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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)

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO
DISPOSAL OF 30% EQUITY INTEREST
IN THE TARGET COMPANY**

THE DISPOSAL

The Board is pleased to announce that on 22 November 2022, the Vendor, an indirect wholly-owned subsidiary of the Company, the Purchaser and the Target Company entered into the Equity Transfer Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, 30% of the equity interest in the Target Company at the Consideration of RMB61,300,000 (equivalent to approximately HK\$66,817,000), subject to the terms and conditions of the Equity Transfer Agreement.

As at the date of this announcement, the Company owns the entire equity interest in the Target Company through the Vendor (an indirect wholly-owned subsidiary of the Company) and Puxing Neng (a direct wholly-owned subsidiary of the Company) as to 30% and 70%, respectively. Upon Completion and the completion of the Registration Procedures, the Target Company will be owned as to 30% by the Purchaser and 70% by Puxing Neng and, accordingly, remains an indirect subsidiary of the Company.

LISTING RULES IMPLICATIONS

The Purchaser is a direct wholly-owned subsidiary of Shunfa Hengye, which is owned as to approximately 61.33% by Wanxiang Group which in turn is ultimately controlled by Mr. Lu, the ultimate controller of the Company. Accordingly, the Purchaser is a connected person of the Company and the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to the reporting, announcement and independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Tse Chi Man, Mr. Yao Xianguo and Mr. Yu Wayne W., being all the independent non-executive Directors, has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the terms of the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder.

In this connection, the Independent Financial Adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the terms of the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder.

EGM

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder.

Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder with a material interest in the relevant connected transaction must abstain from voting on the relevant resolution at the EGM. As at the date of this announcement, Puxing International, which is ultimately controlled by Mr. Lu, is the Controlling Shareholder interested in approximately 65.42% of the total number of Shares in issue of the Company and the Purchaser is a direct wholly-owned subsidiary of Shunfa Hengye, which is owned as to approximately 61.33% by Wanxiang Group which in turn is ultimately controlled by Mr. Lu. Accordingly, Puxing International and its associates will be required to abstain from voting on the resolution in relation to the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder.

Save as abovementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder and therefore, no other Shareholder is required to abstain from voting at the EGM on the relevant resolution.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) further information on the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the terms of the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its recommendation in respect of the terms of the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder; (iv) financial information of the Group; (v) valuation report on the major generator equipment owned by the Target Group; (vi) the notice of the EGM; and (vii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 23 December 2022, which is more than 15 business days after the publication of this announcement as more time will be needed for the preparation of certain information to be included in the circular.

Completion of the Disposal is subject to the satisfaction of the conditions precedent to the Equity Transfer Agreement and as such, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

MAJOR AND CONNECTED TRANSACTION

THE DISPOSAL

On 22 November 2022, the Vendor, an indirect wholly-owned subsidiary of the Company, the Purchaser and the Target Company entered into the Equity Transfer Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, 30% of the equity interest in the Target Company at the Consideration of RMB61,300,000 (equivalent to approximately HK\$66,817,000), subject to the terms and conditions of the Equity Transfer Agreement.

EQUITY TRANSFER AGREEMENT

Date : 22 November 2022

Parties : (1) the Vendor;

(2) the Purchaser; and

(3) the Target Company.

Subject matter : Pursuant to the Equity Transfer Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, 30% of the equity interest in the Target Company, subject to terms and conditions of the Equity Transfer Agreement. For more information on the Target Group, please refer to the section headed “Information on the Target Group”.

Consideration : The Consideration for the Disposal is RMB61,300,000 (equivalent to approximately HK\$66,817,000) which was determined after arm’s length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to a number of factors, including (i) the audited consolidated net asset value of the Target Group as at the Audit Reference Date based on the Audit Report (in the amount of approximately RMB249,335,000) less the Distributed Profits; (ii) the audited financial performance of the Target Group for the eight months ended the Audit Reference Date; and (iii) the benefits of the Disposal as set out in the section headed “Reasons for and benefits of the Disposal” below.

Payment of the Consideration : The Consideration shall be paid by the Purchaser in cash in the following manner:

- (a) the first instalment in the amount of RMB18,390,000 (being 30% of the Consideration) shall be paid to a bank account designated by the Vendor within three (3) days from the Completion Date; and
- (b) the balance of the Consideration in the amount of RMB42,910,000 (being 70% of the Consideration) shall be paid to a bank account designated by the Vendor within three (3) days from the date of the completion of the Registration Procedures.

The parties to the Equity Transfer Agreement shall arrange for the Registration Procedures within fifteen (15) days after the payment of the first instalment of the Consideration by the Purchaser to the Vendor.

Conditions precedent : Completion is conditional upon the satisfaction of the following conditions precedent on or before the Completion Date in accordance with the terms of the Equity Transfer Agreement:

- (a) the Equity Transfer Agreement having been duly signed by the Vendor, the Purchaser and the Target Company;
- (b) the Purchaser having performed the necessary procedures in accordance with relevant laws, regulations, rules, articles of association and internal compliance procedures, including but not limited to (i) approval of the Disposal by the board of directors of Shunfa Hengye; (ii) consent from the Shenzhen Stock Exchange and other relevant government departments (if applicable); and (iii) obtaining internal approval and consent from any third party by the Purchaser and Shunfa Hengye (if applicable);
- (c) the Vendor and the Target Company having performed the necessary procedures in accordance with relevant laws, regulations, rules, articles of association and internal compliance procedures, including but not limited to (i) approval of the Disposal by the shareholders of the Target Company; (ii) adoption of new articles of association of the Target Company; (iii) approval of the Disposal by the Independent Shareholders; (iv) compliance with the relevant requirements under the Listing Rules or the Stock Exchange; (v) consent from other relevant government departments (if applicable); and (vi) obtaining internal approval and consent from any third party by the Vendor and the Target Company (if applicable); and
- (d) the representations and warranties made by the Purchaser, the Vendor and the Target Company under the Equity Transfer Agreement remaining true, accurate and not misleading.

None of the above conditions precedent can be waived. As at the date of this announcement, the conditions precedent set out in items (a) and (b)(i) above have been fulfilled.

Completion : Completion shall take place within ten (10) Business Days after all the conditions precedent are satisfied or such other day as the parties to the Equity Transfer Agreement may agree in writing but in any event, Completion shall take place on or before 31 January 2023.

As at the date of this announcement, the Company owns the entire equity interest in the Target Company through the Vendor (an indirect wholly-owned subsidiary of the Company) and Puxing Neng (a direct wholly-owned subsidiary of the Company) as to 30% and 70%, respectively. Upon Completion and the completion of the relevant Registration Procedures, the Target Company will be owned as to 30% by the Purchaser and 70% by Puxing Neng and, accordingly, remains an indirect subsidiary of the Company.

Termination : The Equity Transfer Agreement may be terminated in the following manners:

- (a) unless the Vendor and the Purchaser agree otherwise, if Completion does not take place on or before 31 January 2023, either the Vendor or the Purchaser may terminate the Equity Transfer Agreement by written notice to the other party;
- (b) if the Vendor, the Purchaser and the Target Company agree in writing;
- (c) if a party to the Equity Transfer Agreement fails to perform any of its obligations under the Equity Transfer Agreement in a timely and appropriate manner or breaches any of its representations, warranties and undertakings under the Equity Transfer Agreement, the non-defaulting party to the Equity Transfer Agreement may forthwith terminate the Equity Transfer Agreement by written notice to the defaulting party;
- (d) if the Registration Procedures cannot be completed, the Vendor, the Purchaser and the Target Company may mutually agree to terminate the Equity Transfer Agreement; or

- (e) if a Force Majeure Event has lasted for at least thirty (30) days and renders the performance of the obligations by any party under the Equity Transfer Agreement impossible, either the Vendor, the Purchaser or the Target Company may terminate the Equity Transfer Agreement by written notice to the other parties.

In the event that the Equity Transfer Agreement is terminated after Completion upon occurrence of the events set out in items (d) (save and except for the termination of the Equity Transfer Agreement due to fraud, wilful misconduct, gross negligence or bad faith of the Purchaser) or (e) above, in addition to all other available rights or remedies (including the right to claim compensation) and without prejudice to such rights or remedies, the Vendor shall return the Consideration paid to the Purchaser without interest within ten (10) days from the date of the termination of the Equity Transfer Agreement. In the event that the Equity Transfer Agreement is terminated in accordance with the event set out in item (c) above due to the default on the part of the Purchaser, the Vendor shall have the right not to refund any part of the Consideration paid.

INFORMATION ON THE TARGET GROUP

The Target Company is a sino-foreign equity joint venture enterprise established under the laws of the PRC with limited liability on 18 August 2004 with a registered capital of USD18,408,710 and an indirect wholly-owned subsidiary of the Company as at the date of this announcement. It is principally engaged in natural gas power generation and on-grid sales; production and sales of supporting electromechanical equipment; waste heat production and hot water sales; development, operation, maintenance and technical services of power grid auxiliary service projects. As of the date of this announcement, the Company owns the entire equity interest in the Target Company through the Vendor (an indirect wholly-owned subsidiary of the Company) and Puxing Neng (a direct wholly-owned subsidiary of the Company) as to 30% and 70%, respectively.

As at the date of this announcement, the Target Company directly owns the entire equity interest in Quzhou Puxing, a company established under the laws of the PRC with a registered capital of RMB300,000,000. It is principally engaged in thermal power technology research and development; gas turbine thermal power project investment, operation, maintenance, technical services; heating services; power generation business and photovoltaic power generation project investment and development.

The Target Group has an aggregate installed capacity of approximately 342.15MW (including approximately 153kW photovoltaic power generating units) and a maximum heating capacity of approximately 200 tons/hour.

Financial information of the Target Group

Based on the unaudited consolidated financial statements of the Target Group as prepared in accordance with the International Financial Reporting Standards, the unaudited financial information of the Target Group for the two years ended 31 December 2021 was approximately as follows:

	For the year ended	
	31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before taxation	73,716	80,017
Profit after taxation	54,817	60,097

The unaudited consolidated net asset value of Target Group as at 31 August 2022 prepared in accordance with the International Financial Reporting Standards was approximately RMB251,324,000. The appraised value of the shareholders' entire equity of the Target Company as at 31 August 2022 prepared by an independent professional valuer by adopting the asset-based approach was approximately RMB293,474,500.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the development, operation and management of natural gas-fired power plants.

The Group aims to develop diversified energy business and strives to achieve strategic transformation. The Group believes that the Disposal would provide an opportunity to the Group to release the value of the natural gas power plants held, which aligns with the Group's business strategic objectives.

The Directors (other than the independent non-executive Directors who will express their views after considering the advice from the Independent Financial Advisor) consider that the terms of the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms which are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

The Disposal represents a partial disposal of equity interests in the Target Company which will remain an indirect subsidiary of the Company upon Completion. As such, the Disposal will be accounted for as an equity transaction with owners, and therefore, no gain or loss will be recognised for the Disposal.

Assuming the Completion and the Distributed Profits had occurred on 31 August 2022 and for an illustrative purpose only, it is estimated that a deficit of approximately RMB2,747,000 will be recognised in the reserves of the Group. The estimated deficit of approximately RMB2,747,000 is calculated based on the Consideration (RMB61,300,000), minus (i) the unaudited net asset value of the Target Group as at 31 August 2022 attributable to the interest to be disposed (approximately RMB75,397,000) less the Distributed Profits attributable to the interest to be disposed (RMB13,500,000) and (ii) the estimated transaction expenses directly attributable to the Disposal of approximately RMB2,150,000. It is estimated that the assets of the Group will be increased by approximately RMB59,150,000, and the Disposal will not have any material effect on the Group's earnings (save the allocation of profit or loss between the equity Shareholders and the non-controlling interests resulting from the interest to be disposed) and liabilities.

The abovementioned estimated figures are subject to the final net asset value of the Target Group at Completion and final transaction expenses directly attributable to the Disposal.

The Group intends to utilise the proceeds from the Disposal for the development of energy-related business and/or other business as the opportunities arise.

Upon Completion and the completion of the Registration Procedures, the Target Company will be owned as to 30% by the Purchaser and 70% by Puxing Neng and, accordingly, remains an indirect subsidiary of the Company.

INFORMATION ON THE PARTIES

The Group

The Group is principally engaged in the development, operation and management of natural gas-fired power plants.

The Purchaser

The Purchaser is a company established under the laws of the PRC with limited liability and is principally engaged in (i) general items: cooling service; thermal production and supply; power generation technology services; wind power technology services; research and development of wind farm related systems; research and development of emerging energy technologies; research and development of energy-efficient technology in the power industry; research on the utilization technology of waste heat, residual pressure and residual gas; technical services, technical development, technical consultation, technical exchange, technology transfer, technology promotion; sales of new energy prime mover equipment; energy contract management; estate management; real estate leasing; sales of building decoration materials; landscape engineering construction; marketing planning; commercial complex management services; advertising production; advertising design and agency; advertisement release; brand management; socio economic advisory services; industrial investment; decoration and renovation (except for projects that must be approved according to law, carry out business activities independently by virtue of the business license according to law); and (ii) permitted items: power generation business, power transmission business, power supply (distribution) business; hydropower generation; real estate development and operation; and construction project construction (for projects that must be approved according to law, business activities can be carried out only after being approved by relevant departments, and the specific business projects shall be subject to results of the approvals).

The Purchaser is a direct wholly-owned subsidiary of Shunfa Hengye, a company established under the laws of the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000631). Shunfa Hengye is principally engaged in real estate operation and development, property management, renovation and decoration, housing and civil construction engineering, landscaping engineering (the above projects are operated with valid qualification certificates), real estate investment, and industrial investment (except for financial investment, venture capital). Shunfa Hengye is owned as to approximately 61.33% by Wanxiang Group which in turn is ultimately controlled by Mr. Lu.

The Vendor

The Vendor is a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, which is principally engaged in production and sales of electricity and steam gas; and power related technical support and consulting services.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Group, Vendor, Purchaser and Target Group are ultimately controlled by Mr. Lu.

IMPLICATIONS UNDER THE LISTING RULES

The Purchaser is a direct wholly-owned subsidiary of Shunfa Hengye, which is owned as to approximately 61.33% by Wanxiang Group which in turn is ultimately controlled by Mr. Lu, the ultimate controller of the Company. Accordingly, the Purchaser is a connected person of the Company and the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to the reporting, announcement and independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Tse Chi Man, Mr. Yao Xianguo and Mr. Yu Wayne W., being all the independent non-executive Directors, has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the terms of the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder.

In this connection, the Independent Financial Adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder.

EGM

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder.

Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder with a material interest in the relevant connected transaction must abstain from voting on the relevant resolution at the EGM. As at the date of this announcement, Puxing International, which is ultimately controlled by Mr. Lu, is the Controlling Shareholder interested in approximately 65.42% of the total number of Shares in issue of the Company and the Purchaser is a direct wholly-owned subsidiary of Shunfa Hengye, which is owned as to approximately 61.33% by Wanxiang Group which in turn is ultimately controlled by Mr. Lu. Accordingly, Puxing International and its associates will be required to abstain from voting on the resolution in relation to the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder.

Save as abovementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder and therefore, no other Shareholder is required to abstain from voting at the EGM on the relevant resolution.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) further information on the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the terms of the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its recommendation in respect of the terms of the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder; (iv) financial information of the Group; (v) valuation report on the major generator equipment owned by the Target Group; (vi) the notice of the EGM; and (vii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 23 December 2022, which is more than 15 business days after the publication of this announcement as more time will be needed for the preparation of certain information to be included in the circular.

WARNING

Completion of the Disposal is subject to the satisfaction of the conditions precedent to the Equity Transfer Agreement and as such, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Reference Date”	31 August 2022, being the reference date for the preparation of the Audit Report
“Audit Report”	consolidated audit report of the Target Group for the eight months ended the Audit Reference Date issued by a PRC certified public accountants in accordance with generally accepted accounting principles in the PRC

“Board”	the board of Directors
“Business Day(s)”	a day other than Saturday, Sunday and a public holiday in the PRC or Hong Kong
“Company”	Puxing Energy Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 90)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Equity Transfer Agreement
“Completion Date”	the date of the Completion
“Consideration”	the consideration in the amount of RMB61,300,000 (equivalent to approximately HK\$66,817,000) payable by the Purchaser to the Vendor for the Disposal under the Equity Transfer Agreement
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of 30% of the equity interest in the Target Company by the Vendor to the Purchaser pursuant to the Equity Transfer Agreement
“Distributed Profit”	the distributed profit during the period from the Audit Reference Date to the date of execution of the Equity Transfer Agreement in the amount of RMB45,000,000
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder
“Equity Transfer Agreement”	the equity transfer agreement dated 22 November 2022 entered into between the Vendor, the Purchaser and the Target Company in relation to the Disposal

“Force Majeure Event”	any circumstances which are not within the reasonable control or prediction of any party to the Equity Transfer Agreement, or even if predicted, such circumstances are inevitable or cannot be overcome, and cause the performance of any obligations by either party to the Equity Transfer Agreement objectively impossible, which include, without limitation, flood, fire, storm, earthquake, strikes, riots, wars and any change in the relevant laws or regulations of the relevant industry
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board comprising Mr. Tse Chi Man, Mr. Yao Xianguo and Mr. Yu Wayne W., being all the independent non-executive Directors, which is formed to advise the Independent Shareholders on the terms of the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder
“Independent Financial Advisor”	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders other than Puxing International and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lu”	Mr. Lu Weiding (魯偉鼎), the ultimate controller of the Company
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Purchaser”	Shunfa Nengcheng Co., Ltd.* (順發能城有限公司), a company established under the laws of the PRC with limited liability and a direct wholly-owned subsidiary of Shunfa Hengye
“Puxing Neng”	Puxing Neng (HK) Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company
“Puxing International”	Puxing International Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, being directly interested in approximately 65.42% of the issued share capital of the Company as at the date of this announcement
“Quzhou Puxing”	Quzhou Puxing Gas Turbine Thermal Power Co., Ltd.* (衢州普星燃機熱電有限公司), a company established under the laws of the PRC with limited liability and a direct wholly-owned subsidiary of the Target Company
“Registration Procedures”	the relevant registration procedures with the relevant PRC government authority in respect of the change in the ownership of the equity interest of the Target Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares from time to time
“Shunfa Hengye”	Shunfa Hengye Corporation* (順發恒業股份公司), a company established under the laws of the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000631)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Zhejiang Puxing Deneng Natural Gas Power Co., Ltd.* (浙江普星德能然氣發電有限公司), a sino-foreign equity joint venture enterprise established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement

“Target Group”	Target Company and Quzhou Puxing
“USD”	United States dollar, the lawful currency of the United States of America
“Vendor”	Zhejiang Puxing Bluesky Natural Gas Power Co., Ltd.* (浙江普星藍天然氣發電有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Wanxiang Group”	Wanxiang Group Corporation* (萬向集團公司), a company established under the laws of the PRC with limited liability and is ultimately controlled by Mr. Lu
“%”	per cent

By order of the Board
Puxing Energy Limited
XU Anliang
Chairman

22 November 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.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.09 has been used, where applicable, for purpose of illustration only and it does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.

* For identification purposes only