

ANNOUNCEMENT OF OFFER PRICE AND ALLOTMENT RESULTS

SUMMARY

Offer Price

- The Offer Price is HK\$14.28 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and Accounting and Financial Reporting Council transaction levy of 0.00015%).

Net Proceeds from the Global Offering

- Based on the Offer Price of HK\$14.28 per Offer Share, the net proceeds from the Global Offering to be received by the Company, after deduction of underwriting fees and commissions and estimated expenses payable by the Company in connection with the Global Offering, are estimated to be approximately HK\$116.3 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.
- As no over-allocation of International Offer Shares has been made, the Over-allotment Option has not been exercised and will not be exercised, and no additional proceeds are expected to be received by the Company in this connection.

Applications and Indications of Interest Received

Hong Kong Public Offering

- The Hong Kong Offer Shares initially available under the Hong Kong Public Offering have been slightly over-subscribed. A total of 4,939 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 9,464,600 Hong Kong Offer Shares, representing approximately 7.80 times of the total number of 1,213,600 H Shares initially available for subscription under the Hong Kong Public Offering.
- As the Hong Kong Public Offering has been over-subscribed by less than 15 times of the total number of Offer Shares initially available 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 not been applied. The final number of Offer Shares under the Hong Kong Public Offering is 1,213,600 H Shares, representing 10% of the total number of Offer Shares initially available under the Global Offering. The total number of successful applicants under the Hong Kong Public Offering is 2,199, among which 1,786 H Shareholders were allocated with one board lot of the H Shares, totaling 357,200 H Shares, representing approximately 29.43% of total Offer Shares under the Hong Kong Public Offering.

International Offering

- The H Shares initially offered under the International Offering have been slightly over-subscribed, representing approximately 1.37 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 10,922,400 H Shares, representing 90% of the total number of H Shares initially available under the Global Offering.
- The total number of places under the International Offering is 122. A total number of 116 places have been allotted five board lots of H Shares or less, representing approximately 95.08% of the total number of places under the International Offering. These places have been allotted 29,800 H Shares in total, representing approximately 0.27% of the Offer Shares available under the International Offering and 0.25% of the Offer Shares under the Global Offering. A total number of 83 places have been allotted one board lot of H Shares, totaling 16,600 H Shares, representing approximately 0.15% of the Offer Shares available under the International Offering.

Over-allotment Option

- The Sole Overall Coordinator confirms that there has been no over-allocation of the H Shares under the International Offering, and therefore, the Over-allotment Option will not be exercised. In view of the fact that there has been no over-allocation in the International Offering, there has been no delayed delivery arrangement with any investor under the International Offering and no stabilizing action as described in the Prospectus will take place during the stabilization period.

Cornerstone Investor

- Based on the Offer Price of HK\$14.28 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and Accounting and Financial Reporting Council transaction levy of 0.00015%), pursuant to the Cornerstone Investment Agreement, the Company's Cornerstone Investor has subscribed for a total of 7,633,200 H Shares, representing (i) approximately 62.90% of the number of Offer Shares pursuant to the Global Offering; (ii) approximately 2.19% of the issued share capital of the Company immediately following the completion of the Global Offering; and (iii) approximately 3.69% of the H Shares in issue immediately following the completion of the Global Offering. Please refer to the section headed "Cornerstone Placing" in the Prospectus for further details.

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

- To the best knowledge, information and belief of our Directors and Supervisors, no Offer Shares placed under the Global Offering have been placed with applicants and their respective ultimate beneficial owners who are core connected persons (as defined in the Listing Rules) of the Company, Directors, Supervisors, or to any connected clients (as set out in paragraph 5(1) of the Placing Guidelines under Appendix 6 to the Listing Rules (the “**Placing Guidelines**”)) or persons as 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. None of the Sole Sponsor, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the CMI 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.
- Our Directors and Supervisors 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 our Company, our Directors, Supervisors, chief executive, Controlling Shareholders, substantial Shareholders or existing Shareholders of our Company or any of their subsidiaries or their respective close associates (the “**Relevant Parties**”); (ii) no rebate has been, directly or indirectly, provided by the Relevant Parties or syndicate members or any other brokers involved in the Global Offering to any public Shareholders in the Hong Kong Public Offering or places in the International Offering; (iii) 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 Relevant Parties in relation to the acquisition, disposal, voting or other disposition of the Offer Shares registered in his/her/its name or otherwise held by him/her/it; (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%, Accounting and Financial Reporting Council transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%; and (v) there is no side agreement or arrangement between the Relevant Parties or syndicate members or any other brokers involved in the Global Offering, on one hand, and the public Shareholders or the places who has subscribed for the Offer Shares, on the other hand.
- Our Directors and Supervisors further confirm that, to the best of their knowledge and information, all places under the International Offering and their ultimate beneficial owners are not and are independent of any of (a) the core connected persons (as defined in the Listing Rules) of the Company, (b) our Directors, supervisors, or existing Shareholders or any of the Company’s subsidiaries, or (c) the close associates (as defined in the Listing Rules) of (a) and/or (b) above whether in their own name or through nominees.
- Our Directors and Supervisors confirm that none of the places under the International Offering will be placed more than 10% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering. Accordingly, our Directors and Supervisors confirm that none of the places will become a substantial Shareholder (within the meaning of the Listing Rules) after the International Offering, and there will not be any new substantial Shareholder immediately following the completion of the Global Offering.

Lock-up Obligations

- The Company, the Controlling Shareholders, all the other existing Shareholders and the Cornerstone Investor are subject to certain lock-up obligations as set out in the section headed “Lock-up Obligations” in this announcement.

Shareholding Concentration Analysis

- A shareholding concentration analysis based on the allotment results under the Global Offering is set out in the section headed “Shareholding Concentration Analysis” of this announcement for further details.

Results of Allocations

- The Final Offer Price, results of applications in the Hong Kong Public Offering, the level of indications of interests in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares will be published on Thursday, November 9, 2023 on the websites of the Company at www.fls123.com and the Stock Exchange at www.hkexnews.hk.
- The results of allocations of the Hong Kong Offer Shares under the Hong Kong Public Offering successfully applied for through the **HK eIPO White Form** service or through the **CCASS EIPO** service, including the Hong Kong identity card numbers, passport numbers, Hong Kong business registration numbers or certificate of incorporation numbers of successful applicants (where applicable) will be made available at the times and dates and in the manner specified below:
 - in the announcement to be posted on the Company’s website at www.fls123.com and the Stock Exchange’s website at www.hkexnews.hk by no later than 8:00 a.m. on Thursday, November 9, 2023. 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 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 H Shares through their brokers or nominees can consult their brokers or nominees to enquire about their application result;
 - from “IPO Results” function in the **IPO App** or the designated results of allocations website at www.tricor.com.hk/ipo/result or www.hkeipo.hk/IPOResult with a “search by ID” function on a 24-hour basis from 8:00 a.m. on Thursday, November 9, 2023 to 12:00 midnight on Wednesday, November 15, 2023; or
 - from the results allocation telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Thursday, November 9, 2023 to Tuesday, November 14, 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**” refers 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 section headed “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 H Share Certificates/e-Auto Refund Payment Instructions/Refund Cheques

- Applicants who applied for 500,000 or more Hong Kong Offer Shares through the **HK eIPO White Form** service and who have been successfully or partially successfully allocated Hong Kong Offer Shares and are eligible to collect H Share certificates in person may collect H Share certificates from the H 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 Thursday, November 9, 2023, or any other place or date as notified by the Company.
- 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 authorized representatives bearing letters of authorization from their corporations stamped with the corporations’ chops. Both individuals and authorized representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to Tricor Investor Services Limited.
- H Share certificates for Hong Kong Offer Shares allotted to applicants who applied for less than 500,000 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 Thursday, November 9, 2023.
- H Share certificates for Hong Kong Offer Shares allocated 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 Thursday, November 9, 2023 are expected to be despatched by ordinary post to the addresses specified in the relevant applications at their own risk on or before Thursday, November 9, 2023.

- Wholly or partially successful applicants who applied by giving **electronic application instructions** to HKSCC via CCASS will have their H Share certificates issued in the name of HKSCC Nominees Limited and deposited directly into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participants who gave **electronic application instructions** on their behalf on Thursday, November 9, 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 and the amount of refund monies payable 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 Thursday, November 9, 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 crediting of the 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 (if any) credited to their respective designated bank accounts.
- 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 account in the form of e-Auto Refund payment instructions on or before Thursday, November 9, 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 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 at their own risk on or before Thursday, November 9, 2023.
- 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 brokers or custodians on Thursday, November 9, 2023.
- H Share certificates will only become valid evidence of title at 8:00 a.m. on Friday, November 10, 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, the number of H Shares in the public hands represents approximately 27.43% of the total issued share capital of the Company, which satisfies the minimum percentage of at least 25% prescribed in Rule 8.08(1) of the Listing Rules. The Directors confirm that, immediately following the completion of the Global Offering, (i) there will not be any new substantial Shareholder within the meaning of the Listing Rules; (ii) the three largest public Shareholders do not hold more than 50% of the Shares in public hands at the time of the Listing in compliance with Rules 8.08(3) and 8.24 of the Listing Rules; and (iii) 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 Friday, November 10, 2023 (Hong Kong time), dealings in the H Shares on the Main Board of the Stock Exchange are expected to commence at 9:00 a.m. on Friday, November 10, 2023 (Hong Kong time). The H Shares will be traded in board lots of 200 H Shares each. The stock code of the H Shares is 2499.

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 H Shares could move substantially even with a small number of H Shares traded, and should exercise extreme caution when dealing in the H Shares.

OFFER PRICE

The Offer Price is HK\$14.28 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and Accounting and Financial Reporting Council transaction levy of 0.00015%).

NET PROCEEDS FROM THE GLOBAL OFFERING

Based on the Offer Price of HK\$14.28 per Offer Share, the net proceeds from the Global Offering to be received by the Company, after deduction of underwriting fees and commissions and estimated expenses payable by the Company in connection with the Global Offering, are estimated to be approximately HK\$116.3 million.

As no over-allocation of International Offer Shares has been made, the Over-allotment Option has not been exercised and will not be exercised, and no additional proceeds are expected to be received by the Company in this connection.

The Company currently intends to apply such net proceeds as follows:

- 45.0%, or approximately HK\$52.3 million, will be used to enhance our service capabilities, improve customer coverage, and expand categories of intralogistics equipment. Specifically, 5.0% will be used to strengthen our marketing capabilities, 15.0% will be used to expand our service outlets, further enhancing our service efficiency and customer outreach, and 25.0% will be used to expand the scale and categories of our intralogistics equipment fleet;
- 20.0%, or approximately HK\$23.3 million, will be used to expand and upgrade our supply chain infrastructure. Specifically, 10.0% will be used to expand and upgrade our existing supply chain facilities, specifically for our main supply chain bases, equipment part warehouses at our headquarter and automated warehouses in local bases, and 10.0% will be used to build new supply chain bases in strategic locations across China to better synergize our resources;
- 15.0%, or approximately HK\$17.4 million, will be used to strengthen our technology capabilities and infrastructure. Specifically, 10.0% will be used to enhance our core technology capabilities, and 5.0% will be used to enhance our overall digital technology capabilities;
- 10.0%, or approximately HK\$11.6 million, will be used to conduct strategic mergers and acquisitions that align with our regional coverage, industry focus, and business priorities; and
- 10.0%, or approximately HK\$11.6 million, will be used for our general working capital and 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

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 Friday, November 3, 2023, a total of 4,939 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 9,464,600 Hong Kong Offer Shares, representing approximately 7.80 times of the total number of 1,213,600 H Shares initially available for subscription under the Hong Kong Public Offering, among which:

- 4,934 valid applications in respect of a total of 7,614,600 Hong Kong Offer Shares were for the Hong Kong Public Offering with an aggregate subscription amount based on the Offer Price of HK\$16.18 per Offer Share (excluding brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and Accounting and Financial Reporting Council transaction levy of 0.00015%) of HK\$5 million or less, representing approximately 12.55 times of the 606,800 Hong Kong Offer Shares initially comprised in Pool A; and

- 5 valid applications in respect of a total of 1,850,000 Hong Kong Offer Shares were for the Hong Kong Public Offering with an aggregate subscription amount based on the Offer Price of HK\$16.18 per Offer Share (excluding brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and Accounting and Financial Reporting Council transaction levy of 0.00015%) of more than HK\$5 million, representing approximately 3.05 times of the 606,800 Hong Kong Offer Shares initially comprised in Pool B.

No application was rejected due to invalid application. No multiple or suspected multiple application was identified and rejected. No application was rejected due to dishonored payments. No application for more than 606,800 Hong Kong Offer Shares (being 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering) was identified.

As the Hong Kong Public Offering has been over-subscribed by less than 15 times of the total number of Offer Shares initially available 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 not been applied. The final number of Offer Shares under the Hong Kong Public Offering is 1,213,600 H Shares (with 606,800 H Shares in Pool A and 606,800 H Shares in Pool B), representing 10% of the total number of Offer Shares initially available under the Global Offering. The total number of successful applicants under the Hong Kong Public Offering is 2,199, among which 1,786 H Shareholders were allocated with one board lot of the H Shares, totaling 357,200 H Shares, representing approximately 29.43% of total Offer Shares under the Hong Kong Public Offering.

The H 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 H Shares initially offered under the International Offering have been slightly over-subscribed, representing approximately 1.37 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 10,922,400 H Shares, representing 90% of the total number of H Shares initially available under the Global Offering.

The total number of places under the International Offering is 122. A total number of 116 places have been allotted five board lots of H Shares or less, representing approximately 95.08% of the total number of places under the International Offering. These places have been allotted 29,800 H Shares in total, representing approximately 0.27% of the Offer Shares available under the International Offering and 0.25% of the Offer Shares under the Global Offering. A total number of 83 places have been allotted one board lot of H Shares, totaling 16,600 H Shares, representing approximately 0.15% of the Offer Shares available under the International Offering.

Over-allotment Option

In connection with the Global Offering, the Company has granted to the International Underwriters, exercisable by the Sole Overall Coordinator (on behalf of the International Underwriters), the Over-allotment Option, which will be exercisable from the Listing Date (which is currently expected to be Friday, November 10, 2023) until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering (i.e. Sunday, December 3, 2023) to require the Company to issue up to an aggregate of 1,820,400 H Shares, representing no more than 15% of the number of Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering, if any.

The Sole Overall Coordinator confirms that there has been no over-allocation of the H Shares under the International Offering and therefore, the Over-allotment Option will not be exercised. In view of the fact that there has been no over-allocation in the International Offering, there has been no delayed delivery arrangement with any investor under the International Offering and no stabilizing action as described in the Prospectus will take place during the stabilization period.

Cornerstone Investor

Based on the Offer Price of HK\$14.28 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and Accounting and Financial Reporting Council transaction levy of 0.00015%), and pursuant to the Cornerstone Investment Agreement as disclosed in the section headed “Cornerstone Placing” in the Prospectus, the number of Offer Shares subscribed for by the Cornerstone Investor has now been determined and is set out below:

Cornerstone Investor	Investment Amount ⁽¹⁾ (RMB'000)	Number of Offer Shares ⁽²⁾	Approximate % of total number of Offer Shares	Approximate % of H Shares in issue immediately following the completion of Global Offering	Approximate % of total Shares in issue immediately following the completion of Global Offering
LIUGONG MACHINERY HONGKONG CO., LIMITED (柳工機械香港有限公司) (“Liugong Machinery”)	100,000	7,633,200	62.90%	3.69%	2.19%

Notes:

- (1) For illustrative purposes only, all investment amounts are exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and Accounting and Financial Reporting Council transaction transaction levy.
- (2) Calculation based on the exchange rate of RMB0.9174 to HK\$1.00 as set out in the section headed “Information about this Prospectus and the Global Offering” in the Prospectus, and rounded down to the nearest whole board lot of 200 Offer Shares.

There will be no delayed delivery or deferred settlement of Offer Shares to be subscribed by the Cornerstone Investor pursuant to the Cornerstone Investment Agreement and the payment for the Offer Shares to be subscribed by the Cornerstone Investor will be settled on or before the Listing.

To the best knowledge of our Company, the Cornerstone Investor (i) is an Independent Third Party and is not our connected person (as defined in the Listing Rules); (ii) the Cornerstone Investor is not accustomed to taking instructions from our Company, the Directors, the Supervisors, chief executive, our Controlling Shareholders, substantial shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; (iii) none of the subscription of the relevant Offer Shares by the Cornerstone Investor is financed by our Company, the Directors, chief executive, our Controlling Shareholders, substantial shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates; and (iv) the Cornerstone Investor will be utilizing its proprietary funding or the proprietary funding of the funds under its management, as appropriate, as its source of funding for the subscription of the Offer Shares. The Cornerstone Investor has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from its shareholders is required for the cornerstone investment.

Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investor does not have any preferential rights in the Cornerstone Investment Agreement compared with other public Shareholders.

As confirmed by the Cornerstone Investor, its subscription under the Cornerstone Placing would be financed by its own internal resources. There are no side arrangements between our Company and the Cornerstone Investor or any benefit, direct or indirect, conferred on the Cornerstone Investor by virtue of or in relation to the Cornerstone Placing.

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

Please refer to the section headed “Cornerstone Placing” in the Prospectus for further details in relation to the Cornerstone Placing.

CONFIRMATIONS REGARDING PUBLIC SHAREHOLDERS IN THE HONG KONG PUBLIC OFFERING AND PLACES IN THE INTERNATIONAL OFFERING

To the best knowledge, information and belief of our Directors and Supervisors, no Offer Shares placed under the Global Offering have been placed with applicants and their respective ultimate beneficial owners who are core connected persons (as defined in the Listing Rules) of the Company, Directors, Supervisors, or to any connected clients (as set out in paragraph 5(1) of the Placing Guidelines under Appendix 6 to the Listing Rules (the “**Placing Guidelines**”)) or persons as 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. None of the Sole Sponsor, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the CMI 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.

Our Directors and Supervisors 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 our Company, our Directors, Supervisors, chief executive, Controlling Shareholders, substantial Shareholders or existing Shareholders of our Company or any of their subsidiaries or their respective close associates (the “**Relevant Parties**”); (ii) no rebate has been, directly or indirectly, provided by the Relevant Parties or syndicate members or any other brokers involved in the Global Offering to any public Shareholders in the Hong Kong Public Offering or places in the International Offering; (iii) 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 Relevant Parties in relation to the acquisition, disposal, voting or other disposition of the Offer Shares registered in his/her/its name or otherwise held by him/her/it; (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%, Accounting and Financial Reporting Council transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%; and (v) there is no side agreement or arrangement between the Relevant Parties or syndicate members or any other brokers involved in the Global Offering, on one hand, and the public Shareholders or the places who has subscribed for the Offer Shares, on the other hand.

Our Directors and Supervisors further confirm that, to the best of their knowledge and information, all places under the International Offering and their ultimate beneficial owners are not and are independent of any of (a) the core connected persons (as defined in the Listing Rules) of the Company, (b) our Directors, supervisors, or existing Shareholders or any of the Company’s subsidiaries, or (c) the close associates (as defined in the Listing Rules) of (a) and/or (b) above whether in their own name or through nominees.

Our Directors and Supervisors confirm that none of the places under the International Offering will be placed more than 10% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering. Accordingly, our Directors and Supervisors confirm that none of the places will become a substantial Shareholder (within the meaning of the Listing Rules) after the International Offering, and there will not be any new substantial Shareholder immediately following the completion of the Global Offering.

LOCK-UP OBLIGATIONS

The Company, the Controlling Shareholders, all the other existing Shareholders and the Cornerstone Investor are subject to certain obligations in relation to the Shares (the “**Lock-up Obligations**”). The major terms of the Lock-up Obligations are as follows:

Name	Number of Shares subject to the Lock-up Obligations upon Listing	Percentage of shareholding in the total issued share capital of the Company following completion of the Global Offering subject to the Lock-up Obligations upon Listing	Last day of the Lock-up Period
The Company (<i>subject to lock-up obligations pursuant to the Listing Rules, the Hong Kong Underwriting Agreement and the International Underwriting Agreement</i>)	N/A	N/A	May 10, 2024 ⁽¹⁾
Controlling Shareholders (<i>subject to lock-up obligations pursuant to the Listing Rules, the Hong Kong Underwriting Agreement, the International Underwriting Agreement and applicable PRC laws and regulations</i>)			
Mr. Hou ⁽⁴⁾	46,669,696 H Shares	13.41%	November 10, 2024 ⁽²⁾⁽³⁾
	88,162,484 Unlisted Shares	25.33%	
Mr. Hou Zebing ⁽⁴⁾	46,669,696 H Shares	13.41%	November 10, 2024 ⁽²⁾⁽³⁾
	88,162,484 Unlisted Shares	25.33%	

Name	Number of Shares subject to the Lock-up Obligations upon Listing	Percentage of shareholding in the total issued share capital of the Company following completion of the Global Offering subject to the Lock-up Obligations upon Listing	Last day of the Lock-up Period
Guangzhou Daze ⁽⁴⁾	15,550,108 H Shares	4.47%	November 10, 2024 ⁽²⁾⁽³⁾
	15,550,108 Unlisted Shares	4.47%	
Sub-total	46,669,696 H Shares	13.41%	
	88,162,484 Unlisted Shares	25.33%	
All other existing Shareholders <i>(except for the Controlling Shareholders) (subject to lock-up obligations pursuant to their respective lock-up undertakings under applicable PRC laws and regulations)</i>	147,789,040 H Shares	42.47%	November 10, 2024 ⁽³⁾
	53,265,596 Unlisted Shares	15.31%	
Cornerstone Investor <i>(subject to lockup obligations pursuant to the Cornerstone Investment Agreement)</i>			
Liugong Machinery	7,633,200 H Shares	2.19%	May 10, 2024 ⁽⁵⁾
Total	202,091,936 H Shares	58.07%	
	141,428,080 Unlisted Shares	40.64%	

Notes:

- (1) The Company may not, among other matters, issue or agree to issue or publicly announce its intention to issue Shares or securities of the Company during the First Six-Month Period unless with the prior consent of the Sole Sponsor and the Sole Overall Coordinator, and unless in compliance with the Listing Rules. In the event the Company does so by virtue of, among other exceptions, the aforesaid exceptions, or during the Second Six-Month Period, the Company will take all reasonable steps to ensure compliance with applicable legal and regulatory requirements relating to the avoidance of creating a disorderly or false market in the Shares or other securities of the Company. For details of the lock-up arrangements of the Company, please refer to the sections headed “Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering – Undertakings to the Stock Exchange Pursuant to the Listing Rules - (A) Undertakings by our Company” and “Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering – Undertakings to the Hong Kong Underwriters Pursuant to the Hong Kong Underwriting Agreement – Undertakings by our Company” in the Prospectus.
- (2) Each of Mr. Hou, Mr. Hou Zebing and Guangzhou Daze is subject to lock-up requirements under the Listing Rules and pursuant to the Hong Kong Underwriting Agreement and the International Underwriting Agreement. Each of the Controlling Shareholders stated herein shall not (a) dispose of any of the relevant securities of the Company in the First Six-Month Period; and (b) dispose of any of the relevant securities of the Company in the Second Six-Month Period if immediately following such disposal the Controlling Shareholders would cease to be a group of controlling shareholders (as defined in the Listing Rules) of the Company. Please refer to the sections headed “Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering – Undertakings to the Stock Exchange Pursuant to the Listing Rules – (B) Undertakings by our Controlling Shareholders” and “Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering – Undertakings to the Hong Kong Underwriters Pursuant to the Hong Kong Underwriting Agreement – Undertakings by our Controlling Shareholders” in the Prospectus for further details.
- (3) In accordance with the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, all existing Shareholders (including the Controlling Shareholders) are subject to lock-up restrictions within 12 months following the Listing Date.
- (4) Mr. Hou Zebing is the general partner of Guangzhou Daze. As such, Mr. Hou Zebing is deemed to be interested in the 31,100,216 Shares held by Guangzhou Daze under the SFO. Mr. Hou and Mr. Hou Zebing entered into an acting-in-concert agreement on May 18, 2020 with a supplemental agreement dated March 24, 2023 to acknowledge and confirm their acting-in-concert relationship in our Company, pursuant to which Mr. Hou and Mr. Hou Zebing have agreed to continue to act in concert and reach consensus on any matter considered at board meetings and general meetings of our Company.
- (5) The Cornerstone Investor may dispose of any of the Offer Shares subscribed in the Global Offering after the indicated date.
- (6) Any discrepancies in the table above between the amounts identified as total amounts and the sum of the amounts listed therein are due to rounding.

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, 4,939 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

Number of H Shares applied for	Number of valid applications	Basis of allocation/ballot	Approximate percentage allotted of the total number of H Shares applied for
200	2,580	516 out of 2,580 applicants to receive 200 H Shares	20.00%
400	203	65 out of 203 applicants to receive 200 H Shares	16.01%
600	891	416 out of 891 applicants to receive 200 H Shares	15.56%
800	53	31 out of 53 applicants to receive 200 H Shares	14.62%
1,000	100	68 out of 100 applicants to receive 200 H Shares	13.60%
1,200	31	25 out of 31 applicants to receive 200 H Shares	13.44%
1,400	15	13 out of 15 applicants to receive 200 H Shares	12.38%
1,600	14	13 out of 14 applicants to receive 200 H Shares	11.61%
1,800	26	200 H Shares	11.11%
2,000	75	200 H Shares plus 4 out of 75 applicants to receive an additional 200 H Shares	10.53%
3,000	650	200 H Shares plus 130 out of 650 applicants to receive an additional 200 H Shares	8.00%
4,000	33	200 H Shares plus 14 out of 33 applicants to receive an additional 200 H Shares	7.12%
5,000	13	200 H Shares plus 10 out of 13 applicants to receive an additional 200 H Shares	7.08%
6,000	53	400 H Shares	6.67%
7,000	11	400 H Shares plus 3 out of 11 applicants to receive an additional 200 H Shares	6.49%
8,000	6	400 H Shares plus 3 out of 6 applicants to receive an additional 200 H Shares	6.25%
9,000	7	400 H Shares plus 5 out of 7 applicants to receive an additional 200 H Shares	6.03%
10,000	114	600 H Shares	6.00%
20,000	33	1,000 H Shares	5.00%
30,000	8	1,400 H Shares	4.67%
40,000	5	1,600 H Shares	4.00%
50,000	2	1,800 H Shares	3.60%

**Approximate
percentage
allotted of
the total
number of
H Shares
applied for**

Number of H Shares applied for	Number of valid applications	Basis of allocation/ballot	
60,000	3	2,000 H Shares	3.33%
70,000	3	2,200 H Shares	3.14%
90,000	1	2,400 H Shares	2.67%
100,000	2	2,600 H Shares	2.60%
140,000	1	3,400 H Shares	2.43%
250,000	1	5,600 H Shares	2.24%
Total	<u>4,934</u>	Total number of Pool A successful applicants: 2,194	

Pool B

**Approximate
percentage
allotted of
the total
number of
H Shares
applied for**

Number of H Shares applied for	Number of valid applications	Basis of allocation/ballot	
350,000	4	115,400 H Shares	32.97%
450,000	1	145,200 H Shares	32.27%
Total	<u>5</u>	Total number of Pool B successful applicants: 5	

The final number of Offer Shares under the Hong Kong Public Offering is 1,213,600 H Shares, representing 10% of the total number of Offer Shares initially available under the Global Offering.

RESULTS OF ALLOCATIONS

The Final Offer Price, results of applications in the Hong Kong Public Offering, the level of indications of interests in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares will be published on Thursday, November 9, 2023 on the websites of the Company at www.fls123.com and the Stock Exchange at www.hkexnews.hk.

The results of allocations of the Hong Kong Offer Shares under the Hong Kong Public Offering successfully applied for through the **HK eIPO White Form** service or through the **CCASS EIPO** service, including the Hong Kong identity card numbers, passport numbers, Hong Kong business registration numbers or certificate of incorporation numbers of successful applicants (where applicable) will be made available at the times and dates and in the manner specified below:

- in the announcement to be posted on the Company’s website at www.fls123.com and the Stock Exchange’s website at www.hkexnews.hk by no later than 8:00 a.m. on Thursday, November 9, 2023. 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 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 H Shares through their brokers or nominees can consult their brokers or nominees to enquire about their application result;
- from “IPO Results” function in the **IPO App** or the designated results of allocations website at www.tricor.com.hk/ipo/result or www.hkeipo.hk/IPOResult with a “search by ID” function on a 24-hour basis from 8:00 a.m. on Thursday, November 9, 2023 to 12:00 midnight on Wednesday, November 15, 2023; or
- from the results allocation telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Thursday, November 9, 2023 to Tuesday, November 14, 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**” refers 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 section headed “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 Global Offering is set out below:

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

Placee	Subscription	Number of H Shares held upon Listing	Number of Shares held upon Listing	Subscription as % of International Offer Shares	Subscription as % of total Offer Shares	Number of H Shares as % of total H Shares	Number of Shares as % of total Shares upon Listing
Top 1	7,633,200	7,633,200	7,633,200	69.89%	62.90%	3.69%	2.19%
Top 5	10,874,000	10,874,000	10,874,000	99.56%	89.60%	5.26%	3.12%
Top 10	10,894,200	10,894,200	10,894,200	99.74%	89.77%	5.27%	3.13%
Top 20	10,898,200	10,898,200	10,898,200	99.78%	89.80%	5.28%	3.13%
Top 25	10,900,200	10,900,200	10,900,200	99.80%	89.82%	5.28%	3.13%

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

Shareholder ⁽¹⁾	Subscription	Number of H Shares held upon Listing	Number of Shares held upon Listing ⁽²⁾	Subscription as % of International Offer Shares	Subscription as % of total Offer Shares	Number of H Shares as % of total H Shares	Number of Shares as % of total Shares upon Listing
Top 1	–	46,669,696	134,832,180	–	–	22.59%	38.74%
Top 5	–	142,245,936	275,321,296	–	–	68.85%	79.11%
Top 10	7,633,200	173,042,440	310,526,428	69.89%	62.90%	83.76%	89.23%
Top 20	9,043,200	199,589,336	341,017,416	82.79%	74.52%	96.61%	97.99%
Top 25	10,308,000	204,766,736	346,194,816	94.37%	84.94%	99.12%	99.47%

- Top 1, 5, 10, 20 and 25 of all the holders of the H Shares of the Company (the “**H Shareholders**”) upon Listing:

H Shareholders	Subscription of Hong Kong Offer Shares	Subscription of International Offer Shares	Number of H Shares held upon Listing	Number of Shares held upon Listing ⁽²⁾	Subscription as % of Hong Kong Offer Shares	Subscription as % of International Offer Shares	Subscription as % of total Offer Shares	Number of H Shares as % of total H Shares	Number of Shares as % of total Shares upon Listing
Top 1	-	-	64,464,752	64,464,752	-	-	-	31.20%	18.52%
Top 5	-	7,633,200	149,879,136	242,041,620	-	69.89%	62.90%	72.55%	69.55%
Top 10	-	7,633,200	179,790,220	271,952,704	-	69.89%	62.90%	87.03%	78.14%
Top 20	-	9,043,200	202,301,936	300,673,048	-	82.79%	74.52%	97.92%	86.39%
Top 25	145,200	10,874,000	205,477,936	303,849,048	11.96%	99.56%	90.80%	99.46%	87.31%

Notes:

- (1) Top Shareholders are determined with reference to the aggregate of (i) the Unlisted Shares as held by registered Shareholders upon Listing; and (ii) the H Shares subscribed pursuant to the Global Offering and the H shares converted from Unlisted Shares as held by registered Shareholders upon Listing.
- (2) The number of Shares is determined with reference to the aggregate of (i) the Unlisted Shares as held by registered Shareholders upon Listing; and (ii) the H Shares subscribed pursuant to the Global Offering and the H shares converted from Unlisted Shares as held by registered Shareholders upon Listing.

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 H Shares could move substantially even with a small number of H Shares traded, and should exercise extreme caution when dealing in the H Shares.