion Battery Co., Ltd. (星恒電源股份有限公司) ("Phylion Battery")	53.67	7,282,500	6.83%	1.71%
	<b>443.65</b>	<b>60,196,500</b>	<b>56.43%</b>	<b>14.11%</b>

*Notes:*

- For illustrative purposes only, all investment amounts are exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy.
- Rounded down to the nearest whole board lot of 500 Offer Shares. The final number of Offer Shares allotted to the relevant Cornerstone Investors was calculated with reference to the actual exchange rate to be used as prescribed in the relevant Cornerstone Investment Agreements. Due to the currency exchange difference, the final number of Offer Shares allotted may be different from the illustrative number of Offer Shares to be subscribed by certain Cornerstone Investors as disclosed in the Prospectus.
- As disclosed in the section headed "Cornerstone Investors" in the Prospectus, the Offer Shares to be subscribed by Jinhua Jinkai and Jinhua Industrial will be aggregated when counting towards the public float of the Company. As the Offer Price is finally determined to be HK\$7.37 and the total Offer Shares allocated to the three largest public Shareholders (comprising (i) Jinhua Jiinkai and Jinhua Industrial, (ii) Chongqing Dazuhuaiyuan and (iii) a public investor who is not a Cornerstone Investor) would not exceed 50% of the Shares in public hands, the LR8.08(3) Adjustment as set out in the section headed "Cornerstone Investors" in the Prospectus has not been triggered.

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Shares commence on the Stock Exchange. There will be no delayed delivery or delayed settlement of the Offer Shares to be subscribed by the Cornerstone Investors. The Company has confirmed that (i) each Cornerstone Investor (and, for the Cornerstone Investor who will subscribe for our Offer Shares through a qualified domestic institutional investor (“**QDII**”), such QDII and the Cornerstone Investor) is an independent third party and is not the Company’s connected person (as defined in the Listing Rules), their respective associates nor an existing Shareholder; (ii) the Cornerstone Investors are independent from each other; (iii) none of the Cornerstone Investors is accustomed to taking instructions from the Company, the Directors, chief executive of the Company, the Controlling Shareholders, the substantial Shareholders, the existing Shareholders or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares registered in its name or otherwise held by it; and (iv) none of the subscriptions made by the Cornerstone Investors has been financed by the Company, the Directors, chief executive of the Company, the Controlling Shareholders, the substantial Shareholders, other existing Shareholders or their respective close associates. As confirmed by each Cornerstone Investor, its subscription under the Cornerstone Placing would be directly or indirectly financed by its own internal financial resources, and each of them has sufficient funds to settle its respective investments under the Cornerstone Placing. There are no side agreements/arrangements 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. Each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange or its shareholders is required for the relevant cornerstone investment.

The Cornerstone Placing forms 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 respects with the fully paid Shares in issue and will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investors will not have any Board representation in the Company; and none of the Cornerstone Investors will become a substantial Shareholder. Other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, the Cornerstone Investor does not have any preferential rights in the Cornerstone Investment Agreement 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 and inclusive of the Listing Date (the “**Lock-up Period**”), dispose of any of the Offer Shares it has subscribed pursuant to the Cornerstone Investment Agreements, save for certain limited circumstances set out in Cornerstone Investment Agreements, 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 restrictions.

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

## Connected Client Placee with Consent under the Placing Guidelines

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a consent under paragraph 5(1) of the Placing Guidelines to permit the Company to allocate Offer Shares in the International Offering to the following placee:

Placee	Connected Distributor	Relationship with the Connected Distributor	Number of Offer Shares Placed	Approximate % of total number of Offer Shares	Approximate % of total Shares in issue immediately following the completion of Global Offering
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*Connected client holding Offer Shares on a discretionary basis:*

Galaxy Jinhui Securities Asset Management Co., Ltd. (“Galaxy Jinhui”) <sup>(1)</sup>	China Galaxy International Securities (Hong Kong) Co., Limited (“CGIS”)	Each of Galaxy Jinhui and CGIS is a wholly-owned subsidiary of China Galaxy Securities Co., Ltd.	11,533,000	10.81%	2.70%
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*Note:*

- Galaxy Jinhui was engaged by Hainan Dongfang as an asset manager that is a qualified domestic institutional investor (QDII) as approved by the relevant PRC authority, to subscribe for and hold such number of Offer Shares as set out herein on a discretionary basis on behalf of Hainan Dongfang.

The Offer Shares placed to the above placee are in compliance with all the conditions under the consent granted by the Stock Exchange.

## Confirmations Regarding Public Shareholders in the Hong Kong Public Offering and Placees in the International Offering

Save as disclosed in the section headed “International Offering — Connected Client Placee with Consent under the Placing Guidelines” in this announcement, to the best knowledge, information and belief of the Directors, no Offer Shares placed by or through the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, or the Underwriters under the Global Offering have been placed with applicants or their respective ultimate beneficial owners who are core connected persons (as defined in the Listing Rules) of the Company 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, to the best of their knowledge, information and belief, (i) none of the Offer Shares subscribed by public Shareholders in the Hong Kong Public Offering and places in the International Offering has been financed directly or indirectly by the Company, any of the Directors, chief executive of the Company, the Controlling Shareholders, the substantial Shareholders, the existing Shareholders or any of their subsidiaries or their respective close associates; (ii) none of the public Shareholders in the Hong Kong Public Offering and places in the International Offering who has subscribed for the Offer Shares is accustomed to taking instructions from the Company, any of the Directors, chief executive of the Company, the Controlling Shareholders, the substantial Shareholders, the 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; (iii) no rebate has been, directly or indirectly, provided by the Company, the Directors, chief executive of the Company, the Controlling Shareholders, the substantial Shareholders, the existing Shareholders or any of their subsidiaries, or their respective close associates, or syndicate members or any brokers or underwriters to any public Shareholders in the Hong Kong Public Offering or places in the International Offering; (iv) the consideration payable by the public Shareholders in the Hong Kong Public Offering and places in the International Offering for each Offer Share subscribed for or purchased by them is the same as the final Offer Price as determined by the Company, in addition to brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%; and (v) there is no side agreement or arrangement between the Company, any of the Directors, chief executive of the Company, the Controlling Shareholders, the substantial Shareholders of the Company, the existing Shareholders or any of their subsidiaries or their respective close associates or syndicate members or any other brokers or underwriters, on one hand, and the public subscribers or the placee who has subscribed for the Offer Shares, on the other hand.

None of the Sole Sponsor, the Sole Overall Coordinator, the Sole Global Coordinator, 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 the Placing Guidelines) has taken up any Offer Shares for its own benefit under the Global Offering.

## LOCK-UP UNDERTAKINGS

Each of the Company, the Controlling Shareholders, the Pre-IPO Investor 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 Lock-up Shares held in the Company subject to the Lock-up Undertakings upon Listing	Approximate percentage of shareholding in the Company subject to the Lock-up Undertakings upon Listing	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	April 11, 2024 <sup>(1)</sup> (First Six-Month Period) October 11, 2024 <sup>(1)</sup> (Second Six-Month Period)
<b>Cornerstone Investors</b> <i>(subject to lock-up obligations pursuant to the relevant Cornerstone Investment Agreements)</i>			
Jinhua Jinkai	18,367,000	4.30%	April 11, 2024 <sup>(2)</sup>
Chongqing Dazuhuaiyuan	11,565,500	2.71%	April 11, 2024 <sup>(2)</sup>
Hainan Dongfang	11,533,000	2.70%	April 11, 2024 <sup>(2)</sup>
Jinhua Industrial	11,448,500	2.68%	April 11, 2024 <sup>(2)</sup>
Phylion Battery	7,282,500	1.71%	April 11, 2024 <sup>(2)</sup>
<b>Controlling Shareholders</b> <i>(subject to lock-up obligations pursuant to the Listing Rules and the Hong Kong Underwriting Agreement)</i>			
Mr. Ni, Ms. Hu, Drago Investments, Apex Marine and Best Expand	277,664,000	65.08%	April 11, 2024 <sup>(3)</sup> (First Six-Month Period) October 11, 2024 <sup>(3)</sup> (Second Six-Month Period)

Name	Number of Lock-up Shares held in the Company subject to the Lock-up Undertakings upon Listing	Approximate percentage of shareholding in the Company subject to the Lock-up Undertakings upon Listing	Last day subject to the Lock-up Undertakings
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***Pre-IPO Investor***

*(subject to lock-up obligations pursuant to its separate lock-up undertaking)*

Shipston	25,600,000	6.00%	April 11, 2024
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***Notes:***

- (1) The Company may not, among others, issue or agree to issue or publicly announce its intention to issue Shares or securities of the Company during the First Six-Month Period except for the issue of the Shares pursuant to the Capitalization Issue, the Global Offering, the issue of any Shares pursuant to the Post-IPO Share Scheme or as otherwise with the prior written consent of the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters), and unless in compliance with the Listing Rules. In the event the Company does so by virtue of the aforesaid exceptions or during the Second Six-Month Period, the Company will take all reasonable steps to ensure that such action will not create a disorderly or false market in any of the securities of the Company. For details of the lock-up arrangements of the Company, please refer to the paragraphs headed “Underwriting — Undertakings Pursuant to the Hong Kong Underwriting Agreement — Undertakings by our Company” in the Prospectus.
- (2) Each of the Cornerstone Investors may dispose of any of the Offer Shares subscribed in the Global Offering after the indicated date.
- (3) The Controlling Shareholders shall not (a) dispose of any of the relevant securities of the Company in the First Six-Month Period; or (b) dispose of any of the relevant securities of the Company in the Second Six-Month Period if immediately following such disposal the Controlling Shareholder would cease to be a controlling shareholder (as defined in the Listing Rules) of the Company, or dispose of any of the relevant securities of the Company in the Second Lock-up Period if immediately following such disposal the Controlling Shareholders as a group would cease to be a controlling shareholder (as defined in the Listing Rules) of the Company. As set out in “Underwriting — Undertakings pursuant to the Hong Kong Underwriting Agreement — Undertakings by our Controlling Shareholders” in the Prospectus, for the avoidance of doubt, our Controlling Shareholders as a controlling group would cease to be a controlling shareholder of our Company if (a) there is any change in the shareholders constituting our Controlling Shareholders as a controlling group due to any addition or departure of shareholder(s); (b) there is any material change in the voting interests directly or indirectly held by each Controlling Shareholder in our Company; and/or (c) our Controlling Shareholders as a group fail to maintain an aggregate voting interests of at least 30% in our Company.

For further details, please refer to the sections headed “Underwriting — Undertakings to the Stock Exchange pursuant to the Listing Rules — Undertakings by our group of Controlling Shareholders” and “Underwriting — Undertakings pursuant to the Hong Kong Underwriting Agreement — Undertakings by our Controlling Shareholders” in the Prospectus.



## BASIS OF ALLOCATION 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, 5,104 valid applications made by the public through the **HK eIPO White Form** service and the **CCASS EIPO** service will be conditionally allocated on the basis set out below:

### Pool A

<b>Number of Shares applied for</b>	<b>Number of valid applications</b>	<b>Basis of allocation/ballot</b>	<b>Approximate percentage allotted of the total number of Shares applied for</b>
500	2,464	1,972 out of 2,464 applicants to receive 500 Shares	80.03%
1,000	1,004	886 out of 1,004 applicants to receive 500 Shares	44.12%
1,500	110	99 out of 110 applicants to receive 500 Shares	30.00%
2,000	67	500 Shares	25.00%
2,500	78	500 Shares plus 16 out of 78 applicants to receive an additional 500 Shares	24.10%
3,000	43	500 Shares plus 18 out of 43 applicants to receive an additional 500 Shares	23.64%
3,500	21	500 Shares plus 13 out of 21 applicants to receive an additional 500 Shares	23.13%
4,000	30	500 Shares plus 24 out of 30 applicants to receive an additional 500 Shares	22.50%
4,500	20	1,000 Shares	22.22%
5,000	71	1,000 Shares plus 11 out of 71 applicants to receive an additional 500 Shares	21.55%
6,000	576	1,000 Shares plus 261 out of 576 applicants to receive an additional 500 Shares	20.44%
7,000	25	1,000 Shares plus 17 out of 25 applicants to receive an additional 500 Shares	19.14%
8,000	10	1,500 Shares	18.75%
9,000	11	1,500 Shares plus 4 out of 11 applicants to receive an additional 500 Shares	18.69%
10,000	146	1,500 Shares plus 73 out of 146 applicants to receive an additional 500 Shares	17.50%
15,000	31	2,000 Shares	13.33%
20,000	194	2,500 Shares	12.50%
25,000	17	3,000 Shares	12.00%

### 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
30,000	13	3,500 Shares	11.67%
35,000	9	4,000 Shares	11.43%
40,000	10	4,500 Shares	11.25%
45,000	1	5,000 Shares	11.11%
50,000	13	5,500 Shares	11.00%
60,000	10	6,500 Shares	10.83%
70,000	8	7,500 Shares	10.71%
80,000	2	8,500 Shares	10.63%
90,000	3	9,500 Shares	10.56%
100,000	28	10,500 Shares	10.50%
200,000	16	20,500 Shares	10.25%
300,000	4	30,500 Shares	10.17%
400,000	8	40,500 Shares	10.13%
500,000	7	50,500 Shares	10.10%
600,000	3	60,500 Shares	10.08%
Total	5,053	<b>Total number of Pool A successful applicants: 4,432</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
700,000	36	76,500 Shares	10.93%
800,000	7	86,500 Shares	10.81%
1,000,000	4	108,000 Shares	10.80%
2,000,000	1	215,500 Shares	10.78%
3,000,000	1	323,000 Shares	10.77%
4,000,000	1	430,500 Shares	10.76%
5,333,500	1	573,000 Shares	10.74%
Total	51	<b>Total number of Pool B successful applicants: 51</b>	

The final number of Offer Shares under the Hong Kong Public Offering is 10,667,000 Offer Shares, representing approximately 10% of the total number of Offer Shares initially available under the Global Offering.

## 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 will be published on Wednesday, October 11, 2023 on the Company's website at [www.luyuan.cn](http://www.luyuan.cn) 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 and the Hong Kong identity card numbers, passport numbers, Hong Kong business registration numbers or certificate of incorporation numbers of successful applicants (under the Hong Kong Public Offering where applicable) will be available at the times and dates and in the manner set out below:

- in the announcement to be posted on our Company's website and the website of the Stock Exchange at [www.luyuan.cn](http://www.luyuan.cn) and [www.hkexnews.hk](http://www.hkexnews.hk), respectively on Wednesday, October 11, 2023;
- from the "IPO Results" function in the **IPO App** and 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 Wednesday, October 11, 2023 to 12:00 midnight on Tuesday, October 17, 2023; and
- from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Wednesday, October 11, 2023 to Monday, October 16, 2023 (excluding Saturday, Sunday and public holidays in Hong Kong).

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**" in this announcement 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" in this announcement are provided by CCASS Participants via CCASS. Therefore, the identification document numbers shown in the two sections are different in nature. Please note that the list of identification document numbers set out 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 or via the **HK eIPO White Form** service 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 Hong Kong Offer Shares through their brokers or nominees can consult their brokers or nominees to enquire about their application results;

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.

## SHAREHOLDING CONCENTRATION ANALYSIS

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

- Top 1, 5, 10, 20 and 25 of the placees in the International Offering:

Placee(s)	Subscription	Shares held following the Global Offering	Subscription as % of International Offering	Subscription as % of total Offer Shares	% of the total issued share capital upon Listing
Top 1	29,815,500	29,815,500	31.06%	27.95%	6.99%
Top 5	71,767,000	71,767,000	74.76%	67.28%	16.82%
Top 10	90,529,000	90,529,000	94.30%	84.87%	21.22%
Top 20	95,943,000	95,943,000	99.94%	89.95%	22.49%
Top 25	95,945,500	95,945,500	99.94%	89.95%	22.49%

- Top 1, 5, 10, 20 and 25 Shareholders upon Listing:

Shareholder(s)	Subscription of Hong Kong Offer Shares	Subscription of International Offer Shares	Subscription of total Offer Shares	Shares held following the Global Offering	Subscription as % of Hong Kong Public Offering	Subscription as % of International Offering	Subscription as % of total Offer Shares	% of the total issued share capital upon Listing
Top 1	-	-	-	277,664,000	-	0.00%	0.00%	65.08%
Top 5	-	41,386,000	41,386,000	361,386,000	-	43.11%	38.80%	84.70%
Top 10	-	81,314,000	81,314,000	401,314,000	-	84.70%	76.23%	94.06%
Top 20	1,003,500	95,783,000	96,786,500	416,786,500	9.41%	99.77%	90.74%	97.68%
Top 25	1,758,000	95,941,000	97,699,000	417,699,000	16.48%	99.94%	91.59%	97.90%

**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.**