

Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the prospectus dated 26 February 2021 (the “**Prospectus**”) of Kwong Luen Engineering Holdings Limited (the “**Company**”).

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This announcement is for information purposes only and does not constitute an offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for any securities. Potential investors should read the Prospectus for detailed information about the Share Offer described below before deciding whether or not to invest in the Shares. The Company is not and, immediately after the Share Offer and the application of the proceeds thereof will not be required to register as an “investment company” within the meaning of the U.S. Investment Company Act of 1940, as amended.

This announcement is not for release, publication, distribution, directly or indirectly, in or into the United States or any other jurisdiction where such distribution is prohibited by law. This announcement does not constitute and is not an offer to sell or a solicitation of any offer to buy securities in the United States or elsewhere. The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933 (the “**U.S. Securities Act**”) or any state securities laws of the United States and may not be offered or sold in the United States absent registration under the U.S. Securities Act or except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. There will be no public offering of securities of the Company in the United States.

In connection with the Share Offer, Space Securities Limited (“**Space**”), or any of its affiliates or any persons acting for it, as stabilising manager (the “**Stabilising Manager**”), on behalf of the Underwriters, may effect transactions with a view to stabilising or supporting the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilising Manager, or any of its affiliates or any person acting for it, to conduct any such stabilising action, which, if commenced, will be done at the absolute discretion of the Stabilising Manager, its affiliates or any person acting for it, and may be discontinued at any time. Any such stabilising activity is required to be brought to an end on the 30th day after the last date for the lodging of applications under the Public Offer. Such stabilisation action, if commenced, may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws, rules and regulatory requirements, including the Securities and Futures (Price Stabilising) Rules, as amended, made under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). For details, please refer to the section headed “Structure and Conditions of the Share Offer – Stabilisation and over-allotment” in the Prospectus.

Potential investors should be aware that stabilising action cannot be taken to support the price of the Shares for longer than the stabilisation period which begins on the Listing Date and is expected to expire on the 30th day after the last date for the lodging of applications under the Public Offer. After this date when no further stabilising action may be taken, demand for the Shares, and therefore the price of the Shares, could fall.

Potential investors of the Shares should note that the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) shall be entitled to terminate their obligations under the Public Offer Underwriting Agreement with immediate effect upon the occurrence of any of the events set out in the paragraph headed “Underwriting – Underwriting arrangements and expenses – The Public Offer – Grounds for Termination” in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (which is currently expected to be on Thursday, 11 March 2021).

Kwong Luen Engineering Holdings Limited

廣聯工程控股有限公司

(incorporated in the Cayman Islands with limited liability)

SHARE OFFER

Number of Offer Shares	:	250,000,000 Shares
Number of Public Offer Shares	:	100,000,000 Shares (as adjusted after re-allocation)
Number of Placing Shares	:	150,000,000 Shares (as adjusted after re-allocation)
Offer Price	:	HK\$0.54 per Offer Share, excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%
Nominal value	:	HK\$0.01 per Share
Stock code	:	1413

Sponsor



Joint Bookrunners



Joint Lead Managers



ANNOUNCEMENT OF OFFER PRICE AND ALLOTMENT RESULTS

SUMMARY

Offer Price

The Offer Price has been determined at HK\$0.54 per Offer Share (excluding brokerage of 1.0%, the SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%).

Net Proceeds from the Share Offer

Based on the Offer Price of HK\$0.54 per Offer Share, the net proceeds from the Share Offer to be received by the Company, after deduction of underwriting fees and commissions and estimated expenses payable by the Company in connection with the Share Offer and assuming the Over-allotment Option is not exercised, are estimated to be approximately HK\$97.1 million. The Group intends to apply the proceeds from the Share Offer in accordance with the purposes set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

Applications under the Public Offer

The Public Offer Shares initially offered under the Public Offer have been very significantly over-subscribed. At the close of the application lists at 12:00 noon on Wednesday, 3 March 2021, a total of 47,199 valid applications (including applications (i) on **WHITE** and **YELLOW** Application Forms; and (ii) through giving **electronic application instructions** to HKSCC via CCASS have been received pursuant to the Public Offer for a total of 1,357,250,000 Public Offer Shares, equivalent to approximately 54.29 times of the total number of 25,000,000 Public Offer Shares initially available under the Public Offer. A total number of 5,756 Shareholders have been allocated Shares under the Public Offer, 4,773 of which have been allocated one board lot of Shares.

As the over-subscription of the Public Offer is more than 50 times but less than 100 times of the number of the Public Offer Shares initially available for subscription under the Public Offer, the reallocation procedures as described in the sections headed “Structure and conditions of the Share Offer – The Public Offer – Reallocation” in the Prospectus have been applied, and 75,000,000 Offer Shares initially available under the Placing have been reallocated to the Public Offer. As a result of such reallocation, the final number of Offer Shares available under the Public Offer has been increased to 100,000,000 Offer Shares, representing 40% of the Offer Shares initially available under the Share Offer (prior to any exercise of the Over-allotment Option), being allocated to 5,756 successful applicants under the Public Offer.

Placing

The Offer Shares initially offered under the Placing have been slightly over-subscribed, representing approximately 1.05 times of the total number of Offer Shares initially available under the Placing. Taking into account the reallocation of 75,000,000 Offer Shares from the Placing to the Public Offer, the final number of Offer Shares under the Placing is 150,000,000 Offer Shares, representing 60% of the Offer Shares initially available under the Share Offer (prior to any exercise of the Over-allotment Option). A total number of 147 placees have been allocated Offer Shares, 78 of which have been allocated with three board lots of Offer Shares or less and in aggregate have been allocated 580,000 Offer Shares initially offered under the Placing (prior to any exercise of the Over-allotment Option), representing approximately 53.1% of total number of placees and approximately 0.2% of total number of Offer Shares.

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 Share Offer.

To the best knowledge of the Directors, no Offer Shares initially offered under the Placing have been allocated to applicants who are core connected persons of the Company, the Directors, the existing Shareholders or their respective close associates within the meaning of the Listing Rules whether in their own name or through their nominees and the Placing is in compliance with the Placing Guidelines under Appendix 6 of the Listing Rules (the “**Placing Guidelines**”) and no Offer Shares initially offered under the Placing placed by or through the Joint Bookrunners, the Joint Lead Managers and the Placing Underwriters have been placed with any core connected person (as defined in the Listing Rules) of the Company or persons set out in paragraph 5 of the Placing Guidelines, whether in their own names or through nominees.

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 any of the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees or the public who has subscribed for the Offer Shares is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders of the Company 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 Share Offer, the Company has granted the Over-allotment Option to the Placing Underwriters, exercisable by the Joint Bookrunners on behalf of the Underwriters, at any time from the Listing Date until the 30th day after the last day for lodging applications under the Public Offer, to require the Company to issue and allot up to an aggregate of 37,500,000 additional Shares, representing not more than 15% of the Offer Shares initially offered under the Share Offer, at the Offer Price to cover over-allocations in the Placing. In the event the Over-allotment Option is exercised, an announcement will be made on the Company's website at **www.kwong-luen.com.hk** and the Stock Exchange's website at **www.hkexnews.hk**. As of the date of this announcement, the Over-allotment Option has not been exercised and the Over-allotment Option will be lapsed and will not be exercised as no over-allocation of the Offer Shares was made in the Placing.

Public Float

The Directors confirm that there will not be any new substantial Shareholder immediately after the Share Offer 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 Share Offer, (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 Public Offer 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.kwong-luen.com.hk** and the Stock Exchange's website at **www.hkexnews.hk** by no later than 9:00 a.m. on Wednesday, 10 March 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 Shares through their brokers can consult their brokers to enquire about their application result;

- from the designated results of allocations website at **www.ewhiteform.com.hk/results** with a “search by ID” function on a 24-hour basis from 9:00 a.m. on Wednesday, 10 March 2021 to 12:00 midnight on Tuesday, 16 March 2021;
- by telephone enquiry line by calling +852 2153 1688 between 9:00 a.m. and 6:00 p.m. from Wednesday, 10 March 2021 to Tuesday, 16 March 2021 (excluding Saturday, Sunday and Hong Kong public holiday); and
- in the special allocation results booklets which will be available for inspection during opening hours from Wednesday, 10 March 2021 to Saturday, 13 March 2021 at all the receiving banks’ designated branches at the addresses set out in paragraph headed “Results of allocations” in this announcement.

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” 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/beneficial owner identification codes provided by nominees as an agent making the application 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 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 sections headed “Results of Applications Made by **WHITE** Application Forms” and “Results of Applications Made by Giving **Electronic Application Instructions** to HKSCC via CCASS” are redacted and not all details of applications are disclosed in this announcement.

Results of allocations of the Public Offer Shares in the Public Offer, including the final Offer Price, the level of indication of interests in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares will also be published on the Company’s website at **www.kwong-luen.com.hk** and the Stock Exchange’s website at **www.hkexnews.hk** by no later than 9:00 a.m. on Wednesday, 10 March 2021.

DISPATCH/COLLECTION/POSTING OF SHARE CERTIFICATES AND REFUND MONIES

For applications under WHITE Application Forms

Applicants who have applied for 1,000,000 or more Public Offer Shares and have provided all information required by their **WHITE** Application Forms may collect their refund cheque(s) and/or Share certificate(s) in person from the Hong Kong Branch Share Registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong from 9:00 a.m. to 1:00 p.m. on Wednesday, 10 March 2021, or such other date as notified by the Company. Applicants being individuals who are eligible for personal collection cannot authorize any other persons to make collection on their behalf. Corporate applicants which are eligible for personal collection must attend through their authorized representatives, each bearing a letter of authorization from the corporation stamped with the corporation's chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Branch 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 dispatched 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 Public Offer Shares and have provided all information required by their **WHITE** Application Forms will have their refund cheque(s) and/or Share certificate(s) sent to the addresses specified in their Application Forms on or before Wednesday, 10 March 2021, 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 Wednesday, 10 March 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 Public Offer Shares under **YELLOW** Application Forms may collect their refund cheque(s) from the Hong Kong Branch Share Registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Wednesday, 10 March 2021, or such other date as notified by the Company. Individual applicants eligible for personal collection must not authorize any other persons to collect for them. Corporate applicants which are eligible for personal collection must attend through their authorized representatives, each bearing a letter of authorization from the corporation stamped with the corporation's chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Branch 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 dispatched 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 Public Offer Shares under **YELLOW** Application Forms will have their refund cheque(s) sent to the addresses specified in their Application Forms on or before Wednesday, 10 March 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 Public 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 Wednesday, 10 March 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 Wednesday, 10 March 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 Wednesday, 10 March 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 Controlling Shareholders are subject to certain lock-up undertakings as set out in the paragraph 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 Thursday, 11 March 2021 provided that (i) the Share Offer has become unconditional in all respects; and (ii) the right of termination as described in the section headed “Underwriting – Underwriting arrangements and expenses – The Public Offer – Grounds for Termination” in the Prospectus has not been exercised.

Assuming that the Share Offer becomes unconditional in all aspects at or before 8:00 a.m. on Thursday, 11 March 2021, dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Thursday, 11 March 2021. The Shares will be traded in board lots of 5,000 Shares and the stock code of the Company is 1413.

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\$0.54 per Offer Share (excluding brokerage of 1.0%, the SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%).

NET PROCEEDS FROM THE SHARE OFFER

Based on the Offer Price of HK\$0.54 per Offer Share, the net proceeds from the Share Offer to be received by the Company, after deduction of underwriting fees and commissions and estimated expenses payable by the Company in connection with the Share Offer and assuming the Over-allotment Option is not exercised, are estimated to be approximately HK\$97.1 million. The Group intends to apply the proceeds from the Share Offer as follows:

- approximately HK\$39.9 million, representing approximately 41.1% of the net proceeds, will be used for financing the up-front costs of our projects;
- approximately HK\$36.5 million, representing approximately 37.5% of the net proceeds, will be used to purchase machinery comprising of 13 excavators and one crawler crane;

- approximately HK\$15.5 million, representing approximately 16.0% of the net proceeds, will be used for further expanding and strengthening our manpower by recruiting one site agent, one engineer, two quantity surveyors, one safety officer, three site foremen, 20 site workers, four machinery operators and two accounting staff; and
- approximately HK\$5.2 million, representing approximately 5.4% of the net proceeds, will be used for purchasing a building information modeling software together with certain ancillary supporting hardware device.

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

APPLICATIONS UNDER THE PUBLIC OFFER

The Public Offer Shares initially offered under the Public Offer have been very significantly over-subscribed. At the close of the application lists at 12:00 noon on Wednesday, 3 March 2021, a total of 47,199 valid applications (including applications (i) on **WHITE** and **YELLOW** Application Forms; and (ii) through giving **electronic application instructions** to HKSCC via CCASS) have been received pursuant to the Public Offer for a total of 1,357,250,000 Public Offer Shares, equivalent to approximately 54.29 times of the total number of 25,000,000 Public Offer Shares initially available under the Public Offer, among which:

- a total of 47,171 valid applications in respect of a total of 1,063,500,000 Public Offer Shares were for Public Offer with an aggregate subscription amount based on the maximum Offer Price of HK\$0.54 per Offer Share (excluding brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of HK\$5 million or less, representing approximately 85.08 times of the 12,500,000 Public Offer Shares initially comprised in Pool A; and
- a total of 28 valid applications in respect of a total of 293,750,000 Public Offer Shares were for Public Offer with an aggregate subscription amount based on the maximum Offer Price of HK\$0.54 per Offer Share (excluding brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of more than HK\$5 million, representing approximately 23.5 times of the 12,500,000 Public Offer Shares initially comprised in Pool B.

One application was rejected as invalid application which is not completed in accordance with the instructions set out in the Application Forms. 165 multiple applications or suspected multiple applications were identified and rejected. No application has been rejected due to bounced cheques or dishonored payments. No application for more than 12,500,000 Public Offer Shares (being 50% of the 25,000,000 Public Offer Shares initially available under the Public Offer was identified.

A total number of 5,756 Shareholders have been allocated Shares under the Public Offer, 4,773 of which have been allocated one board lot of Shares.

As the over-subscription of the Public Offer is more than 50 times but less than 100 times of the number of the Public Offer Shares initially available for subscription under the Public Offer, the reallocation procedures as described in the sections headed “Structure and conditions of the Share Offer – The Public Offer – Reallocation” in the Prospectus have been applied, and 75,000,000 Offer Shares initially available under the Placing have been reallocated to the Public Offer. As a result of such reallocation, the final number of Shares available under the Public Offer has been increased to 100,000,000 Offer Shares, representing 40% of the Offer Shares initially available under the Share Offer (prior to any exercise of the Over-allotment Option), being allocated to 5,756 successful applicants under the Public Offer.

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

PLACING

The Offer Shares initially offered under the Placing have been slightly over-subscribed, representing approximately 1.05 times of the total number of Shares initially available under the Placing. Taking into account the reallocation of 75,000,000 Offer Shares from the Placing to the Public Offer, the final number of Offer Shares under the Placing is 150,000,000 Offer Shares, representing 60% of the Offer Shares initially available under the Share Offer (prior to any exercise of the Over-allotment Option). A total number of 147 placees have been allocated Shares, 78 of which have been allocated with three board lots of Shares or less and in aggregate have been allocated 580,000 Offer Shares initially offered under the Placing (prior to any exercise of the Over-allotment Option), representing approximately 53.1% of total number of placees and approximately 0.2% of total number of Offer Shares.

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 Share Offer.

To the best knowledge of the Directors, no Offer Shares initially offered under the Placing have been allocated to applicants who are core connected persons of the Company, the Directors, the existing Shareholders or their respective close associates within the meaning of the Listing Rules whether in their own name or through their nominees and the 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 any of the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees or the public who has subscribed for the Shares is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in their name or otherwise held by them.

Over-allotment Option

In connection with the Share Offer, the Company has granted the Over-allotment Option to the Placing Underwriters, exercisable by the Joint Bookrunners on behalf of the Underwriters, at any time from the Listing Date until the 30th day after the last day for lodging applications under the Public Offer, to require the Company to issue and allot up to an aggregate of 37,500,000 additional Shares, representing not more than 15% of the Offer Shares initially offered under the Share Offer, at the Offer Price to cover over-allocations in the Placing. In the event the Over-allotment Option is exercised, an announcement will be made on the Company's website at **www.kwong-luen.com.hk** and the Stock Exchange's website at **www.hkexnews.hk**. As of the date of this announcement, the Over-allotment Option has not been exercised and the Over-allotment Option will be lapsed and will not be exercised as no over-allocation of the Offer Shares was made in the Placing.

PUBLIC FLOAT

The Directors confirm that there will not be any new substantial Shareholder immediately after the Share Offer 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 Share Offer, (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 PUBLIC OFFER

Subject to the satisfaction of the conditions set out in the section headed “Structure and Conditions of the Share Offer” 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 will be conditionally allocated on the basis set out below:

Number of Shares applied for	Number of valid applications	Basis of allotment/ballot	Approximate percentage allotted of the total number of Shares applied for
POOL A			
5,000	33,464	1,573 out of 33,464 to receive 5,000 Shares	4.70%
10,000	2,535	238 out of 2,535 to receive 5,000 Shares	4.69%
15,000	5,409	763 out of 5,409 to receive 5,000 Shares	4.70%
20,000	962	181 out of 962 to receive 5,000 Shares	4.70%
25,000	514	121 out of 514 to receive 5,000 Shares	4.71%
30,000	510	144 out of 510 to receive 5,000 Shares	4.71%
35,000	169	56 out of 169 to receive 5,000 Shares	4.73%
40,000	193	73 out of 193 to receive 5,000 Shares	4.73%
45,000	226	96 out of 226 to receive 5,000 Shares	4.72%
50,000	948	446 out of 948 to receive 5,000 Shares	4.70%
75,000	600	423 out of 600 to receive 5,000 Shares	4.70%
100,000	451	424 out of 451 to receive 5,000 Shares	4.70%
125,000	86	5,000 Shares plus 15 out of 86 to receive additional 5,000 Shares	4.70%
150,000	222	5,000 Shares plus 91 out of 222 to receive additional 5,000 Shares	4.70%
200,000	276	5,000 Shares plus 243 out of 276 to receive additional 5,000 Shares	4.70%
300,000	206	10,000 Shares plus 169 out of 206 to receive additional 5,000 Shares	4.70%
400,000	63	15,000 Shares plus 48 out of 63 to receive additional 5,000 Shares	4.70%
500,000	131	20,000 Shares plus 92 out of 131 to receive additional 5,000 Shares	4.70%
750,000	47	35,000 Shares plus 2 out of 47 to receive additional 5,000 Shares	4.70%
1,000,000	84	45,000 Shares plus 34 out of 84 to receive additional 5,000 Shares	4.70%
1,250,000	11	55,000 Shares plus 8 out of 11 to receive additional 5,000 Shares	4.69%
1,500,000	15	70,000 Shares plus 2 out of 15 to receive additional 5,000 Shares	4.71%
2,000,000	16	90,000 Shares plus 13 out of 16 to receive additional 5,000 Shares	4.70%
2,500,000	6	115,000 Shares plus 3 out of 6 to receive additional 5,000 Shares	4.70%
3,000,000	6	140,000 Shares plus 1 out of 6 to receive additional 5,000 Shares	4.69%
4,000,000	10	185,000 Shares plus 6 out of 10 to receive additional 5,000 Shares	4.70%
5,000,000	6	235,000 Shares	4.70%
6,250,000	1	295,000 Shares	4.72%
7,500,000	2	350,000 Shares plus 1 out of 2 to receive additional 5,000 Shares	4.70%
8,750,000	2	410,000 Shares	4.69%
Total	47,171	Total number of Pool A successful applicants: 5,728	

Number of Shares applied for	Number of valid applications	Basis of allotment/ballot	Approximate percentage allotted of the total number of Shares applied for
POOL B			
10,000,000	22	1,700,000 Shares plus 9 out of 22 to receive additional 5,000 Shares	17.02%
11,250,000	1	1,915,000 Shares	17.02%
12,500,000	5	2,125,000 Shares plus 3 out of 5 to receive additional 5,000 Shares	17.02%
Total	28	Total number of Pool B successful applicants: 28	

The final number of Offer Shares comprised in the Public Offer is 100,000,000 Offer Shares, representing 40% of the total number of Offer Shares under the Share Offer (prior to any exercise of the Over-allotment Option). The final number of Offer Shares comprised in the Placing is 150,000,000 Offer Shares, representing 60% of the total number of Offer Shares under the Share Offer (prior to 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 Public Offer 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.kwong-luen.com.hk** and the Stock Exchange's website at **www.hkexnews.hk** by no later than 9:00 a.m. on Wednesday, 10 March 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 Shares through their brokers can consult their brokers to enquire about their application result;
- from the designated results of allocations website at **www.ewhiteform.com.hk/results** with a "search by ID" function on a 24-hour basis from 9:00 a.m. on Wednesday, 10 March 2021 to 12:00 midnight on Tuesday, 16 March 2021;
- by telephone enquiry line by calling +852 2153 1688 between 9:00 a.m. and 6:00 p.m. from Wednesday, 10 March 2021 to Tuesday, 16 March 2021 (excluding Saturday, Sunday and Hong Kong public holiday); and

- in the special allocation results booklets which will be available for inspection during opening hours from Wednesday, 10 March 2021 to Saturday, 13 March 2021 at all the receiving banks' designated branches set out below.

DBS Bank (Hong Kong) Limited

District	Branch Name	Address
Hong Kong Island	Head Office	G/F, The Center, 99 Queen's Road Central, Central
	North Point Branch	G/F, 391 King's Road, North Point
Kowloon	SME Centre – Mongkok	2/F, Wofoo Commercial Building, 574–576 Nathan Road, Mongkok
New Territories	Yuen Long Branch	G/F, 1–5 Tai Tong Road, 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” 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/beneficial owner identification codes provided by nominees as an agent making the application 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 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 sections headed “Results of Applications Made by **WHITE** Application Forms” and “Results of Applications Made by Giving **Electronic Application Instructions** to HKSCC via CCASS” are redacted and not all details of applications are disclosed in this announcement.

Results of allocations of the Public Offer Shares in the Public Offer, including the final Offer Price, the level of indication of interests in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares will also be published on the Company's website at **www.kwong-luen.com.hk** and the Stock Exchange's website at **www.hkexnews.hk** by no later than 9:00 a.m. on Wednesday, 10 March 2021.

SHAREHOLDING CONCENTRATION ANALYSIS

We set out below a summary of allotment results under the Share Offer:

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

Placee	Subscription of total Offer Shares	Shares held following the Share Offer	Subscription as % of Placing Shares (assuming the Over-allotment Option is not exercised)	Subscription as % of total Offer Shares (assuming the Over-allotment Option is not exercised)	% of the total issued Shares (assuming the Over-allotment Option is not exercised)
Top 1	24,000,000	24,000,000	16.00%	9.60%	2.40%
Top 5	56,700,000	56,700,000	37.80%	22.68%	5.67%
Top 10	72,270,000	72,270,000	48.18%	28.91%	7.23%
Top 20	95,110,000	95,110,000	63.41%	38.04%	9.51%
Top 25	105,890,000	105,890,000	70.59%	42.36%	10.59%

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

Shareholder	Subscription of Public Offer Shares	Subscription of Placing Shares	Subscription of total Offer Shares	Shares held following the Share Offer	Subscription (Public Offer Shares) as % of Public Offer Shares (assuming the Over-allotment Option is not exercised)	Subscription (Placing Shares) as % of Placing Shares (assuming the Over-allotment Option is not exercised)	Subscription as % of total Offer Shares (assuming the Over-allotment Option is not exercised)	% of the total issued Shares (assuming the Over-allotment Option is not exercised)
Top 1	-	-	-	750,000,000	-	-	-	75.00%
Top 5	-	52,950,000	52,950,000	802,950,000	-	35.30%	21.18%	80.30%
Top 10	-	69,570,000	69,570,000	819,570,000	-	46.38%	27.83%	81.96%
Top 20	-	92,860,000	92,860,000	842,860,000	-	61.91%	37.14%	84.29%
Top 25 ^(Note)	2,130,000	101,690,000	103,820,000	853,820,000	2.13%	67.79%	41.53%	85.38%

Note: Consists of one Shareholder who acquired a total of 2,130,000 Offer Shares under Public Offer rank top 25 of all the Shareholders of the Company.

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.

DISPATCH/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 Public Offer Shares and have provided all information required by their **WHITE** Application Forms may collect their refund cheque(s) and/or Share certificate(s) in person from the Hong Kong Branch Share Registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong from 9:00 a.m. to 1:00 p.m. on Wednesday, 10 March 2021, or such other date as notified by the Company. Applicants being individuals who are eligible for personal collection cannot authorize any other persons to make collection on their behalf. Corporate applicants which are eligible for personal collection must attend through their authorized representatives, each bearing a letter of authorization from the corporation stamped with the corporation's chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Branch 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 dispatched 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 Public Offer Shares and have provided all information required by their **WHITE** Application Forms will have their refund cheque(s) and/or Share certificate(s) sent to the addresses specified in their Application Forms on or before Wednesday, 10 March 2021, 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 Wednesday, 10 March 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 Public Offer Shares under **YELLOW** Application Forms may collect their refund cheque(s) from the Hong Kong Branch Share Registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Wednesday, 10 March 2021, or such other date as notified by the Company. Individual applicants eligible for personal collection must not authorize any other persons to collect for them. Corporate applicants which are eligible for personal collection must attend through their authorized representatives, each bearing a letter of authorization from the corporation stamped with the corporation's chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Branch 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 dispatched 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 Public Offer Shares under **YELLOW** Application Forms will have their refund cheque(s) sent to the addresses specified in their Application Forms on or before Wednesday, 10 March 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 Public 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 Wednesday, 10 March 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 Wednesday, 10 March 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 number of Public Offer Shares allotted to them and 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 Wednesday, 10 March 2021. Immediately following the credit of the Public Offer Shares to their stock account and the credit of refund monies to their bank account, HKSCC will also make available to CCASS Investor Participants an activity statement showing the number of Public Offer Shares credited to their CCASS Investor Participant stock account and 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

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

Name	Number of Shares held in the Company subject to the Lock-up Undertakings upon the Listing	Percentage of shareholding in the Company subject to the Lock-up Undertakings upon the Listing	Last day subject to the Lock-up Undertakings ⁽²⁾
<i>Controlling Shareholders</i>			
Mr. Yip Kwong Cheung, Ms. Kwan Chui Ling and Kwong Luen Prosperity Limited ⁽¹⁾	750,000,000	75%	
– First Six-Month Period after the Listing			11 September 2021 ⁽³⁾
– Second Six-Month Period after the Listing			11 March 2022

Notes:

1. Kwong Luen Prosperity Limited is an investment holding company holding 750,000,000 Shares which is beneficially owned as to 50% and 50% by Mr. Yip Kwong Cheung and Ms. Kwan Chui Ling respectively.
2. Relevant Shares can be dealt with freely on the day after the date indicated (subject to any restriction disclosed herein).
3. Except for disposing of, or entering into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities that the Shareholder is shown to beneficially own in the Prospectus if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, the Shareholder will cease to be a controlling shareholder.

COMMENCEMENT OF DEALINGS IN THE SHARES

Share certificates will only become valid at 8:00 a.m. on Thursday, 11 March 2021 provided that (i) the Share Offer has become unconditional in all respects; and (ii) the right of termination as described in the section headed “Underwriting – Underwriting arrangements and expenses – The Public Offer – Grounds for Termination” in the Prospectus has not been exercised.

Assuming that the Share Offer becomes unconditional in all aspects at or before 8:00 a.m. on Thursday, 11 March 2021 dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Thursday, 11 March 2021. The Shares will be traded in board lots of 5,000 Shares and the stock code of the Company is 1413.

By Order of the Board of Director
Kwong Luen Engineering Holdings Limited
Yip Kwong Cheung
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 10 March 2021

As of the date of this announcement, the Board of Directors of the Company comprises Mr. Yip Kwong Cheung and Ms. Kwan Chui Ling as executive Directors; and Ms. Cheng Shing Yan, Mr. Wong Yiu Kit Ernest and Mr. Tang Sher Kin as independent non-executive Directors.