PUXING CLEAN ENERGY LIMITED
普星潔能有限公司

(formerly known as "Amber Energy Limited 琥珀能源有限公司")

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 90)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2019	2018	
	RMB'000	*RMB'000*	Change
Revenue	**137,640**	141,798	-2.9%
Profit from operations	**54,841**	51,532	6.4%
Profit attributable to equity shareholders of the Company	**28,465**	24,079	18.2%
Basic earnings per share	**RMB0.062**	RMB0.053	17.0%
Dividend per share – Interim	**Nil**	Nil	0%

	At 30 June 2019	At 31 December 2018	
	RMB'000	*RMB'000*	Change
Total assets	**1,179,999**	1,234,156	-4.4%
Shareholders' equity	**554,449**	542,487	2.2%
Net asset value per share[1]	**RMB1.21**	RMB1.18	2.5%
Net debt[2]	**486,414**	518,572	-6.2%
Total capital[3]	**1,040,863**	1,061,059	-1.9%
Gearing ratio[4]	**46.73%**	48.87%	-2.1%

Notes:

1. $\frac{\text{Shareholders' equity}}{\text{Number of ordinary shares in issue}}$

2. Total debts (including all interest-bearing borrowings and shareholder's loan) – Cash and cash equivalents

3. Shareholders' equity + Net debt

4. $\frac{\text{Net debt}}{\text{Total Capital}}$

The board (the "Board") of directors (the "Directors") of Puxing Clean Energy Limited (the "Company", formerly known as "Amber Energy Limited") is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2019, together with the comparative figures for the corresponding period in 2018 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2019

		Six months ended 30 June	
		2019	2018
			(Note)
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**137,640**	141,798
Operating expenses			
Fuel consumption		**(28,954)**	(36,513)
Depreciation and amortisation		**(29,030)**	(28,394)
Repairs and maintenance		**(638)**	(959)
Personnel costs		**(11,858)**	(11,909)
Administrative expenses		**(10,416)**	(10,890)
Sales related taxes		**(1,620)**	(1,062)
Other operating expenses		**(283)**	(539)
Profit from operations		**54,841**	51,532
Finance income		**213**	137
Finance expenses		**(12,763)**	(14,972)
Net finance costs	*5(a)*	**(12,550)**	(14,835)
Other income		**490**	439
Profit before taxation	*5*	**42,781**	37,136
Income tax	*6*	**(14,316)**	(13,057)
Profit for the period		**28,465**	24,079
Attributable to:			
Equity shareholders of the Company		**28,465**	24,079
Non-controlling interests		**–**	–
Profit for the period		**28,465**	24,079
Earnings per share			
Basic *(RMB)*	*7(a)*	**0.062**	0.053
Diluted *(RMB)*	*7(b)*	**0.062**	0.053

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2019

	Six months ended 30 June	
	2019	2018
		(Note)
	RMB'000	*RMB'000*
Profit for the period	**28,465**	24,079
Other comprehensive income for the period (after tax and reclassification adjustments):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**(2,406)**	(2,969)
Total comprehensive income for the period	**26,059**	21,110
Attributable to:		
Equity shareholders of the Company	**26,059**	21,110
Non-controlling interests	**–**	–
Total comprehensive income for the period	**26,059**	21,110

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2019

	Note	At 30 June 2019 RMB'000	At 31 December 2018 (Note) RMB'000
Non-current assets			
Property, plant and equipment	8	**1,078,792**	1,061,206
Lease prepayments	3(c)	**–**	44,815
Intangible assets		**1,595**	1,898
Deferred tax assets		**3,270**	3,753
		1,083,657	1,111,672
Current assets			
Inventories		**14,781**	14,829
Trade and other receivables	9	**30,383**	32,795
Cash and cash equivalents		**51,178**	74,860
		96,342	122,484
Current liabilities			
Interest-bearing borrowings	10	**238,432**	257,705
Trade and other payables	11	**39,018**	52,767
Lease liabilities	3(d)	**500**	–
Current taxation		**5,421**	3,186
		283,371	313,658
Net current liabilities		**(187,029)**	(191,174)
Total assets less current liabilities		**896,628**	920,498
Non-current liabilities			
Shareholder's loan		**129,660**	126,227
Interest-bearing borrowings	10	**169,500**	209,500
Lease liabilities	3(d)	**511**	–
Deferred revenue		**11,902**	12,099
Deferred tax liabilities		**30,072**	29,651
		341,645	377,477
NET ASSETS		**554,983**	543,021
CAPITAL AND RESERVES			
Share capital		**40,149**	40,149
Reserves		**514,300**	502,338
Total equity attributable to equity shareholders of the Company		**554,449**	542,487
Non-controlling interests		**534**	534
TOTAL EQUITY		**554,983**	543,021

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2019

1. REPORTING ENTITY

Puxing Clean Energy Limited (the "Company", formerly known as "Amber Energy Limited") was incorporated in the Cayman Islands as an exempted company with limited liability on 8 September 2008 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The unaudited condensed consolidated interim financial information of the Company as at and for the six months ended 30 June 2019 comprises the Company and its subsidiaries (collectively referred to as the "Group"). The principal activities of the Group are the development, operation and management of power plants.

Pursuant to the special resolution passed by the shareholders of the Company on 4 July 2019, the name of the Company and the dual foreign name in Chinese of the Company have been changed from "Amber Energy Limited 琥珀能源有限公司" to "Puxing Clean Energy Limited 普星潔能有限公司" with effective from 11 July 2019 pursuant to the Certificate of Incorporation on Change of Name issued by the Registrar of Companies in the Cayman Islands.

2. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (IAS) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (IASB).

The unaudited condensed consolidated interim financial information has been prepared in accordance with the same accounting policies adopted in the 2018 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2019 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The unaudited condensed consolidated interim financial information has been prepared on the basis that the Group will continue to operate throughout the next twelve months as a going concern. The Group's current liabilities exceeded its current assets by RMB187,029,000 as at 30 June 2019. Based on future projection of the Group's profit and cash inflows from operations and the anticipated ability of the Group to obtain continued bank loans and financial support from an intermediate parent company, Shanghai Puxing Energy Limited ("Puxing Energy"), to finance its continuing operations for the next twelve months ending 30 June 2020, management believes that the Group has adequate resources to continue in operational existence for the foreseeable future.

The preparation of unaudited condensed consolidated interim financial information in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This unaudited condensed consolidated interim financial information contains condensed consolidated interim financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2018 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

The unaudited condensed consolidated interim financial information is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants.

3. CHANGES IN ACCOUNTING POLICIES

The IASB has issued a new IFRS, IFRS 16, *Leases*, and a number of amendments to IFRSs that are first effective for the current accounting period of the Group.

Except for IFRS 16, *Leases*, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this unaudited condensed consolidated interim financial information. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

IFRS 16, Leases

IFRS 16 replaces IAS 17, *Leases*, and the related interpretations, IFRIC 4, *Determining whether an arrangement contains a lease*, SIC 15, *Operating leases – incentives*, and SIC 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases of low value assets. The lessor accounting requirements are brought forward from IAS 17 substantially unchanged.

The Group has initially applied IFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and the initial application has no cumulative effect on the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under IAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(a) Changes in the accounting policies

(i) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. IFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in IFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases.

Accordingly, contracts that were previously assessed as leases under IAS 17 continue to be accounted for as leases under IFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

(ii) Lessee accounting

IFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by IAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under IAS 17, other than those short-term leases and leases of low-value assets. As far as the Group is concerned, these newly capitalised leases are primarily in relation to property, plant and equipment as disclosed in note 8.

When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. For the Group, low-value assets are typically laptops or office furniture. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) Critical accounting judgements and sources of estimation uncertainty in applying the above accounting policies

(i) Determining the lease term

As explained in the above accounting policies, the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

(c) Transitional impact

At the date of transition to IFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 4.75%.

To ease the transition to IFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of IFRS 16:

(i) the Group elected not to apply the requirements of IFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of IFRS 16, i.e. where the lease term ends on or before 31 December 2019; and

(ii) when measuring the right-of-use assets at the date of initial application of IFRS 16, the Group relied on the previous assessment for onerous contract provisions as at 31 December 2018 as an alternative to performing an impairment review.

The following table reconciles the operating lease commitments as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

	1 January 2019 *RMB'000*
Operating lease commitments at 31 December 2018	709
Less: commitments relating to leases exempt from capitalisation:	
– short-term leases and other leases with remaining lease term ending on or before 31 December 2019	(259)
	450
Less: total future interest expenses	(25)
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019	425
Total lease liabilities recognised at 1 January 2019	425

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position at 31 December 2018.

The Group presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and presents lease liabilities separately in the statement of financial position.

The following table summarises the impacts of the adoption of IFRS 16 on the Group's consolidated statement of financial position:

	Carrying amount at 31 December 2018 *RMB'000*	**Reclassification of land use rights under lease prepayments** *RMB'000*	**Capitalisation of operating lease contracts** *RMB'000*	**Carrying amount at 1 January 2019** *RMB'000*
Line items in the consolidated statement of financial position impacted by the adoption of IFRS 16:				
Property, plant and equipment	1,061,206	44,815	425	1,106,446
Lease prepayments	44,815	(44,815)	–	–
Total non-current assets	**1,111,672**	**–**	**425**	**1,112,097**
Lease liabilities (current)	–	–	148	148
Current liabilities	**313,658**	**–**	**148**	**313,806**
Net current liabilities	**(191,174)**	**–**	**(148)**	**(191,322)**
Total assets less current liabilities	**920,498**	**–**	**277**	**920,775**
Lease liabilities (non-current)	–	–	277	277
Total non-current liabilities	**377,477**	**–**	**277**	**377,754**
Net assets	**543,021**	**–**	**–**	**543,021**

The analysis of the net book value of the Group's right-of-use assets by class of underlying asset at the end of the reporting period and at the date of transition to IFRS 16 is as follows:

	At 30 June 2019 ***RMB'000***	At 1 January 2019 *RMB'000*
Included in "Property, plant and equipment":		
Land use rights leased for own use, carried at depreciated cost	**44,147**	44,815
Other properties leased for own use, carried at depreciated cost	**1,126**	425
	45,273	45,240

(d) Lease liabilities

The remaining contractual maturities of the Group's lease liabilities at the end of the reporting period and at the date of transition to IFRS 16 are as follows:

	At 30 June 2019		At 1 January 2019	
	Present value of the minimum lease payments *RMB'000*	**Total minimum lease payments** *RMB'000*	**Present value of the minimum lease payments** *RMB'000*	**Total minimum lease payments** *RMB'000*
Within 1 year	500	512	148	150
After 1 year but within 2 years	443	475	142	150
After 2 years but within 5 years	68	75	135	150
	511	550	277	300
	1,011	1,062	425	450
Less: total future interest expenses		(51)		(25)
Present value of lease liabilities		1,011		425

(e) Impact on the financial result and cash flows of the Group

After the initial recognition of right-of-use assets and lease liabilities as at 1 January 2019, the Group as a lessee is required to recognise interest expenses accrued on the outstanding balance of the lease liabilities, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This results in a positive impact on the reported profit from operations in the Group's consolidated statement of profit or loss, as compared to the results if IAS 17 had been applied during the year.

In the condensed consolidated statement of cash flows, the Group as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element. These elements are classified as financing cash outflows, similar to how leases previously classified as finance leases under IAS 17 were treated, rather than as operating cash outflows, as was the case for operating leases under IAS 17. Although total cash flows are unaffected, the adoption of IFRS 16 therefore results in a significant change in presentation of cash flows within the statement of cash flows.

The following tables may give an indication of the estimated impact of adoption of IFRS 16 on the Group's financial result and cash flows for the six months ended 30 June 2019, by adjusting the amounts reported under IFRS 16 in these interim financial statements to compute estimates of the hypothetical amounts that would have been recognised under IAS 17 if this superseded standard had continued to apply to 2019 instead of IFRS 16, and by comparing these hypothetical amounts for 2019 with the actual 2018 corresponding amounts which were prepared under IAS 17.

	2019				2018
	Amounts reported under IFRS 16 (A)	**Add back: IFRS 16 depreciation and interest expense (B)**	**Deduct: Estimated amounts related to operating leases as if under IAS 17** *(note 1)* **(C)**	**Hypothetical amounts for 2019 as if under IAS 17 (D=A+B-C)**	Compared to amounts reported for 2018 under IAS 17
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	*RMB'000*
Financial result for the six months ended 30 June 2019 impacted by the adoption of IFRS 16:					
Profit from operations	**54,841**	**768**	**(774)**	**54,835**	51,532
Finance expenses	(12,763)	11	–	(12,752)	(14,972)
Net finance costs	(12,550)	11	–	(12,539)	(14,835)
Profit before taxation	**42,781**	**779**	**(774)**	**42,786**	37,136
Profit for the period	**28,465**	**779**	**(774)**	**28,470**	24,079

	2019			2018
	Amounts reported under IFRS 16 (A)	**Estimated amounts related to operating leases as if under IAS 17** *(notes 1 & 2)* **(B)**	**Hypothetical amounts for 2019 as if under IAS 17 (C=A+B)**	Compared to amounts reported for 2018 under IAS 17
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*
Line items in the condensed consolidated statement of cash flows for the six months ended 30 June 2019 impacted by the adoption of IFRS 16:				
Cash generated from operating activities	82,306	(106)	82,200	74,495
Interest paid	(6,921)	11	(6,910)	(8,582)
Net cash generated from operating activities	**64,208**	**(95)**	**64,113**	59,002
Capital element of lease rentals paid	(95)	95	–	–
Net cash used in financing activities	**(86,319)**	**95**	**(86,224)**	(58,493)

Note 1: The "estimated amounts related to operating leases" is an estimate of the amounts of the cash flows in 2019 that relate to leases which would have been classified as operating leases, if IAS 17 had still applied in 2019. This estimate assumes that there were no differences between rentals and cash flows and that all of the new leases entered into in 2019 would have been classified as operating leases under IAS 17, if IAS 17 had still applied in 2019. Any potential net tax effect is ignored.

Note 2: In this impact table, these cash outflows are reclassified from financing to operating in order to compute hypothetical amounts of net cash generated from operating activities and net cash used in financing activities as if IAS 17 still applied.

4. Revenue

The principal activities of the Group are the development, operation and management of power plants.

Revenue comprises volume tariff revenue, capacity tariff revenue and revenue from sales of heat.

Volume tariff revenue represents the sale of electricity to power grid companies.

Capacity tariff revenue represents a subsidy income from power grid companies, following a reduction in the annual planned power generation volume of the Group's power plants for supply to the power grid companies and changes in the electricity tariff policies applicable to the Group since 2015, pursuant to the "*Notice Regarding the Trial Implementation of Dual Tariff for Natural Gas Power Generating Units in Zhejiang Province*" issued by the Price Bureau of Zhejiang Province in June 2015.

Revenue from sales of heat represents the sale of heat to third party customers.

Volume tariff revenue and revenue from sales of heat are recognised upon the transfer of products.

Capacity tariff revenue is recognised based on the installed capacity and capacity tariff on a monthly basis.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products is as follows:

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products:		
Electricity:		
Volume tariff revenue	**16,037**	24,759
Capacity tariff revenue	**108,302**	106,273
	124,339	131,032
Heat:		
Revenue from sales of heat	**13,301**	10,766
	137,640	141,798

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Net finance costs

	Six months ended 30 June	
	2019	2018
		(Note)
	RMB'000	*RMB'000*
Interest income	**(206)**	(137)
Net foreign exchange gain	**(7)**	–
Finance income	**(213)**	(137)
Interest on interest-bearing borrowings and shareholder's loan	**12,738**	14,960
Interest on lease liabilities	**11**	–
Total interest expenses recognised in profit or loss	**12,749**	14,960
Bank charges	**14**	12
Finance expenses	**12,763**	14,972
Net finance costs	**12,550**	14,835

(b) Other items

	Six months ended 30 June	
	2019	2018
		(Note)
	RMB'000	*RMB'000*
Amortisation		
– Lease prepayments	**–**	668
– Intangible assets	**303**	303
Depreciation charge		
– Owned property, plant and equipment	**27,959**	27,423
– Right-of-use assets	**768**	–

Note:

The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

6. INCOME TAX

Income tax in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Current tax		
Provision for the People's Republic of China (the "PRC") Corporate Income Tax	**9,960**	9,931
Over provision in respect of prior years	**(48)**	(417)
	9,912	9,514
Deferred tax		
Origination and reversal of temporary differences	**4,404**	3,543
	4,404	3,543
Total income tax expense in the consolidated statement of profit or loss	**14,316**	13,057

(i) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

(ii) No provision for Hong Kong Profits Tax has been made for the subsidiaries located in Hong Kong as these subsidiaries did not have assessable profits subject to Hong Kong Profits Tax for the six months ended 30 June 2019 (six months ended 30 June 2018: nil).

(iii) The provision for PRC Corporate Income Tax is based on the respective Corporate Income Tax rates applicable to the subsidiaries located in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

According to the PRC Corporate Income Tax Law, the Group's subsidiaries in the PRC are subject to the unified tax rate of 25%.

The PRC Corporate Income Tax Law and its relevant regulations impose a withholding tax at 10%, unless reduced by a tax treaty or arrangement, for dividend distributions out of the PRC from earnings accumulated from 1 January 2008. Undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. As at 30 June 2019, deferred tax liabilities of RMB30,072,000 (31 December 2018: RMB29,651,000) have been recognised in connection with the withholding tax that would be payable on the distribution of the retained profits of the Group's PRC subsidiaries.

7. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB28,465,000 (six months ended 30 June 2018: RMB24,079,000) and the weighted average of 458,600,000 ordinary shares (six months ended 30 June 2018: 458,600,000) in issue during the six months ended 30 June 2019.

(b) Diluted earnings per share

Diluted earnings per share was the same as basic earnings per share for the six months ended 30 June 2019 and 2018 as there were no dilutive potential shares during the period.

8. PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

As discussed in note 3, the Group has initially applied IFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under IAS 17. Further details on the net book value of the Group's right-of-use assets by class of underlying asset are set out in note 3.

During the six months ended 30 June 2019, the Group entered into a number of lease agreements for use of office, and therefore recognised the additions to right-of-use assets of RMB801,000.

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2019, the Group acquired items of plant and machinery with a cost of RMB324,000 (six months ended 30 June 2018: RMB4,568,000).

9. TRADE AND OTHER RECEIVABLES

	At 30 June 2019	At 31 December 2018
	RMB'000	*RMB'000*
Trade receivables	**28,565**	29,888
Prepayments	**509**	1,567
Other receivables	**1,309**	1,340
	30,383	32,795

All of the trade and other receivables are expected to be recovered within one year.

At 30 June 2019, ageing analysis of trade receivables of the Group, based on the invoice date, is as follows:

	At 30 June 2019	At 31 December 2018
	RMB'000	*RMB'000*
Within 1 month	**28,513**	29,888
Over 1 month but less than 3 months	**52**	–
	28,565	29,888

All of the trade receivables of the Group as at 30 June 2019 were fully settled up to the date of the issuance of this announcement.

10. INTEREST-BEARING BORROWINGS

	At 30 June 2019 *RMB'000*	At 31 December 2018 *RMB'000*
Current		
Unsecured loans from a related party	**23,000**	35,000
Current portion of non-current unsecured bank loans guaranteed by a related party (i)	**80,000**	77,500
Current portion of non-current unsecured loans from a related party	**135,432**	145,205
	238,432	257,705
Non-current		
Unsecured bank loans guaranteed by a related party (i)	**79,500**	119,500
Unsecured loans from a related party	**90,000**	90,000
	169,500	209,500
	407,932	467,205

(i) The bank loans are guaranteed by China Wanxiang Holding Co., Ltd. ("China Wanxiang"), an ultimate controlling company of the Company.

(ii) Unsecured bank and other loans as at 30 June 2019 carried interest at rates ranging from 3.92% to 4.90% (31 December 2018: 3.92% to 4.90%) per annum.

11. TRADE AND OTHER PAYABLE

	At 30 June 2019 *RMB'000*	At 31 December 2018 *RMB'000*
Trade payables	**2,414**	3,913
Other payables and accrued expenses	**36,604**	48,854
	39,018	52,767

An ageing analysis of trade payables of the Group, based on the invoice date, is as follows:

	At 30 June 2019 *RMB'000*	At 31 December 2018 *RMB'000*
Within 3 months	**1,460**	3,480
Over 3 months but less than 6 months	**3**	36
Over 6 months but less than 1 year	**951**	397
	2,414	3,913

12. DIVIDENDS

(a) Dividends payable to equity shareholders attributable to the interim period

The board of directors of the Company does not recommend the payment of an interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: HK$ nil).

(b) Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 June	
	2019 *RMB'000*	2018 *RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the six months ended 30 June 2019, of HK$0.035 per share (six months ended 30 June 2018: HK$0.03 per share)	**14,097**	11,493

MANAGEMENT DISCUSSION AND ANALYSIS

The Company is mainly engaged in the development, operation and management of natural gas-fired power plants. The Group has four wholly-owned gas-fired power plants in Zhejiang Province, with an aggregate installed capacity of approximately 458MW. In order to better reflect the future strategic direction and business focus of the Group and the relationship between the Company and its controlling shareholder, the Company was approved by the shareholders by way of poll on 4 July 2019 to change the name of the Company to "Puxing Clean Energy Limited 普星潔能有限公司" with effect from 11 July 2019.

BUSINESS REVIEW

In the first half of 2019, the economic development in Zhejiang Province has increased steadily, the overall power consumption demand in the society has grown steadily and the peak shaving power consumption demand has reduced as compared to the corresponding period of last year. Therefore, the production volume of the Group during the period under review decreased by 46.88% to 29,268MWh, as compared with 55,097MWh in the corresponding period of last year. Meanwhile, as the production volume and heat sales volume declined during the period under review as compared to the corresponding period of the last year, the Group's natural gas usage during the first half of 2019 has reduced by 6,602,000m^3 or 36.86% as compared with the corresponding period of last year, decreasing from 17,910,000m^3 in the first half of last year to 11,308,000m^3.

During the period under review, Zhejiang Provincial Development and Reform Commission announced "Notice from the Zhejiang Provincial Development and Reform Commission Regarding the Adjustment of Gate Station Price for Natural Gas and On-grid Tariff" (Zhe Fa Gai Jia Ge [2019] No.25), "Notice from the Zhejiang Provincial Development and Reform Commission Regarding the Adjustment of On-grid Tariff of Natural Gas Power Generating Units" (Zhe Fa Gai Jia Ge [2019] No.210) and "Notice Regarding the Adjustment of Gate Station Price for Natural Gas" (Zhe Fa Gai [2019] No.200) on 19 January 2019 and 16 April 2019 respectively to adjust the volume tariff of natural gas power generating units and gate station price for natural gas (inclusive of value-added tax (VAT)). After two adjustments, the volume tariff (inclusive of VAT) of each of Zhejiang Puxing Deneng Natural Gas Power Co., Ltd (formerly known as "Zhejiang Amber De-Neng Natural Gas Power Generation Co., Ltd.") ("Deneng Power Plant"), Zhejiang Puxing Bluesky Natural Gas Power Co., Ltd. (formerly known as "Zhejiang Amber Blue Sky Natural Gas Power Generation Co., Ltd.") ("Bluesky Power Plant") and Zhejiang Puxing Jingxing Natural Gas Power Co., Ltd. (formerly known as "Zhejiang Amber Jing-Xing Natural Gas Power Generation Co., Ltd.") ("Jingxing Power Plant") under the Group was adjusted from RMB0.79/kWh to RMB0.659/kWh, representing a decrease of approximately 16.58%; the volume tariff (inclusive of VAT) of Puxing (Anji) Gas Turbine Thermal Power Co., Ltd. (formerly known as "Amber (Anji) Gas Turbine Thermal Power Co., Ltd.") ("Anji Power Plant") was adjusted from RMB0.73/kWh to RMB0.599/kWh, representing a decrease of approximately 17.95%; the price of natural gas (inclusive of VAT) of power plants under the Group was also lowered from RMB3.27/m^3 to RMB2.7/m^3, representing a decrease of approximately 17.43%; the capacity tariff of the power plants remained unchanged.

Besides, the Ministry of Finance, the State Administration of Taxation and Customs issued the "Notice of Policies in Relation to the Deepening of Value-added Tax Reforms" (Announcement 2019 No. 39) during the period under review and announced that the VAT rates will be adjusted starting from 1 April 2019. In relation to the main business of the Group, the output VAT rate for electricity sales was adjusted from 16% to 13% and the input VAT rate for natural gas was adjusted from 10% to 9%. Summarizing the above adjustments of the natural gas price, volume tariff and VAT rates, the Group considers that the relevant adjustments would pose positive effects on the Group's operation and financial performance.

Equity Installed Capacity

As at 30 June 2019, the equity installed capacity of power plants held and operated by the Group is detailed as follows:

Power plant	**Category**	**Installed capacity** *(MW)*	**Equity interest** *(%)*	**Equity installed capacity** *(MW)*
Bluesky Power Plant	Natural gas	112	100	112
Deneng Power Plant	Natural gas	112	100	112
Jingxing Power Plant	Natural gas	75	100	75
	Photovoltaics	0.22	100	0.22
Anji Power Plant	Natural gas	158	100	158
	Photovoltaics	0.36	100	0.36
Total		457.58	100	457.58

On-grid tariff

On-grid tariff is determined by the Zhejiang Provincial Development and Reform Commission after taking into account the types of fuel, cost structure and operating profit of similar power plants within the provincial grid. According to the "Notice Regarding the Trial Implementation of Dual Tariff for Natural Gas Power Generating Units in Zhejiang Province" issued by the Price Bureau of Zhejiang Province, a dual tariff policy (the "Dual Tariff Policy") has been implemented in trial by Zhejiang Province since 1 January 2015. Affected by the relevant policy, the Group's tariff revenue is mainly divided into two parts, namely volume tariff revenue and capacity tariff revenue.

During the period under review, Zhejiang Provincial Development and Reform Commission announced "Notice from the Zhejiang Provincial Development and Reform Commission Regarding the Adjustment of Gate Station Price for Natural Gas and On-grid Tariff" (Zhe Fa Gai Jia Ge [2019] No.25) and "Notice from the Zhejiang Provincial Development and Reform Commission Regarding the Adjustment of On-grid Tariff of Natural Gas Power Generating Units" (Zhe Fa Gai Jia Ge [2019] No.210). From 1 April 2019, the volume tariff (inclusive of VAT) of Deneng Power Plant, Bluesky Power Plant and Jingxing Power Plant under the Group was adjusted from RMB0.79/kWh to RMB0.659/kWh, representing a decrease of approximately 16.58%; the volume tariff of Anji Power Plant was adjusted from RMB0.73/kWh to RMB0.599/kWh, representing a decrease of approximately 17.95%. The capacity tariff of the power plants remained unchanged.

Production Volume

Natural Gas Power Generation

In order to facilitate the trial implementation of the Dual Tariff Policy by Zhejiang Province, the relevant government authorities have organised the 2019 production plan for natural gas power generating units based on the maximum demand within the power grid. Economic development in Zhejiang Province has increased steadily, the overall power consumption demand in the society has grown steadily and the peak shaving power consumption demand has reduced as compared to the corresponding period of last year. For the six months ended 30 June 2019, the Group's natural gas production volume was 29,268MWh, decreasing by 46.88% as compared to 55,097MWh in the corresponding period of last year.

Photovoltaics Power Generation

The installed capacity of the Group's photovoltaic generating unit is 578kW. The electricity generated was mainly used to supplement the auxiliary power consumption rate of the power plant, and the remainder was sold to the power grid. For the six months ended 30 June 2019, the Group's photovoltaics production volume was 303MWh (six months ended 30 June 2018: 99MWh), of which 43MWh was sold to the power grid (six months ended 30 June 2018: 24MWh). During the period under review, the Group saved power consumption cost of RMB136,000 (six months ended 30 June 2018: RMB39,000) from the above photovoltaic power generation, realising a revenue from sales of electricity of RMB99,000 (six months ended 30 June 2018: RMB: 45,000).

Heat sales volume

Anji Power Plant under the Group provided steam for manufacturers in proximity to its heating pipelines with a maximum heating capacity of approximately 160 tons/hour. For the six months ended 30 June 2019, the Group sold 44,163 tons of steam, representing a decrease of 6.59% as compared to 47,279 tons as compared to the corresponding period of last year. During the period under review, the average selling price of steam (inclusive of VAT) was approximately RMB330/ton, representing an increase of 36.93% as compared to approximately RMB241/ton in the corresponding period of last year. During the period under review, the heating business generated revenue of RMB13,301,000 for the Group (six months ended 30 June 2018: RMB10,766,000), and contributed a gross profit of RMB811,000 (six months ended 30 June 2018: RMB6,000) to the Group.

Fuel Cost and Natural Gas Usage

Bluesky Power Plant, Deneng Power Plant and Jingxing Power Plant under the Group all use natural gas as fuel for power generation, while Anji Power Plant uses natural gas as fuel for power generation and heating. Natural gas is the only source of fuel for the Group and is provided by Zhejiang Province Natural Gas Development Company, the sole supplier of the Group and Zhejiang Province.

Natural gas prices are determined by the Zhejiang Provincial Development and Reform Commission. The Zhejiang Provincial Development and Reform Commission announced "Notice from the Zhejiang Provincial Development and Reform Commission Regarding the Adjustment of Gate Station Price for Natural Gas and On-grid Tariff" (Zhe Fa Gai Jia Ge [2019] No.25) and "Notice Regarding the Adjustment of Gate Station Price for Natural Gas" (Zhe Fa Gai [2019] No.200) on 19 January 2019 and 16 April 2019 respectively. From 1 April 2019, the price of natural gas (inclusive of VAT) of power plants under the Group was adjusted downward from RMB3.27/m^3 to RMB2.7/m^3, representing a decrease of approximately 17.43%.

As the production volume and heat sales volume declined in the first half of 2019, for the six months ended 30 June 2019, the Group's total consumption of natural gas was 11,308,000m^3 (including 4,420,000m^3 for heating), representing a decrease of 36.86% as compared to 17,910,000m^3 (including 4,791,000m^3 for heating) for the corresponding period of last year. The Group's average unit fuel cost for power generation was approximately RMB598.37/MWh, representing an increase of 23.04% as compared to approximately 486.31/MWh in the corresponding period of last year. The average unit fuel cost for heating was approximately RMB259.06/ton, representing an increase of 26.04% as compared to approximately RMB205.54/ton in the corresponding period of last year. The increase of average unit fuel cost for power generation and heating was mainly attributable to the increase of the natural gas price compared to the corresponding period of last year. For the six months ended 30 June 2019, fuel costs amounted to RMB28,954,000, representing a decrease of 20.70% as compared to RMB36,513,000 in the corresponding period of last year. Fuel costs accounted for 98.69% of the related revenue (i.e., volume tariff revenue and revenue from sales of heat), representing a decrease of 4.09 percentage points as compared to 102.28% in the corresponding period of last year. Such decrease was mainly attributable to the decrease in the Group's natural gas costs as a result of the Group's optimisation of power generation mode in response to the peak adjustment required by the power grid in Zhenjiang Province, which was supported by a favourable clean energy policy, and the significant increase in the average selling price of steam (inclusive of VAT) during the period under review as compared to the corresponding period of last year.

FINANCIAL REVIEW

Affected by the fall in peak shaving power generation demand of Zhejiang Province, the Group's revenue during the period under review was RMB137,640,000, representing a decrease of 2.93% as compared to RMB141,798,000 in the corresponding period of last year; the profit attributable to equity shareholders of the Company was RMB28,465,000, representing an increase of 18.22% as compared to RMB24,079,000 in the corresponding period of last year. For the six months ended 30 June 2019, the basic and diluted earnings per share of the Company amounted to RMB0.062, representing an increase of 16.98% as compared to RMB0.053 in the corresponding period of last year.

Revenue

Revenue of the Group comprises volume tariff revenue, capacity tariff revenue and revenue from sales of heat.

Although the revenue from sales of heat continued to grow during the period under review, but due to the decrease in production volume in the first half of 2019, revenue of the Group for the six months ended 30 June 2019 amounted to RMB137,640,000, representing a decrease of RMB4,158,000 or 2.93% as compared to RMB141,798,000 for the corresponding period of last year.

Operating Expenses

The Group's operating expenses mainly comprised fuel consumption, depreciation and amortisation, staff costs and administrative expenses. For the six months ended 30 June 2019, the Group's operating expenses were RMB82,799,000, representing a decrease of RMB7,467,000, or 8.27% from RMB90,266,000 in the corresponding period of last year. The decrease in operating expenses was a result of the decrease in fuel consumption as production volume decreased.

Profit from Operations

Benefited by optimisation of power generation mode and VAT rate adjustment, for the six months ended 30 June 2019, the Group's profit from operations was RMB54,841,000, representing an increase of RMB3,309,000 or 6.42% as compared to RMB51,532,000 from the corresponding period of last year.

Finance Costs

For the six months ended 30 June 2019, net finance costs of the Group were RMB12,550,000, representing a decrease of RMB2,285,000 or 15.40% as compared to RMB14,835,000 in the corresponding period of last year. The decrease in net finance costs was primarily due to the Group repaid certain interest-bearing borrowings during the period under review, resulting in a decrease in relevant finance expenses for the period under review.

Income Tax

Pursuant to the Corporate Income Tax Law of the People's Republic of China ("PRC"), the Group's subsidiaries in the PRC are subject to the unified tax rate of 25%. For the six months ended 30 June 2019, income tax expenses of the Group amounted to RMB14,316,000 (six months ended 30 June 2018: RMB13,057,000), representing an increase of 9.64% as compared to the corresponding period of last year.

Earnings per Share

Benefited by factors of optimisation of power generation mode, reduction of finance expenses and VAT rate adjustment in the first half of 2019, for the six months ended 30 June 2019, the profit attributable to equity shareholders of the Company was RMB28,465,000 (six months ended 30 June 2018: RMB24,079,000), representing an increase of 18.22% as compared to the corresponding period of last year; basic and diluted earnings per share amounted to RMB0.062, representing an increase of 16.98% as compared to RMB0.053 per share in the corresponding period of last year.

Significant Investment Activities

During the period under review, the Group had no significant investment activity.

Major Acquisitions and Disposals

During the period under review, the Group had no major acquisition and disposal relating to its subsidiaries, associates and joint ventures.

Liquidity and Financial Resources

As at 30 June 2019, cash and cash equivalents of the Group amounted to RMB51,178,000 (31 December 2018: RMB74,860,000).

As at 30 June 2019, the Group had current assets of RMB96,342,000 (31 December 2018: RMB122,484,000), current liabilities of RMB283,371,000 (31 December 2018: RMB313,658,000) and net current liabilities of RMB187,029,000 (31 December 2018: RMB191,174,000), with a current ratio of 0.34 (31 December 2018: 0.39). The current ratio declined as compared to the corresponding period of last year was due to the repayment of certain interest bearing borrowings by the Group during the period under review.

Sources of funds of the Group are mainly cash inflows from operating activities and loans granted by banks and related parties. The Group regularly monitors its gearing ratio to control its capital structure. At the same time, the Group also regularly monitors its liquidity position, projected liquidity requirements and its compliance with loan covenants, as well as maintains long-term sound relationships with major banks to ensure that it has sufficient liquidity to meet its working capital requirements and future development needs.

Debts

All the debts of the Group are denominated in Renminbi, Hong Kong Dollar and United States Dollar. As at 30 June 2019, the Group had total debts of RMB537,592,000 (31 December 2018: RMB593,432,000), including loans from a related party of US$19,700,000 (equivalent to approximately RMB135,432,000) (31 December 2018: US$19,700,000 (equivalent to approximately RMB135,205,000)) and shareholder's loan of HK$147,398,000 (equivalent to approximately RMB129,660,000) (31 December 2018: HK$144,062,000 (equivalent to approximately RMB126,227,000)).

Details of the Group's debts as at 30 June 2019 and 31 December of 2018 are listed below:

	30 June 2019 *RMB'000*	31 December 2018 *RMB'000*
Unsecured loans from related parties	**248,432**	270,205
Unsecured bank loans guaranteed by a related party	**159,500**	197,000
Shareholder's loan	**129,660**	126,227
	537,592	593,432

The above debts are repayable as follows:

	30 June 2019 *RMB'000*	31 December 2018 *RMB'000*
Within 1 year	**238,432**	257,705
Over 1 year but less than 2 years	**142,500**	169,000
Over 2 years but less than 5 years	**156,660**	166,727
	537,592	593,432

Among the above debts, approximately RMB265,092,000 (31 December 2018: approximately RMB261,432,000) were fixed-rate debts and denominated in United States Dollar and Hong Kong Dollar; and the remaining debts were denominated in Renminbi and subject to adjustment in accordance with relevant regulations of the People's Bank of China, bearing interests at rates ranging from 3.92% to 4.90% (31 December 2018: 3.92% to 4.90%) per annum.

Gearing Ratio

The Group's gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total debt (including all interest-bearing borrowings and shareholder's loan, as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as equity attributable to equity shareholders of the Company, as shown in the consolidated statement of financial position, plus net debt. As at 30 June 2019, the Group's gearing ratio was 46.73% (31 December 2018: 48.87%).

Capital Commitments

Details of the capital commitments of the Group as at 30 June 2019 are set out in notes to the unaudited interim financial report.

Pledge of Assets

As at 30 June 2019, the Group had no assets pledged (31 December 2018: Nil).

Contingent Liabilities

As at 30 June 2019, the Group had no material contingent liability (31 December 2018: Nil).

Foreign Exchange Risk

The Group primarily operates its business in the PRC and most of the transactions are settled in Renminbi. Except for certain cash, bank balances and borrowings that are denominated in Hong Kong Dollar and United States Dollar, the Group's assets and liabilities are mainly denominated in Renminbi. The Group considers that its current foreign exchange risk is insignificant and therefore has not hedged it through any derivatives for the time being. However, the management of the Group will continue to monitor its foreign currency exposure and will consider hedging significant foreign exchange risk should the need arise.

Employees and Remuneration Policy

As at 30 June 2019, the Group had a total of 254 employees, excluding 2 temporary staff (31 December 2018: 265, excluding 1 temporary staff). For the six months ended 30 June 2019, total employees' remuneration (including directors' remuneration and benefits) was RMB11,858,000 (six months ended 30 June 2018: RMB11,909,000). The Group determines employees' remuneration according to industry practices, financial results and employees' performance. In addition, the Group provides employees with training and benefits, such as insurance, medical benefits and mandatory provident fund contributions, with an aim to retain talents of all levels for their further contribution to the Group.

PROSPECTS

The name of the Company officially changed to "Puxing Clean Energy Limited 普星潔能有限公司" with effect from on 11 July 2019 marked the Group's strong shareholder background and the direction for future business development. In China's continuing process towards high quality and energy saving environmental protection development, save for continuing to dedicate to the development of existing clean energy business and expansion of existing installed capacity, the Group will combine the concept of "Energy+Technology", expand and upgrade its industry chain of existing clean energy business, commit to explore and create new businesses such as auxiliary power service, energy contracts management and energy storage with the hope to inject fresh impetus into the Group. The Group is fully confident towards the future business development, and will do its utmost to achieve outstanding results in order to maximise the benefit to the shareholders.

Apart from those matters as set out above, the management discussion and analysis has not materially changed from those information previously disclosed in the 2018 annual report of the Group.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: HK$nil).

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the six months ended 30 June 2019, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

CORPORATE GOVERNANCE

The Company has complied with the code provisions and, where appropriate, the applicable recommended best practices of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the six months ended 30 June 2019.

REVIEW OF INTERIM RESULTS

The audit committee of the Company has reviewed the interim results of the Group for the six months ended 30 June 2019. KPMG, the Group's external auditor, has carried out a review of the unaudited condensed consolidated interim financial information for the six months ended 30 June 2019 in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.pxcleanenergy.com). The interim report of the Company for the six months ended 30 June 2019 containing all the information required by the Listing Rules shall be despatched to the shareholders of the Company and made available on the aforesaid websites in due course.

By order of the Board
Puxing Clean Energy Limited
WEI Junyong
Chairman

Hong Kong, 29 August 2019

As at the date of this announcement, the Board comprises five Directors, of whom two are executive Directors, namely Mr. Wei Junyong and Mr. Gu Genyong; and three are independent non-executive Directors, namely Mr. Tse Chi Man, Mr. Yao Xianguo and Mr. Yu Wayne W.