PUXING ENERGY LIMITED
普星能量有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 90)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2025	2024	
	RMB'000	*RMB'000*	Change
Revenue	**244,426**	208,203	+17.40%
Profit from operations	**51,818**	69,574	-25.52%
Profit attributable to equity shareholders of the Company	**12,073**	36,837	-67.23%
Basic earnings per share	**RMB0.026**	RMB0.080	-67.50%
Dividend per share – Interim	**Nil**	Nil	0%

	At 30 June 2025	At 31 December 2024	
	RMB'000	*RMB'000*	Change
Total assets	**1,428,632**	1,914,880	-25.39%
Total equity attributable to equity shareholders of the Company	**880,859**	876,280	+0.52%
Net asset value per share[1]	**RMB1.92**	RMB1.91	+0.52%
Net debt[2]	**174,164**	718,317	-75.75%
Total capital[3]	**1,055,023**	1,594,597	-33.84%
Gearing ratio[4]	**16.51%**	45.05%	-63.35%

Notes:

1. $\frac{\text{Total equity attributable to equity shareholders of the Company}}{\text{Number of ordinary shares in issue}}$

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

3. Total equity attributable to equity shareholders of the Company + Net debt

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

The board (the "**Board**") of directors (the "**Directors**") of Puxing Energy Limited (the "**Company**" or "**Puxing Energy**") announces the unaudited consolidated financial results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2025, together with the comparative figures for the corresponding period in 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025 (unaudited)

		Six months ended 30 June	
		2025	2024
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**244,426**	208,203
Operating expenses			
Fuel consumption		**(112,576)**	(54,834)
Depreciation and amortisation		**(41,414)**	(46,621)
Repairs and maintenance		**(5,829)**	(7,778)
Personnel costs		**(23,764)**	(15,425)
Administrative expenses		**(8,183)**	(11,691)
Sales related taxes		**(1,745)**	(1,771)
Other net gain/(loss)		**903**	(509)
Profit from operations		**51,818**	69,574
Finance income		**88**	325
Finance expenses		**(13,220)**	(15,887)
Net finance costs	*5(a)*	**(13,132)**	(15,562)
Loss on disposal of subsidiaries	*3*	**(8,260)**	–
Share of profits of an associate	*9*	**1,916**	–
Other income	*6*	**717**	539
Profit before taxation		**33,059**	54,551
Income tax	*7*	**(20,986)**	(17,716)
Profit for the period		**12,073**	36,835

	Note	Six months ended 30 June **2025** *RMB'000*	2024 *RMB'000*
Profit for the period		**12,073**	36,835
Attributable to:			
Equity shareholders of the Company		**12,073**	36,837
Non-controlling interests		**–**	(2)
Profit for the period		**12,073**	36,835
Earnings per share			
Basic *(RMB)*	*8(a)*	**0.026**	0.080
Diluted *(RMB)*	*8(b)*	**0.026**	0.080

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025 (unaudited)

		Six months ended 30 June	
		2025	2024
	Note	***RMB'000***	*RMB'000*
Profit for the period		**12,073**	36,835
Other comprehensive income for the period (after tax and reclassification adjustments):			
Item that will not be reclassified to profit or loss:			
Exchange differences on translation of financial statements of the Company		**(2,190)**	1,067
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		**2,614**	(938)
Total comprehensive income for the period		**12,497**	36,964
Attributable to:			
Equity shareholders of the Company		**12,497**	36,966
Non-controlling interests		**–**	(2)
Total comprehensive income for the period		**12,497**	36,964

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 (unaudited)

	Note	**At 30 June 2025** *RMB'000*	At 31 December 2024 *RMB'000*
Non-current assets			
Property, plant and equipment		**935,675**	1,643,479
Intangible assets		**307**	768
Deferred tax assets		**2,462**	5,747
Other non-current asset		**9,672**	31,384
Interests in an associate	*9*	**139,039**	–
		1,087,155	1,681,378
Current assets			
Inventories		**11,205**	58,377
Trade and other receivables	*10*	**83,325**	60,667
Cash and cash equivalents		**246,947**	114,458
		341,477	233,502
Current liabilities			
Shareholder's loan		**120,842**	120,269
Interest-bearing borrowings	*11*	**80,205**	179,713
Trade and other payables	*12*	**91,376**	142,766
Current taxation		**16,844**	20,346
		309,267	463,094
Net current assets/(liabilities)		**32,210**	(229,592)
Total assets less current liabilities		**1,119,365**	1,451,786

	Note	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Non-current liabilities			
Interest-bearing borrowings	*11*	**220,064**	532,793
Deferred revenue		**9,846**	10,624
Deferred tax liabilities		**8,596**	32,089
		238,506	575,506
Net assets		**880,859**	876,280
Capital and reserves			
Share capital		**40,149**	40,149
Reserves		**840,710**	836,131
Total equity attributable to equity shareholders of the Company		**880,859**	876,280
Total equity		**880,859**	876,280

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

1 BASIS OF PREPARATION

This 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**"). It was authorized for issue on 29 August 2025.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an 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 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 2024 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 IFRS Accounting Standards.

The interim financial information is unaudited, but has been reviewed by the Audit Committee of the Company.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to IFRS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to this interim financial information for the current accounting period. The amendments do not have a material impact on this interim financial information as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 DISPOSAL OF SUBSIDIARIES

On 17 February 2025, the shareholders' meeting approved the disposal of 51% of equity interest in Zhejiang Puxing Deneng Natural Gas Power Co., Ltd. ("**Deneng Power Plant**") (the "**Target Company**") and its subsidiary, Quzhou Puxing Gas Turbine Thermal Power Co., Ltd. ("**Quzhou Power Plant**") (collectively hereinafter referred to as the "**Target Group**") to Shunfa Hengneng Co., Ltd. (a subsidiary of Wanxiang Group Corporation, which is the ultimate holding company of the Company, the "**Purchaser**") at a cash consideration of RMB142.7 million.

Upon the completion of the transaction on 30 May 2025 (the "**disposal date**"), the Group's equity interest in the Target Company decreased from 100% to 49% and ceased to be an wholly owned subsidiary of the Group. The directors of the Group determined that the Group has significant influence, but not control or joint control, over the financial and operating policies of the Target Company.

Accordingly, with effect from the date of completion of the transaction, the Target Company became an associate of the Group (Note 9).

Loss on disposal of subsidiaries of RMB8,260,000 was recognised for the six months ended 30 June 2025.

The effects of disposal of the Target Group on the financial position of the Group were as follows:

	At disposal date *RMB'000*
Net assets disposed of:	
Non-current assets	675,465
Current assets	85,474
Current liabilities	(201,378)
Non-current liabilities	(271,458)
	288,103
Cash consideration received	142,720
Fair value of remaining interests in the Target Group	137,123
Less: Net assets disposed	(288,103)
Loss on disposal of subsidiaries	(8,260)
Consideration received, satisfied in cash	142,720
Less: Cash and cash equivalents disposed of	(14,783)
Net cash inflow arising on partial disposal	127,937

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

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

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

– 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 Zhejiang Provincial Price Bureau in June 2015 and the "*Notice from the Zhejiang Provincial Development and Reform Commission Regarding the Optimising the Province's On-grid Tariff of Natural Gas Power Generation*" issued in September 2021.

– Revenue from sales of heat represents the sale of heat to corporate entities.

– Revenue from energy storage represents the lease income with variable rents, which is based on sale of electricity generated by energy storage power stations to power grid companies on a net basis.

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

Capacity tariff revenue is recognised on a time-apportioned basis by reference to the installed production capacity of individual power plants and the relevant capacity tariff rates.

Rental income is recognised as revenue in which they are earned based on variable rents basis upon the transmission of electric power to the power grid companies.

(i) **Disaggregation of revenue**

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15*		
Disaggregated by major products:		
Electricity:		
Volume tariff revenue	**90,139**	38,216
Capacity tariff revenue	**137,401**	150,297
	227,540	188,513
Heat:		
Revenue from sales of heat	**15,599**	19,690
Revenue from other resource		
Rental income:		
Revenue from energy storage	**1,287**	–
	244,426	208,203

* *Revenue from contracts with customers are recognised at point in time for the reporting period.*

(b) Segment reporting

The most senior executive management has identified five operating segments, which are the five power plants of the Group, namely:

- Puxing (Anji) Gas Turbine Thermal Power Co., Ltd.* ("**Anji Power Plant**");
- Zhejiang Puxing Jingxing Natural Gas Power Co., Ltd.* ("**JingXing Power Plant**");
- Zhejiang Puxing Bluesky Natural Gas Power Co., Ltd.* ("**Bluesky Power Plant**"); and
- Deneng Power Plant* (disposed on 30 May 2025);
- Quzhou Power Plant* (disposed on 30 May 2025).

* *For identification purpose only*

The most senior executive management are of the view that these five operating segments contribute to the entire revenue of the Group and should be aggregated to a single reportable segment of the Group, power segment, for financial reporting purpose as they have similar economic characteristics and are similar in respect of nature of products, production processes, the type of class of customers and the regulatory environment. Accordingly, no segmental analysis is presented.

All of the Group's revenue is derived from the volume tariff revenue, capacity tariff revenue, revenue from sales of heat and revenue from energy storage in the People's Republic of China (the "**PRC**"), and the principal non-current assets employed by the Group are located in the PRC. Accordingly, no analysis by geographical segments has been provided for the period.

5 PROFIT BEFORE TAXATION

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

(a) Net finance costs

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Interest income	**(88)**	(325)
Finance income	**(88)**	(325)
Interest on interest-bearing borrowings and shareholder's loan	**13,339**	14,967
Interest on lease liabilities	**–**	2
Less: interest expense capitalised into properties under development	**–**	(26)
Total interest expense recognised in profit or loss	**13,339**	14,943
Bank charges	**30**	49
Net foreign exchange (gain)/loss	**(149)**	895
Finance expenses	**13,220**	15,887
Net finance costs	**13,132**	15,562

(b) Other items

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Amortisation		
– Intangible assets	**368**	354
Depreciation charge		
– Owned property, plant and equipment	**51,221**	45,370
– Right-of-use assets	**822**	897

6 OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Government grants	**717**	539

Government grants represented unconditional government grants of RMB508,000 (six months ended 30 June 2024: RMB327,000) awarded to the Group and the amortisation of deferred government grants of RMB209,000 during the six months ended 30 June 2025 (six months ended 30 June 2024: RMB212,000).

7 INCOME TAX

Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Current tax		
Provision for the PRC Corporate Income Tax	**18,465**	13,531
Over provision in respect of prior years	**(527)**	(583)
	17,938	12,948
Deferred tax		
Reversal and origination of temporary differences	**(206)**	328
PRC withholding tax	**3,254**	4,440
Total income tax expense in the consolidated statement of profit or loss	**20,986**	17,716

(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 2025 and 2024.

(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 Corporate Income Tax Law of the PRC, 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. As at 30 June 2025, deferred tax liabilities of RMB8,596,000 (31 December 2024: RMB25,920,000) 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.

8 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 RMB12,073,000 (six months ended 30 June 2024: RMB36,837,000) and the weighted average of 458,600,000 ordinary shares (six months ended 30 June 2024: 458,600,000 ordinary shares) in issue during the interim period.

(b) Diluted earnings per share

Diluted earnings per share was the same as basic earnings per share for the six months ended 30 June 2025 and 2024 as there were no dilutive potential shares during the periods.

9 INTERESTS IN AN ASSOCIATE

	At 30 June 2025 *RMB'000*
Interests in an associate	**139,039**

The following table analyses, in aggregate, the carrying amount and share of profit or loss of interest in the associate.

	At 30 June 2025 *RMB'000*
Opening carrying amount	**–**
Addition of associate (Note 3)	**137,123**
Share of profits of an associate	**1,916**
Closing carrying amount	**139,039**

The following list contains the associate of the Group, which is operating in the PRC:

Name of associate	**Place and date of incorporation and operation**	**Registered capital**	**Effective interest held by the Group At 30 June 2025**	**Principal activities**
Deneng Power Plant	PRC 18 August 2004	USD18.4 million	49%	Operation of power plant

Summarised financial information of Deneng Power Plant, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below

	At 30 June 2025 *RMB'000*
Gross amounts of Deneng Power Plant	
Current assets	**121,217**
Non-current assets	**644,427**
Current liabilities	**(233,062)**
Non-current liabilities	**(248,829)**
Equity	**(283,753)**
Revenue from the disposal date to 30 June 2025	**14,813**
Profit from the disposal date to 30 June 2025	**3,910**
Total comprehensive income from the disposal date to 30 June 2025	**3,910**
Reconciled to the Group's investment in the associate	
Gross amount of net assets of the associate	**283,753**
Group's effective interest	**49%**
Carrying amount in the consolidated financial statements	**139,039**

10 TRADE AND OTHER RECEIVABLES

	At 30 June 2025	At 31 December 2024
	RMB'000	*RMB'000*
Trade receivables	**75,533**	45,921
Prepayments	**6,665**	13,836
Other receivables	**1,127**	910
	83,325	60,667

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

At 30 June 2025, ageing analysis of trade receivables of the Group based on the date of revenue recognition is as follows:

	At 30 June 2025	At 31 December 2024
	RMB'000	*RMB'000*
Within 1 month	**75,533**	45,921

11 INTEREST-BEARING BORROWINGS

	Note	At 30 June 2025 *RMB'000*	At 31 December 2024 *RMB'000*
Secured			
Bank loans	*(i)*	**140,614**	115,500
Unsecured			
Loans from related parties	*(ii)*	**159,655**	516,826
Bank loans		**–**	80,180
		300,269	712,506
Reconciliation to the consolidated statement of financial position:			
Current liabilities		**80,205**	179,713
Non-current liabilities		**220,064**	532,793
		300,269	712,506

(i) As at 30 June 2025, secured bank loan with a carrying amount of RMB140,614,000 (31 December 2024: RMB115,500,000) was secured by trade and other receivables with the carrying amount of RMB3,677,000 and was guaranteed by Wanxiang Group Corporation, the ultimate controlling company of the Group. The secured bank loan bears annual interest rate of 3.21% and will be repayable from 2025 to 2029.

(ii) Unsecured loans from related parties as at 30 June 2025 represented loans and accrued interest expenses from Wanxiang Finance of RMB159,655,000 (31 December 2024: RMB516,826,000), which borne interest rates at 3.45% - 3.70% per annum (31 December 2024: 3.45% - 3.70% per annum) and will be repayable from 2025 to 2027.

(iii) The analysis of the repayment schedule of interest-bearing borrowings is as follows:

	At 30 June 2025 *RMB'000*	At 31 December 2024 *RMB'000*
Within one year or on demand	**80,205**	179,713
After 1 year but within 2 years	**51,250**	368,300
After 2 years but within 5 years	**168,814**	164,493
	300,269	712,506

12 TRADE AND OTHER PAYABLES

	At 30 June 2025 *RMB'000*	At 31 December 2024 *RMB'000*
Trade payables	**1,341**	766
Construction payable	**72,341**	125,985
Accrued expenses and other payables	**3,467**	6,486
Dividends payable to equity shareholders	**5,855**	–
Financial liabilities measured at amortised cost	**83,004**	133,237
Salary payable	**7,157**	4,056
Other taxes payable	**1,215**	5,473
	91,376	142,766

As at 30 June 2025, the ageing analysis of trade payables of the Group based on the invoice date, is as follows:

	At 30 June 2025	At 31 December 2024
	RMB'000	*RMB'000*
Within 3 months	**1,341**	766

13 DIVIDENDS

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

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: 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	
	2025	2024
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the six months ended 30 June 2025, of HK$0.014 per share (six month ended 30 June 2024: HK$ nil)	**5,855**	–

The dividends approved during the six months ended June 2025 were paid on 16 July 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is mainly engaged in the development, operation and management of natural gas-fired power plants. As of 30 June 2025, the Group has three wholly-owned gas-fired power plants in Zhejiang Province (Deneng Power Plant and Quzhou Power Plant were disposed of on 30 May 2025), with an aggregate installed capacity of approximately 345.917 megawatt (MW) (including 919 kilowatt (kW) photovoltaic power generating units), an aggregate installed capacity of energy storage of 100 MW/200 MWh and a maximum heating capacity of approximately 360 tons/hour.

BUSINESS REVIEW

In the first half of 2025, social and economic activities in Zhejiang Province continued to remain vibrant and the overall demand for electricity in the society grew steadily as a result of the Chinese government's proactive efforts to ensure the stable development of social and economic activities.

In the first half of 2025, due to the increase in demand for peak shaving power generation in Zhejiang Province, the natural gas power generation volume of the Group during the period under review increased by 136.96% to 134,769 megawatt hour (MWh), as compared with 56,875 MWh in the corresponding period of last year. Meanwhile, as the power generation volume increased during the period under review as compared to the corresponding period of last year, the consumption of natural gas for power generation increased accordingly. The consumption of natural gas for power generation of the Group for the first half of 2025 increased by 137.94% to 31,546,327 m^3 from 13,258,030 m^3 in the corresponding period of last year.

During the period under review, the heating business of Puxing (Anji) Gas Turbine Thermal Power Co., Ltd. ("**Anji Power Plant**") and Quzhou Puxing Gas Turbine Thermal Power Co., Ltd. ("**Quzhou Power Plant**", which was disposed of on 30 May 2025) was stable. However, affected by the decrease of downstream heat consumption unit demand and the restriction on the development of new heat users, the Group's heat sales volume for the six months ended 30 June 2025 decreased by 16.47% to 43,167 tons, as compared with 51,678 tons in the corresponding period of last year. Due to the decrease in the unit price of the Group's heat sales, the revenue from sales of heat decreased by 20.78% to RMB15,599,000, as compared with RMB19,690,000 in the corresponding period of last year. Due to the decrease of heating revenue, the contribution margin ratio increased by 23.69 percentage points to 29.16% as compared with 5.47% in the corresponding period of last year. In response to the decrease in heat sales volume during the period under review, the natural gas usage for heating decreased by 4.63% to 4,302,874 m^3, as compared with 4,511,682 m^3 in the corresponding period of last year.

In 2025, the capacity tariff of Zhejiang Puxing Bluesky Natural Gas Power Co., Ltd. ("**Bluesky Power Plant**"), Zhejiang Puxing Deneng Natural Gas Power Co., Ltd. ("**Deneng Power Plant**", which was disposed of on 30 May 2025) and Zhejiang Puxing Jingxing Natural Gas Power Co., Ltd.* ("**Jingxing Power Plant**") under the Company continued to use the adjusted price of RMB394.8/kW/year in 2022. The capacity tariff of Anji Power Plant and Quzhou Power Plant (which was disposed on 30 May 2025) continued to use the adjusted price of RMB571.2/kW/year in 2022, which was the same as the corresponding period of last year.

During the period under review, the prices of natural gas (inclusive of value-added tax ("**VAT**")) of Bluesky Power Plant under the Company fluctuated in the range of RMB3.1300/m^3 to RMB3.4457/m^3, the prices of natural gas (inclusive of VAT) of Deneng Power Plant, which has been disposed of on 30 May 2025, fluctuated in the range of RMB2.8477/m^3 to RMB3.4000/m^3, the prices of natural gas (inclusive of VAT) of Quzhou Power Plant, which has been disposed of on 30 May 2025, fluctuated in the range of RMB2.8477/m^3 to RMB3.4000/m^3, the prices of natural gas (inclusive of VAT) of Anji Power Plant fluctuated in the range of RMB3.1133/m^3 to RMB3.4869/m^3, while the prices of natural gas (inclusive of VAT) of Jingxing Power Plant fluctuated in the range of RMB3.1809/m^3 to RMB3.2253/m^3. According to the gas-electricity price linkage mechanism, the volume tariff (inclusive of VAT) of Bluesky Power Plant under the Company fluctuated in the range of RMB0.7211/kWh to RMB0.8065/kWh, the volume tariff (inclusive of VAT) of Deneng Power Plant, which was disposed of on 30 May 2025, fluctuated in the range of RMB0.7222/kWh to RMB0.8108/kWh, the volume tariff (inclusive of VAT) of Quzhou Power Plant, which was disposed of on 30 May 2025, fluctuated in the range of RMB0.6605/kWh to RMB0.7359/kWh, the volume tariff (inclusive of VAT) of Anji Power Plant fluctuated in the range of RMB0.6587/kWh to RMB0.7377/kWh, and the volume tariff (inclusive of VAT) of Jingxing Power Plant was RMB0.7590/kWh.

Power Generation Volume

Natural Gas Power Generation

In order to facilitate the trial implementation of the dual tariff policy for natural gas power generating units by Zhejiang Province, the relevant government authorities in Zhejiang Province have organized the 2025 production plan for natural gas power generating units based on the peaking demand within the power grid during the period under review. Zhejiang Province has increased the power generation arrangements for natural gas power generating units in 2025, in order to continuously accelerate the market-oriented reform of electricity prices, give better play to the role of natural gas power generating units, and promote the construction of a new power system based on new energy sources. During the period under review, the Group's natural gas power generation volume arranged in accordance with the actual power generation needs was 134,769 MWh (six months ended 30 June 2024: 56,875 MWh), representing an increase of 136.96% as compared to the corresponding period of last year.

Photovoltaic Power Generation

For the six months ended 30 June 2025, electricity generated by photovoltaic power was approximately 1,323 MWh (six months ended 30 June 2024: 510 MWh), of which approximately 52 MWh (six months ended 30 June 2024: 53 MWh) was sold to the power grid.

Through the photovoltaic power generation during the period under review, the Group saved power consumption cost of RMB246,000 (six months ended 30 June 2024: RMB312,000) and realised a revenue from sales of electricity of RMB42,500 (six months ended 30 June 2024: RMB39,000).

Heat Sales Volume

During the period under review, the Group sold 43,167 tons (six months ended 30 June 2024: 51,678 tons) of steam, representing a decrease of 16.47% as compared to the corresponding period of last year. The average selling price (inclusive of VAT) was approximately RMB393.89/ton (six months ended 30 June 2024: RMB415.30/ton), representing a decrease of 5.16% as compared to the corresponding period of last year.

For the six months ended 30 June 2025, the revenue and contribution margin (calculated based on revenue from sales of heat minus variable costs associated with the heating production) from sales of heat of the Group were RMB15,599,000 (six months ended 30 June 2024: RMB19,690,000) and RMB4,548,490 (six months ended 30 June 2024: RMB1,078,000), respectively. The contribution margin ratio for sales of heat was 29.16% (six months ended 30 June 2024: 5.47%), representing an increase of 23.69 percentage points as compared to the corresponding period of last year.

Energy Storage

During the period under review, Bluesky Power Plant under the Group built and owned an energy storage power station on the grid. As of 30 June 30 2025, the cumulative charging volume of the energy storage power station was 62,259 MWh, and the cumulative discharging volume was 54,734 MWh.

Fuel Cost and Natural Gas Usage

As the power generation volume increased in the first half of 2025, the Group's total consumption of natural gas for the six months ended 30 June 2025 was 35,849,201 m^3 (including 4,302,874 m^3 for heating), representing an increase of 103.86% as compared to 17,585,106 m^3 (including 4,511,682 m^3 for heating) for the corresponding period of last year.

The Group's average unit fuel cost for power generation was approximately RMB753.33/MWh, representing an increase of 11.01% as compared to approximately RMB678.59/MWh in the corresponding period of last year. The average unit fuel cost for heating was approximately RMB255.99/ton, representing a decrease of 18.53% as compared to approximately RMB314.23/ton in the corresponding period of last year. The decrease in the average fuel cost for heating was mainly due to a decrease in the unit price of natural gas for heating.

For the six months ended 30 June 2025, fuel costs amounted to RMB112,576,000, representing an increase of 105.3% as compared to RMB54,834,000 in the corresponding period of last year. Fuel costs accounted for 106.47% of the related revenue (i.e., volume tariff revenue (excluding revenue from photovoltaic power generation) and revenue from sales of heat), representing an increase of 11.78 percentage points as compared to 94.69% in the corresponding period of last year, mainly attributable to the decrease in the average price of natural gas.

FINANCIAL REVIEW

Given the following factors: (1) the step-down in capacity tariff effective from 1 January 2022; (2) during the Review Period, an increased demand for peak-shaving electricity in Zhejiang Province compared to the same period last year, coupled with the inversion of natural gas power generation costs (i.e., the cost per unit of natural gas power generation exceeding the tariff per unit of electricity generated by natural gas-fired units); (3) the failure to fully implement electricity spot market trading as anticipated in the first half of 2025; and (4) the disposal of a 51% equity interest in Deneng Power Plant and its subsidiary Quzhou Power Plant during the Review Period, resulting in the deconsolidation of the financial data of these two power plants from June onwards, the profit attributable to equity shareholders of the Company for the six months ended 30 June 2025 was RMB12,073,000, representing a decrease of 67.23% as compared to RMB36,837,000 in the corresponding period of last year. For the six months ended 30 June 2025, the basic and diluted earnings per share of the Company amounted to RMB0.026, representing a decrease of RMB0.054 as compared to RMB0.080 per share in the corresponding period of last year.

Revenue

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

As the demand for peak-shaving electricity in Zhejiang Province increased compared to the same period last year in the first half of 2025, the revenue of the Group for the six months ended 30 June 2025 amounted to RMB244,426,000 (six months ended 30 June 2024: RMB208,203,000), representing an increase of 17.40% as compared to the corresponding period of last year.

Operating Expenses

During the period under review, the Group's operating expenses mainly comprised fuel consumption, depreciation and amortisation, repairs and maintenance, staff costs and administrative expenses. For the six months ended 30 June 2025, the operating expenses of the Group amounted to RMB192,608,000 (six months ended 30 June 2024: RMB138,629,000), representing an increase of 38.94% as compared to the corresponding period of last year. Operating expenses increased primarily due to higher electricity generation output, with fuel costs rising in line with the increased generation volume.

Profit from Operations

The Group's profit from operations for the six months ended 30 June 2025 amounted to RMB51,818,000 (six months ended 30 June 2024: RMB69,574,000), representing a decrease of 25.52% as compared to the corresponding period of last year. The decrease in profit from operations was primarily attributable to the inversion of natural gas power generation costs, whereby increased electricity generation output resulted in a decrease in profit from operations.

Finance Costs

For the six months ended 30 June 2025, net finance costs of the Group amounted to RMB13,132,000 (six months ended 30 June 2024: RMB15,562,000), representing a decrease of 15.61% as compared to the corresponding period of last year. The decrease in net finance costs was mainly due to the Group's reduction of certain loan interest expenses and the effects of exchange rate adjustments during the period under review.

Loss on Disposal of Subsidiaries

During the period under review, the Group recognised a loss on disposal of 51% equity interest in Deneng Power Plant and its subsidiary Quzhou Power Plant of RMB8,260,000.

Share of Profit of Associates

From the date of completion of the Disposal (as defined below), the financial results of the Target Group were no longer included in the consolidated financial statements of the Group, and the remaining 49% interest in the Target Group held by the Group is recognised as interests in associates.

During the period under review, the Group recognised an adjusted net profit under the equity method of RMB1,916,000.

Income Tax

The Group's subsidiaries in the PRC are subject to the unified corporate income tax rate of 25%. For the six months ended 30 June 2025, income tax expenses of the Group amounted to RMB20,986,000 (six months ended 30 June 2024: RMB17,716,000), representing an increase of 18.46% as compared to the corresponding period of last year.

Earnings per share

For the six months ended 30 June 2025, profit attributable to equity shareholders of the Company amounted to RMB12,073,000 (six months ended 30 June 2024: RMB36,837,000). The basic and diluted earnings per share amounted to RMB0.026 (six months ended 30 June 2024: RMB0.080), representing a decrease of 67.50%.

Major Acquisitions and Disposals

On 30 December 2024, Puxing Neng (HK) Limited (the "**Vendor**", a direct wholly-owned subsidiary of the Company), Shunfa Hengneng Corporation*(順發恒能股份公司)(the "**Purchaser**") and Deneng Power Plant entered into an equity transfer agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, 51% of the equity interest in Deneng Power Plant at the consideration of RMB142,720,000, subject to the terms and conditions of the equity transfer agreement (the "**Disposal**"). Upon the completion of the Disposal, Deneng Power Plant ceased to be a subsidiary of the Company.

The shares of the Purchaser are listed on the Shenzhen Stock Exchange (stock code: 000631) which are owned as to approximately 62.28% by Wanxiang Group as at the date of the equity transfer agreement, which in turn is ultimately controlled by Mr. Lu Weiding, the ultimate controller of the Company. Accordingly, the Purchaser is a connected person of the Company and the Disposal a connected transaction of the Company under Chapter 14A of the Listing Rules.

The transaction was completed on 30 May 2025. Following the completion of the Disposal, the Group's equity interest in Deneng Power Plant decreased from 100% to 49%. The Directors of the Group consider that the Group has lost the practical ability to unilaterally direct the relevant activities of Deneng Power Plant and Quzhou Power Plant.

For details, please refer to the announcement of the Company dated 30 December 2024 and the circular of the Company dated 27 January 2025.

Significant Investment Activities

The Group had no significant investment activity during the period under review.

Liquidity and Financial Resources

Cash and cash equivalents of the Group are denominated in Renminbi (RMB) and Hong Kong Dollar (HKD). As at 30 June 2025, cash and cash equivalents of the Group amounted to RMB246,947,000 (31 December 2024: RMB114,458,000). The increase in cash was primarily attributable to the disposal of 51% equity interest in Deneng Power Plant.

As at 30 June 2025, the Group had current assets of RMB341,477,000 (31 December 2024: RMB233,502,000), current liabilities of RMB309,267,000 (31 December 2024: RMB463,094,000), net current assets of RMB32,210,000 (31 December 2024: net current liabilities of RMB229,592,000). The shift from net current liabilities to net current assets was primarily attributable to the increase in cash reserves and reduction in current liabilities resulting from the disposal of power plants 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 lending 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 debts of the Group are denominated in RMB and HKD. As at 30 June 2025, the Group had total debts of RMB512,487,000 (31 December 2024: RMB975,541,000), including shareholder's loan equivalent to approximately RMB120,842,000 (31 December 2024: equivalent to approximately RMB120,269,000), trade and other payables of RMB91,376,000 (31 December 2024: RMB142,766,000), secured bank loans of RMB140,614,000 (31 December 2024: RMB115,500,000), unsecured bank loans guaranteed by related parties of RMB0 (31 December 2024: RMB80,180), and unsecured loans from related parties of RMB159,655,000 (31 December 2024: RMB516,826,000).

Details of the Group's debts as at 30 June 2025 and 31 December 2024 are listed below:

	30 June 2025 ***(RMB'000)***	31 December 2024 *(RMB'000)*
Secured bank loans	**140,614**	115,500
Unsecured loans from related parties	**159,655**	516,826
Unsecured bank loans guaranteed by related parties	**–**	80,180
Trade and other payables	**91,376**	142,766
Shareholder's loan	**120,842**	120,269
Total	**512,487**	975,541

Among the above debts, approximately RMB352,832,000 (31 December 2024: approximately RMB378,535,000) were fixed rate debts and denominated in HKD. The remaining debts were denominated in RMB and adjusted according to relevant regulations of the People's Bank of China, with interest rates ranging from 3.45% to 3.70% per annum (2024: 3.45% to 3.70% per annum).

Gearing Ratio

The Group's gearing ratio is calculated as net liabilities divided by total capital. Net liabilities are calculated as total debts (including interest-bearing borrowings, shareholder's loan and lease liabilities as stated in consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as total equity attributable to equity shareholders of the Company plus net liabilities as stated in consolidated statement of financial position. As at 30 June 2025, the Group's gearing ratio was 16.51% (31 December 2024: 45.05%).

Capital Expenditures

For the six months ended 30 June 2025, the Group invested RMB54,866,000 (six months ended 30 June 2024: RMB71,325,000), which was mainly used in the payment for the construction of heat grid of Anji Power Plant, the energy storage project of Bluesky Power Plant and technological renovation of equipment.

Capital Commitments

As at 30 June 2025, capital commitments of the Group was RMB38,021,000 (31 December 2024: RMB53,399,000) for the construction of heat grid (phase II) of Anji Power Plant, the energy storage project of Bluesky Power Plant and the technological renovation and maintenance of power generation units.

Pledge of Assets

As at 30 June 2025, the trade and other receivables of the Group with the carrying amount of RMB3,677,000 were pledged as security for bank loan (31 December 2024: trade and other receivables of RMB3,580,000 were pledged as security for bank loan).

Contingent Liabilities

As at 30 June 2025 and 31 December 2024, the Group had no material contingent liability.

Foreign Exchange Risk

The Group primarily operates its business in the mainland of the PRC and most of the transactions are settled in RMB. Except for certain cash, bank balances and borrowings that are denominated in HKD or USD, the Group's assets and liabilities are mainly denominated in RMB. 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 monitoring its foreign currency exposure and will consider hedging significant foreign exchange risk should the need arise.

Employees and Remuneration Policy

As at 30 June 2025, the Group had a total of 187 employees (including directors and interns) (31 December 2024: 297 employees (including directors and interns)).

For the six months ended 30 June 2025, total employees' remuneration (including Directors' remuneration and benefits) was RMB12,224,000 (six months ended 30 June 2024: RMB15,425,000). The Group determines employees' remuneration according to industry practices, financial performance 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 further contribution to the Group.

PROSPECTS

2025 will be a challenging year for Puxing Energy. Zhejiang Province is promoting the reform of the electricity spot market and the capacity price reduction policy, which has brought severe challenges to the Group's business model and sustainable profitability. The Company's management team actively researches and explores business models under new forms, strives to find new market convergence points, and is committed to achieving strategic transformation. The Company intends to use the proceeds from the Disposal to develop its energy-related business and/or other upstream and downstream businesses that generate synergies with the Company's main business and are strategically aligned with the Company, by acquiring or investing in the business or companies engaged in the same business, as opportunities arise. The Group believes that the Disposal will provide the Group with the opportunity to unlock the value of its natural gas power plant holdings, supplement its current working capital and provide immediate funding for the Group's future business development, which will help to enhance the Company's negotiating power and reduce transaction time and costs when opportunities arise.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: HK$nil).

EVENT AFTER THE REPORTING PERIOD

Save as otherwise disclosed in this announcement, there are no significant events occurred after the reporting period and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2025, 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**") (including treasury shares as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**")) . The Company did not hold any treasury shares as of 30 June 2025.

CORPORATE GOVERNANCE

The Company has complied with the code provisions and, where appropriate, the applicable recommended best practices of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2025.

COMPLIANCE WITH THE CODE OF CONDUCT BY DIRECTORS

The Company adopted a code of conduct (the "**Code of Conduct**") regarding the securities transactions of the Directors and relevant employees (as defined in code provision C.1.3 of Part 2 of the CG Code) on terms no less than the required standard set out in the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix C3 to the Listing Rules (the "**Model Code**").

The Company has made specific enquiry to all Directors regarding the compliance with the Code of Conduct. All Directors confirmed that they have complied with the required standard set out in the Code of Conduct throughout the six months ended 30 June 2025.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The audit committee of the Company ("**Audit Committee**") comprises three independent non-executive Directors, namely Mr. WU Chongguo, Ms. WU Ying and Mr. YU Wayne W. Mr. WU Chongguo is the chairman of the Audit Committee. The Audit Committee has reviewed the interim results of the Group for the six months ended 30 June 2025.

The Audit Committee, together with the management has reviewed the accounting principles and policies adopted by the Group and the interim financial report for the six months ended 30 June 2025. The Audit Committee is of the opinion that the interim results comply with applicable accounting standards, laws and regulations and that the Company has made appropriate disclosures in this regard.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the Company's website (www.puxing-energy.com) and the Stock Exchange's website (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2025 containing all the information required by the Listing Rules shall be despatched to the shareholders of the Company who request the printed copies and made available on the aforesaid websites in due course.

By order of the Board
Puxing Energy Limited
GUAN Dayuan
Chairman

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises six Directors, of whom three are executive Directors, namely Mr. Guan Dayuan, Mr. Wei Junyong and Mr. Yuan Feng; and three are independent non-executive Directors, namely Mr. Wu Chongguo, Ms. Wu Ying and Mr. Yu Wayne W.