

ANNOUNCEMENT OF OFFER PRICE AND ALLOTMENT RESULT

SUMMARY

Offer Price

- The Offer Price has been determined at HK\$2.18 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%).

Net Proceeds from the Global Offering

- Based on the Offer Price of HK\$2.18 per Offer Share, the net proceeds from the Global Offering to be received by the Company, after deduction of the underwriting fees and commissions and other estimated expenses payable by the Company in connection with the Global Offering, are estimated to be approximately HK\$654.0 million. The Company intends to use the net proceeds from the Global Offering in the manner as set out in the paragraph headed “Net Proceeds from the Global Offering” in this announcement.
- If the Over-allotment Option is exercised in full, the Company will receive additional net proceeds of approximately HK\$105.2 million for 50,000,000 additional Offer Shares to be issued and allotted upon the exercise of the Over-allotment Option. Any additional proceeds received from the exercise of the Over-allotment Option will be allocated to satisfy the additional capital expenditure needs of the Company as appropriate.

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

- The Hong Kong Offer Shares initially offered under the Hong Kong Public Offering have been undersubscribed. A total of 1,508 valid applications have been received pursuant to the Hong Kong Public Offering through the **White Form eIPO** service and through the **CCASS eIPO** service for a total of 20,046,000 Hong Kong Offer Shares, representing approximately 0.60 times of the total number of 33,334,000 H Shares initially available for subscription under the Hong Kong Public Offering.
- Due to the undersubscription in the Hong Kong Public Offering, 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 the number of unsubscribed Offer Shares under the Hong Kong Public Offering have been reallocated to the International Offering. As a result of such reallocation, the final number of Offer Shares allocated to the Hong Kong Public Offering has been reduced to 20,046,000 Offer Shares, representing approximately 60.14% of the total number of Offer Shares initially available under the Hong Kong Public Offering and 6.01% of the total number of Offer Shares initially available under the Global Offering.

International Offering

- The H Shares initially offered under the International Offering have been moderately over-subscribed, representing approximately 1.33 times of the total number of H Shares initially available under the International Offering. The final number of H Shares under the International Offering is 313,288,000 H Shares, representing approximately 93.99% of the total number of H Shares initially available under the Global Offering.
- There has been an over-allocation of 50,000,000 Offer Shares and there are a total of 114 placees under the International Offering, among which 41 placees, representing approximately 36.0% of 114 placees under the International Offering, have been allotted one board lot of Offer Shares totalling 82,000 H Shares, representing approximately 0.03% of the Offer Shares initially available under the International Offering (assuming the Over-allotment Option is not exercised).

Cornerstone Investor

- Based on the Offer Price of HK\$2.18 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%), pursuant to the Cornerstone Investment Agreement, the Cornerstone Investor has subscribed for a total of 72,018,000 H Shares, representing in aggregate (a) approximately 5.40% of the issued share capital of the Company immediately upon completion of the Global Offering and (b) approximately 21.61% of the number of Offer Shares under the Global Offering. Please refer to the section headed “Cornerstone Investor” in the Prospectus for further details of the Cornerstone Investor.

Connected Client Placee with Consent under Paragraph 5(1) of the Placing Guidelines

Under the International Offering, a total of 15,274,000 Offer Shares, representing approximately 4.58% of the Offer Shares initially available under the Global Offering, were placed to a connected client of one of the Overall Coordinators within the meaning of the Placing Guidelines. Details are set out below:

Placee	Overall Coordinator	Relationship with the Overall Coordinator	Number of Offer Shares placed	Approximate percentage of the Offer Shares initially available under the Global Offering ⁽¹⁾⁽²⁾	Approximate percentage of the total issued shares immediately following the completion of the Global Offering ⁽¹⁾⁽²⁾
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Connected client holding beneficial interests in the Offer Shares on a non-discretionary basis:

Huatai Capital Investment Limited (“HTCI”)	Huatai Financial Holdings (Hong Kong) Limited (“HTFH”)	HTFH and HTCI are fellow subsidiaries of Huatai Securities Co., Ltd. (“Huatai Securities”)	15,274,000	4.58%	1.15%
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Notes:

- (1) Assuming the Over-allotment Option is not exercised.
- (2) The percentage figures are subject to round adjustments.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted to the Company, consent under paragraph 5(1) of the Placing Guidelines to permit the Company to allocate Offer Shares in the International Offering to the above placee. The Offer Shares placed to the connected client is held by the connected client on behalf of Independent Third Parties and are in compliance with all the conditions under the consent granted by the Stock Exchange.

Over-allotment Option

In connection with the Global Offering, the Company has granted the Over-allotment Option to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters), at any time from the Listing Date to Friday, December 15, 2023, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to allot and issue up to an aggregate of 50,000,000 additional Offer Shares, representing approximately 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price to cover the over-allocations in the International Offering, if any. There has been an over-allocation of 50,000,000 Offer Shares in the International Offering. Such over-allocation may be covered by exercising the Over-allotment Option in full or in part or by making purchases in the secondary market or a combination of these means. In the event the Over-allotment Option is exercised, an announcement will be made on the Stock Exchange’s website at www.hkexnews.hk and the Company’s website at www.sxaz.com.cn. As of the date of this announcement, the Over-allotment Option has not been exercised.

Confirmations of Cornerstone Investor, public Shareholders in the Hong Kong Public Offering and places in the International Offering

- To the best of the knowledge, information and belief of our Company, (i) the Cornerstone Investor is independent of the Company, its connected persons and their respective associates; (ii) the Cornerstone Investor is not accustomed to take and has not taken instructions from our Company, our subsidiaries, the Directors, Supervisors, chief executive, Controlling Shareholder, substantial Shareholder or existing Shareholders of the Company or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) the subscription of the Offer Shares by the Cornerstone Investor is not financed by our Company, our subsidiaries, the Directors, Supervisors, chief executive, Controlling Shareholder, substantial Shareholder or existing Shareholders of the Company or any of their respective close associates.
- To the best knowledge of the Company, (i) none of the Offer Shares subscribed by public Shareholders in the Hong Kong Public Offering and places in the International Offering has been directly or indirectly financed by the Company, the Directors, Supervisors, chief executive, the Controlling Shareholder, substantial Shareholder or existing Shareholders of the Company or any of their subsidiaries or their respective close associates; (ii) none of the public Shareholders in the Hong Kong Public Offering and places in the International Offering who has subscribed for the Offer Shares is accustomed to taking instructions from the Company, the Directors, Supervisors, chief executive, the Controlling Shareholder, substantial Shareholder or existing Shareholders of the Company or any of their subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in their name or otherwise held by them; (iii) there is no side agreement or arrangement between the Company, any of the Directors, the Supervisors, chief executive, the Controlling Shareholder, substantial Shareholder or existing Shareholders of the Company or any of its subsidiaries or their respective close associates, on one hand, and the public subscribers or the placee who has subscribed for the Offer Shares, on the other hand; (iv) no rebate has been, directly or indirectly, provided by the Company, the Directors, the Supervisors, chief executive, the Controlling Shareholder, substantial Shareholder or existing Shareholders of the Company or any of their subsidiaries or their respective close associates or syndicate members or any other brokers or underwriters to any public Shareholders in the Hong Kong Public Offering or places in the International Offering; and (v) the consideration payable by the public Shareholders in the Hong Kong Public Offering and places in the International Offering for each Share subscribed for or purchased by them is the same as the final Offer Price as determined by the Company, in addition to brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%.
- The Directors confirm that, no places will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after the Global Offering.

Lock-up Obligations

The Company, the Controlling Shareholder and the Cornerstone Investor are subject to lock-up obligations in respect of the Shares as set out in the paragraph headed “Lock-up Obligations” in this announcement.

Public Float

The Directors confirm that (a) no placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after the Global Offering; (b) there will not be any new substantial shareholder (as defined in the Listing Rules) of the Company immediately after the Global Offering; (c) the number of H Shares in public hands will satisfy the minimum percentage as approved by the Stock Exchange; (d) the three largest public shareholders of the Company do not hold more than 50% of the H Shares in public hands at the time of Listing in compliance with Rules 8.08(3) and 8.24 of the Listing Rules; and (e) there will be at least 300 Shareholders at the time of Listing in compliance with Rule 8.08(2) of the Listing Rules.

Results of Allocation

The final Offer Price, results of applications in the Hong Kong Public Offering, the level of indications of interests in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares will be published on Tuesday, November 21, 2023, on the websites of the Company at www.sxaz.com.cn and the Stock Exchange at www.hkexnews.hk.

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

- in the announcement to be posted on the Company’s website at www.sxaz.com.cn and the Stock Exchange’s website at www.hkexnews.hk by no later than 9:00 a.m. on Tuesday, November 21, 2023;
- from the designated results of allocations website at www.iporeresults.com.hk (alternatively: English <https://www.eipo.com.hk/en/Allotment>; Chinese <https://www.eipo.com.hk/zh-hk/Allotment>) with a “search by ID” function on a 24-hour basis from 8:00 a.m. on Tuesday, November 21, 2023 to 12:00 midnight, on Monday, November 27, 2023;
- by telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. from Tuesday, November 21, 2023 to Friday, November 24, 2023 (excluding Saturday, Sunday and public holiday in Hong Kong).

This announcement contains a list of identification document numbers. Identification document numbers shown in the section headed “Results of Applications Made by **White Form eIPO**” in this announcement refer to Hong Kong identity card numbers/passport numbers/Hong Kong business registration numbers/certificate of incorporation numbers/beneficial owner identification codes (if such applications are made by nominees as agent for the benefit of another person) whereas those displayed in the section headed “Results of Applications Made by Giving Electronic Application Instructions to HKSCC via CCASS” in this announcement are provided by CCASS Participants via CCASS. Therefore, the identification document numbers shown in the two sections are different in nature.

Please note that the list of identification document numbers set out in this announcement may not be a complete list of successful applicants since only successful applicants whose identification document numbers are provided to HKSCC by CCASS Participants or via **White Form eIPO** service are disclosed. Applicants with beneficial names only but not identification document numbers are not disclosed due to personal privacy issue as elaborated below. Applicants who applied for the Hong Kong Offer Shares through their brokers or nominees can consult their brokers or nominees to enquire about their application results.

Since applications are subject to personal information collection statements, beneficial owner identification codes displayed in the sections headed “Results of Applications Made by **White Form eIPO**” and “Results of Applications Made by Giving Electronic Application Instructions to HKSCC via CCASS” are redacted and not all details of applications are disclosed in this announcement.

Dispatch/Collection of H Share Certificates/e-Refund Payment Instructions/Refund Checks

- Applicants who applied for 1,000,000 Hong Kong Offer Shares or more through the **White Form eIPO** service and who have been successfully or partially successfully allocated Hong Kong Offer Shares may collect refund cheque(s) and/or H Share certificate(s) (where applicable) from the H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Tuesday, November 21, 2023, or any other place or date the Company may notify.
- Applicants being individuals who are eligible for personal collection cannot authorize any other person to make collection on their behalf. Corporate applicants which are eligible for personal collection must attend by their authorised representatives bearing letters of authorisation from their corporations stamped with the corporations' chops. Both individuals and authorised representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.
- H Share certificates for Hong Kong Offer Shares allocated to applicants who applied through the **White Form eIPO** service which are either not available for personal collection or which are available but are not collected in person within the time specified for collection are expected to be dispatched by ordinary post to those entitled to them at their own risk on or before Tuesday, November 21, 2023.
- Wholly or partially successful applicants who applied by giving **electronic application instructions** to HKSCC via CCASS will have their H Share certificates issued in the name of HKSCC Nominees Limited and deposited into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participant stock accounts who gave **electronic application instructions** on their behalf on Tuesday, November 21, 2023.
- Applicants who applied through a designated CCASS Participant (other than a CCASS Investor Participant) should check the number of Hong Kong Offer Shares allotted to them with that CCASS Participant.
- Applicants who applied through the **White Form eIPO** service and paid the application monies from a single bank account will have refund monies (if any) dispatched to their application payment accounts in the form of e-Refund payment instructions on Tuesday, November 21, 2023. Applicants who applied through the **White Form eIPO** service and paid the application monies from multiple bank accounts will have refund monies (if any) dispatched to the addresses specified on their **White Form eIPO** applications in the form of refund check(s) in favour of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at their own risk on or before Tuesday, November 21, 2023.
- Refund monies for applicants who have applied by giving **electronic application instructions** to HKSCC via CCASS are expected to be credited to the relevant applicants' designated bank accounts or the designated bank accounts of their brokers or custodians on Tuesday, November 21, 2023.

- H Share certificates will only become valid evidence of title at 8:00 a.m. on Wednesday, November 22, 2023, provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination” in the Prospectus has not been exercised.
- No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

Commencement of Dealings

- H Share certificates for the Hong Kong Offer Shares will only become valid evidence of title provided that the Global Offering has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms, which is scheduled to be at around 8:00 a.m. on Wednesday, November 22, 2023. Investors who trade H Shares on the basis of publicly available allocation details before the receipt of the H Share certificates and before they become valid do so entirely of their own risk.
- Assuming that the Global Offering becomes unconditional at or before 8:00 a.m. on Wednesday, November 22, 2023 (Hong Kong time), it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Wednesday, November 22, 2023 (Hong Kong time). The H Shares will be traded on the Main Board of the Stock Exchange in board lots of 2,000 H Shares each. The stock code of the H Shares will be 2520.

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

OFFER PRICE

The Offer Price has been determined at HK\$2.18 per H Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%).

NET PROCEEDS FROM THE GLOBAL OFFERING

Based on the Offer Price of HK\$2.18 per H Share, the net proceeds from the Global Offering to be received by the Company, after deduction of underwriting fees and commissions and other estimated expenses payable by the Company in connection with the Global Offering, are estimated to be approximately HK\$654.0 million.

The Company intends to apply the net proceeds as follows:

- approximately 50% or HK\$327.0 million, to be used for financing new energy projects. To implement the development strategy of “investment diversification and the integration of investment, construction and operation”, we intend to apply the proceeds allocated hereunder for equity investments for new energy project. We intend to cooperate with other private entities in investing in and building privately-owned facilities and generate profit through the operation of such facilities;
- approximately 32% or HK\$209.3 million, to be used for financing our equity investment commitment under current and future PPP projects and construction projects of the Company such as clean heating, distributed energy, solid waste disposal and water treatment;
- approximately 10% or HK\$65.4 million, to be used for financing new energy projects of upstream and downstream manufacturing industries, including: (i) approximately 5% or HK\$32.7 million to be used for the Group’s heavy-steel structure plant base; and (ii) approximately 5% or HK\$32.7 million to be used for financing our future equity investment in other upstream and downstream manufacturing industries, for example, equity investment in industrial park with production line for construction equipments; and
- approximately 8% or HK\$52.3 million, to be used for working capital and general corporate purposes.

If the Over-allotment Option is exercised in full, the Company will receive additional net proceeds of approximately HK\$105.2 million for 50,000,000 additional Offer Shares to be issued and allotted upon the exercise of the Over-allotment Option. Any additional proceeds received from the exercise of the Over-allotment Option will be allocated to satisfy the additional capital expenditure needs of the Company as appropriate. For further information, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus.

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

The Hong Kong Offer Shares initially available under the Hong Kong Public Offering have been slightly over-subscribed. At the close of the application lists at 12:00 noon on Wednesday, November 15, 2023, a total of 1,508 valid applications have been received pursuant to the Hong Kong Public Offering through the **White Form eIPO** service and through the **CCASS EIPO** service for a total of 20,046,000 Hong Kong Offer Shares, representing approximately 0.60 times of the total number of 33,334,000 Offer Shares initially available for subscription under the Hong Kong Public Offering, among which:

- 1,507 valid applications in respect of a total of 15,046,000 Hong Kong Offer Shares were for the Hong Kong Public Offering with an aggregate subscription amount based on the maximum Offer Price of HK\$2.36 per H Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) of HK\$5 million or less, representing approximately 0.90 times of the 16,668,000 Hong Kong Offer Shares initially comprised in Pool A; and

- One valid application in respect of a total of 5,000,000 Hong Kong Offer Shares were for the Hong Kong Public Offering with an aggregate subscription amount based on the maximum Offer Price of HK\$2.36 per Offer Share (excluding brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.005% and AFRC transaction levy of 0.00015%) of more than HK\$5 million, representing approximately 0.3 times of the 16,666,000 Hong Kong Offer Shares initially comprised in Pool B.

No application has been rejected due to dishonored payments. Two multiple or suspected multiple applications were identified and rejected. No dishonoured payment has been identified and rejected. No application for more than 16,666,000 Hong Kong Offer Shares (being the maximum number of Hong Kong Offer Shares an applicant may apply for) has been identified.

Due to the undersubscription in the Hong Kong Public Offering, 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 the number of unsubscribed Offer Shares under the Hong Kong Public Offering have been reallocated to the International Offering. As a result of such reallocation, the final number of Offer Shares allocated to the Hong Kong Public Offering has been reduced to 20,046,000 Offer Shares, representing approximately 60.14% of the total number of Offer Shares initially available under the Hong Kong Public Offering and 6.01% of the total number of Offer Shares initially available under the Global Offering.

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

INTERNATIONAL OFFERING

The H Shares initially offered under the International Offering have been moderately over-subscribed, representing approximately 1.33 times of the total number of H Shares initially available under the International Offering. The final number of Offer Shares allocated to the places under the International Offering is 313,288,000 H Shares, representing approximately 93.99% of the total number of Offer Shares initially available under the Global Offering.

There has been an over-allocation of 50,000,000 Offer Shares and there are a total of 114 places under the International Offering, among which 41 places, representing approximately 36.0% of 114 places under the International Offering, have been allotted one board lot of Offer Shares totalling 82,000 H Shares, representing approximately 0.03% of the Offer Shares initially available under the International Offering (assuming the Over-allotment Option is not exercised).

Cornerstone Investor

Based on the Offer Price of HK\$2.18 per Offer Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) and pursuant to the Cornerstone Investment Agreement as disclosed in the section headed “Cornerstone Investor” in the Prospectus, the number of Offer Shares subscribed for by the Cornerstone Investor are determined as set out below:

Cornerstone Investor	Total Investment Amount ⁽¹⁾ (HK\$)	Number of Offer Shares to be acquired ⁽²⁾	Approximate % of the Offer Shares	Approximate % of the International Offer Shares	Approximate % of our total issued share capital immediately upon completion of the Global Offering
Mingyang Smart Energy	157,000,000	72,018,000 H Shares	21.6	23.0	5.4

Notes:

- (1) The total investment amount exclude brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%.
- (2) Subject to rounding down to the nearest whole board lot of 2,000 H Shares. The final number of the Offer Shares allotted to the Cornerstone Investor was calculated with reference to the actual total investment amount in Hong Kong dollars.

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

Connected Client Placee with Consent under Paragraph 5(1) of the Placing Guidelines

Under the International Offering, a total of 15,274,000 Offer Shares, representing approximately 4.58% of the Offer Shares initially available under the Global Offering, were placed to a connected client of one of the Overall Coordinators within the meaning of the Placing Guidelines. Details are set out below:

Placee	Overall Coordinator	Relationship with the Overall Coordinator	Number of Offer Shares placed	Approximate percentage of the Offer Shares initially available under the Global Offering ⁽¹⁾⁽²⁾	Approximate percentage of the total issued shares immediately following the completion of the Global Offering ⁽¹⁾⁽²⁾
Huatai Capital Investment Limited (“HTCI”)	Huatai Financial Holdings (Hong Kong) Limited (“HTFH”)	HTFH and HTCI are fellow subsidiaries of Huatai Securities Co., Ltd. (“Huatai Securities”)	15,274,000	4.58%	1.15%

Connected client holding beneficial interests in the Offer Shares on a non-discretionary basis:

Huatai Capital Investment Limited (“HTCI”)	Huatai Financial Holdings (Hong Kong) Limited (“HTFH”)	HTFH and HTCI are fellow subsidiaries of Huatai Securities Co., Ltd. (“Huatai Securities”)	15,274,000	4.58%	1.15%
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Notes:

- (1) Assuming the Over-allotment Option is not exercised.
- (2) The percentage figures are subject to round adjustments.

HTFH and HTCI are fellow subsidiaries of (“**Huatai Securities**”). Huatai Securities entered into an ISDA agreement (the “**ISDA Agreement**”) with HTCI, its indirectly wholly-owned subsidiary, to set out the principal terms of any future total return swap between Huatai Securities and HTCI. Pursuant to the ISDA Agreement, HTCI, which intends to participate in the Global Offering as a placee, will hold the beneficial interests of the Offer Shares on a non-discretionary basis as the single underlying holder under a back-to-back total return swap (the “**Huatai Back-to-back TRS**”) to be entered by HTCI in connection with a Huatai Client TRS (as defined below) placed by and fully funded (i.e. with no financing provided by HTCI) by certain onshore independent third-party investors (the “**Huatai Ultimate Clients**”), by which, HTCI will pass the full economic exposure of the Offer Shares to the Huatai Ultimate Clients, which in effect, HTCI will hold the beneficial interests of the Offer Shares on behalf of the Huatai Ultimate Clients. Instead of directly subscribing for the Offer Shares, the Huatai Ultimate Clients will place a total return swap order (the “**Huatai Client TRS**”) with Huatai Securities in connection with the Company’s IPO and Huatai Securities will place a Huatai Back-to-back TRS order to HTCI on the terms of the ISDA Agreement. To the best of HTCI’s knowledge and after making all reasonable enquiries, each of the Huatai Ultimate Clients is an independent third party of the Company and their respective associates. The purpose of HTCI to subscribe for the Offer Shares is for hedging the Huatai Back-to-back TRS in connection with the Huatai Client TRS order placed by the Huatai Ultimate Clients. Pursuant to the terms of the contracts of the Huatai Back-to-back TRS and the Huatai Client TRS, during the tenor of the Huatai Back-to-back TRS and the Huatai Client TRS, all economic returns of the Offer Shares will be passed to the Huatai Ultimate Clients through the Huatai Back-to-back TRS and the Huatai Client TRS and all economic loss shall be borne by the Huatai Ultimate Clients. HTCI will not take any economic return or bear any economic loss in relation to the Offer Shares. The Huatai Ultimate Clients may exercise an early termination right to terminate the Huatai Client TRS at any time from the issue date of the Huatai Client TRS which should be on or after the date on which the Offer Shares are listed on the Stock Exchange. Upon the termination upon maturity or early termination of the Huatai Client TRS by the Huatai Ultimate Clients, HTCI will dispose the Offer Shares on the secondary market and the Huatai Ultimate Clients will receive a final termination amount of the Huatai Back-to-back TRS which should have taken into account all the economic returns or economic loss in relation to the Offer Shares. If upon the maturity of the Huatai Client TRS, the Huatai Ultimate Clients intend to extend the investment period, subject to further agreement between Huatai Securities and the relevant Huatai Ultimate Clients, the term of the Huatai Client TRS could be extended by way of a new issuance or a tenor extension.

Accordingly, Huatai Securities will extend the term of the Huatai Back-to-back TRS by way of a new issuance or a tenor extension. It is proposed that HTCI will hold the legal title and the voting right of the Offer Shares by itself, and pass through the economic exposure to the Huatai Ultimate Clients, each being an onshore client who places a Huatai Client TRS order with Huatai Securities in connection with the IPO of the Company. Due to its internal policy, HTCI will not exercise the voting right of the Offer Shares during the tenor of the Huatai Back-to-back TRS.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted to the Company, consent under paragraph 5(1) of the Placing Guidelines to permit the Company to allocate Offer Shares in the International Offering to the above placee. The Offer Shares placed to the connected client is held by the connected client on behalf of Independent Third Parties and are in compliance with all the conditions under the consent granted by the Stock Exchange.

CONFIRMATIONS OF CORNERSTONE INVESTORS, PUBLIC SHAREHOLDERS IN THE HONG KONG PUBLIC OFFERING AND PLACEEES IN THE INTERNATIONAL OFFERING

To the best knowledge of the Company, none of the Cornerstone Investor, public Shareholders in the Hong Kong Public Offering and placees in the International Offering is an existing Shareholder or a close associate of the existing Shareholders.

Further, to the best of the knowledge, information and belief of our Company, (i) the Cornerstone Investor is independent of the Company, its connected persons and their respective associates; (ii) the Cornerstone Investor is not accustomed to take and has not taken instructions from our Company, our subsidiaries, the Directors, Supervisors, chief executive, Controlling Shareholder, substantial Shareholder or existing Shareholders of the Company or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) the subscription of the Offer Shares by the Cornerstone Investor is not financed by our Company, our subsidiaries, the Directors, Supervisors, chief executive, Controlling Shareholder, substantial Shareholder or existing Shareholders of the Company or any of their respective close associates.

Furthermore, to the best knowledge of the Company, (i) none of the Offer Shares subscribed by public Shareholders in the Hong Kong Public Offering and placees in the International Offering has been directly or indirectly financed by the Company, the Directors, Supervisors, chief executive, the Controlling Shareholder, substantial Shareholder or existing Shareholders of the Company or any of their subsidiaries or their respective close associates; (ii) none of the public Shareholders in the Hong Kong Public Offering and placees in the International Offering who has subscribed for the Offer Shares is accustomed to taking instructions from the Company, the Directors, Supervisors, chief executive, the Controlling Shareholder, substantial Shareholder or existing Shareholders of the Company or any of their subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in their name or otherwise held by them; (iii) there is no side agreement or arrangement between the Company, any of the Directors, the Supervisors, the Controlling Shareholder or any of its subsidiaries or their respective close associates, on one hand, and the public subscribers or the placee who has subscribed for the Offer Shares, on the other hand; (iv) no rebate has been, directly or indirectly, provided by the Company, the Directors, the Supervisors, chief executive, the Controlling Shareholder, substantial Shareholder or existing Shareholders of the Company or any of their subsidiaries or their respective close associates or syndicate members or any other brokers or underwriters to any public Shareholders in the Hong Kong Public Offering or placees in the International Offering; and (v) the consideration payable by the public Shareholders in the Hong Kong Public Offering and placees in the International Offering for each Share subscribed for or purchased by them is the same as the final Offer Price as determined by the Company, in addition to brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565%.

Save as disclosed in this announcement, no Offer Shares placed by or through the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters under the Global Offering have been placed with any core connected person (as defined in the Listing Rules) of the Company, or any connected clients (as set out in paragraph 5(1) of the Placing Guidelines) or persons set out in paragraph 5(2) of the Placing Guidelines, whether in their own names or through nominees. The Directors confirm that, no placees will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after the Global Offering.

Over-allotment Option

In connection with the Global Offering, the Company has granted the Over-allotment Option to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters), at any time from the Listing Date to Friday, December 15, 2023, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to allot and issue up to an aggregate of 50,000,000 additional Offer Shares, representing approximately 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price to cover the over-allocations in the International Offering, if any. There has been an over-allocation of 50,000,000 Offer Shares in the International Offering. Such over-allocation may be covered by exercising the Over-allotment Option in full or in part or by making purchases in the secondary market or a combination of these means. In the event the Over-allotment Option is exercised, an announcement will be made on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.sxaz.com.cn. As of the date of this announcement, the Over-allotment Option has not been exercised.

LOCK-UP OBLIGATIONS

The Company, the Controlling Shareholder, and the Cornerstone Investors are subject to lock-up obligations (the “**Lock-up Obligations**”) in respect of the Shares. The major terms of the Lock-up Obligations are as follows:

Name	Number of Shares subject to the Lock-up Obligations after Listing	Percentage of shareholding in the Company subject to the Lock-up Obligations after Listing ⁽¹⁾	Last day of the Lock-up Period
The Company <i>(subject to lock-up obligations pursuant to the Listing Rules and the Hong Kong Underwriting Agreement)</i>	N/A	N/A	May 22, 2024 ⁽²⁾
The Controlling Shareholder <i>(subject to lock-up obligations pursuant to the Listing Rules, the Hong Kong Underwriting Agreement and PRC Company Law)</i>	1,000,000,000 Domestic Shares	75.0%	November 22, 2024 ⁽³⁾
Cornerstone Investor <i>(subject to lock-up obligations pursuant to its Cornerstone Investment Agreement)</i> Mingyang Smart Energy	72,018,000 H Shares	5.4	November 22, 2026 ⁽⁴⁾
Total	1,000,000,000 Domestic Shares 72,018,000 H Shares	75.0 5.4	

Notes:

- (1) Assuming the Over-allotment Option is not exercised.
- (2) The Company may issue Shares without any lock-up obligations after the indicated date.
- (3) In accordance with the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Controlling Shareholder is subject to lock-up restrictions within 12 months following the Listing Date.

- (4) The Cornerstone Investor has agreed that it will not, whether directly or indirectly, at any time during the period of three years following the Listing, dispose of any of the Offer Shares it has purchased pursuant to the Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of the Cornerstone Investor, including the lock-up period restriction. The Cornerstone Investor shall not enter into agreement(s) effecting a mortgage, charge, pledge, lien or other security interest securing its and its subsidiaries' financial obligations, or enter into any other agreement or arrangement having a similar effect over the Offer Shares it had purchased pursuant to the Cornerstone Investment Agreement within the first six-month period commencing from the Listing Date. Upon the lapse such period, the Cornerstone Investor may only enter into agreement(s) effecting security(ies) over its Offer Shares by delivering a written notice to the Company informing the Company of such intention at least ten (10) days prior to entering into such security(ies) accompanied by the major terms of the written instrument(s) contemplating the creation of the security(ies).

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 Global Offering" in the Prospectus, valid applications made by the public through the **White Form eIPO** service and the **CCASS EIPO** service will be conditionally allocated on the basis set out below:

NO. OF SHARES APPLIED FOR	NO. OF VALID APPLICATIONS	BASIS OF ALLOTMENT/BALLOT POOL A	APPROXIMATE PERCENTAGE ALLOTTED OF THE TOTAL NO. OF SHARES APPLIED FOR
2,000	1,007	2,000 Shares	100.00%
4,000	231	4,000 Shares	100.00%
6,000	65	6,000 Shares	100.00%
8,000	24	8,000 Shares	100.00%
10,000	52	10,000 Shares	100.00%
12,000	12	12,000 Shares	100.00%
14,000	7	14,000 Shares	100.00%
16,000	9	16,000 Shares	100.00%
18,000	5	18,000 Shares	100.00%
20,000	47	20,000 Shares	100.00%
30,000	9	30,000 Shares	100.00%
40,000	13	40,000 Shares	100.00%
50,000	2	50,000 Shares	100.00%
60,000	4	60,000 Shares	100.00%
70,000	5	70,000 Shares	100.00%
80,000	4	80,000 Shares	100.00%
90,000	1	90,000 Shares	100.00%
100,000	1	100,000 Shares	100.00%
200,000	4	200,000 Shares	100.00%
300,000	1	300,000 Shares	100.00%
500,000	1	500,000 Shares	100.00%
2,000,000	3	2,000,000 Shares	100.00%
	<u>1,507</u>	Total number of Pool A successful applicants: 1,507	

POOL B

5,000,000	<u>1</u>	5,000,000 Shares	100.00%
	<u>1</u>	Total number of Pool B successful applicant: 1	

The final number of Offer Shares under the Hong Kong Public Offering is 20,046,000 H Shares, representing approximately 6.01% of the total number of Offer Shares initially available under the Global Offering.

RESULTS OF ALLOCATIONS

The final Offer Price, results of applications in the Hong Kong Public Offering, the level of indications of interests in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares will be published on Tuesday, November 21, 2023, on the websites of the Company at www.sxaz.com.cn and the Stock Exchange at www.hkexnews.hk.

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

- in the announcement to be posted on the Company's website at www.sxaz.com.cn and the Stock Exchange's website at www.hkexnews.hk by no later than 9:00 a.m. on Tuesday, November 21, 2023;
- from the designated results of allocations website at www.iporeresults.com.hk (alternatively: English <https://www.eipo.com.hk/en/Allotment>; Chinese <https://www.eipo.com.hk/zh-hk/Allotment>) with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Tuesday, November 21, 2023 to 12:00 midnight, on Monday, November 27, 2023;
- by telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. from Tuesday, November 21, 2023 to Friday, November 24, 2023 (excluding Saturday, Sunday and public holiday in Hong Kong).

This announcement contains a list of identification document numbers. Identification document numbers shown in the section headed "Results of Applications Made by **White Form eIPO**" in this announcement refer to Hong Kong identity card numbers/passport numbers/Hong Kong business registration numbers/certificate of incorporation numbers/beneficial owner identification codes (if such applications are made by nominees as agent for the benefit of another person) whereas those displayed in the section headed "Results of Applications Made by Giving **Electronic Application Instructions** to HKSCC via CCASS" in this announcement are provided by CCASS Participants via CCASS. Therefore, the identification document numbers shown in the two sections are different in nature.

Since applications are subject to personal information collection statements, beneficial owner identification codes displayed in the sections headed "Results of Applications Made by **White Form eIPO**" and "Results of Applications Made by Giving **Electronic Application Instructions** to HKSCC via CCASS" are redacted and not all details of applications are disclosed in this announcement.

SHAREHOLDING CONCENTRATION ANALYSIS

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

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

Placee	Subscription	Number of H Shares held upon Listing	Number of Shares held upon Listing	Subscription as % of International Offer Shares (assuming the Overallotment Option is not exercised)		Subscription as % of total Offer Shares (assuming the Overallotment Option is not exercised)		Number of H Shares as % of total H Shares (assuming the Overallotment Option is not exercised)		Number of Shares as % of total Shares upon Listing (assuming the Overallotment Option is not exercised)	
				Subscription as % of International Offer Shares (assuming the Overallotment Option is not exercised)	Subscription as % of International Offer Shares (assuming the Overallotment Option is not exercised)	Subscription as % of total Offer Shares (assuming the Overallotment Option is not exercised)	Subscription as % of total Offer Shares (assuming the Overallotment Option is not exercised)	Number of H Shares as % of total H Shares (assuming the Overallotment Option is not exercised)	Number of H Shares as % of total H Shares (assuming the Overallotment Option is not exercised)	Number of Shares as % of total Shares upon Listing (assuming the Overallotment Option is not exercised)	Number of Shares as % of total Shares upon Listing (assuming the Overallotment Option is not exercised)
Top 1	72,018,000	72,018,000	72,018,000	22.99%	19.82%	21.61%	18.79%	21.61%	18.79%	5.40%	5.21%
Top 5	240,560,000	240,560,000	240,560,000	76.79%	66.22%	72.17%	62.75%	72.17%	62.75%	18.04%	17.39%
Top 10	326,196,000	326,196,000	326,196,000	104.12%	89.79%	97.86%	85.09%	97.86%	85.09%	24.46%	23.58%
Top 20	362,912,000	362,912,000	362,912,000	115.84%	99.90%	108.87%	94.67%	108.87%	94.67%	27.22%	26.23%
Top 25	362,952,000	362,952,000	362,952,000	115.85%	99.91%	108.89%	94.68%	108.89%	94.68%	27.22%	26.24%

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

Shareholder	Subscription ⁽¹⁾	Number of H Shares held upon Listing	Number of Shares held upon Listing	Subscription as % of International Offer Shares (assuming the Overallotment Option is not exercised) ⁽²⁾		Subscription as % of total Offer Shares (assuming the Overallotment Option is not exercised)		Number of H Shares as % of total H Shares (assuming the Overallotment Option is not exercised)		Number of Shares as % of total Shares upon Listing (assuming the Overallotment Option is not exercised)	
				Subscription as % of International Offer Shares (assuming the Overallotment Option is not exercised) ⁽²⁾	Subscription as % of International Offer Shares (assuming the Overallotment Option is not exercised) ⁽²⁾	Subscription as % of total Offer Shares (assuming the Overallotment Option is not exercised)	Subscription as % of total Offer Shares (assuming the Overallotment Option is not exercised)	Number of H Shares as % of total H Shares (assuming the Overallotment Option is not exercised)	Number of H Shares as % of total H Shares (assuming the Overallotment Option is not exercised)	Number of Shares as % of total Shares upon Listing (assuming the Overallotment Option is not exercised)	Number of Shares as % of total Shares upon Listing (assuming the Overallotment Option is not exercised)
Top 1	-	-	1,000,000,000	-	-	-	-	-	-	75.00%	72.29%
Top 5	205,782,000	205,782,000	1,205,782,000	65.68%	56.64%	61.73%	53.68%	61.73%	53.68%	90.43%	87.16%
Top 10	310,892,000	310,892,000	1,310,892,000	99.24%	85.58%	93.27%	81.10%	93.27%	81.10%	98.32%	94.76%
Top 20	374,184,000	374,184,000	1,374,184,000	115.77%	99.83%	112.25%	97.61%	112.25%	97.61%	103.06%	99.34%
Top 25	375,284,000	375,284,000	1,375,284,000	115.77%	99.83%	112.58%	97.90%	112.58%	97.90%	103.15%	99.42%

Top 1, 5, 10, 20 and 25 of all the holders of the H Shares of the Company upon Listing:

H Shareholder	Subscription ⁽¹⁾	Number of H Shares held upon Listing	Number of Shares held upon Listing	Subscription as % of International Offer Shares (assuming the Overallotment Option is not exercised) ⁽²⁾		Subscription as % of total Offer Shares (assuming the Overallotment Option is not exercised) in full		Number of H Shares as % of total H Shares (assuming the Overallotment Option is not exercised) in full		Number of Shares as % of total Shares upon Listing (assuming the Overallotment Option is not exercised) in full	
				Subscription as % of International Offer Shares (assuming the Overallotment Option is not exercised) ⁽²⁾	Subscription as % of total Offer Shares (assuming the Overallotment Option is not exercised) in full	Number of H Shares as % of total H Shares (assuming the Overallotment Option is not exercised) in full	Number of Shares as % of total Shares upon Listing (assuming the Overallotment Option is not exercised) in full				
Top 1	72,018,000	72,018,000	72,018,000	22.99%	19.82%	21.61%	18.79%	21.61%	18.79%	5.40%	5.21%
Top 5	240,560,000	240,560,000	240,560,000	76.79%	66.22%	72.17%	62.75%	72.17%	62.75%	18.04%	17.39%
Top 10	326,196,000	326,196,000	326,196,000	104.12%	89.79%	97.86%	85.09%	97.86%	85.09%	24.46%	23.58%
Top 20	374,484,000	374,484,000	374,484,000	115.77%	99.83%	112.34%	97.69%	112.34%	97.69%	28.09%	27.07%
Top 25	375,462,000	375,462,000	375,462,000	115.82%	99.88%	112.64%	97.95%	112.64%	97.95%	28.16%	27.14%

- (1) It includes the number of H Shares subscribed for by (i) successful applicants under the Hong Kong Public Offering; and (ii) places under the International Offering.
- (2) It represents the subscription level as percentage of the International Offering without taking into account the subscription by successful applicants under the Hong Kong Public Offering.

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