

# ANNOUNCEMENT OF OFFER PRICE AND ALLOTMENT RESULTS

## SUMMARY

### Offer Price

The Offer Price has been determined at HK\$2.48 per Offer Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

### Net Proceeds from the Global Offering

- Based on the final Offer Price of HK\$2.48 per Share, the net proceeds from the Global Offering to be received by the Company, after deduction of the underwriting fees and commissions and other estimated expenses payable by the Company in connection with the Global Offering (assuming no exercise of the Over-allotment Option), are estimated to be approximately HK\$539.0 million.
- If the Over-allotment Option is exercised in full, the Company will receive an additional net proceeds of approximately HK\$90.2 million for the issue of 37,500,000 additional Shares.
- The Company intends to apply such net proceeds in the manner set out in the paragraph “Net Proceeds from the Global Offering” in this announcement.

### Applications under the Hong Kong Public Offering

The Hong Kong Offer Shares initially offered under the Hong Kong Public Offering have been moderately over-subscribed. At the close of the application lists at 12:00 noon on Friday, 18 June 2021, a total of 39,407 valid applications (including applications (i) on **WHITE** and **YELLOW** Application Forms; (ii) through giving **electronic application instructions** to HKSCC via CCASS; and (iii) to the **HK eIPO White Form** Service Provider through the **IPO App** or the designated website at [www.hkeipo.hk](http://www.hkeipo.hk)) have been received pursuant to the Hong Kong Public Offering for a total of 592,668,000 Hong Kong Offer Shares, representing approximately 23.71 times of the total number of 25,000,000 Hong Kong Offer Shares initially available for subscription under the Hong Kong Public Offering. A total number of 32,186 successful applicants have been allocated Offer Shares under the Hong Kong Public Offering, 30,953 of which have been allocated one board lot of Shares.

As the over-subscription of the Hong Kong Public Offering is 15 times or more but less than 50 times, the reallocation procedures as described in the section headed “Structure of the Global Offering – Hong Kong Public Offering – Reallocation” in the Prospectus have been applied, and 50,000,000 Offer Shares initially available under the International Placing have been reallocated to the Hong Kong Public Offering. As a result of such reallocation, the final number of Offer Shares under the Hong Kong Public Offering has been increased to 75,000,000 Offer Shares, representing 30% of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), being allocated to 32,186 successful applicants under the Hong Kong Public Offering.

## **International Placing**

The International Placing Shares initially offered under the International Placing have been moderately over-subscribed, representing approximately 2.36 times of the total number of 225,000,000 Offer Shares initially available under the International Placing. Taking into account the reallocation of 50,000,000 Offer Shares from the International Placing to the Hong Kong Public Offering, the final number of Offer Shares under the International Placing is 175,000,000 Offer Shares, representing 70% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option). A total number of 134 placees have been allocated Offer Shares, 104 of which have been allocated with five board lots of Shares or less and in aggregate have been allocated 229,000 Offer Shares under the International Placing.

The Directors confirm that no placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after completion of the Global Offering.

## **Cornerstone Investors**

Pursuant to the cornerstone investment agreements, the number of Offer Shares subscribed by the Cornerstone Investors has now been determined. Each of (i) Huayou HK; (ii) WuXi Biologics; (iii) CUAM; (iv) Jingzhirui Suzhou; (v) Hwa-An HK; and (vi) Ms. Zhang Ning has subscribed for 31,427,000 Offer Shares, 18,856,000 Offer Shares, 18,856,000 Offer Shares, 15,713,000 Offer Shares, 15,713,000 Offer Shares and 15,713,000 Offer Shares, respectively, in all totaling 116,278,000 Offer Shares, representing in aggregate (a) approximately 46.5% of the number of Offer Shares under the Global Offering (before any exercise of the Over-allotment Option); and (b) approximately 11.6% of the issued share capital of the Company immediately upon the completion of the Global Offering (before any exercise of the Over-allotment Option).

To the best knowledge of the Company, each of the Cornerstone Investors (i) is an Independent Third Party and is not a connected person (as defined under the Listing Rules), (ii) is independent of other Cornerstone Investors, (iii) is not financed by the Company, the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates, and (iv) is not accustomed to take instructions from the Company, the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in their name or otherwise held by them. There are no side agreements or arrangements between the Company and the Cornerstone Investors. The Offer Shares to be subscribed for by the Cornerstone Investors will rank *pari passu* in all respects with the other fully paid Shares in issue and will be counted towards the public float of the Company under Rule 8.08 of the Listing Rules. Please refer to the section headed “Cornerstone Investments” in the Prospectus for further details relating to the Cornerstone Investors.

## **Compliance with Placing Guidelines**

None of the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or their respective affiliated companies and connected clients of the lead broker or of any distributors (as defined in Appendix 6 to the Listing Rules (the “**Placing Guidelines**”)) has been placed with any Offer Shares for its own benefit under the International Placing.

The Directors confirm that, to the best of their knowledge, information and belief and having made all reasonable enquiries, no Offer Shares under the International Placing have been allocated to placees who are Directors, existing shareholders of the Company or beneficial owners of Shares and/or any securities of the Company’s subsidiaries or their respective close associates and core connected persons of the Company within the meaning of the Listing Rules, whether in their own names or through nominees, and that all placees and the public who has subscribed for the Offer Shares and their beneficial owners are independent of and not connected with the Company. The Directors confirm that the International Placing is in compliance with the Placing Guidelines.

The Directors confirm that, to the best of their knowledge, none of the Offer Shares subscribed by the placees or the public has been financed directly or indirectly by the Company, the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates, and none of the placees and the public who has subscribed for the Offer Shares is accustomed to taking instructions from the Company, the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in their name or otherwise held by them.

## **Over-allotment Option**

In connection with the Global Offering, the Company has granted the Over-allotment Option to the International Underwriters exercisable by the Joint Global Coordinators (for themselves and on behalf of the International Underwriters) at any time from the Listing Date until the 30th day after the last date for lodging applications under the Hong Kong Public Offering, to require the Company to issue and allot up to an aggregate of 37,500,000 additional Shares, representing in aggregate 15% of the Shares initially being offered under the Global Offering, at the Offer Price to cover over-allocations in the International Placing. There has been an over-allocation of 37,500,000 Shares under the International Placing and such over-allocation will be settled by using Shares to be borrowed under the Stock Borrowing Agreement entered into between Morimatsu Industry and the Stabilising Manager. Such borrowed Shares may be covered by exercising the Over-allotment Option or by making purchases in the secondary market or by a combination of these means. If the Over-allotment Option is exercised in full, the additional Offer Shares will represent approximately 3.6% of the Company’s enlarged issued share capital immediately following the completion of the Global Offering. In the event that the Over-allotment Option is exercised, an announcement will be made. As at the date of this announcement, the Over-allotment Option has not been exercised.

## Public Float

The Directors confirm that there will not be any new substantial Shareholder immediately after the Global Offering within the meaning of the Listing Rules and the number of Shares to be held by the public will satisfy the minimum percentage prescribed under Rule 8.08 of the Listing Rules.

The Directors confirm that immediately following the completion of the Global Offering, (i) at least 25% of the Company's total number of issued shares will be held by the public, satisfying Rule 8.08 of the Listing Rules; (ii) the three largest public Shareholders do not hold more than 50% of the Shares held in public hands at the time of the Listing in compliance with Rules 8.08(3) and 8.24 of the Listing Rules; 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.

## Results of Allocations

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering will be available at the times and dates and in the manner specified below:

- in this announcement posted on the Company's website at [www.morimatsu-online.com](http://www.morimatsu-online.com) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) by no later than 9:00 a.m. on Friday, 25 June 2021. Please note that the list of identification document numbers in this announcement is not a complete list of successful applicants since only successful applicants whose identification document numbers are provided by CCASS are disclosed. Applicants with beneficial names only but not identification document numbers are not disclosed due to personal privacy issue as elaborated below. Applicants who applied for the Offer Shares through their brokers can consult their brokers to enquire about their application result;
- from "IPO Results" function in the **IPO App** or the designated results of allocations website at [www.tricor.com.hk/ipo/result](http://www.tricor.com.hk/ipo/result) or [www.hkeipo.hk/IPOResult](http://www.hkeipo.hk/IPOResult) with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Friday, 25 June 2021 to 12:00 midnight on Thursday, 1 July 2021;
- from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Friday, 25 June 2021 to Wednesday, 30 June 2021 (excluding Saturday and Sunday or public holiday in Hong Kong);

- in the special allocation results booklets which will be available for inspection during opening hours from Friday, 25 June 2021 to Monday, 28 June 2021 at all the receiving banks' designated branches and outlets as set out below.

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

	<b>Branch Name</b>	<b>Address</b>
<b>Hong Kong Island</b>	Des Voeux Road West Branch	111-119 Des Voeux Road West, Hong Kong
<b>Kowloon</b>	Wong Tai Sin Branch	Shop G13 & G13A, G/F, Temple Mall South, Wong Tai Sin, Kowloon
	Mong Kok Branch	589 Nathan Road, Mong Kok, Kowloon
<b>New Territories</b>	Citywalk Branch	Shop 65 & 67-69 G/F, Citywalk, 1 Yeung Uk Road, Tsuen Wan, New Territories

#### **Bank of Communications Co., Ltd. Hong Kong Branch**

	<b>Outlet Name</b>	<b>Address</b>
<b>Hong Kong Island</b>	Taikoo Shing Sub-Branch	Shop 38, G/F., CityPlaza 2, 18 Taikoo Shing Road
<b>Kowloon</b>	Kowloon Sub-Branch	G/F., 563 Nathan Road
<b>New Territories</b>	Yuen Long Sub-Branch	Shop 2B, G/F., Man Yu Building, 2-14 Tai Fung Street, Yuen Long

This announcement contains a list of identification document numbers. Identification document numbers shown in the sections headed “Results of Applications Made by **WHITE** Application Forms or **HK eIPO White Form**” and “Results of Applications Made by **YELLOW** Application Forms (Through Designated CCASS Clearing/Custodian Participants)” refer to Hong Kong identity card numbers/passport numbers/Hong Kong business registration numbers whereas those displayed in the section headed “Results of Applications Made by Giving **Electronic Application Instructions** to HKSCC via CCASS” are provided by brokers via CCASS. Therefore, some of the identification document numbers shown in these 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.

Results of allocations of the Hong Kong Offer Shares in the Hong Kong Public Offering, including the final Offer Price, the level of indication of interests in the International Placing, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares will also be published on Friday, 25 June 2021 on the Company’s website at [www.morimatsu-online.com](http://www.morimatsu-online.com) and the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk).

## **DESPATCH/COLLECTION/POSTING OF SHARE CERTIFICATES AND REFUND MONIES**

### **For applications under WHITE Application Forms or through the HK eIPO White Form service**

Applicants who have applied for 1,000,000 or more Hong Kong Offer Shares and have provided all information required by their **WHITE** Application Forms, and applicants who have applied for 1,000,000 Hong Kong Offer Shares or more through the **HK eIPO White Form** service by submitting electronic applications through the **IPO App** or the designated website at [www.hkeipo.hk](http://www.hkeipo.hk) and whose applications are wholly or partially successful, may collect their refund cheque(s) and/or Share certificate(s) in person from Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Friday, 25 June 2021, or such other date as notified by the Company in the newspapers as the date of despatch/collection of Share certificates/e-Auto Refund payment instructions/refund cheques. Applicants being individuals who are eligible for personal collection cannot authorise any other persons to make collection on their behalf. Corporate applicants which are eligible for personal collection must attend through their authorised representatives, each bearing a letter of authorisation from the corporation stamped with the corporation’s chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar. If such applicants do not collect their refund cheque(s) and/or Share certificate(s) personally within the time specified for collection, such refund cheque(s) and/or Share certificate(s) will be despatched promptly to the addresses specified in their Application Forms by ordinary post at their own risk.

Applicants who have applied for less than 1,000,000 Hong Kong Offer Shares and have provided all information required by their **WHITE** Application Forms, and applicants who have applied for less than 1,000,000 Hong Kong Offer Shares through the **HK eIPO White Form** service by submitting electronic applications through the **IPO App** or the designated website at [www.hkeipo.hk](http://www.hkeipo.hk) and whose applications are wholly or partially successful, will have their refund cheque(s) and/or Share certificate(s) sent to the addresses specified in their Application Forms on or before Friday, 25 June 2021, by ordinary post at their own risk.



For applicants using the **HK eIPO White Form** service and who have paid the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Auto Refund payment instructions. For applicants using the **HK eIPO White Form** service and who have paid the application monies from multiple bank accounts, any refund monies will be despatched to the addresses specified in their application instructions in the form of refund cheque(s) by ordinary post at their own risk.

**For applications using YELLOW Application Forms and/or via electronic application instructions to HKSCC**

Wholly or partially successful applicants using **YELLOW** Application Forms or who gave **electronic application instructions** to HKSCC will have their Share certificate(s) issued in the name of HKSCC Nominees and deposited into CCASS for credit to their designated CCASS Participant's stock accounts or their CCASS Investor Participant's stock accounts as stated in their applications on Friday, 25 June 2021, or, on any other date determined by HKSCC or HKSCC Nominees.

Wholly or partially unsuccessful applicants who have applied for 1,000,000 or more Hong Kong Offer Shares under **YELLOW** Application Forms may collect their refund cheque(s) from Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Friday, 25 June 2021, or such other date as notified by the Company in the newspapers as the date of despatch/collection of Share certificates/e-Auto Refund payment instructions/refund cheques. Individual applicants who are eligible for personal collection must not authorise any other persons to collect for them. Corporate applicants which are eligible for personal collection must attend through their authorised representatives, each bearing a letter of authorisation from the corporation stamped with the corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar. If such applicants do not collect their refund cheque(s) personally within the time specified for collection, such refund cheque(s) will be despatched promptly to the addresses specified in their Application Forms by ordinary post at their own risk.

Wholly or partially unsuccessful applicants who have applied for less than 1,000,000 Hong Kong Offer Shares under **YELLOW** Application Forms will have their refund cheque(s) sent to the addresses specified in their Application Forms on or before Friday, 25 June 2021 by ordinary post at their own risk.

Applicants applying 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.

Refund monies for wholly or partially unsuccessful applications who gave **electronic application instructions** to HKSCC will be credited to their designated bank accounts or the designated bank accounts of their brokers or custodians on Friday, 25 June 2021. Applicants applying as a CCASS Investor Participant should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Friday, 25 June 2021, or such other date as determined by HKSCC or HKSCC Nominees. Applicants applying as a CCASS Investor Participant giving **electronic application instructions** to HKSCC may also check the amount of their refund monies via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Friday, 25 June 2021. HKSCC will also make available to CCASS Investor Participants an activity statement showing the amount of the refund monies (if any) credited to their designated bank accounts.

No temporary document of title will be issued in respect of the Shares and no receipt will be issued for sums paid on application.

### **Lock-up Undertakings**

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

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

Share certificates will only become valid at 8:00 a.m. on Monday, 28 June 2021 provided that (i) the Global Offering has become unconditional in all respects; and (ii) the right of termination as described in the section headed "Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering – Grounds for termination of the Hong Kong Underwriting Agreement" in the Prospectus has not been exercised.

Assuming the Global Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Monday, 28 June 2021, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Monday, 28 June 2021. The Shares will be traded in board lots of 1,000 Shares each. The stock code of the Shares is 2155.

**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 fluctuate substantially even with a small number of Shares traded and should exercise extreme caution when dealing in the Shares.**



## **OFFER PRICE**

The Offer Price has been determined at HK\$2.48 per Offer Share (excluding brokerage of 1%, the SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%).

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

Based on the Offer Price of HK\$2.48 per Offer Share, the net proceeds from the Global Offering to be received by the Company, after deducting the underwriting fees and commissions and other estimated expenses payable by the Company in relation to the Global Offering (assuming no exercise of the Over-allotment Option), are estimated to be approximately HK\$539.0 million. The Group intends to apply the proceeds from the Global Offering as follows:

- approximately 60.0% of the net proceeds, or approximately HK\$323.4 million is expected to be used for enhancing the Group's production capacity and production capability;
- approximately 13.2% of the net proceeds, or approximately HK\$71.1 million is expected to be used for enhancing the Group's service capability, thereby strengthening the Group's value-added services associated with the pressure equipment;
- approximately 12.0% of the net proceeds, or approximately HK\$64.7 million is expected to be used for advancing the Group's internationalisation strategy;
- approximately 4.8% of the net proceeds, or approximately HK\$25.9 million is expected to be used for investing in research and development to improve the Group's production process capability and production efficiency, and promote sales of the Group's existing and new products; and
- approximately 10.0% of the net proceeds, or approximately HK\$53.9 million is expected to be used for the Group's working capital and general corporate purposes.

Please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus for further details regarding the use of proceeds.

If the Over-allotment Option is exercised in full, the Company will receive an additional net proceeds of approximately HK\$90.2 million for the issue of 37,500,000 additional Shares. In the event that the Over-allotment Option is exercised, the Company intends to adjust its allocation of the net proceeds for the above purposes on a pro rata basis.

## APPLICATIONS UNDER THE HONG KONG PUBLIC OFFERING

The Hong Kong Offer Shares initially offered under the Hong Kong Public Offering have been moderately over-subscribed. At the close of the application lists at 12:00 noon on Friday, 18 June 2021, a total of 39,407 valid applications (including applications (i) on **WHITE** and **YELLOW** Application Forms; (ii) through giving **electronic application instructions** to HKSCC via CCASS; and (iii) to the **HK eIPO White Form** Service Provider through the **IPO App** or the designated website at [www.hkeipo.hk](http://www.hkeipo.hk)) have been received pursuant to the Hong Kong Public Offering for a total of 592,668,000 Hong Kong Offer Shares, representing approximately 23.71 times of the total number of 25,000,000 Hong Kong Offer Shares initially available for subscription under the Hong Kong Public Offering, among which:

- a total of 39,365 valid applications for a total of 387,668,000 Shares were for Hong Kong Offer Shares with an aggregate subscription amount based on the maximum Offer Price of HK\$2.48 per Offer Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of HK\$5 million or less, representing approximately 31.01 times of the 12,500,000 Shares initially comprised in Pool A; and
- a total of 42 valid applications for a total of 205,000,000 Shares were for Hong Kong Offer Shares with an aggregate subscription amount based on the maximum Offer Price of HK\$2.48 per Offer Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of more than HK\$5 million, representing 16.40 times of the 12,500,000 Shares initially comprised in Pool B.

Applications not completed in accordance with the instructions set out in the Application Forms have been rejected. 53 multiple or suspected multiple applications have been identified and rejected. No application has been rejected due to bounced cheques or dishonored payments. No application has been rejected due to invalid application. No application for more than 12,500,000 Offer Shares (being 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering) has been identified.

A total number of 32,186 successful applicants have been allocated Offer Shares under the Hong Kong Public Offering, 30,953 of which have been allocated one board lot of Shares.

As the over-subscription of the Hong Kong Public Offering is 15 times or more but less than 50 times, the reallocation procedures as described in the section headed “Structure of the Global Offering – Hong Kong Public Offering – Reallocation” in the Prospectus have been applied, and 50,000,000 Offer Shares initially available under the International Placing have been reallocated to the Hong Kong Public Offering. As a result of such reallocation, the final number of Offer Shares under the Hong Kong Public Offering has been increased to 75,000,000 Shares, representing 30% of the Offer Shares initially available under the Global Offering, being allocated to 32,186 successful applicants under the Hong Kong Public Offering.

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

## INTERNATIONAL PLACING

The Offer Shares initially offered under the International Placing have been moderately over-subscribed, representing approximately 2.36 times of the total number of 225,000,000 Offer Shares initially available under the International Placing. Taking into account the reallocation of 50,000,000 Offer Shares from the International Placing to the Hong Kong Public Offering, the final number of Offer Shares under the International Placing is 175,000,000 Offer Shares, representing 70% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option). There has been an over-allocation of 37,500,000 Shares under the International Placing. A total number of 134 placees have been allocated Offer Shares, 104 of which have been allocated with five board lots of Shares or less and in aggregate have been allocated 229,000 Offer Shares under the International Placing.

The Directors confirm that no placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after completion of the Global Offering.

## Cornerstone Investors

Based on the Offer Price of HK\$2.48 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) and pursuant to the cornerstone investment agreements with the Cornerstone Investors as disclosed in the section headed “Cornerstone Investments” in the Prospectus, the number of Offer Shares subscribed for by the Cornerstone Investors has now been determined as set out below:

Cornerstone Investor	Investment Amount (US\$ million)	Number of Shares subscribed <sup>(1)</sup>	Approximate % of the Offer Shares in the Global Offering (assuming the Over-allotment Option is not exercised) <sup>(2)</sup>	Approximate % of the Offer Shares in the Global Offering (assuming the Over-allotment Option is exercised in full) <sup>(2)</sup>	Approximate % of total Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised) <sup>(2)</sup>	Approximate % of total Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is exercised in full) <sup>(2)</sup>
Huayou HK	10.00	31,427,000	12.6%	10.9%	3.1%	3.0%
WuXi Biologics	6.00	18,856,000	7.5%	6.6%	1.9%	1.8%
CUAM	6.00	18,856,000	7.5%	6.6%	1.9%	1.8%
Jingzhirui Suzhou	5.00	15,713,000	6.3%	5.5%	1.6%	1.5%
Hwa-An HK	5.00	15,713,000	6.3%	5.5%	1.6%	1.5%
Ms. Zhang Ning	5.00	15,713,000	6.3%	5.5%	1.6%	1.5%
<b>Total</b>	<b>37.00</b>	<b>116,278,000</b>	<b>46.5%</b>	<b>40.4%</b>	<b>11.6%</b>	<b>11.2%</b>

*Notes:*

1. Subject to rounding down to the nearest whole board lot of 1,000 Shares.
2. The percentage figures are subject to rounding adjustments.

Each of the Cornerstone Investors has agreed that without the prior written consent of the Company, the Sole Sponsor and the Joint Global Coordinators, it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date dispose of, in any way, any of the Shares subscribed for by it pursuant to the relevant cornerstone investment agreement (the “Relevant Shares”) or any interest in any company or entity holding any Relevant Shares, including any securities convertible into or exchangeable or exercisable for or that represent the right to receive any of the forgoing securities, or agree or contract to, or publicly announce any intention to enter any such transaction described above.

To the best knowledge of the Company, each of the Cornerstone Investors (i) is an Independent Third Party and is not a connected person (as defined under the Listing Rules), (ii) is independent of other Cornerstone Investors, (iii) is not financed by the Company, the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates, and (iv) is not accustomed to take instructions from the Company, the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in their name or otherwise held by them. There are no side agreements or arrangements between the Company and the Cornerstone Investors.

The placing of Shares to the Cornerstone Investors pursuant to the cornerstone investment agreements will form part of the International Placing, and the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering other than pursuant to the respective cornerstone investment agreements. The Offer Shares to be subscribed for by the Cornerstone Investors will rank *pari passu* in all respects with the other fully paid Shares in issue and will be counted towards the public float of the Company under Rule 8.08 of the Listing Rules. Immediately following the completion of the Global Offering, none of the Cornerstone Investors will become a substantial Shareholder (as defined in the Listing Rules) of the Company, and the Cornerstone Investors will not have any representation on the Board. Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights in the cornerstone investment agreements compared with other public Shareholders.

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

## **Compliance with Placing Guidelines**

None of the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or their respective affiliated companies and connected clients of the lead broker or of any distributors (as defined in the Placing Guidelines) has been placed with any Offer Shares for its own benefit under the International Placing.

The Directors confirm that, to the best of their knowledge, information and belief and having made all reasonable enquiries, no Offer Shares under the International Placing have been allocated to placees who are Directors, existing shareholders of the Company or beneficial owners of Shares and/or any securities of the Company's subsidiaries or their respective close associates and core connected persons of the Company within the meaning of the Listing Rules, whether in their own names or through nominees, and that all placees and the public who has subscribed for the Offer Shares and their beneficial owners are independent of and not connected with the Company. The Directors confirm that the International Placing is in compliance with the Placing Guidelines.

The Directors confirm that, to the best of their knowledge, none of the Offer Shares subscribed by the placees or the public has been financed directly or indirectly by the Company, the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates, and none of the placees and the public who has subscribed for the Offer Shares is accustomed to taking instructions from the Company, the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in their name or otherwise held by them.

## **Over-allotment Option**

In connection with the Global Offering, the Company has granted the Over-allotment Option to the International Underwriters exercisable by the Joint Global Coordinators (for themselves and on behalf of the International Underwriters) at any time from the Listing Date until the 30th day after the last date for lodging applications under the Hong Kong Public Offering, to require the Company to issue and allot up to an aggregate of 37,500,000 additional Shares, representing in aggregate 15% of the Shares initially being offered under the Global Offering, at the Offer Price to cover over-allocations in the International Placing. There has been an over-allocation of 37,500,000 Shares under the International Placing and such over-allocation will be settled by using Shares to be borrowed under the Stock Borrowing Agreement entered into between Morimatsu Industry and the Stabilising Manager. Such borrowed Shares may be covered by exercising the Over-allotment Option or by making purchases in the secondary market or by a combination of these means. If the Over-allotment Option is exercised in full, the additional Offer Shares will represent approximately 3.6% of the Company's enlarged issued share capital immediately following the completion of the Global Offering. In the event that the Over-allotment Option is exercised, an announcement will be made. As at the date of this announcement, the Over-allotment Option has not been exercised.

## PUBLIC FLOAT

The Directors confirm that there will not be any new substantial Shareholder immediately after the Global Offering within the meaning of the Listing Rules and the number of Shares to be held by the public will satisfy the minimum percentage prescribed under Rule 8.08 of the Listing Rules.

The Directors confirm that immediately following the completion of the Global Offering, (i) at least 25% of the Company's total number of issued shares will be held by the public, satisfying Rule 8.08 of the Listing Rules; (ii) the three largest public Shareholders do not hold more than 50% of the Shares held in public hands at the time of the Listing in compliance with Rules 8.08(3) and 8.24 of the Listing Rules; 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.

## BASIS OF ALLOCATION UNDER THE HONG KONG PUBLIC OFFERING

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

Number of Shares applied for	Number of valid applications	Basis of allocation/ballot	Approximate percentage allotted of the total number of Shares applied for
<b>POOL A</b>			
1,000	24,880	19,904 out of 24,880 applicants to receive 1,000 shares	80.00%
2,000	2,443	1,977 out of 2,443 applicants to receive 1,000 shares	40.46%
3,000	4,669	3,782 out of 4,669 applicants to receive 1,000 shares	27.00%
4,000	1,081	878 out of 1,081 applicants to receive 1,000 shares	20.31%
5,000	1,012	830 out of 1,012 applicants to receive 1,000 shares	16.40%
6,000	639	528 out of 639 applicants to receive 1,000 shares	13.77%
7,000	215	180 out of 215 applicants to receive 1,000 shares	11.96%
8,000	297	250 out of 297 applicants to receive 1,000 shares	10.52%
9,000	164	139 out of 164 applicants to receive 1,000 shares	9.42%
10,000	1,221	1,043 out of 1,221 applicants to receive 1,000 shares	8.54%
15,000	487	424 out of 487 applicants to receive 1,000 shares	5.80%
20,000	485	437 out of 485 applicants to receive 1,000 shares	4.51%
25,000	145	1,000 shares	4.00%
30,000	176	1,000 shares plus 12 out of 176 applicants to receive an additional 1,000 shares	3.56%
35,000	104	1,000 shares plus 21 out of 104 applicants to receive an additional 1,000 shares	3.43%
40,000	165	1,000 shares plus 61 out of 165 applicants to receive an additional 1,000 shares	3.42%



Number of Shares applied for	Number of valid applications	Basis of allocation/ballot	Approximate percentage allotted of the total number of Shares applied for
45,000	50	1,000 shares plus 26 out of 50 applicants to receive an additional 1,000 shares	3.38%
50,000	189	1,000 shares plus 128 out of 189 applicants to receive an additional 1,000 shares	3.35%
60,000	82	2,000 shares	3.33%
70,000	99	2,000 shares plus 16 out of 99 applicants to receive an additional 1,000 shares	3.09%
80,000	72	2,000 shares plus 32 out of 72 applicants to receive an additional 1,000 shares	3.06%
90,000	25	2,000 shares plus 18 out of 25 applicants to receive an additional 1,000 shares	3.02%
100,000	282	3,000 shares	3.00%
200,000	128	5,000 shares	2.50%
300,000	37	7,000 shares	2.33%
400,000	31	9,000 shares	2.25%
500,000	39	11,000 shares	2.20%
600,000	8	13,000 shares	2.17%
700,000	10	15,000 shares	2.14%
800,000	7	17,000 shares	2.13%
900,000	8	19,000 shares	2.11%
1,000,000	106	21,000 shares	2.10%
2,000,000	9	25,000 shares	1.25%

**Total**      **39,365**      **Total number of Pool A successful applicants: 32,144**

#### **POOL B**

3,000,000	25	551,000 shares	18.37%
4,000,000	4	733,000 shares	18.33%
5,000,000	3	913,000 shares	18.26%
6,000,000	4	1,095,000 shares	18.25%
12,500,000	6	2,279,000 shares	18.23%

**Total**      **42**      **Total number of Pool B successful applicants: 42**

The final number of Offer Shares comprised in the Hong Kong Public Offering is 75,000,000 Offer Shares, representing 30% of the total number of Offer Shares under the Global Offering (before any exercise of the Over-allotment Option). The final number of Offer Shares comprised in the International Placing is 175,000,000 Offer Shares, representing 70% of the total number of Offer Shares under the Global Offering (before any exercise of the Over-allotment Option).

## RESULTS OF ALLOCATIONS

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering will be available at the times and dates and in the manner specified below:

- in this announcement posted on the Company's website at [www.morimatsu-online.com](http://www.morimatsu-online.com) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) by no later than 9:00 a.m. on Friday, 25 June 2021. Please note that the list of identification document numbers in this announcement is not a complete list of successful applicants since only successful applicants whose identification document numbers are provided by CCASS are disclosed. Applicants with beneficial names only but not identification document numbers are not disclosed due to personal privacy issue as elaborated below. Applicants who applied for the Offer Shares through their brokers can consult their brokers to enquire about their application result;
- from "IPO Results" function in the **IPO App** or the designated results of allocations website at [www.tricor.com.hk/ipo/result](http://www.tricor.com.hk/ipo/result) or [www.hkeipo.hk/IPOResult](http://www.hkeipo.hk/IPOResult) with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Friday, 25 June 2021 to 12:00 midnight on Thursday, 1 July 2021;
- from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Friday, 25 June 2021 to Wednesday, 30 June 2021 (excluding Saturday and Sunday or public holiday in Hong Kong);
- in the special allocation results booklets which will be available for inspection during opening hours from Friday, 25 June 2021 to Monday, 28 June 2021 at all the receiving banks' designated branches and outlets as set out below.

### Bank of China (Hong Kong) Limited

	Branch Name	Address
<b>Hong Kong Island</b>	Des Voeux Road West Branch	111-119 Des Voeux Road West, Hong Kong
<b>Kowloon</b>	Wong Tai Sin Branch	Shop G13 & G13A, G/F, Temple Mall South, Wong Tai Sin, Kowloon
	Mong Kok Branch	589 Nathan Road, Mong Kok, Kowloon
<b>New Territories</b>	Citywalk Branch	Shop 65 & 67-69 G/F, Citywalk, 1 Yeung Uk Road, Tsuen Wan, New Territories

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

	Outlet Name	Address
<b>Hong Kong Island</b>	Taikoo Shing Sub-Branch	Shop 38, G/F., CityPlaza 2, 18 Taikoo Shing Road
<b>Kowloon</b>	Kowloon Sub-Branch	G/F., 563 Nathan Road
<b>New Territories</b>	Yuen Long Sub-Branch	Shop 2B, G/F., Man Yu Building, 2-14 Tai Fung Street, Yuen Long

This announcement contains a list of identification document numbers. Identification document numbers shown in the sections headed “Results of Applications Made by **WHITE** Application Forms or **HK eIPO White Form**” and “Results of Applications Made by **YELLOW** Application Forms (Through Designated CCASS Clearing/Custodian Participants)” refer to Hong Kong identity card numbers/passport numbers/Hong Kong business registration numbers whereas those displayed in the section headed “Results of Applications Made by Giving **Electronic Application Instructions** to HKSCC via CCASS” are provided by brokers via CCASS. Therefore, some of the identification document numbers shown in these 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.

Results of allocations of the Hong Kong Offer Shares in the Hong Kong Public Offering, including the final Offer Price, the level of indication of interests in the International Placing, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares will also be published on Friday, 25 June 2021 on the Company’s website at [www.morimatsu-online.com](http://www.morimatsu-online.com) and the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk).

## SHAREHOLDING CONCENTRATION ANALYSIS

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

- Top 1, 5, 10, 20 and 25 of the placees out of the International Placing Shares, total Offer Shares and total issued share capital of the Company upon Listing:

Placee	Subscription	Shares held following the Global Offering	Subscription as % of International Placing Shares (as adjusted after reallocation) <sup>(1)</sup>	Subscription as % of International Placing Shares (as adjusted after reallocation) <sup>(2)</sup>	Subscription as % of total Offer Shares <sup>(1)</sup>	Subscription as % of total Offer Shares <sup>(2)</sup>	% of the total issued Shares <sup>(1)</sup>	% of the total issued Shares <sup>(2)</sup>
Top 1	31,427,000	31,427,000	17.96%	14.79%	12.57%	10.93%	3.14%	3.03%
Top 5	103,708,000	103,708,000	59.26%	48.80%	41.48%	36.07%	10.37%	10.00%
Top 10	170,912,000	170,912,000	97.66%	80.43%	68.36%	59.45%	17.09%	16.47%
Top 20	207,085,000	207,085,000	118.33%	97.45%	82.83%	72.03%	20.71%	19.96%
Top 25	212,134,000	212,134,000	121.22%	99.83%	84.85%	73.79%	21.21%	20.45%

- Top 1, 5, 10, 20 and 25 of all the Shareholders out of the International Placing Shares, total Offer Shares and total issued share capital of the Company upon Listing:

Shareholder	Subscription of Hong Kong Offer Shares	Subscription of International Placing Shares	Subscription of total Offer Shares	Shares held following the Global Offering	Subscription of Hong Kong Offer Shares as % of total Hong Kong Offer Shares (as adjusted after reallocation)	Subscription of International Placing Shares as % of total International Placing Shares (as adjusted after reallocation) <sup>(1)</sup>	Subscription of International Placing Shares as % of total International Placing Shares (as adjusted after reallocation) <sup>(2)</sup>	Subscription as % of total Offer Shares <sup>(1)</sup>	Subscription as % of total Offer Shares <sup>(2)</sup>	% of the total issued Shares <sup>(1)</sup>	% of the total issued Shares <sup>(2)</sup>
Top 1	-	-	-	750,000,000	-	-	-	-	-	75.00%	72.29%
Top 5	-	87,995,000	87,995,000	837,995,000	-	50.28%	41.41%	35.20%	30.61%	83.80%	80.77%
Top 10	-	162,847,000	162,847,000	912,847,000	-	93.06%	76.63%	65.14%	56.64%	91.28%	87.99%
Top 20 (Note 3)	4,558,000	201,416,000	205,974,000	955,974,000	6.08%	115.09%	94.78%	82.39%	71.64%	95.60%	92.14%
Top 25 (Note 4)	13,674,000	203,533,000	217,207,000	967,207,000	18.23%	116.30%	95.78%	86.88%	75.55%	96.72%	93.22%

Notes:

- (1) Assuming that the Over-allotment Option is not exercised.
- (2) Assuming that the Over-allotment Option is exercised in full.
- (3) The top 20 Shareholders include two Shareholders acquired a total of 4,558,000 Shares under the Hong Kong Public Offering.
- (4) The top 25 Shareholders include six Shareholders acquired a total of 13,674,000 Shares under the Hong Kong Public Offering.

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