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PUXING ENERGY LIMITED
普星能量有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 90)

PROFIT WARNING

This announcement is made by Puxing Energy Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review and assessment on the Group’s unaudited consolidated management accounts for the six months ended 30 June 2022 and the information currently available to the Board, the profit attributable to the equity Shareholders for the six months ended 30 June 2022 is expected to record a decrease of approximately 38% to 48% as compared to the corresponding period of last year. The Board considers that such expected decrease is mainly due to (i) the cut in capacity tariff with effect from 1 January 2022 (details of which have been disclosed in the announcement of the Company dated 7 October 2021 and the 2021 annual report of the Company) which resulted in a decrease in capacity tariff income of the Group of approximately RMB28.6 million for the six months ended 30 June 2022 as compared to the corresponding period of last year; (ii) the significant increase in production volume by natural gas power generating units of the Group for the six months ended 30 June 2022 as compared to the corresponding period of last year under the exacerbation of cost inversion of natural gas power generation (i.e. the cost of natural gas power generation per unit is higher than the volume tariff of natural gas power generating units per unit) caused by the increase in fuel cost for power generation in the first half of year 2022; and (iii) the absence of the expected full implementation of the electricity spot market trading by Zhejiang Province Development and Reform Commission in the first half of year 2022.

As the Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2022, the information contained in this announcement is only based on the preliminary review and assessment made by the Company with reference to the Group's unaudited consolidated management accounts for the six months ended 30 June 2022 and the information currently available to the Board, which may be subject to further adjustments. As at the date of this announcement, the Group's unaudited consolidated management accounts for the six months ended 30 June 2022 have not been audited or reviewed by the independent auditor of the Company and have not been confirmed by the audit committee of the Company. The actual financial results of the Group for the six months ended 30 June 2022 may be different from the information disclosed herein. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2022, which is expected to be published by the end of August 2022 pursuant to the requirements of the Listing Rules.

Shareholders and potential investors are advised to exercise caution in dealing in shares of the Company.

By order of the Board
Puxing Energy Limited
XU Anliang
Chairman

15 August 2022

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