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*Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the prospectus dated Friday, 29 October 2021 (the “**Prospectus**”) issued by HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED (the “**Company**”).*

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 securities or any shares under the Global Offering. This announcement is not a prospectus. Potential investors should read the Prospectus for detailed information about the Company and the Global Offering described below before deciding whether or not to invest in the Offer Shares thereby being offered. Any investment decision in relation to the Offer Shares should be taken solely in reliance on the information provided in the Prospectus.

*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 or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or in any other jurisdiction. The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended from time to time (the “**U.S. Securities Act**”) or securities law of any state or other jurisdiction of the United States and may not be offered or sold, within the United States (as defined in Regulation S under the U.S. Securities Act), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. There will be no public offer of the Offer Shares in the United States. The Offer Shares are being offered and sold outside the United States to non-U.S. person in offshore transactions in reliance on Regulation S under the U.S. Securities Act.*

*In connection with the Global Offering, First Shanghai Securities Limited as stabilising manager (the “**Stabilising Manager**”), its affiliates or any person acting for them, on behalf of the Underwriters, may over-allocate or 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, its affiliates or any person acting for them, to conduct any such stabilising action, which, if taken, will be conducted at the sole and absolute discretion of the Stabilising Manager, its affiliates or any person acting for them, 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 day for lodging of applications under the Hong Kong Public Offering. Any market purchases of the Shares will be effected in compliance with all applicable laws and regulatory requirements. 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 (Chapter 571W of the Laws of Hong Kong), as amended, made under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).*

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 Friday, 3 December 2021, being the 30th day after the last day of closing of the applications lists under the Hong Kong Public Offering. After this date, when no further stabilising action may be taken to support the price of the Shares, demand for the Shares and therefore the price of the Shares could fall.

Potential investors of the Offer Shares should note that the Sole Global Coordinator (for itself and on behalf of the Underwriters) shall be entitled to terminate their obligations under the Underwriting Agreement with immediate effect upon the occurrence of any of the events set out in the paragraph headed “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — 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 November 2021).



HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED

鴻承環保科技有限公司

(Incorporated in the Cayman Islands with limited liability)

GLOBAL OFFERING

- Number of Offer Shares under the Global Offering : 250,000,000 Shares (subject to the Over-allotment Option)
- Number of Hong Kong Offer Shares : 25,000,000 Shares (subject to reallocation)
- Number of International Placing Shares : 225,000,000 Shares (subject to reallocation and the Over-allotment Option)
- Maximum Offer Price : HK\$1.48 per Offer Share, plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars, subject to refund)
- Nominal value : HK\$0.01 per Share
- Stock code : 2265

Sole Sponsor and Sole Global Coordinator



Joint Bookrunners and Joint Lead Managers



Joint Lead Managers



**IMPORTANT NOTICE TO INVESTORS:
FULLY ELECTRONIC APPLICATION PROCESS**

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of the Prospectus or printed copies of any application forms to the public in relation to the Hong Kong Public Offering.

The Prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the “*HKEXnews > New Listings > New Listing Information*” section, and website of the Company at www.sdhcgroup.cn. If you require a printed copy of the Prospectus, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may:

- (1) apply online via the **HK eIPO White Form** service in the **IPO App** (which can be downloaded by searching “**IPO App**” in App Store or Google Play or downloaded at www.hkeipo.hk/IPOApp or www.tricorglobal.com/IPOApp) or at www.hkeipo.hk; or
- (2) apply through the **CCASS EIPO** service to electronically cause HKSCC Nominees to apply on your behalf, including by:
 - i. instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf; or
 - ii. (if you are an existing **CCASS Investor Participant**) giving **electronic application instructions** through the CCASS Internet System (<https://ip.ccass.com>) or through the CCASS Phone System by calling +852 2979 7888 (using the procedures in HKSCC’s “An Operating Guide for Investor Participants” in effect from time to time). HKSCC can also input **electronic application instructions** for CCASS Investor Participants through HKSCC’s Customer Service Centre at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong by completing an input request.

If you have any question about the application for the Hong Kong Offer Shares, you may call the enquiry hotline of our Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at +852 3907 7333 on the following dates:

Friday, 29 October, 2021	—	9:00 a.m. to 9:00 p.m.
Saturday, 30 October, 2021	—	9:00 a.m. to 6:00 p.m.
Monday, 1 November, 2021	—	9:00 a.m. to 9:00 p.m.
Tuesday, 2 November, 2021	—	9:00 a.m. to 9:00 p.m.
Wednesday, 3 November, 2021	—	9:00 a.m. to 12:00 noon

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of the Prospectus are identical to the printed document as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary, broker or agent**, please remind your customers, clients or principals, as applicable, that the Prospectus is available online at the website addresses above.

See section headed “How to Apply for Hong Kong Offer Shares” of the Prospectus for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application must be for a minimum of 5,000 Hong Kong Offer Shares and in one of the numbers set out in the table. You are required to pay the amount next to the number you select.

HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED

(Stock Code: 2265)

(Maximum Offer Price of HK\$1.48 per Hong Kong Offer Share)

NUMBER OF HONG KONG OFFER SHARES THAT MAY BE APPLIED FOR AND PAYMENTS

<u>No. of Hong Kong Offer Shares applied for</u>	<u>Amount payable on application</u>	<u>No. of Hong Kong Offer Shares applied for</u>	<u>Amount payable on application</u>	<u>No. of Hong Kong Offer Shares applied for</u>	<u>Amount payable on application</u>
	<i>HK\$</i>		<i>HK\$</i>		<i>HK\$</i>
5,000	7,474.57	80,000	119,593.12	2,000,000	2,989,827.92
10,000	14,949.14	90,000	134,542.26	3,000,000	4,484,741.88
15,000	22,423.71	100,000	149,491.40	4,000,000	5,979,655.84
20,000	29,898.28	200,000	298,982.79	5,000,000	7,474,569.80
25,000	37,372.85	300,000	448,474.19	6,000,000	8,969,483.76
30,000	44,847.42	400,000	597,965.58	7,000,000	10,464,397.72
35,000	52,321.99	500,000	747,456.98	8,000,000	11,959,311.68
40,000	59,796.56	600,000	896,948.38	9,000,000	13,454,225.64
45,000	67,271.13	700,000	1,046,439.77	10,000,000	14,949,139.60
50,000	74,745.70	800,000	1,195,931.17	11,000,000	16,444,053.56
60,000	89,694.84	900,000	1,345,422.56	12,500,000 ^{Note}	18,686,424.50
70,000	104,643.98	1,000,000	1,494,913.96		

Note: Maximum number of Hong Kong Offer Shares you may apply for.

No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

THE LISTING APPLICATION

Application has been made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option) and any Shares which may be granted under the Share Option Scheme. Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. on Thursday, 11 November 2021, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Thursday, 11 November 2021. In the event that the Over-allotment Option is exercised, an announcement will be made by the Company on the Company's website at www.sdhcgroup.cn and the Stock Exchange's website at www.hkexnews.hk.

STRUCTURE OF THE GLOBAL OFFERING

The Global Offering comprises:

- the Hong Kong Public Offering of initially 25,000,000 Offer Shares (subject to reallocation), representing approximately 10% of the total number of Offer Shares initially available under the Global Offering, and
- the International Placing of initially 225,000,000 Offer Shares (subject to reallocation and the Over-allotment Option), representing approximately 90% of the total number of Offer Shares initially available under the Global Offering.

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Placing will be subject to reallocation as described in the section headed "Structure and conditions of the Global Offering" of the Prospectus.

In particular, Offer Shares may be reallocated from the International Placing to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In accordance with Guidance Letter HKEX-GL91-18 issued by the Stock Exchange, if such reallocation is done other than pursuant to the clawback mechanism as described in the section headed "Structure and Conditions of the Global Offering — Reallocation and Clawback of the Offer Shares Between Hong Kong Public Offering and International Placing" of the Prospectus. The number of Offer Shares that may be reallocated from the International Placing to the Hong Kong Public Offering shall not exceed 25,000,000 Shares, representing approximately 10% of the Offer Shares initially available under the Global Offering, increasing the maximum total number of Offer Shares available under the Hong Kong Public Offering to 50,000,000 Shares, representing approximately 20% of the Offer Shares and the final Offer Price shall be fixed at the low end of the indicative Offer Price range (i.e. HK\$1.02 per Offer Share) as stated in the Prospectus.

In connection with the Global Offering, and pursuant to the International Underwriting Agreement, the Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Sole Global Coordinator (for itself and on behalf of the International Underwriters), at any time from the Listing Date until 30 days

after the last day for the lodging applications under the Hong Kong Public Offering (the last day for exercise of the Over-allotment Option being Friday, 3 December 2021) to require the Company to issue up to an aggregate of 37,500,000 additional Shares, representing not more than approximately 15% of the total number of Offer Shares initially available under the Global Offering at the Offer Price, to among other things, to cover over-allocations in the International Placing, if any. In the event the Over-allotment Option is exercised, the Company will make an announcement which will be posted on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.sdhcgroup.cn.

PRICING

The Offer Price will not be more than HK\$1.48 per Offer Share and is expected to be not less than HK\$1.02 per Offer Share, unless otherwise announced. Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum Offer Price of HK\$1.48 per Offer Share together with brokerage of 1.0%, SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price as finally determined is less than HK\$1.48 per Offer Share.

EXPECTED TIMETABLE

Hong Kong Public Offering commences 9:00 a.m. on
Friday, 29 October 2021

Latest time for completing electronic applications
under the **HK eIPO White Form** service through
one of the below ways 11:30 a.m. on
Wednesday, 3 November 2021

- (1) the designated website www.hkeipo.hk
- (2) the **IPO App**, which can be downloaded by searching “**IPO App**” in App Store or Google Play or downloaded at www.hkeipo.hk/IPOApp or www.tricorglobal.com/IPOApp

Application lists open 11:45 a.m. on
Wednesday, 3 November 2021

Latest time for (a) completing payment for **HK eIPO White Form** applications by effecting Internet banking transfer(s) or PPS payment transfer(s) and (b) giving **electronic application instructions** to HKSCC 12:00 noon on
Wednesday, 3 November 2021

If you are instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists close 12:00 noon on
Wednesday, 3 November 2021

Expected Price Determination Date Wednesday, 3 November 2021

Announcement of

- (a) the Offer Price,
 - (b) the level of indications of interest in the International Placing,
 - (c) the level of applications in the Hong Kong Public Offering and
 - (d) the basis of allocation of the Hong Kong Offer Shares
- to be published on the website of the Stock Exchange
at www.hkexnews.hk and the website of the Company
at www.sdhcgroup.cn on or before Wednesday, 10 November 2021

Results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels, including:

- in the announcement to be posted on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.sdhcgroup.cn Wednesday, 10 November 2021
- from “IPO Results” function in the **IPO App** or the designated results of allocations website at www.tricor.com.hk/ipo/result or www.hkeipo.hk/IPOResult with a “search by ID” function from Wednesday, 10 November 2021
- from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Wednesday, 10 November 2021 to Monday, 15 November 2021 (excluding Saturday, Sunday and public holiday in Hong Kong)

Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before Wednesday, 10 November 2021

HK eIPO White Form e-Auto Refund payment

instructions/refund cheques in respect of wholly or partially successful applications (if applicable) or wholly or partially unsuccessful applications to be dispatched/collected on or before Wednesday, 10 November 2021

Dealings in the Shares on the Stock Exchange

expected to commence at 9:00 a.m. on Thursday, 11 November 2021

Note: all dates and times refer to Hong Kong local times and date.

SETTLEMENT

Subject to the granting of the approval for listing of, and permission to deal in, the Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made to enable the Shares to be admitted into CCASS. Investors should seek the advice of their stockbrokers or other professional advisers for details of the settlement arrangement as such arrangements may affect their rights and interests.

ELECTRONIC APPLICATION CHANNELS

HK eIPO White Form Service

You may submit your application through the **HK eIPO White Form** Service Provider through the **IPO App** or the designated website at www.hkeipo.hk (24 hours daily, except on the last day for applications) from 9:00 a.m. on Friday, 29 October 2021 until 11:30 a.m. on Wednesday, 3 November 2021 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Wednesday, 3 November 2021, the last day for applications, or such later date as described in the section headed “How to Apply for Hong Kong Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists” of the Prospectus.

CCASS EIPO Service

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:⁽¹⁾

Friday, 29 October, 2021	—	9:00 a.m. to 8:30 p.m.
Monday, 1 November, 2021	—	8:00 a.m. to 8:30 p.m.
Tuesday, 2 November, 2021	—	8:00 a.m. to 8:30 p.m.
Wednesday, 3 November, 2021	—	8:00 a.m. to 12:00 noon

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Friday, 29 October 2021 until 12:00 noon on Wednesday, 3 November 2021 (24 hours daily, except on Wednesday, 3 November 2021, the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Wednesday, 3 November 2021, the last day for applications or such later time as described in the section headed “How to apply for Hong Kong Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists” of the Prospectus.

Note:

- (1) These times in this sub-section are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants and/or CCASS Investor Participants.

If you are instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

The application monies (including the brokerage fees, SFC transaction levy and the Stock Exchange trading fee) will be held by the receiving bank and on behalf of the Company after the closing of the application lists and the refund monies, if any, will be returned to the applicants without interest on or before Wednesday, 10 November 2021.

See sections headed “Structure and Conditions of the Global Offering” and “How to Apply for Hong Kong Offer Shares” of the Prospectus for details of the conditions and procedures of the Hong Kong Public Offering.

Application for the Hong Kong Offer Shares will only be considered on the basis of the terms and conditions set out in the Prospectus, the GREEN Application Form, the IPO App and the designated website (www.hkeipo.hk) for HK eIPO White Form service.

PUBLICATION OF RESULTS

The Company expects to publish the announcement on the final Offer Price, the level of indication of interest 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 on Wednesday, 10 November 2021 on the website of the Company at www.sdhcgroup.cn and the website of the Stock Exchange at www.hkexnews.hk.

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 through a variety of channels at the times and dates and from Wednesday, 10 November 2021 as specified in the section headed “How to Apply for Hong Kong Offer Shares — 11. Publication of Results” of the Prospectus.

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum Offer Price of HK\$1.48 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with section headed “Structure and Conditions of the Global Offering — Conditions of the Global Offering” of the Prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest.

The Company will not issue temporary documents of title in respect of the Shares or receipt for application monies paid. Share certificates for the Offer Shares distributed pursuant to the Global Offering will only become valid documents of title when the Global Offering has become unconditional in all respects and none of the Underwriting Agreements has been terminated in accordance with its terms prior to 8:00 a.m. (Hong Kong time) on the Listing Date, i.e. Thursday, 11 November 2021.

Assuming the Global Offering becomes unconditional at or before 8:00 a.m. on Thursday, 11 November 2021 (Hong Kong time), dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Thursday, 11 November 2021 (Hong Kong time). The Shares will be traded in board lots of 5,000 Shares each. The stock code of the Shares is 2265.

By order of the Board
**HONGCHENG ENVIRONMENTAL TECHNOLOGY
COMPANY LIMITED**
Liu Zeming
Chairman and Executive Director

Hong Kong, 29 October 2021

As at the date of this announcement, the board of directors of the Company comprises Mr. Liu Zeming, Mr. Zhan Yirong and Mr. Sheng Haiyan as the executive Directors; and Mr. Zhang Shijun, Ms. Liu Ye and Mr. Lau Chung Wai as the independent non-executive Directors.