THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

PUXING ENERGY LIMITED
普星能量有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 90)

(1) MAJOR AND CONTINUING CONNECTED TRANSACTIONS; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the New Financial Services Agreement

Donvex 富域資本
Donvex Capital Limited
富域資本有限公司

Capitalised terms used in this cover page have the same meanings as defined in this circular.

A letter from the Board is set out on pages 4 to 23 of this circular. A letter from the Independent Board Committee to the Independent Shareholders in relation to the terms of the deposit services, bills acceptance services and bills discounting services under the New Financial Services Agreement is set out on pages 24 and 25 of this circular. A notice convening the EGM of the Company to be held at Second Floor No. 782 Meeting Room, No. 855 Jianshe 2nd Road, Xiaoshan District, Hangzhou City, China, on Wednesday, 17 December 2025 at 10:00 a.m. is set out on pages 62 to 63 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and, in such event, the form of proxy shall be deemed to be revoked.

27 November 2025

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

"Anergy International"	Anergy International Limited, a company incorporated under the laws of British Virgin Islands with limited liability, which wholly owns Puxing International, and is owned as to 100% by Wanxiang Group which in turn is ultimately controlled by Mr. Lu
"Board"	the board of Directors
"Company"	Puxing Energy Limited(普星能量有限公司), 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)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened on 17 December 2025 to consider and, if thought fit, approve, the New Financial Services Agreement, the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group together with the relevant proposed annual caps for the three years ending 31 December 2028
"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. Wu Chongguo, Ms. Wu Ying and Mr. Yu Wayne W., being the independent non-executive Directors

"Independent Financial Adviser"	Donvex Capital Limited, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group under the New Financial Services Agreement together with the relevant proposed annual caps for the three years ending 31 December 2028
"Independent Shareholders"	Shareholder(s) other than Puxing International and its associates, which is/are not required to abstain from voting on the resolution in relation to the New Financial Services Agreement at the EGM
"Latest Practicable Date"	24 November 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Financial Services Agreement"	the financial services framework agreement entered into between the Company and Wanxiang Finance on 30 October 2025
"NFRA"	National Financial Regulatory Administration
"PRC"	the People's Republic of China which, for the purposes of this circular only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Previous Financial Services Agreement"	the financial services framework agreement entered into between the Company and Wanxiang Finance on 30 March 2022
"Puxing International"	Puxing International Limited, a company incorporated under the laws of British Virgin Islands with limited liability, being directly interested in approximately 65.42% of the issued share capital of the Company as at the Latest Practicable Date
"RMB"	Renminbi, the lawful currency of the PRC

"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
"Shares"	the shares of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Wanxiang Finance"	Wanxiang Finance Co., Ltd.*(萬向財務有限公司), a company established in the PRC and a connected person of the Company
"Wanxiang Group"	Wanxiang Group Corporation*(萬向集團公司), a company established in the PRC and a connected person of the Company
"%"	per cent

* *for identification purpose only*

PUXING ENERGY LIMITED
普星能量有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 90)

Executive Directors:
Mr. GUAN Dayuan *(Chairman)*
Mr. WEI Junyong
Mr. YUAN Feng

Independent Non-executive Directors:
Mr. WU Chongguo
Ms. WU Ying
Mr. YU Wayne W.

Registered Office:
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong:
40/F, Dah Sing Financial Centre
248 Queen's Road East, Wanchai
Hong Kong

27 November 2025

To the Shareholders

Dear Sir or Madam,

(1) MAJOR AND CONTINUING CONNECTED TRANSACTIONS; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

Reference is made to the announcement of the Company dated 30 October 2025 in relation to the major and continuing connected transactions for the provision of certain financial services by Wanxiang Finance to the Group under the New Financial Services Agreement for the three years ending 31 December 2028.

The purpose of this circular is to provide you with, among other things, (i) further details of the New Financial Services Agreement, the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group together with the relevant proposed annual caps for the three years ending 31 December 2028; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the terms of the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group under the New Financial Services Agreement together with the relevant proposed annual caps for the three years ending 31 December 2028; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group under the New Financial Services Agreement together with the relevant proposed annual caps for the three years ending 31 December 2028; and (iv) a notice convening the EGM.

II. MAJOR AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE NEW FINANCIAL SERVICES AGREEMENT

Reference is made to the announcement of the Company dated 30 March 2022 and the circular of the Company dated 18 May 2022 in relation to the major and continuing connected transactions for the provision of certain financial services by Wanxiang Finance to the Group under the Previous Financial Services Agreement, which will expire on 31 December 2025.

On 30 October 2025, the Company entered into the New Financial Services Agreement with Wanxiang Finance, pursuant to which Wanxiang Finance has agreed to provide certain financial services, including the provision of deposit services, credit facilities, bills acceptance services, bills discounting services and other miscellaneous financial services to the Group in accordance with the terms and conditions set out in the New Financial Services Agreement. Wanxiang Finance is a non-banking financial institution regulated by the NFRA.

The Group utilises the services of Wanxiang Finance on a voluntary and non-exclusive basis and is not under any obligation to engage Wanxiang Finance for any particular service. Wanxiang Finance is merely one of a number of financial institutions providing financial services to the Group.

The principal terms of the New Financial Services Agreement are set out as follows:

Date: 30 October 2025

Parties: (1) the Company; and

(2) Wanxiang Finance.

The transactions under the New Financial Services Agreement are non-exclusive and the Group has the right to decide whether it requires and accepts the financial services to be provided by Wanxiang Finance, and to choose the financial institution at its discretion to engage the financial services, with reference to its own business needs.

Effective date and term

The New Financial Services Agreement shall become effective upon the approval of the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group together with the relevant proposed annual caps for the three years ending 31 December 2028 at the EGM and has a term commencing from 1 January 2026 and ending on 31 December 2028. The term of the New Financial Services Agreement can be extended on a mutually agreed basis subject to compliance with the relevant requirements of the Listing Rules.

(1) Deposit services

Wanxiang Finance shall provide certain deposit services to the Group. The principal terms of the provision of deposit services are as follows:

(i) the provision of deposit services by Wanxiang Finance to the Group shall be within the scope approved by the NFRA and in accordance with the relevant laws and regulations of the PRC; and

(ii) the interest rate for the deposit of the Group's funds with Wanxiang Finance shall be determined on the interest rate in the market, taking into consideration the interest rates for the same type of deposit for the same period offered by other commercial banks in the PRC to the Group, subject to compliance with the relevant requirements of the relevant regulatory bodies.

Historical annual caps and historical transaction amounts

The historical annual caps for the provision of deposit services by Wanxiang Finance for the three years ending 31 December 2025 are RMB250,000,000, RMB250,000,000 and RMB250,000,000, respectively. For the two years ended 31 December 2023 and 31 December 2024, the maximum daily balance (including interests) of the Group's deposit with Wanxiang Finance was approximately RMB144,644,000 and RMB127,027,000, respectively; and for the nine months ended 30 September 2025, the maximum daily balance (including interests) of the Group's deposit with Wanxiang Finance, was approximately RMB245,544,000.

Proposed annual caps for the three years ending 31 December 2028

The Board has proposed that the maximum daily balance (including interests) of the aggregated deposits placed by the Group with Wanxiang Finance under the New Financial Services Agreement shall not exceed RMB500,000,000, RMB500,000,000 and RMB500,000,000, respectively, for the three years ending 31 December 2028, which has been set as the proposed annual caps for the provision of deposit services.

The Board has primarily taken into account the following factors to determine the relevant proposed annual caps:

(i) the historical deposit amounts and the historical cash position of the Group;

The maximum daily balance of the deposit placed by the Group with Wanxiang Finance for the nine months ended 30 September 2025 amounted to approximately RMB245,544,000, which was barely below the existing annual cap for the provision of deposit services of RMB250,000,000 in the year ending 31 December 2025.

(ii) the expected cash inflow from the Group's potential disposals of certain natural gas power plants with declining operational efficiency;

Zhejiang Province is promoting the reform of the electricity spot market and the capacity price reduction policy, which has brought challenges to the Group's business model and 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 has disposed of and may continue to dispose of certain natural gas power plants with declining operational efficiency to improve the Group's profitability should suitable opportunities arise. Despite the fact that the Company has not developed any plan or entered into any formal agreement for further disposals of natural gas power plants as at the Latest Practicable Date, the Company has taken into consideration the possible cash inflow from the above-mentioned potential disposals of approximately RMB200 million when determining the proposed annual caps for the provision of deposit services.

(iii) the expected growth of the business operations of the Group; and

Zhejiang Puxing Bluesky Natural Gas Power Co., Ltd. ("**Bluesky Power Plant**") under the Group built an energy storage power station on the grid in 2024. The Group generates revenue from its energy storage power station by purchasing electricity from the grid at lower off-peak tariffs for storage, and subsequently selling the stored electricity to grid companies at higher peak tariffs. The profit is derived from the differential between the lower charging price and the higher discharging price.

In August 2025, the National Development and Reform Commission（國家發展改革委）and the National Energy Administration（國家能源局）promulgated the Special Action Plan for Large-Scale Construction of New Energy Storage (2025-2027)*（《新型儲能規模化建設專項行動方案(2025-2027年)》)(the "**Action Plan**"). The PRC government encourages energy storage power stations to participate in electricity market and promotes new energy storage projects that comply with relevant standards, specifications and electricity market registration conditions in the electric market. The PRC government plans to establish reliable capacity compensation mechanism which provides compensation for the reliable capacity of energy storage power stations. The energy storage power station of Bluesky Power Plant complies with the requirements of the Action Plan and will benefit from the above-mentioned capacity compensation mechanism if implemented. As such, the Company considers that the energy storage power station of Bluesky Power Plant aligns with the Action Plan and industry trends. The Company anticipated that the energy storage power station will receive compensation from the government based on its capacity of energy storage. The Company will continue to develop its energy storage power station by increasing its charging and discharging volumes and expand its energy storage business, which is expected to become a growing revenue stream for the Group.

(iv) the expected amount of interest income from Wanxiang Finance.

The interest rate for the deposit of the Group's funds with Wanxiang Finance is determined based on the interest rate in the market, taking into account the interest rates for the same type of deposit for the same period offered by other commercial banks in the PRC to the Group. As analysed in the above paragraphs (i), (ii) and (iii), the deposit to be placed by the Group with Wanxiang Finance is expected to grow and accordingly, more interest income is expected to be generated from the increased deposit amounts.

The proposed annual caps for the provision of deposit services are merely a maximum limit of the deposit which may be placed by the Group with Wanxiang Finance. The Group is not obliged or committed to engage Wanxiang Finance for the deposit services. Furthermore, according to the New Financial Services Agreement, the Group is free to withdraw and use its deposits placed with Wanxiang Finance without any restriction. Therefore, the Directors consider that the proposed annual caps for the provision of deposit services will not have significant adverse impact on the Group's utilisation of fund.

(2) Other financial services under the New Financial Services Agreement

In addition to the above-mentioned deposit services, Wanxiang Finance has also agreed to provide the following financial services to the Group under the New Financial Services Agreement:

(A) Credit facilities

Wanxiang Finance shall provide certain unsecured revolving credit facilities to the Group under the New Financial Services Agreement. As the credit facilities to be provided by Wanxiang Finance to the Group are on normal commercial terms or better to the Group and are for the benefit of the Group, and no security over the assets of the Group is granted in respect of such credit facilities, such credit facilities are exempt from the reporting, announcement and independent shareholders' approval requirements according to Rule 14A.90 of the Listing Rules.

For completeness, the principal terms of the credit facilities to be provided by Wanxiang Finance to the Group are set out below for the Shareholders' information:

(i) the provision of credit facilities by Wanxiang Finance to the Group shall be within the scope approved by the NFRA and in accordance with the relevant laws and regulations of the PRC;

(ii) the interest rate for the credit facilities to be provided by Wanxiang Finance to the Group shall be no higher than the interest rate in the market, and determined with reference to the interest rates for the same type of loan for the same period provided by other commercial banks in the PRC to the Group, subject to compliance with the relevant requirements of the relevant regulatory bodies;

(iii) the Group shall not be required to provide any security over its assets for the credit facilities; and

(iv) Wanxiang Finance shall provide the credit facilities of up to RMB700,000,000 (including any facilities that has been utilised by the bills acceptance services and bills discounting services from time to time) to the Group during the term of the New Financial Services Agreement.

(B) Bills acceptance services

Wanxiang Finance shall provide bills acceptance services to the Group from time to time upon its request, pursuant to which Wanxiang Finance may require the Group to provide security deposit in respect of the bills acceptance services rendered and shall charge the Group a service fee with reference to, *inter alia*, the face value of bills, the level of security deposit provided, payment date of the bills and capital sufficiency of Wanxiang Finance, etc.

The principal terms of the bills acceptance services are as follows:

(i) the provision of bills acceptance services by Wanxiang Finance to the Group shall be within the scope approved by the NFRA and in accordance with the relevant laws and regulations of the PRC;

(ii) the Group and Wanxiang Finance will enter into a separate agreement in respect of the engagement of bills acceptance services;

(iii) the Group shall not be required to provide any security over its assets for the bills acceptance services save for the security deposit; and

(iv) the service fee and proportion of security deposit to the face value of bills in respect of the bills acceptance services shall be no higher than those in the market, and determined with reference to the same for the same type of services for the same period provided by other commercial banks in the PRC to the Group, subject to compliance with the relevant requirements of the relevant regulatory bodies.

Historical annual caps and historical transaction amounts

The historical annual caps for the provision of bills acceptance services by Wanxiang Finance for the three years ending 31 December 2025 are RMB100,000,000, RMB100,000,000 and RMB100,000,000, respectively. For the two years ended 31 December 2023 and 31 December 2024, and the nine months ended 30 September 2025, no bills acceptance service of Wanxiang Finance was engaged by the Group.

Proposed annual caps for the three years ending 31 December 2028

The Board has proposed that the aggregate amount of the face value of bills to be accepted under the bills acceptance services shall not exceed RMB100,000,000, RMB100,000,000 and RMB100,000,000, respectively, for the three years ending 31 December 2028, which has been set as the proposed annual caps for the provision of bills acceptance services.

The Board has primarily taken into account the following factors to determine the relevant proposed annual caps:

(i) the estimated working capital requirement of approximately RMB92.7 million of the Group, which represents two months of the highest monthly operating cost of RMB46.35 million during peak electricity demand period in the year ending 31 December 2025;

(ii) a buffer of approximately 8% to deal with any unforeseeable increase in fuel consumption cost or the demand of electricity volume; and

(iii) as the working capital requirement of the Group is expected to remain stable for the three years ending 31 December 2028, the proposed annual caps for the provision of bills acceptance services remain the same for the three years ending 31 December 2028.

Despite the fact that the Group did not receive any bills acceptance services from Wanxiang Finance for the two years ended 31 December 2023 and 31 December 2024, and the nine months ended 30 September 2025, the Company anticipates that the Group is likely to make purchases via bills during the three years ending 31 December 2028. As the Group intends to continue investing in and developing its energy storage power station under Bluesky Power Plant, which will require substantial funding, the Company is concerned that the Group may encounter working capital shortfalls particularly during peak electricity demand period which typically lasts two months in a year. Given that the Group is required to prepay natural gas purchases to suppliers whereas customers generally settle electricity payments one month after the sales of electricity, the Group experiences a mismatch between operating cash inflows and outflows. Accordingly, to avoid the potential working capital shortfall due to the mismatch of operating cash flow, the Group will utilise the bills acceptance services provided by Wanxiang Finance when necessary to address its liquidity needs. Therefore, the Directors consider that the proposed annual caps for the provision of bills acceptance services are fair and reasonable.

(C) Bills discounting services

Wanxiang Finance shall provide certain bills discounting services to the Group, pursuant to which the Group may from time to time transfer certain bills to Wanxiang Finance to obtain funds at a certain discount rate taking into account, *inter alia*, face value of the bills, payment date of the bills, bills issuing bank and capital sufficiency of Wanxiang Finance, etc.

The principal terms of the bills discounting services are as follows:

(i) the provision of bills discounting services by Wanxiang Finance to the Group shall be within the scope approved by the NFRA and in accordance with the relevant laws and regulations of the PRC;

(ii) the Group and Wanxiang Finance will enter into a separate agreement in respect of the engagement of bills discounting services; and

(iii) the discount rate in respect of the bills discounting services to be charged by Wanxiang Finance shall be no higher than the discount rate in the market, and determined with reference to the discount rates for the same type of services for the same period provided by other commercial banks in the PRC to the Group, subject to compliance with the relevant requirements of the relevant regulatory bodies.

Historical annual caps and historical transaction amounts

The historical annual caps for the provision of bills discounting services by Wanxiang Finance for the three years ending 31 December 2025 are RMB100,000,000, RMB100,000,000 and RMB100,000,000, respectively. For the two years ended 31 December 2023 and 31 December 2024, and the nine months ended 30 September 2025, no bills discounting service of Wanxiang Finance was engaged by the Group.

Proposed annual caps for the three years ending 31 December 2028

The Board has proposed that the aggregate transaction amount of bills to be transferred to Wanxiang Finance for the bills discounting services shall not exceed RMB100,000,000, RMB100,000,000 and RMB100,000,000, respectively, for the three years ending 31 December 2028, which has been set as the proposed annual caps for the provision of bills discounting services.

The Board has primarily taken into account the following factors to determine the relevant proposed annual caps:

(i) the total amount of approximately RMB103.2 million representing two months of the highest monthly revenue of approximately RMB51.6 million generated from the existing three natural gas plants of the Group during peak electricity demand period in the year ending 31 December 2025;

(ii) the Group's need to promptly convert the received bills into cash to supplement its working capital for the purchase of natural gas from suppliers in order to ensure uninterrupted operation of the existing natural gas power plants; and

(iii) as the revenue of the Group generated from Zhejiang Grid as mentioned below is expected to remain stable for the three years ending 31 December 2028, the proposed annual caps for the provision of bills discounting services remain the same for the three years ending 31 December 2028.

Despite the fact that the Group did not receive any payment via bills from customers for the two years ended 31 December 2023 and 31 December 2024, and the nine months ended 30 September 2025, the Company anticipates that its major customer, namely State Grid Zhejiang Electric Power Co., Ltd（國網浙江省電力有限公司）("**Zhejiang Grid**"), may utilise bills to settle its payments to the Group during the three years ending 31 December 2028. Such expectation arises from Zhejiang Grid's substantial investment in ultra-high voltage projects, power transmission initiatives for nuclear power and pumped-storage hydropower stations in 2025. Zhejiang Grid is expected to continue to increase its investments in electricity network in the coming years to enhance regional power supply capacity and reliability. In the three years ending 31 December 2028, the revenue from Zhejiang Grid is expected to remain stable. Zhejiang Grid generally settle electricity payments one month after its purchase from the Group in cash instead of via bills given its sufficient cash reserve. However, in view of the substantial investments in the infrastructure projects, the Company anticipates that Zhejiang Grid may utilize bills for electricity payments to improve its liquidity particularly during peak electricity demand period lasting for two months in a year.

In order to address the mismatch of cash flow due to the fact that the Group prepays natural gas purchases but receives payment of electricity one months after sales, the Group will utilise the bills discounting services provided by Wanxiang Finance when necessary once Zhejiang Grid makes the payment via bills. Therefore, the Directors consider that the proposed annual caps for the provision of bills discounting services are fair and reasonable.

(D) Miscellaneous financial services

Wanxiang Finance shall also provide certain other miscellaneous financial services to the Group under the New Financial Services Agreement. As such miscellaneous financial services shall be conducted on normal commercial terms or better to the Group, and the Group expects that the highest percentage ratio (if applicable) of such relevant financial services to be engaged by the Group from Wanxiang Finance in aggregate will be less than 5% and the total consideration or value of financial assistance (as the case may be) will be less than HK$3,000,000, the provision of such financial services by Wanxiang Finance to the Group will be exempt from the reporting, announcement and independent shareholders' approval requirements according to Rule 14A.76 of the Listing Rules.

For completeness, the principal terms of the provision of such miscellaneous financial services to be provided by Wanxiang Finance to the Group are set out below for the Shareholders' information:

(i) the provision of such miscellaneous financial services, including settlement, designated loans and financial advice, etc., to be provided by Wanxiang Finance to the Group, shall be within the scope approved by the NFRA and in accordance with the relevant laws and regulations of the PRC; and

(ii) the fees to be charged by Wanxiang Finance for the provision of such services shall be determined in accordance with relevant laws and regulations on the basis of fair market prices, and shall not exceed the rates charged by independent third parties.

For the two years ended 31 December 2023 and 31 December 2024, and the nine months ended 30 September 2025, no miscellaneous financial services of Wanxiang Finance were engaged by the Group.

III. INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT

To secure the Shareholders' interests, Wanxiang Finance has given certain undertakings under the New Financial Services Agreement and the Company has adopted certain internal control procedures, pursuant to which the financial management department of the Company conducts monthly tracking, monitoring and verification of the progress of the Company's transactions. The audit committee of the Board conducts a regular review of continuing connected transactions to ensure the effectiveness of the internal control measures relating to continuing connected transactions. The Board considers that the above internal control procedures adopted by the Company in respect of the transactions under the New Financial Services Agreement are appropriate and that they will give sufficient assurance to the Shareholders that the transactions under the New Financial Services Agreement will be appropriately monitored by the Company.

Prior to placing deposits with or engaging bills acceptance services, bills discounting services or other financial services by the Group from Wanxiang Finance, the relevant member of the Group shall obtain at least three quotations from independent financial institutions for similar deposit services, bills acceptance services, bills discounting services or other financial services of a similar nature, to the extent commercially practicable. Such quotation(s) shall be compared to those offered by Wanxiang Finance. The manager of the financial management department of the relevant subsidiaries of the Company will be responsible for deciding whether to accept the deposit conditions or engage bills acceptance services, bills discounting services or other financial services, based on the above information, and seek approval from the management of the relevant subsidiaries of the Company. In case the relevant cap(s) for the relevant year in respect of the relevant transactions may be exceeded, the Group shall suspend those services and transactions with Wanxiang Finance for the remainder of such year until the relevant requirements of the Listing Rules (if any) are complied with. The Directors are of the view that the above-mentioned methods and procedures are sufficient to ensure that the transactions with Wanxiang Finance will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

The Company has established strict internal control policies to supervise the provision of deposit services by Wanxing Finance to the Group under the New Financial Services Agreement. Details of ongoing internal control procedures to monitor the credit risks of Wanxing Finance are set out as follows:

(i) The Company has established a risk prevention and management working group in respect of the deposit services (the "**Working Group**") which is led by the chairman of the Board. Members of the Working Group include the chairman of the Board, general manager, and manager of the financial management department. The Working Group is responsible for organising and carrying out deposit risk prevention and management work.

(ii) A deposit risk reporting system has been established, with reports submitted to the Board on a regular or ad hoc basis. The Working Group shall regularly obtain and review the periodic financial reports of Wanxing Finance, including the balance sheet, profit and loss statement, and cash flow statement.

(iii) Before depositing funds with Wanxing Finance, the Company should obtain and review the audited financial report of Wanxing Finance for the most recent fiscal year audited by an accounting firm qualified to conduct securities and futures related business. The Working Group should carefully evaluate the annual report and other relevant documents, and only proceed with business with Wanxing Finance after confirming that the risks are controllable.

(iv) Upon knowing there is any potential risk related to the deposit placed by the Group with Wanxing Finance, the relevant staff should report the matter to the Working Group immediately. The Working Group will then seek further information from Wanxing Finance to assess the situation. The Working Group will also be responsible to formulate and execute such measures to safeguard the Group's interest, which may include the withdrawal or adjustment of the amount of deposits placed with Wanxing Finance.

IV. REASONS FOR AND BENEFITS OF THE NEW FINANCIAL SERVICES AGREEMENT

The reasons for the Company to enter into the New Financial Services Agreement with Wanxiang Finance are as follows:

(i) Wanxiang Finance has a better understanding of the operations of the Group and therefore offers more convenient, efficient and flexible services to the Group than other commercial banks in the PRC;

(ii) the interest rate for the deposit services, the service fee and proportion of security deposit to the face value of bills for the bills acceptance services and the discount rate for the bills discounting services offered by Wanxiang Finance, and the rates and fees charged by Wanxiang Finance for the credit facilities and miscellaneous financial services to be provided to the Group, shall be equal to or more favourable than those offered or charged by independent third parties in the market in the PRC;

(iii) the activities of Wanxiang Finance are regulated by the NFRA and Wanxiang Finance provides services within its approved scope in compliance with the relevant laws and regulations; and

(iv) the credit risk the Company would be exposed to associated with the deposit services of Wanxiang Finance is the same as or lower than those of independent commercial banks in the PRC on the basis that:

(a) the audited financial statements of Wanxiang Finance for the two years ended 31 December 2023 and 2024 prepared in accordance with generally accepted accounting principles in the PRC;

(b) the key financial ratios of Wanxiang Finance which indicate that Wanxiang Finance is in compliance with the NFRA requirements; and

(c) according to the relevant laws and regulations promulgated by the NFRA and the articles of association of Wanxiang Finance, in the event that Wanxiang Finance falls into financial difficulty, Wanxiang Group undertook that they will provide financial support to Wanxiang Finance to satisfy its capital need, such as to inject additional capital into Wanxiang Finance, to restore its financial position.

The following table sets out the key financial information of Wanxiang Finance as extracted from its financial statements for the two years ended 31 December 2023 and 31 December 2024, and the six months ended 30 June 2025, respectively, which were prepared in accordance with the generally accepted accounting principles in the PRC:

	For the year ended 31 December		**For the six months ended 30 June**	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Audited)	*(Audited)*	*(Unaudited)*	*(Unaudited)*
Net interest income	228,454	303,799	129,320	138,075
Profit after taxation	268,985	254,916	117,568	124,006

	As at 31 December		**As at 30 June**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
	(Audited)	*(Audited)*	*(Unaudited)*
Total assets	23,676,065	25,349,526	26,881,024
Total liabilities	20,800,930	22,459,475	24,096,967
Net assets	2,875,135	2,890,051	2,784,057

Wanxiang Finance is required to comply with certain financial ratio requirements set by the NFRA from time to time. The key financial ratios of Wanxiang Finance as at 31 December 2024 and 30 June 2025 are set out as follows:

Financial ratios	Requirements of the NFRA	As at 31 December 2024	As at 30 June 2025
Capital adequacy ratio	Not less than 10.5%	14.64%	13.71%
Liquidity ratio	Not less than 25%	48.42%	45.55%
Loan ratio	Not more than 80%	79.17%	78.59%
Inter-bank borrowing balance to total capital ratio	Not more than 100%	0.25%	0.09%
Total amount of outstanding guarantees to total capital ratio	Not more than 100%	53.75%	45.04%
Total amount of investment to total capital ratio	Not more than 70%	Nil	7.30%
Self-owned fixed assets to total capital ratio	Not more than 20%	0.15%	0.15%

As set out in the table above, Wanxiang Finance complied with the key financial ratio requirements set by the NFRA as at 31 December 2024 and 30 June 2025, respectively, and such compliance demonstrates Wanxiang Finance's strong financial position and effective risk management, which reduces the Group's financial risk under the transactions contemplated under the New Financial Services Agreement.

Accordingly, the transactions under the New Financial Services Agreement shall facilitate the Group to increase its efficiency in managing its operation funds with an aim to reduce its financing cost. Taking into account the above reasons and the associated credit risk and/or default risk as compared to placing deposits with third-party licensed banks, the Directors are of the view that the terms of the transactions under the New Financial Services Agreement together with the proposed annual caps are fair and reasonable, on normal commercial terms (or better to the Group) and in the ordinary and usual course of business of the Company, and in the interest of the Company and its Shareholders as a whole.

The Board approved the New Financial Services Agreement and the transactions contemplated thereunder on 30 October 2025. Mr. Yuan Feng has declared to the Board of his concurrent title as a director of Wanxiang Finance and an executive Director of the Company, and he has abstained from voting in respect of the resolution approving the New Financial Services Agreement and the transactions contemplated thereunder together with the proposed annual caps. Save as disclosed above, none of the other Directors was considered having a material interest in the New Financial Services Agreement and the transactions contemplated thereunder and was required to abstain from voting in respect of the resolution approving such transactions and the proposed annual caps.

V. INFORMATION ON THE PARTIES

The Group

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

Wanxiang Finance

Wanxiang Finance is principally engaged in the operation of financial business under the financial license regulated by the NFRA. Wanxiang Finance is a subsidiary of Wanxiang Group, the indirect controlling Shareholder ultimately controlled by Mr. Lu Weiding（魯偉鼎先生）.

The scope of business of Wanxiang Finance may include operating some or all of the following RMB and foreign currency businesses: accepting deposits from member units; processing loans to member units; processing bill discounts for member units; processing fund settlement and collection and payment for member units; providing entrusted loans, bond underwriting, non-financing guarantees, financial consulting, letters of credit and consulting agency services to member units; engaging in interbank lending; processing bill acceptances for member units; processing buyer's credit and consumer credit for member units' products; engaging in fixed-income securities investment; and other businesses prescribed by laws and regulations or approved by the banking and insurance regulatory authorities.

VI. FINANCIAL EFFECT OF THE NEW FINANCIAL SERVICES AGREEMENT

The Directors are of the opinion that the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group under the New Financial Services Agreement will not have any material impact on the earnings, assets and liabilities of the Group.

VII. THE LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Wanxiang Finance is a subsidiary of Wanxiang Group, the controlling Shareholder indirectly interested in approximately 65.42% of the issued share capital of the Company. Accordingly, Wanxiang Group and Wanxiang Finance are both connected persons of the Company. Therefore, the transactions contemplated under the New Financial Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Major and continuing connected transactions

As the highest applicable percentage ratio calculated in accordance with the Listing Rules for each of the provision of deposit services, bills acceptance services and bills discounting services under the New Financial Services Agreement for the three years ending 31 December 2028 exceeds 5%, each of the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group together with the relevant proposed annual caps for the three years ending 31 December 2028 is subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Further, as the provision of deposit services by Wanxing Finance to the Group under the New Financial Services Agreement also constitutes a transaction under Rule 14.04(1)(e) of the Listing Rules and as the highest applicable percentage ratio calculated in accordance with the Listing Rules for the deposit services under the New Financial Services Agreement exceeds 25% but is less than 100%, the provision of deposit services by Wanxiang Finance to the Group constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company will seek the Independent Shareholders' approval in respect of the New Financial Services Agreement, the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group together with the relevant proposed annual caps for the three years ending 31 December 2028. Other than Puxing International (indirectly wholly-owned by Wanxiang Group), which held 300,000,000 Shares (representing approximately 65.42% of the issued share capital of the Company) as at the Latest Practicable Date, no Shareholder is required to abstain from voting in respect of such resolution at the EGM.

Fully-exempt continuing connected transactions

Wanxiang Finance shall provide certain unsecured revolving credit facilities to the Group under the New Financial Services Agreement. As the credit facilities to be provided by Wanxiang Finance to the Group are on normal commercial terms or better to the Group and are for the benefit of the Group, and no security over the assets of the Group is granted in respect of such credit facilities, such credit facilities are exempt from the reporting, announcement and independent shareholders' approval requirements according to Rule 14A.90 of the Listing Rules.

Wanxiang Finance shall also provide certain other miscellaneous financial services to the Group under the New Financial Services Agreement. As such miscellaneous financial services shall be conducted on normal commercial terms or better to the Group, and the Group expects that the highest percentage ratio (if applicable) of such relevant financial services to be engaged by the Group from Wanxiang Finance in aggregate will be less than 5% and the total consideration or value of financial assistance (as the case may be) will be less than HK$3,000,000, the provision of such financial services by Wanxiang Finance to the Group will be exempt from the reporting, announcement and independent shareholders' approval requirements according to Rule 14A.76 of the Listing Rules.

VIII. EGM AND PROXY ARRANGEMENT

A notice convening the EGM to be held at Second Floor No. 782 Meeting Room, No. 855 Jianshe 2nd Road, Xiaoshan District, Hangzhou City, China, on Wednesday, 17 December 2025 at 10:00 a.m. is set out on pages 62 to 63 of this circular.

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular. Whether or not you are able to attend and vote at the EGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM or any adjourned meeting should you so wish and, in such event, the form of proxy shall be deemed to be revoked.

IX. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders to be taken at the EGM shall be taken by poll. Therefore, the chairman of the EGM will demand a poll for the ordinary resolution to be put forward at the EGM pursuant to article 66 of the articles of association of the Company. The Company will appoint scrutineers to handle vote-taking procedures at the EGM. The results of the poll will be published on the websites of the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.puxing-energy.com) as soon as possible after the EGM in accordance with Rule 13.39(5) of the Listing Rules.

X. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for registration of transfer of Shares from Friday, 12 December 2025 to Wednesday, 17 December 2025 (both days inclusive), for the purpose of determining Shareholders' entitlement to attend and vote at the EGM, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Thursday, 11 December 2025.

XI. ADDITIONAL INFORMATION

Your attention is also drawn to the general information of the Group as set out in appendices I and II to this circular.

XII. RECOMMENDATION

The Independent Board Committee comprising the independent non-executive Directors (namely, Mr. Wu Chongguo, Ms. Wu Ying and Mr. Yu Wayne W.) has been formed to consider the terms of the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group under the New Financial Services Agreement together with the relevant proposed annual caps for the three years ending 31 December 2028.

Donvex Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the terms of the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group under the New Financial Services Agreement together with the relevant proposed annual caps for the three years ending 31 December 2028.

The Directors (including the independent non-executive Directors, having considered the views of the Independent Financial Adviser) are of the view that the terms of the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group under the New Financial Services Agreement together with the proposed annual caps are fair and reasonable, on normal commercial terms (or better to the Group) and in the ordinary and usual course of business of the Company, and in the interest of the Company and its Shareholders as a whole.

Accordingly, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the ordinary resolution in respect of the terms of the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group under the New Financial Services Agreement together with the relevant proposed annual caps for the three years ending 31 December 2028.

Yours faithfully,
By order of the Board
Puxing Energy Limited
GUAN Dayuan
Chairman

PUXING ENERGY LIMITED
普星能量有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 90)

27 November 2025

To the Independent Shareholders

Dear Sir or Madam,

MAJOR AND CONTINUING CONNECTED TRANSACTIONS

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders of Puxing Energy Limited to consider the terms of the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group under the New Financial Services Agreement (as defined in the circular of the Company dated 27 November 2025 (the "**Circular**")) together with the relevant proposed annual caps for the three years ending 31 December 2028. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this letter.

Your attention is drawn to the "Letter from the Board", the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group under the New Financial Services Agreement together with the relevant proposed annual caps for the three years ending 31 December 2028 as set out in the "Letter from the Independent Financial Adviser" as well as other additional information set out in other parts of the Circular.

Having taken into account the advice of, and the principal factors and reasons considered by the Independent Financial Adviser in relation thereto as stated in its letter, we consider that the terms of the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group under the New Financial Services Agreement together with the proposed annual caps are fair and reasonable, on normal commercial terms (or better to the Group) and in the ordinary and usual course of business of the Company, and in the interest of the Company and its Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the terms of the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group under the New Financial Services Agreement together with the relevant proposed annual caps for the three years ending 31 December 2028.

Yours faithfully,
For and on behalf of
Independent Board Committee

Mr. Wu Chongguo **Ms. Wu Ying** **Mr. Yu Wayne W.**

The following is the full text of the letter of advice from Donvex Capital Limited setting out their advice to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



Unit 2502, 25/F
Carpo Commercial Building
18-20 Lyndhurst Terrace
Central
Hong Kong

27 November 2025

The Independent Board Committee and the Independent Shareholders of Puxing Energy Limited

Dear Sir/Madam,

MAJOR AND CONTINUING CONNECTED TRANSACTION IN RELATION TO THE NEW FINANCIAL SERVICES AGREEMENT

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to (i) the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group under the New Financial Services Agreement (collectively, the "**Transactions**"); and (ii) the respective proposed annual caps for the three years ending 31 December 2028 (the "**Proposed Annual Caps**"), details of which are set out in the letter from the Board (the **"Letter from the Board**") contained in the circular of the Company dated 27 November 2025 to the Shareholders (the **"Circular**"), of which this letter forms part. Terms used herein have the same meanings as those defined in the Circular unless otherwise stated.

As stated in the Letter from the Board, on 30 October 2025, the Company entered into the New Financial Services Agreement with Wanxiang Finance in relation to the provision of certain financial services, including, *inter alia*, deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group.

As at the Latest Practicable Date, Wanxiang Finance is a subsidiary of Wanxiang Group, the controlling Shareholder indirectly interested in approximately 65.42% of the issued share capital of the Company. Accordingly, Wanxiang Finance is a connected person of the Company. Therefore, the transactions contemplated under the New Financial Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated in accordance with the Listing Rules for each of the deposit services, bills acceptance services and bills discounting services under the New Financial Services Agreement for the three years ending 31 December 2028 exceeds 5%, each of the provision of the deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group and the Proposed Annual Caps for the three years ending 31 December 2028 is subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Wu Chongguo, Ms. Wu Ying and Mr. Yu Wayne W., has been formed to advise the Independent Shareholders as to (i) whether the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group contemplated under the New Financial Services Agreement and the Proposed Annual Caps are on normal commercial terms, in the Company's ordinary and usual course of business, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and (ii) how the Independent Shareholders should vote in respect of the relevant resolution(s) to approve the New Financial Services Agreement, the transactions contemplated thereunder and the Proposed Annual Caps. In our capacity as the Independent Financial Adviser, our role is to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Company will seek the Independent Shareholders' approval in respect of the terms of the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group under the New Financial Services Agreement and the Proposed Annual Caps. Other than Puxing International (indirectly wholly-owned by Wanxiang Group), which held 300,000,000 Shares (representing approximately 65.42% of the issued share capital of the Company) as at the Latest Practicable Date, no Shareholder is required to abstain from voting in respect of such resolution at the EGM.

INDEPENDENCE

In the past two years immediately preceding the Latest Practicable Date, we did not act as (i) financial adviser to the Group and its respective connected persons; or (ii) independent financial adviser to independent board committee and independent shareholders of the Company.

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company or any other parties that could reasonably be regarded as relevant to our independence.

We are independent from and not connected with the Group pursuant to Rule 13.84 of the Listing Rules and are qualified to advise the Independent Board Committee and the Independent Shareholders in relation to the Transactions and the Proposed Annual Caps. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the following information, including but not limited to (i) the information and facts contained or referred to in the Circular; (ii) the Group's management's opinions and statements regarding the Transactions and the Proposed Annual Cap; (iii) the annual reports of the Company for the year ended 31 December 2023 ("**FY2023**") and 31 December 2024 ("**FY2024**"); and (iv) the interim report of the Company for the six months ended 30 June 2025 ("**6M2025**"). We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all statements, information, opinions and representations contained or referred to in the Circular, which have been provided by the Directors and management of the Company and for which they are solely and wholly responsible, were true and accurate at the time they were made and continue to be true until the date of the EGM.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed that, having made all reasonable enquiries, to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no material facts and representations the omission of which would make any statement in the Circular or the Circular misleading.

We consider that we have reviewed sufficient information to reach an informed view regarding the Transactions and the Proposed Annual Caps, and to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, for the purpose of this exercise, conducted any form of independent in-depth investigation or audit into the businesses or affairs or future prospects of the Group, nor have we considered the taxation implication on the Group.

Our opinion is based on the financial, economic, market, and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion, and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise, or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell, or buy any Shares or any other securities of the Company.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Transactions and the Proposed Annual Caps, and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions and the Proposed Annual Caps, we have taken into consideration the following principal factors and reasons:

I. Background information on the Group

With reference to the Letter from the Board, the Group is principally engaged in the development, operation and management of natural gas-fired power plants.

The table below set forth a summary of the consolidated financial information of the Group for FY2023, FY2024, for the six months ended 30 June 2024 ("**6M2024**"), and 6M2025:

	FY2023	**FY2024**	**6M2024**	**6M2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	513,510	534,054	208,203	244,426
Profit for the year	70,840	59,919	36,835	12,073

Revenue

The revenue of the Group increased from approximately RMB513.5 million for FY2023 to approximately RMB534.1 million for FY2024, which is mainly due to the increase in the production volume generated by natural gas.

The revenue of the Group increased from approximately RMB208.2 million for 6M2024 to approximately RMB244.4 million for 6M2025, which is mainly due to the increase in the volume tariff revenue as a result of the increased demand for peak-shaving electricity in Zhejiang Province for 6M2025 as compared to the same period in 2024.

Profit for the year

The profit for the year decreased from approximately RMB70.8 million for FY2023 to approximately RMB59.9 million for FY2024, which is mainly due to the increase in the cost of fuel consumption.

The profit for the year decreased from approximately RMB36.8 million for 6M2024 to approximately RMB12.1 million for 6M2025, which is mainly attributable to (i) the increase in the cost of fuel consumption as the cost per unit of natural gas power generation exceeding the tariff per unit of electricity generated by natural gas-fired units; (ii) the deconsolidation of the financial results of Zhejiang Puxing Deneng Natural Gas Power Co., Ltd.*（浙江普星德能然氣發電有限公司）("**Deneng Power Plant**") since June 2025 following the disposal by Puxing Neng (HK) Limited, a direct wholly-owned subsidiary of the Company, of its 51% equity interest in Deneng Power Plant (the "**Disposal**"); and (iii) the loss on the Disposal.

	As at		
	31 December 2023	**31 December 2024**	**30 June 2025**
	RMB'000 (Audited)	*RMB'000* (Audited)	*RMB'000* (Unaudited)
Cash and cash equivalents	130,719	114,458	246,947
Net assets	816,113	876,280	880,859

Cash and cash equivalents

The cash and cash equivalents of the Group decreased from approximately RMB130.7 million as at 31 December 2023 to approximately RMB114.5 million as at 31 December 2024, which is mainly due to the payment for purchase of property, plant and equipment.

The cash and cash equivalents of the Group increased from approximately RMB114.5 million as at 31 December 2024 to approximately RMB246.9 million as at 30 June 2025, which is mainly due to the net cash inflow from the Disposal.

Net Assets

The net assets of the Group increased from approximately RMB816.1 million as at 31 December 2023 to approximately RMB876.3 million as at 31 December 2024 and approximately RMB880.9 million as at 30 June 2025, which is mainly due to the generation of net profit of the Group during FY2024 and 6M2025.

II. Background information on Wanxiang Finance

Wanxiang Finance is principally engaged in the operation of financial business under the financial license regulated by the NFRA. As at the Latest Practicable Date, Wanxiang Finance is a subsidiary of Wanxiang Group, the indirect controlling Shareholder interested in approximately 65.42% of the issued share capital of the Company and ultimately controlled by Mr. Lu Weiding(魯偉鼎先生). Accordingly, Wanxiang Finance is a connected person of the Company.

The following table sets out the key financial information of Wanxiang Finance, as extracted from its financial statements for FY2023, FY2024 and 6M2025 respectively, which were prepared in accordance with the generally accepted accounting principles in the PRC:

	FY2023	**FY2024**	**6M2024**	**6M2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Net interest income	228,454	303,799	129,320	138,075
Profit after taxation	268,985	254,916	117,568	124,006

	As at		
	31 December 2023	**31 December 2024**	**30 June 2025**
	RMB'000	*RMB'000*	*RMB'000*
	(Audited)	(Audited)	(Unaudited)
Total assets	23,676,065	25,349,526	26,881,024
Total liabilities	20,800,930	22,459,475	24,096,967
Net assets	2,875,135	2,890,051	2,784,057

Net interest income

The net interest income of Wanxiang Finance increased from approximately RMB228.5 million for FY2023 to approximately RMB303.8 million for FY2024, which is mainly attributable to the increase in (i) interest-bearing loans and advances; and (ii) deposit placed with other financial institutions.

The net interest income of Wanxiang Finance increased from approximately RMB129.3 million for 6M2024 to approximately RMB138.1 million for 6M2025, which is mainly attributable to the increase in interest-bearing loans and advances.

Profit after taxation

The profit after taxation of Wanxiang Finance decreased from approximately RMB269.0 million for FY2023 to approximately RMB254.9 million for FY2024, which is mainly attributable to the increase in the expected credit loss as a result of the increase in loans.

The profit after taxation of Wanxiang Finance increased from approximately RMB117.6 million for 6M2024 to approximately RMB124.0 million for 6M2025, which is mainly attributable to the increase in the net interest income.

Total assets

The total assets of Wanxiang Finance increased from approximately RMB23,676.1 million as at 31 December 2023 to approximately RMB25,349.5 million as at 31 December 2024 and approximately RMB26,881.0 million as at 30 June 2025, which is mainly due to the increase in the loans and advances.

Total liabilities

The total liabilities of Wanxiang Finance increased from approximately RMB20,800.9 million as at 31 December 2023 to approximately RMB22,459.5 million as at 31 December 2024 and approximately RMB24,097.0 million as at 30 June 2025, which is mainly due to the increase in the deposits from customers.

Net Assets

The net assets of Wanxiang Finance increased from approximately RMB2,875.1 million as at 31 December 2023 to approximately RMB2,890.1 million as at 31 December 2024, which remains stable.

The net assets of Wanxiang Finance decreased from approximately RMB2,890.1 million as at 31 December 2024 to approximately RMB2,784.1 million as at 30 June 2025, which is mainly due to distribution of dividend to the shareholder of Wanxiang Finance.

As a financial institution regulated by the NFRA, Wanxiang Finance is required to operate in compliance with the Measures for the Administration of Finance Companies of Enterprise Groups*(《企業集團財務公司管理辦法》)(the "**Measures**") to prevent possible financial risk, including credit risk. Pursuant to the Measures, it requires the following:

(i) in the event that Wanxiang Finance falls into financial difficulty, Wanxiang Group undertook that they will provide financial support to Wanxiang Finance to satisfy its capital need, such as to inject additional capital into Wanxiang Finance, to restore its financial position; and

(ii) Wanxiang Finance is required to comply with certain financial ratio requirements set by the NFRA from time to time. As provided by the Company, the below table sets out the key financial ratios of Wanxiang Finance as at 31 December 2024 and 30 June 2025 respectively:

Financial ratios	**Requirements of the NFRA**	**As at 31 December 2024**	**As at 30 June 2025**
Capital adequacy ratio	Not less than 10.5%	14.64%	13.71%
Liquidity ratio	Not less than 25%	48.42%	45.55%
Loan ratio	Not more than 80%	79.17%	78.59%
Inter-bank borrowing balance to total capital ratio	Not more than 100%	0.25%	0.09%
Total amount of outstanding guarantees to total capital ratio	Not more than 100%	53.75%	45.04%
Total amount of investment to total capital ratio	Not more than 70%	Nil	7.30%
Self-owned fixed assets to total capital ratio	Not more than 20%	0.15%	0.15%

As set out in the table above, Wanxiang Finance complied with the key financial ratio requirements set by NFRA as at 31 December 2024 and 30 June 2025 respectively. As such, we are of the view that such compliance demonstrates Wanxiang Finance's strong financial position and effective risk management, which reduces the Group's financial risk under the Transactions.

III. The continuing connected transactions

(a) Background

On 30 October 2025, the Company entered into the New Financial Services Agreement with Wanxiang Finance, pursuant to which Wanxiang Finance has agreed to provide deposit services, bills acceptances services and bills discounting services to the Group.

(b) Reasons for and benefits of entering into the New Financial Services Agreement

Having considered that the Company and Wanxiang Finance belong to the same group and have been familiar with each other in particular for financial areas, the entering into of the New Financial Services Agreement could provide the following benefits:

(i) Wanxiang Finance has a better understanding of the operations of the Group and therefore offers more convenient, efficient and flexible services to the Group than other commercial banks in the PRC. It also allows efficient allocation of funds as the Group can centralise its cash pool and potentially negotiate for better interest returns leveraging its high deposit amount;

(ii) (a) the interest rate for the deposit services; (b) the service fee and proportion of security deposit to the face value of bills for the bills acceptance services; and (c) the discount rate for the bills discounting services offered by Wanxiang Finance shall be equal to or more favourable than those offered or charged by independent third parties in the market in the PRC;

(iii) the activities of Wanxiang Finance are regulated by the NFRA and Wanxiang Finance provides services within its approved scope in compliance with the relevant laws and regulations;

(iv) the credit risk to which the Company would be exposed in relation to the deposit services provided by Wanxiang Finance is the same as or lower than those of independent commercial banks in the PRC on the basis that:

(a) the key financial ratios of Wanxiang Finance, as disclosed under the section headed ''PRINCIPAL FACTORS AND REASONS CONSIDERED – II. Background information on Wanxiang Finance'' in this letter, indicate that the operation of Wanxiang Finance is in compliance with the NFRA requirements, which reduces the Group's financial risk under the Transactions; and

(b) according to the relevant laws and regulations promulgated by the NFRA and the articles of association of Wanxiang Finance, in the event that Wanxiang Finance falls into financial difficulty, Wanxiang Group undertakes that they will provide financial support to Wanxiang Finance to satisfy its capital need, such as to inject additional capital into Wanxiang Finance, to restore its financial position.

(v) The bills acceptance services and bills discounting services under the New Financial Services Agreement provides the Group more flexibility and liquidity as it allows the Company to avoid the mismatch of the working capital as follows:

(a) The customer of the Group began to settle its purchases of electricity with bills since 2020. Unless the bills are discounted to the banks or other financial institutions, the bills receivable can only be converted into cash when the bills matured, which normally takes 180 days since the issuance of the bills. However, the Group is required to prepay its natural gas suppliers normally 7 days in advance before delivery. As such, there is a mismatch in the flow of working capital. In light of the above, the Group considers to use bills acceptance services and bills discounting services to address the problem;

(b) by implementing bills acceptance services, the Group is able to purchase natural gas from suppliers via bills to delay the full cash payment of the purchase. The Group can request Wanxiang Finance to issue a bill of the full purchase amount by merely paying a deposit to Wanxiang Finance and pay the remaining amount within a period of time. Then the Group is able to settle the purchase of natural gas with suppliers using the bill. Normally, the Group is required to prepay its suppliers 7 days in advance before delivery, whereas, under the bills acceptance services, the Group is able to choose to settle the full amount of the bills within 180 days since its issuance. In this way, the Group can delay the full cash payment of the purchase; and

(c) by implementing bills discounting services, the Group is able to convert the bills receivables received from the customers into cash upon the receipt of the bills rather than to wait till the due date of the bills for the settlement of the bills receivables. The early receipt of cash could be utilised to settle payments with suppliers to avoid the liquidity risk as a result of the mismatch of working capital as mentioned in paragraph (a) above; and

(vi) Wanxiang Finance has adopted appropriate internal control and risk management measures to mitigate fund risks and guarantee fund safety, thereby protecting the overall interests of the Group.

In view of the above, we concur with the Directors that the entering into of the New Financial Services Agreement is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

(c) Principal terms of the deposit services, bills acceptance services, and bills discounting services under the New Financial Services Agreement

The following summarised the principal terms of the New Financial Services Agreement:

Date: 30 October 2025

Parties: The Company and Wanxiang Finance

Term: Three years from 1 January 2026 to 31 December 2028

Major terms: A. Deposit services

Wanxiang Finance shall provide certain deposit services to the Group, the principal terms of which are as follows:

(i) the provision of deposit services by Wanxiang Finance to the Group shall be within the scope approved by the NFRA and in accordance with the relevant laws and regulations of the PRC;

(ii) the interest rate for the deposit of the Group's funds with Wanxiang Finance shall be determined on the interest rate in the market, taking into consideration the interest rates for the same type of deposit for the same period offered by other commercial banks in the PRC to the Group, subject to compliance with the relevant requirements of the relevant regulatory bodies; and

(iii) the maximum daily balance (including interests) of the aggregated deposit placed by the Group with Wanxiang Finance shall not exceed RMB500 million, RMB500 million and RMB500 million, respectively, for each of the three years ending 31 December 2028.

B. Bills acceptance services

Wanxiang Finance shall provide bills acceptance services to the Group from time to time upon its request pursuant to which Wanxiang Finance may require the Group to provide security deposit in respect of the bills acceptance services rendered and shall charge the Group a service fee with reference to, *inter alia*, the face value of bills, the level of security deposit provided, payment date of the bills and capital sufficiency of Wanxiang Finance, etc. The principal terms of such services are as follows:

(i) the provision of bills acceptance services by Wanxiang Finance to the Group shall be within the scope approved by the NFRA and in accordance with the relevant laws and regulations of the PRC;

(ii) the Group and Wanxiang Finance will enter into a separate agreement in respect of the engagement of bills acceptance services;

(iii) the Group shall not be required to provide any security over its assets for the bills acceptance services save for the security deposit;

(iv) the service fee and proportion of security deposit to the face value of bills in respect of the bills acceptance services shall be no higher than those in the market, and determined with reference to the same for the same type of services for the same period provided by other commercial banks in the PRC to the Group, subject to compliance with the relevant requirements of the relevant regulatory bodies; and

(v) the aggregate amount of the face value of bills to be accepted under the bills acceptance services shall not exceed RMB100 million, RMB100 million and RMB100 million, respectively, for each of the three years ending 31 December 2028.

C. Bills discounting services

Wanxiang Finance shall provide certain bills discounting services to the Group, pursuant to which the Group may from time to time transfer certain bills to Wanxiang Finance to obtain funds at a certain discount rate taking into account, *inter alia*, face value of the bills, payment date of the bills, bills issuing bank and capital sufficiency of Wanxiang Finance, etc. The principal terms of such services are as follows:

(i) the provision of bills discounting services by Wanxiang Finance to the Group shall be within the scope approved by the NFRA and in accordance with the relevant laws and regulations of the PRC;

(ii) the Group and Wanxiang Finance will enter into a separate agreement in respect of the engagement of bills discounting services;

(iii) the discount rate in respect of the bills discounting services to be charged by Wanxiang Finance shall be no higher than the discount rate in the market, and determined with reference to the discount rates for the same type of services for the same period provided by other commercial banks in the PRC to the Group, subject to compliance with the relevant requirements of the relevant regulatory bodies; and

(iv) the aggregate transaction amount of bills to be transferred to Wanxiang Finance under the bills discounting services shall not exceed RMB100 million, RMB100 million and RMB100 million, respectively, for each of the three years ending 31 December 2028.

Our assessment

We have reviewed the terms of the of the New Financial Services Agreement and noted that all the interest rates and service fees associated with the deposit services, bills acceptance services and bills discounting services under the New Financial Services Agreement are the same or more favorable than those provided by other independent third parties. We further observed that the services provided by Wanxiang Finance are within the scope approved by the NFRA and in accordance with the relevant laws and regulations of the PRC.

As such, we consider the terms of the New Financial Services Agreement are (i) on normal commercial terms; and (ii) fair and reasonable.

(d) Historical Transaction Amounts and the Proposed Annual Caps

Deposit services

Set out below are (i) the historical transaction amounts of the deposit services for FY2023,FY2024 and 9 months ended 30 September 2025 ("**9M2025**"); (ii) the annual caps for FY2023, FY2024, and the year ending 31 December 2025 ("**FY2025**"); and (iii) the Proposed Annual Caps for the year ending 31 December 2026 ("**FY2026**"), 31 December 2027 ("**FY2027**") and 31 December 2028 ("**FY2028**"):

	Historical transaction amounts			**Proposed Annual Caps**		
	FY2023	**FY2024**	**FY2025**	**FY2026**	**FY2027**	**FY2028**
	RMB (million)	*RMB (million)*	*RMB (million)*	*RMB (million)*	*RMB (million)*	*RMB (million)*
Maximum daily balance (including interests)	144.6	127.0	245.5 *(Note)*	NA	NA	NA
Daily balance caps	250	250	250	500	500	500
Utilisation rate	57.84%	50.80%	98.20%	NA	NA	NA

Note: The amount of approximately RMB245.5 million represented the maximum daily balance (including interests) for 9M2025.

Historical transaction amounts

As illustrated in the above table, the maximum daily deposit balance of the Group with Wanxiang Finance for FY2023, FY2024 and 9M2025 amounted to approximately RMB144.6 million, RMB127.0 million, and RMB245.5 million, which represent approximately 57.84%, 50.80% and 98.20% of the annual caps for deposit services for FY2023, FY2024 and FY2025, respectively.

In FY2023, the low utilization rate of approximately 57.84% of the annual cap for deposit services was mainly due to the decrease in the revenue of the Group from approximately RMB753.3 million in FY2022 to approximately RMB513.5 million in FY2023. Such decrease was mainly attributable to the following reasons:

(i) due to the adjustment to the electricity procurement demand of Zhejiang Province, the overall power volume generated by natural gas of the Group for FY2023 decreased by 54.95% to 264,361.73 MWh as compared to 586,869.83 MWh in FY2022; and

(ii) as a result of the decrease in heat demand, the Group's heat sales volume decreased from 142,073 tons in FY2022 to 113,387 tons in FY2023.

As such, the operating cash inflow of the Group did not increase in FY2023 as expected, which resulted in the low utilization rate of 57.84% of the annual cap for deposit services for FY2023.

In FY2024, the utilization rate of the annual cap for deposit services remained low at approximately 50.80%, as the Group's operating cash inflow in FY2024 remained stable as compared with FY2023, which is mainly due to combined effect of the following factors:

(i) as a result of the adjustment to the overall electricity procurement demand of Zhejiang Province in FY2024, the power generation volume of the Group in FY2024 increased by 15.62% to 305,663.81 MWh as compared to 264,361.73 MWh in FY2023; and

(ii) due to the decline in the number of heat users and demand for heat, the Group's heat sales volume in FY2024 decreased by 5.43% to 107,228 tons as compared to 113,387 tons in FY2023.

As such, the maximum daily deposit balance placed by the Group with Wanxiang Finance remained stable for FY2024 as compared with that in FY2023.

For FY2025, the maximum daily deposit balance placed by the Group with Wanxiang Finance increased from approximately RMB127.0 million for FY2024 to approximately RMB245.5 million for 9M2025, which is mainly attributable to the net cash inflow of approximately RMB127.9 million arising from the Disposal.

Our assessment on the fairness and reasonableness of the Proposed Annual Caps for deposit services

In order to assess the fairness and reasonableness of the Proposed Annual Caps for deposit service, we have discussed with the Company and noted that such Proposed Annual Caps were determined on the basis of:

(i) The historical deposit amount and the cash position of the Group

The maximum daily balance of the deposit placed by the Group with Wanxiang Finance for 9M2025 amounted to approximately RMB245.5 million, which was barely below the annual cap for deposit services of RMB250 million in FY2025.

(ii) Expected growth of the business operation of the Group

Based on our discussion with the Company, we noted that Zhejiang Puxing Bluesky Natural Gas Power Co., Ltd. ("**Bluesky Power Plant**") under the Group built an energy storage power station on the grid in 2024. As disclosed in the interim report of the Company for 6M2025, the cumulative charging volume of such energy storage power station was 62,259 MWh, and the cumulative discharging volume was 54,734 MWh as at 30 June 2025. The Group generates revenue from its energy storage power station by purchasing electricity from the grid at lower off-peak tariffs for storage, and subsequently selling the stored electricity to grid companies at higher peak tariffs. The profit is derived from the differential between the lower charging price and the higher discharging price. For 6M2025, the Group recognized revenue from energy storage of approximately RMB1.3 million.

In August 2025, the National Development and Reform Commission (國家發展改革委) and the National Energy Administration (國家能源局) promulgated the Special Action Plan for Large-Scale Construction of New Energy Storage (2025-2027)* (《新型儲能規模化建設專項行動方案(2025-2027年)》)(the "**Action Plan**"). We have reviewed the Action Plan and noted that the PRC government encourages energy storage power stations to participate in electricity market and promotes new energy storage projects that comply with relevant standards, specifications and electricity market registration conditions in the electric market. The PRC government plans to establish reliable capacity compensation mechanism which provides compensation for the reliable capacity of energy storage power stations.

We have confirmed with the management of the Company that the energy storage power station of Bluesky Power Plant complies with the requirements of the Action Plan and will benefit from the abovementioned capacity compensation mechanism if implemented. As such, the Company considers that the energy storage power station of Bluesky Power Plant aligns with the Action Plan and industry trends. The Company anticipated that the energy storage power station will receive compensation from the government based on its capacity of energy storage. We have discussed with the Company and noted that, based on (i) the aggregate installed capacity of the Group's energy storage, which has exceeded 100 MW/200 MWh; and (ii) the cumulative charging volume and discharging volume of the Group's energy storage, which exceeded 62,259 MWh and 54,734 MWh respectively, the Company estimates that the annual compensation from the Zhejiang government for the Group's energy storage station will amount to not less than RMB10 million. The Company will continue to develop its energy storage power station by increasing its charging and discharging volumes and expand its energy storage business, which is expected to become a growing revenue stream for the Group.

As such, a higher cap for maximum daily balance would be necessary to cater for the expected growth of the business operation of the Group.

(iii) The expected cash inflow from the Group's potential disposal of the interest in certain gas power plants with declining operational efficiency

The Group operates three gas power plants, namely Puxing (Anji) Gas Turbine Cogeneration Co., Ltd ("**Anji Power Plant**"), Bluesky Power Plant, and Zhejiang Puxing Jingxingran Gas Power Generation Co., Ltd. ("**Jingxing Power Plant**"), with an aggregate installed capacity of approximately 345.917 MW (including 919 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 as at 30 June 2025. As at the Latest Practicable Date, the Company holds 49% equity interest in Deneng Power Plant, which is an associate of the Company.

Despite the fact that the Group has been profit-making for FY2023, FY2024 and 6M2025, the operation of the Group's gas power plants faces several significant challenges as illustrated in the following:

(a) the operating profits of the Group decreased from approximately RMB70 million for 6M2024 to approximately RMB51.8 million for 6M2025, which was mainly attributable to the doubling cost of fuel consumption rising from approximately RMB54.8 million in 6M2024 to approximately RMB112.6 million in 6M2025. Based on our discussion with the Company, we noted that the unit cost of natural gas-fired power generation exceeds the corresponding unit electricity tariff for the electricity generated by the Group's gas power plants. Therefore, the Group faced the dilemma where increased generation led to reduced operating profits;

(b) the cut in capacity tariff implemented in Zhejiang Province since 1 January 2022 has further decreased the Group's capacity tariff revenue and squeezed the profit margin of the Group;

(c) based on the Zhejiang Electricity Spot Market Operation Plan*(《浙江電力現貨市場運行方案》) issued by Zhejiang Provincial Development and Reform Commission (浙江省發展和改革委員會), Zhejiang Provincial Energy Bureau (浙江省能源局) and Zhejiang Energy Regulatory Office of National Energy Administration of the PRC (國家能源局浙江監管辦公室) on 25 December 2024, the Group's gas power plants, which are centralized dispatching gas-fired power plants* (統調燃氣電廠), should not participate in the electricity spot market transactions. Instead, they should settle electricity price according to the government-authorized contract price, which is usually lower than the electricity spot market price.

Based on the above challenges faced by the Group, the Company anticipates that the profitability of the Group's gas power plants will continue to decline in the future. As such, the Group may dispose of certain gas power plants with declining operational efficiency to improve the Group's profitability should suitable opportunities arise. Despite the fact that the Company has not developed any plan or entered into any formal agreement for further disposal of gas power plants as at the Latest Practicable Date, it is reasonable for the Company to take into consideration the possible cash inflow from the abovementioned potential disposals when determining the Proposed Annual Cap for deposit services.

Based on our discussion with the Company, we noted that the amount of cash inflow from the abovementioned potential disposal is expected to be approximately RMB200 million, which is estimated with reference to:

(a) the book value of net assets of Deneng Power Plant and Jingxing Power Plant as at 30 September 2025; and

(b) the equity interest in Deneng Power Plant and Jingxing Power Plant that the Company may dispose of in the three years ending 31 December 2028.

We have reviewed the financial statements of the Deneng Power Plant and Jingxing Power Plant as at 30 September 2025 and noted that the book value of net assets of Deneng Power Plant and Jingxing Power Plant amounts to approximately RMB212.5 million and RMB144.7 million respectively. Considering the rising operating cost of Deneng Power Plant and Jingxing Power Plant, the Company anticipates that the profitability of these two power plants will gradually decline and these two power plants will underperform as compared with Anji Power Plant and Bluesky Power Plant do. The Company will continue to closely monitor the financial performance of Deneng Power Plant and Jingxing Power Plant, and may dispose of them to improve the profitability of the Group in the event that the operational efficiency of these two power plants deteriorates due to the abovementioned challenges.

Therefore, a higher cap for maximum daily balance would be necessary to cater for the possible cash inflow from the potential disposals of gas power plants.

(iv) the expected amount of interest income from Wanxiang Finance

The interest rate for the deposit of the Group's funds with Wanxiang Finance is determined based on the interest rate in the market, taking into account the interest rates for the same type of deposit for the same period offered by other commercial banks in the PRC to the Group. As analyzed in the above paragraphs (i), (ii) and (iii) under this section, the deposit to be placed by the Group with Wanxiang Finance is expected to grow. Accordingly, a higher annual cap for maximum daily balance would be necessary to accommodate the greater interest income to be generated from the increased deposit amounts.

Conclusion

Having considered all the factors as mentioned above, we are of the view that the Proposed Annual Caps for deposit services under the New Financial Services Agreement are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Bills acceptance services

The following table sets forth the Proposed Annual Caps for bills acceptance services under the New Financial Services Agreement for FY2026, FY2027 and FY2028:

	Historical transaction amounts			**Proposed Annual Caps**		
	FY2023	**FY2024**	**FY2025**	**FY2026**	**FY2027**	**FY2028**
	RMB (million)	*RMB (million)*	*RMB (million)*	*RMB (million)*	*RMB (million)*	*RMB (million)*
Amount of bills acceptance	Nil	Nil	Nil	NA	NA	NA
Annual caps	100	100	100	100	100	100
Utilisation rate	0%	0%	0%	NA	NA	NA

Historical transaction amount

The Group did not receive any bills acceptance services from Wanxiang Finance for FY2023, FY2024 and 9M2025 as the Group maintained sufficient liquidity and working capital supported by stable operating cash flows, thereby obviating the need to defer payment obligations through bills acceptance arrangements.

Our assessment on the fairness and reasonableness of annual caps for bills acceptance services

Based on our discussion with the Company, despite the fact that the Group did not receive any bills acceptance services from Wanxiang Finance in FY2023, FY2024 and 9M2025, the Company anticipates that the Group is likely to make purchases via bills during the three years ending 31 December 2028. As the Group intends to continue investing in and developing its energy storage power station under Bluesky Power Plant, which will require substantial funding, the Company is concerned that the Group may encounter working capital shortfalls particularly during peak electricity demand period which typically lasts two months in a year. Given that the Group is required to prepay natural gas purchases to suppliers whereas customers generally settle electricity payments one month after the sales of electricity, the Group experiences a mismatch

between operating cash inflows and outflows. Accordingly, to avoid the potential working capital shortfall due to the mismatch of operating cash flow, the Group will utilise the bills acceptance services provided by Wanxiang Finance when necessary to address its liquidity needs.

We have reviewed the cash flow forecast of the Group for FY2026 and noted that the Group is anticipated to encounter working capital deficiency during peak electricity demand period, as Bluesky Power Plant will (i) repay the bank borrowings, which were utilized for the development of energy storage power station, of approximately RMB18 million and RMB37 million in 2025 and 2026 respectively; (ii) settle the accounts payable of approximately RMB85 million in 2026 to the service providers which constructed the energy storage power station for Bluesky Power Plant; and (iii) continue to invest approximately RMB4 million in the construction and installation works of energy storage power station in 2026.

We have also reviewed the loan repayment schedule and investment proposal in relation to energy storage of Bluesky Power Plant and noted that the repayment of bank borrowings, settlement of accounts payable and the abovementioned investment will occupy a substantial amount of the Group's funds, which will result in insufficient working capital for the purchase of natural gas during periods of peak electricity demand.

We are advised by the management of the Company that the Proposed Annual Caps for bills acceptance services are determined with reference to:

(i) the estimated working capital requirement of approximately RMB92.7 million of the Group, which represents two months of the highest monthly operating cost of RMB46.35 million during peak electricity demand period in FY2025; and

(ii) a buffer of approximately 8% to deal with any unforeseeable increase in fuel consumption cost or the demand of electricity volume.

As the working capital requirement of the Group is expected to remain stable for FY2026, FY2027 and FY2028, the Proposed Annual Caps for bills acceptance services remain the same for the three years ending 31 December 2028.

Conclusion

Having considered all the factors as mentioned above, we are of the view that the Proposed Annual Caps for bills acceptance services under the New Financial Services Agreement are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Bills discounting services

The following table sets forth the Proposed Annual Caps for bills discounting services under the New Financial Services Agreement for FY2026, FY2027 and FY2028:

	Historical transaction amounts			**Proposed Annual Caps**		
	FY2023	**FY2024**	**FY2025**	**FY2026**	**FY2027**	**FY2028**
	RMB (million)	*RMB (million)*	*RMB (million)*	*RMB (million)*	*RMB (million)*	*RMB (million)*
Amount of bills discounting	Nil	Nil	Nil	NA	NA	NA
Annual caps	100	100	100	100	100	100
Utilisation rate	0%	0%	0%	NA	NA	NA

Historical transaction amount

The Group did not receive any bills discounting services from Wanxiang Finance for FY2023, FY2024 and 9M2025 as the Group did not receive any payment via bills from customers during the above period.

Our assessment on the fairness and reasonableness of annual caps for bills discounting services

Despite the fact that the Group did not receive any payment via bills from customers for FY2023, FY2024 and 9M2025, the Company anticipates that its major customer, namely State Grid Zhejiang Electric Power Co., Ltd（國網浙江省電力有限公司）("**Zhejiang Grid**"), may utilise bills to settle its payments to the Group during the three years ending 31 December 2028. Such expectation arises from the Zhejiang Grid's substantial investment of over RMB45 billion in ultra-high voltage projects, power transmission initiatives for nuclear power and pumped-storage hydropower stations in 2025. To address peak electricity demand in summer, Zhejiang Grid plans to invest in the construction of 116 electricity transmission and transformation projects of more than 110 kV, involving 3,077 kilometers of transmission lines and 19.1 million kVA of substation capacity.

Zhejiang Grid is expected to continue to increase its investments in electricity network in the coming years to enhance regional power supply capacity and reliability.

In FY2024 and 6M2025, the revenue of the Group from Zhejiang Grid amounted to approximately RMB457.6 million and RMB211.7 million respectively. In the three years ending 31 December 2028, the revenue from Zhejiang Grid is expected to remain stable. In FY2023, FY2024 and 9M2025, Zhejiang Grid generally settle electricity payments one month after its purchase from the Group in cash instead of via bills given its sufficient cash reserve. However, in view of the substantial investments in the abovementioned infrastructure projects, the Company anticipates that Zhejiang Grid may utilize bills for electricity payments to improve its liquidity particularly during peak electricity demand period lasting for two months in a year.

In order to assess the likelihood of Zhejiang Grid utilizing bills for the settlement of payments to the Group for the three years ending 31 December 2028, we have performed the following due diligence:

(i) we have reviewed the cash flow forecast of the Group and noted that the revenue generated from Zhejiang Grid is expected to remain stable for the three years ending 31 December 2028;

(ii) we have checked the sales and purchase agreements entered into between the Group and Zhejiang Grid and noted that Zhejiang Grid has the option to settle payments to the Group by way of bills according to the stipulated payment terms;

(iii) we have reviewed the publicly available news (https://www.zj.gov.cn/art/2025/2/6/art_1229823372_60254627.html) and noted that in 2025 Zhejiang Grid plans to invest approximately RMB46.8 billion in fixed assets, of which RMB45.76 billion in power grid infrastructure, in order to improve the capacity of power grid in Zhejiang Province. Besides, Zhejiang Grid will continue to increase investment in urban and rural electricity distribution networks in order to achieve more reliable electricity supply in the near future;

(iv) we have taken into account the historical practice of Zhejiang Grid whereby it settled the payment of approximately RMB31.5 million via bills in 2020 due to working capital shortfall as a result of the pandemic, which indicates the possibility that Zhejiang Grid will utilize bills to alleviate liquidity pressure in the event of working capital shortage; and

(v) based on the communication between the Company and Zhejiang Grid, we noted that despite the fact that Zhejiang Grid did not use bills to settle payments with the Group in FY2023, FY2024 and 9M2025, Zhejiang Grid is still likely to make purchases via bills in the event it encounters working capital shortfall, particularly during peak electricity demand period.

In light of the above, we are of the view that Zhejiang Grid retains the option to make use of bills in the event of working capital shortfall. In order to address the mismatch of cash flow due to the fact that the Group prepays natural gas purchases but receives payment of electricity one months after sales, the Group will utilise the bills discounting services provided by Wanxiang Finance when necessary once Zhejiang Grid makes the payment via bills. As such, the Proposed Annual Caps for bills discounting services are necessary for the Group to deal with the potential receipt of bills from Zhejiang Grid.

We are advised by the management of the Company that the Proposed Annual Caps for bills discounting services are determined with reference to the following factors:

(i) the total amount of approximately RMB103.2 million representing two months of the highest monthly revenue of approximately RMB51.6 million generated from the existing three natural gas plants of the Group during peak electricity demand period in FY2025; and

(ii) the Group's need to promptly convert the received bills into cash to supplement its working capital for the purchase of natural gas from suppliers in order to ensure uninterrupted operation of the existing natural gas power plants.

As the revenue of the Group generated from Zhejiang Grid is expected to remain stable for FY2026, FY2027 and FY2028, the Proposed Annual Caps for bills discounting services remain the same for the three years ending 31 December 2028.

Conclusion

Having considered all the factors as mentioned above, we are of the view that the Proposed Annual Caps for bills discounting services under the New Financial Services Agreement are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

IV. Internal control measures

As stated in the Letter from the Board, the Company has adopted the internal control measures for monitoring the continuing connected transactions between the Company and Wanxiang Finance and to ensure that (i) the transactions pursuant to the New Financial Services Agreement will be conducted on normal commercial terms, fair and reasonable and no less favourable than those available from or offered to independent third parties and in accordance to the New Financial Services Agreement; and (ii) the Proposed Annual Caps will not be exceeded. For details of the internal control measures, please refer to the section headed "III. INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT" in the Letter from the Board.

The Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under the New Financial Services Agreement have been and will be conducted on normal commercial terms and not prejudicial to the interest of the Company and the Shareholders as a whole.

Our assessment on the internal control performed by the Group

We have carried out the following procedures to assess the internal control in relation to the continuing connected transactions of the Group:

(i) Our review on the guidelines

To assess the effectiveness of the internal control procedures, we have obtained and reviewed the internal procedures guidelines of the Group governing the continuing connected transactions pursuant to the New Financial Services Agreement.

We noticed that the financial management department of the Company is responsible for conducting monthly tracking, monitoring and verification of the progress of the Company's transactions under the New Financial Services Agreement. The manager of the financial management department of the relevant subsidiaries of the Company is responsible for deciding whether to accept the conditions and services from Wanxiang Finance and seek approval from the management of the relevant subsidiaries of the Company.

Based on the above, we are of the view that the Company has put in place measures that would ensure that the continuing connected transactions will be conducted on normal commercial terms, and on similar basis as the Company's transactions with other independent third parties and shall be on terms no less favourable than those provided by or from independent third parties.

(ii) Review from the Board and the Company

We noted from the annual report for FY2024 of the Company that the Board (including independent non-executive Directors) has conducted regular review of continuing connected transactions and ensure the effectiveness of the relevant internal control measures. The Board confirmed that (i) the aggregate maximum daily balance maintained by the Group with Wanxiang Finance during FY2024 did not exceed the annual cap of RMB250 million; and (ii) the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

*(iii) Review by the auditor of the Company (the "**Auditor**")*

We noted from the annual report for FY2024 of the Company that the Auditor has performed a review on the continuing connected transactions. The Auditor has issued its unqualified letter containing its findings with respect to the continuing connected transactions.

(iv) Our sampling on the deposit services between the Group and Wanxiang Finance

We have randomly selected and reviewed two samples for FY2023, two samples for FY2024 and one sample for 9M2025 regarding the provision of deposit services by Wanxiang Finance to the Group. We noted that:

(a) the financial management department of the Company would conduct monthly tracking and monitoring on the deposit services provided by Wanxiang Finance to the relevant members of the Group and ensure that the maximum daily balance maintained by the Group with Wanxiang Finance did not exceed the annual cap of RMB250 million;

(b) prior to placing deposits with Wanxiang Finance, the relevant members of the Group would compare the interest rate offered by Wanxiang Finance with that offered by at least three independent financial institutions for similar deposit services;

(c) the manager of the financial management department of relevant subsidiaries would decide whether to accept the principal terms of the deposit services and seek approval from the management of the relevant subsidiaries of the Company; and

(d) for the deposit placed by the relevant members of the Group with Wanxiang Finance, the deposit interest rates offered by Wanxiang Finance were no less favorable than those offered by independent financial institutions.

Considering the above, we are of the view that:

(i) the continuing connected transactions during FY2023, FY2024 and 9M2025 pursuant to the Previous Financial Services Agreement have been conducted on normal commercial terms or better, and there are adequate internal control procedures in place to ensure that continuing connected transactions comply with the requirement under the internal procedures guidelines of the Group; and

(ii) there are adequate internal control policies and procedures in place to ensure that the continuing connected transactions contemplated under the New Financial Services Agreement will be conducted in accordance with the requirement under the internal procedures guidelines of the Group and the relevant Listing Rules.

RECOMMENDATION

Having considered the abovementioned principal factors and reasons, we are of the view that the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group under the New Financial Services Agreement and the Proposed Annual Caps are in the ordinary and usual course of business, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders, and we also recommend the Independent Shareholders, to vote in favor of the ordinary resolution(s) to be proposed at the EGM to approve the provision of deposit services, bills acceptance services and bills discounting services by Wanxiang Finance to the Group under the New Financial Services Agreement and the Proposed Annual Caps.

Yours faithfully,
For and on behalf of
Donvex Capital Limited
Doris Sy
Director

Ms. Doris Sy is a person licensed to carry out type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance and is a responsible officer of Donvex Capital Limited who has around 23 years of experience in corporate finance advisory.

* *For identification purpose only*

I. FINANCIAL INFORMATION OF THE GROUP

Audited financial information of the Group for the three years ended 31 December 2022, 2023 and 2024 and the unaudited consolidated financial information of the Group for the six months ended 30 June 2025 in accordance with IFRS Accounting Standards are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.puxing-energy.com).

- the Company's annual report for the year ended 31 December 2022 published on 25 April 2023 (pages 89 to 215), which can be accessed by the direct hyperlink below: https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0425/2023042502857.pdf

- the Company's annual report for the year ended 31 December 2023 published on 29 April 2024 (pages 93 to 219), which can be accessed by the direct hyperlink below: https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042903385.pdf

- the Company's annual report for the year ended 31 December 2024 published on 29 April 2025 (pages 92 to 212), which can be accessed by the direct hyperlink below: https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042901045.pdf

- the Company's interim report of the Company for the six months ended 30 June 2025 published on 25 September 2025 (pages 7 to 43), which can be accessed by the direct hyperlink below: https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0925/2025092500393.pdf

II. INDEBTEDNESS

As at the close of business on 30 September 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group has outstanding borrowings of approximately RMB407,699,000, details of which are as follows:

	RMB'000
Outstanding borrowings:	
Unsecured and unguaranteed	
Shareholder's loan	122,202
Interest-bearing borrowings	
– Loans from related parties	139,635
Sub-total	261,837
Unsecured and guaranteed	
Interest-bearing borrowings	
– Bank loans	145,862
Total	407,699

Save as disclosed above, the Group did not have any material outstanding loan capital or debt securities or non-convertible notes issued or authorised or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases or finance lease commitments, guarantees, or other material contingent liabilities as at 30 September 2025.

III. WORKING CAPITAL

The Directors are of the opinion that, after taking into account (i) financial resources (including but not limited to the internally generated cash flows and existing cash and bank balances); and (ii) the credit facilities from Wanxiang Finance, the Group has sufficient working capital for its present requirements for at least 12 months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

IV. FINANCIAL AND TRADING PROSPECT OF THE GROUP

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

The profit for the year attributable to equity shareholders of the Company for the year ended 31 December 2024 was RMB59,902,000, representing a decrease of 15.44% as compared to RMB70,842,000 in 2023. The profit for the period 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.

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 Disposal was completed on 30 May 2025. Following the completion of the Disposal, the Group' 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.

2025 has been a challenging year for the Company. The cut in capacity tariff in Zhejiang Province and the fluctuation of natural gas prices have brought a severe test to the profitability of the Company. The Group will closely follow the development of the electricity market, actively study and explore new forms of business models, strive to find new market convergence points, step up the development of heating business, and strengthen cost management, cooperate with the continuous implementation of refined management and strict cost control, actively face challenges, so as to minimise the impact of policy and external economic environment changes and realize the strategic transformation. The Group believes that the disposals 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.

V. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, they were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

I. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

II. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors or the chief executive of the Company were taken or deemed to have under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than Directors or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	**Capacity/Nature of interests**	**Number of Shares/ underlying Shares held** *(note 1)*	**Percentage of issued share capital** *(note 5)*
Puxing International	Beneficial interest	300,000,000 (L)	65.42%
Anergy International *(note 2)*	Interests in a controlled corporation	300,000,000 (L)	65.42%
Wanxiang Group *(note 2)*	Interests in a controlled corporation	300,000,000 (L)	65.42%
Mr. Lu Weiding ("**Mr. Lu**") *(note 2)*	Interests in a controlled corporation	300,000,000 (L)	65.42%
Ms. Li Li *(note 2)*	Interest of spouse	300,000,000 (L)	65.42%
BC Global Opportunities XIII LP	Beneficial interest	35,122,000 (L)	7.66%
Mr. Tan Kuangming *(note 4)*	Interests in a controlled corporation	35,122,000 (L)	7.66%

Notes:

(1) The letter "L" denotes the entity/person's long position in the Shares.

(2) These Shares are held by Puxing International, which is owned as to 100% by Anergy International, which is owned as to 100% by Wanxiang Group which in turn is ultimately controlled by Mr. Lu. Therefore, Anergy International, Wanxiang Group and Mr. Lu are deemed to be interested in the Shares held by Puxing International.

(3) Ms. Li Li is the spouse of Mr. Lu and is therefore deemed to be interested in the said Shares in which Mr. Lu is deemed to be interested.

(4) These shares are held by BC Global Opportunities XIII LP. BC Global Opportunities XIII LP is owned as to 100% by BC General Partner, LP, which in turn is owned as to 100% by BC Capital Management Limited. BC Capital Management Limited is owned as to 100% by Mr. Tan Kuangming.

(5) The percentage of issued share capital is calculated based on the total number of 458,600,000 shares in issue as at the Latest Practicable Date. The Company did not hold any treasury shares (as defined under the Listing Rules) as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

As at the Latest Practicable Date, so far as is known to the Directors, Mr. Guan Dayuan (the chairman of the Board and an executive Director) is the deputy secretary of the Party Committee of Wanxiang Group. Apart from Mr. Guan Dayuan, none of the other Directors is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Division 2 and 3 of Part XV of the SFO.

III. ARRANGEMENTS AND MATTERS CONCERNING DIRECTORS

(a) None of the Directors has entered or proposed to enter into any service contract with the Group, which is not expiring or determinable by the Group within one year without payment of compensation (other than the payment of statutory compensation).

(b) As at the Latest Practicable Date, none of the Directors was interested, directly or indirectly, in any assets which, since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

(c) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and entered into by the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, and which was significant in relation to the business of the Group.

(d) As at the Latest Practicable Date, none of the Directors or their respective close associates had any interest in a business which competed or might compete with the business of the Company.

IV. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

V. QUALIFICATION AND CONSENT OF EXPERT

(a) The following is the qualification of the expert which has given opinion or advice which is contained in this circular:

Name	Qualification
Donvex Capital Limited	A corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

(b) As at the Latest Practicable Date, the Independent Financial Adviser did not have any shareholding in the Company or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any interest, direct or indirect, in any assets which had, since the date to which the latest published audited consolidated financial statements of the Group were made up, been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

(c) The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the forms and contexts in which they appear. The letter of the Independent Financial Adviser contained herein was issued on 27 November 2025 and was made by the Independent Financial Adviser for incorporation in this circular.

VI. MATERIAL CONTRACTS

The following contract (not being contracts entered into in the ordinary course of business) has been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date and which are, or may be, material to the Group:

(a) the equity transfer agreement dated 30 December 2024 (the "**Equity Transfer Agreement**") entered into among 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, 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. For details, please refer to the announcement of the Company dated 30 December 2024 and the circular of the Company dated 27 January 2025.

VII. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.puxing-energy.com) for a period of 14 days from the date of this circular:

(a) the New Financial Services Agreement;

(b) the Equity Transfer Agreement; and

(c) the letter from the Independent Financial Adviser as set out in this circular.

VIII. MISCELLANEOUS

(a) The company secretary of the Company is Mr. CHUNG Ming Fai, who is a fellow of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia.

(b) The registered office of the Company is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The head office of the Company is at No.181-1 Hejiatang, Chongxian Subdistrict, Lingping District, Hangzhou 311108, Zhejiang Province, PRC and its principal place of business in Hong Kong is at 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong. The share registrar of the Company is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

(c) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

* *for identification purpose only*

PUXING ENERGY LIMITED
普星能量有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 90)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the shareholders of Puxing Energy Limited (the "**Company**") will be held at Second Floor No. 782 Meeting Room, No. 855 Jianshe 2nd Road, Xiaoshan District, Hangzhou City, China, on Wednesday, 17 December 2025 at 10:00 a.m. (the "**EGM**") for the purposes of considering and, if thought fit, passing the following matter. Terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 27 November 2025 (the "**Circular**") unless otherwise defined.

ORDINARY RESOLUTION

(1) "**THAT** the New Financial Services Agreement dated 30 October 2025 referred to in the section headed "Major and Continuing Connected Transactions" in the "Letter from the Board" contained in the circular (the "**Circular**") of the Company of which this notice forms part, the provision of deposit services, bills acceptance services and bills discounting services contemplated thereunder together with the proposed annual caps for the three years ending 31 December 2028 be and are hereby approved."

Yours faithfully,
By order of the Board
Puxing Energy Limited
GUAN Dayuan
Chairman

Principal Place of Business in Hong Kong:
40/F, Dah Sing Financial Centre
248 Queen's Road East, Wanchai
Hong Kong

Registered Office:
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Notes:

(1) Any Shareholder entitled to attend and vote at the EGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a Shareholder.

(2) The form of proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

(3) Delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the EGM and in such event, the form of proxy shall be deemed to be revoked.

(4) Where there are joint Shareholders, any one of such joint Shareholders may vote, either in person or by proxy, in respect of such Shares as if he were solely entitled thereto, but if more than one of such joint Shareholders be present at the above meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Shareholders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

(5) The form of proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than forty-eight (48) hours before the time appointed for the holding of the EGM or any adjournment thereof.

(6) The register of members of the Company will be closed from Friday, 12 December 2025 to Wednesday, 17 December 2025 (both days inclusive), for the purpose of determining Shareholders ' entitlement to attend and vote at the EGM, during which period no transfer of Shares will be registered. In order to eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Thursday, 11 December 2025.

(7) If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force within a period of two (2) hours before the commencement of the EGM, the EGM will be postponed or adjourned. The Company will post an announcement on the Company's website (www.puxing-energy.com) and the Stock Exchange's website (www.hkexnews.hk) to notify Shareholders about the date, time and place of the rescheduled meeting. The EGM will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the EGM under bad weather condition bearing in mind their own situations.

(8) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this notice, 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.