PUXING ENERGY LIMITED
普星能量有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 90)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		
	2025	2024	
	RMB'000	*RMB'000*	*Change*
Revenue	**368,233**	534,054	-31.05%
Profit from operations	**76,243**	119,668	-36.29%
Net profit attributable to equity shareholders of the Company	**38,336**	59,902	-36.00%
Basic earnings per share	**RMB0.084**	RMB0.131	-36.00%
Dividend per share			
– Interim	**Nil**	Nil	0%
– Proposed final	**HK$0.074**	HK$0.014	428.57%

	At 31 December		
	2025	2024	
	RMB'000	*RMB'000*	*Change*
Total assets	**1,468,356**	1,914,880	-23.32%
Total equity attributable to equity shareholders of the Company	**907,261**	876,280	3.54%
Net asset value per share[1]	**RMB1.98**	RMB1.91	3.54%
Net debt[2]	**112,755**	718,317	-84.30%
Total capital[3]	**1,020,016**	1,594,597	-36.03%
Gearing ratio[4]	**11.05%**	45.05%	-75.46%

Notes:

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

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

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

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

The board (the "**Board**") of directors (the "**Directors**") of Puxing Energy Limited (the "**Company**" or "**Puxing Energy**") announces the audited consolidated annual results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2025, together with the corresponding comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	Note	**2025** ***RMB'000***	2024 *RMB'000*
Revenue	*4*	**368,233**	534,054
Operating expenses			
Fuel consumption		**(148,601)**	(231,361)
Depreciation and amortisation		**(89,857)**	(105,595)
Repairs and maintenance		**(8,688)**	(15,677)
Personnel costs	*5(b)*	**(25,669)**	(27,603)
Administrative expenses		**(15,029)**	(24,922)
Sales related taxes		**(2,389)**	(5,932)
Other operating expenses		**(3,514)**	(3,296)
Other net gain		**1,757**	–

	Note	2025 RMB'000	2024 RMB'000
Profit from operations		**76,243**	119,668
Finance income		**773**	1,270
Finance expenses		**(18,240)**	(33,022)
Net finance costs	*5(a)*	**(17,467)**	(31,752)
Loss on disposal of subsidiaries	*12*	**(8,260)**	–
Share of profits of an associate	*10*	**14,772**	–
Other income		**1,042**	2,042
Profit before taxation	*5*	**66,330**	89,958
Income tax	*6*	**(27,994)**	(30,039)
Profit for the year		**38,336**	59,919
Attributable to:			
Equity shareholders of the Company		**38,336**	59,902
Non-controlling interests		**–**	17
Profit for the year		**38,336**	59,919
Earnings per share			
Basic *(RMB)*	*8(a)*	**0.084**	0.131
Diluted *(RMB)*	*8(b)*	**0.084**	0.131

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	**2025** *RMB'000*	2024 *RMB'000*
Profit for the year		**38,336**	59,919
Other comprehensive income for the year (after tax and reclassification adjustments):			
Items that will not be reclassified to profit or loss:			
Financial assets measured at fair value through other comprehensive income ("**FVOCI**") – net movement in fair value reserves(non-recycling)		**855**	–
Exchange differences on translation of financial statements of the Company		**(2,886)**	3,158
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		**2,594**	(2,910)
Total comprehensive income for the year		**38,899**	60,167
Attributable to:			
Equity shareholders of the Company		**38,899**	60,150
Non-controlling interests		**–**	17
Total comprehensive income for the year		**38,899**	60,167

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Note	2025 *RMB'000*	2024 *RMB'000*
Non-current assets			
Property, plant and equipment		**909,761**	1,643,479
Intangible assets		**–**	768
Deferred tax assets		**7,541**	5,747
Interests in an associate	*10*	**102,895**	–
Financial assets measured at FVOCI	*11*	**3,538**	–
Other non-current assets		**13,589**	31,384
		1,037,324	1,681,378
Current assets			
Inventories		**11,196**	58,377
Trade and other receivables	*9*	**118,197**	60,667
Cash and cash equivalents		**301,639**	114,458
		431,032	233,502
Current liabilities			
Shareholder's loan		**122,105**	120,269
Interest-bearing borrowings	*13*	**94,297**	179,713
Trade and other payables	*14*	**101,827**	142,766
Current taxation		**17,781**	20,346
		336,010	463,094
Net current assets/(liabilities)		**95,022**	(229,592)
Total assets less current liabilities		**1,132,346**	1,451,786

	Note	2025 *RMB'000*	2024 *RMB'000*
Non-current liabilities			
Interest-bearing borrowings	*13*	**197,992**	532,793
Deferred revenue		**11,444**	10,624
Deferred tax liabilities		**15,649**	32,089
		225,085	575,506
NET ASSETS		**907,261**	876,280
CAPITAL AND RESERVES			
Share capital		**40,149**	40,149
Reserves		**867,112**	836,131
TOTAL EQUITY		**907,261**	876,280

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual IFRS Accounting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the "**Group**") and the Group's interest in an associate.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that financial assets are stated at their fair value as explained in the accounting policies set out below:

– investments in debt and equity securities;

Management of the Group expects a material decrease in the Group's business performance in the next twelve months, including the revenue, profit for the year and net cash generated from operating activities after the disposal of 51% equity interests of a significant subsidiary as described in Note 12. In addition, the Group's ability to continue as a going concern is largely dependent on the financial support from the related parties. In view of these circumstances, the directors of the Company (the "**Directors**") have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

Based on the forecast of the Group's profit and cash inflows from operations, the unused revolving loan credit facilities of RMB671.6 million as at 31 December 2025 granted by Wanxiang Finance Co., Ltd. ("**Wanxiang Finance**"), a fellow subsidiary of the Company, and the ability of the Group to obtain or renew bank loans and other financing facilities from related parties, including Wanxiang Finance, the Directors believe that the Group will generate sufficient cash flows to meet its liabilities as and when they fall due for at least next 12 months. Accordingly, the Directors consider that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern and have prepared the consolidated financial statements on a going concern basis.

3. CHANGES IN ACCOUNTING POLICIES

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

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

4. REVENUE

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

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

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

– Capacity tariff revenue represents a subsidy income from power grid companies, following a reduction in the annual planned power generation volume of the Group's power plants for supply to the power grid companies and changes in the electricity tariff policies applicable to the Group since 2015, pursuant to the *"Notice Regarding the Trial Implementation of Dual Tariff for Natural Gas Power Generating Units in Zhejiang Province"* issued by Zhejiang Provincial Price Bureau in June 2015 and the *"Notice from the Zhejiang Provincial Development and Reform Commission Regarding the Optimising the Province's On-grid Tariff of Natural Gas Power Generation"* issued in September 2021.

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

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

(i) Disaggregation of revenue

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

	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15*		
Disaggregated by major products:		
Electricity:		
Volume tariff revenue	**109,909**	181,512
Capacity tariff revenue	**210,058**	300,595
	319,967	482,107
Heat:		
Revenue from sales of heat	**26,838**	39,260
Revenue from other resource		
Lease income:		
Revenue from energy storage	**21,428**	12,687
	368,233	534,054

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

The Group's customer base is concentrated and includes one customer with whom transactions have exceeded 10% of the Group's revenues. In 2025, volume tariff revenue, capacity tariff revenue and energy storage revenue from this customer (including its subsidiaries) amounted to RMB341,395,000 (2024: RMB494,794,000).

For sales of products with original expected duration of less than one year, the Group has selected not to disclose information about the mandatory performance performers' obligation.

(b) Segment reporting

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

- Puxing (Anji) Gas Turbine Thermal Power Co., Ltd.* (普星(安吉)燃機熱電有限公司)("**Anji Power Plant**");

- Zhejiang Puxing Jingxing Natural Gas Power Co., Ltd.* (浙江普星京興然氣發電有限公司)("**Jing-Xing Power Plant**");

- Zhejiang Puxing Bluesky Natural Gas Power Co., Ltd.* (浙江普星藍天然氣發電有限公司) ("**Bluesky Power Plant**");

- 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**", which was partially disposed); and

- Quzhou Puxing Gas Turbine Thermal Power Co., Ltd.* (衢州普星燃機熱電有限公司)(Quzhou Power Plant, which was partially disposed).

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

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

* *For identification purpose only*

5. PROFIT BEFORE TAXATION

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

(a) Net finance costs

	2025	2024
	RMB'000	*RMB'000*
Interest income	**(773)**	(1,270)
Finance income	**(773)**	(1,270)
Interest on interest-bearing borrowings and shareholder's loan	**20,571**	31,077
Interest on lease liabilities	**–**	2
Less: interest expense capitalised into properties under development	**–**	(618)
Total interest expense recognised in profit or loss	**20,571**	30,461
Bank charges	**83**	38
Net foreign exchange (gain)/loss	**(2,414)**	2,523
Finance expenses	**18,240**	33,022
Net finance costs	**17,467**	31,752

(b) Personnel costs

	2025	2024
	RMB'000	*RMB'000*
Wages, salaries and other benefits	**23,305**	24,972
Contribution to defined contribution plans	**2,364**	2,631
	25,669	27,603

The Group participates in pension funds organised by the PRC government. According to the respective pension fund regulations, the Group is required to pay annual contributions. The Group remits all the pension fund contributions to the respective social security offices, which are responsible for the payments and liabilities relating to the pension funds. The Group has no obligation for payment of retirement and other post-retirement benefits of employees other than the contributions described above.

(c) Other items

	2025	2024
	RMB'000	*RMB'000*
Net (gain)/loss on disposal of property, plant and equipment	**(1,757)**	685
Depreciation charge		
– Owned property, plant and equipment	**87,753**	103,062
– Right-of-use assets – land use rights	**1,419**	1,698
– Right-of-use assets – other properties	**10**	92
Amortisation		
– Intangible assets	**675**	743
Expense relating to short-term leases	**–**	170
Auditor's remuneration		
– audit services	**1,100**	1,500
– other services	**420**	620

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

	2025	2024
	RMB'000	*RMB'000*
Current tax		
PRC Corporate Income Tax	**25,284**	23,647
Over provision in respect of prior years	**(527)**	(583)
	24,757	23,064
Deferred tax		
Origination and reversal of temporary differences	**(3,258)**	(79)
PRC withholding tax	**6,495**	7,054
Total income tax expense in the consolidated statement of profit or loss	**27,994**	30,039

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

(ii) The income tax rate applicable to Group entities incorporated in Hong Kong for the income subject to Hong Kong Profits Tax is 16.5%. A two-tiered profits tax rates regime was introduced in 2018 whereby the first HKD2 million in assessable profits earned by a company will be taxed at half of the current tax rate (8.25%), while the remaining profits will continue to be taxed at 16.5%.

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

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

The PRC Corporate Income Tax Law and its relevant regulations impose a withholding tax at 10%, unless reduced by a tax treaty or arrangement, for dividend distributions out of the PRC from earnings accumulated from 1 January 2008.

(b) Reconciliation between tax expense and accounting profit at applicable tax rate:

	2025	2024
	RMB'000	*RMB'000*
Profit before taxation	**66,330**	89,958
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	**16,343**	23,706
Tax effect of non-deductible expenses	**414**	2,066
Tax effect of unused tax losses not recognised	**1,450**	56
Tax effect of prior years' unrecognised deductible temporary differences utilised	**(1,143)**	(1,066)
Recognition of previously unrecognised deductible temporary differences	**(227)**	(1,194)
Over provision in prior years	**(527)**	(583)
Withholding tax on profits retained by PRC subsidiaries	**6,495**	7,054
Tax effect of disposal of subsidiaries	**8,395**	–
Tax effect of share of results of an associate	**(3,206)**	–
Actual tax expense	**27,994**	30,039

7. DIVIDENDS

(i) Dividends payable to equity shareholders of the Company attributable to the year

	2025	2024
	RMB'000	*RMB'000*
Final dividend proposed after the reporting date of HK$ 0.074 per share (2024: HK0.014)	**29,869**	5,946

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB38,336,000 (2024: RMB59,902,000) and the weighted average of 458,600,000 (2024: 458,600,000) ordinary shares in issue during the year.

(b) Diluted earnings per share

Diluted earnings per share was the same as basic earnings per share for the years ended 31 December 2025 and 31 December 2024 as there were no dilutive potential shares during both years.

9. TRADE AND OTHER RECEIVABLES

		2025	2024
	Note	***RMB'000***	*RMB'000*
Trade receivables		**20,221**	45,921
Dividend receivables from an associate	*(i)*	**71,778**	–
Prepayments	*(ii)*	**6,759**	13,836
Other receivables		**175**	910
Value-added tax recoverable		**18,311**	–
Tax prepayments		**953**	–
		118,197	60,667

(i) Dividend receivables from an associate

Pursuant to the shareholders' meetings of Deneng Power Plant dated in November 2022 (when Deneng Power Plant was a subsidiary before disposal, as described in Note 12) and August 2025 (when Deneng Power Plant became an associate after disposal), Deneng Power Plant declared dividends to the Group in an aggregate amount of RMB103,278,000, among which RMB31,500,000 was paid in December 2025, and the remaining amounts are expected to be recovered within one year.

(ii) Prepayments

The balance of prepayments as at 31 December 2025 mainly represents the prepayment for purchase of natural gas and maintenance service fee.

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

At 31 December 2025, ageing analysis of trade receivables of the Group based on the invoice date is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 1 month	**20,221**	45,921

As of 31 December 2025, trade and other receivables of RMB3,723,000 (2024: RMB3,580,000) were pledged as security for bank loans.

10. Interests in an associate

	At 31 December 2025 *RMB'000*
Interests in an associate	**102,895**

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

	At 31 December 2025 *RMB'000*
Opening carrying amount	**–**
Addition of associate (Note 12)	**137,123**
Share of profits of an associate	**14,772**
Dividend declared	**(49,000)**
Closing carrying amount	**102,895**

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

Name of associate	Place and date of incorporation and operation	Registered capital	Effective interest held by the Group At 31 December 2025	Principal activities
Deneng Power Plant	PRC 18 August 2004	USD 18.4 million	49%	Operation of power plant

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

	At 31 December 2025 *RMB'000*
Gross amounts of Deneng Power Plant	
Current assets	**141,936**
Non-current assets	**632,905**
Current liabilities	**(481,552)**
Non-current liabilities	**(83,299)**
Equity	**(209,990)**
Revenue from the disposal date to 31 December 2025	**(130,454)**
Profit from the disposal date to 31 December 2025	**(30,146)**
Total comprehensive income from the disposal date to 31 December 2025	**(30,146)**
Dividend declared to the Group from the disposal date to 31 December 2025	**(49,000)**
Reconciled to the Group's investment in the associate	
Gross amount of net assets of the associate	**209,990**
Group's effective interest	**49%**
Carrying amount in the consolidated financial statements	**102,895**

11. FINANCIAL ASSETS MEASURED AT FVOCI

	2025	2024
	RMB'000	*RMB'000*
Investments in listed equity securities	**3,538**	–

On 9 July 2025, the Group entered into the share subscription agreement with HashKey Holdings Limited and acquired 586,329 shares of HashKey Holdings Limited at a total consideration of RMB2,694,000. The shares of HashKey Holdings Limited were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 17 December 2025.

The fair value of the listed equity securities was determined based on quoted market prices in an active market.

HashKey Holdings Limited offers a licensed digital asset platform to provide transaction facilitation services, on-chain services, and asset management services and is controlled by Mr Lu Weiding. The Group designated its investment in HashKey Holdings Limited at FVOCI (non-recycling), as the investment is held for strategic purposes. No dividends were received on this investment during the year.

12. DISPOSAL OF SUBSIDIARIES

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

After the transaction is completed, the Group's equity interest in the Target Company decreased from 100% to 49% and ceased to be an wholly owned subsidiary of the Group. The directors of the Group determined that the Group has significant influence, but not control or joint control, over the financial and operating policies of the Target Company.

Accordingly, with effect from the date of completion of the transaction, the Target Company became an associate of the Group (Note 10).

Loss on disposal of subsidiaries of RMB8,260,000 was recognised for the year ended 31 December 2025.

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

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

13. INTEREST-BEARING BORROWINGS

	Note	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Secured			
Bank loans	*(i)*	**163,903**	115,500
Unsecured			
Loans from related parties	*(ii)*	**128,386**	516,826
Bank loans		**–**	80,180
		292,289	712,506
Reconciliation to the consolidated statement of financial position:			
Current liabilities		**94,297**	179,713
Non-current liabilities		**197,992**	532,793
		292,289	712,506

(i) As at 31 December 2025, secured bank loan with a carrying amount of RMB163,903,000 (31 December 2024: RMB115,500,000) was secured by trade and other receivables with the carrying amount of RMB3,723,000 (31 December 2024: RMB3,580,000) and was guaranteed by Wanxiang Group, the ultimate controlling company of the Group. The secured bank loan bears interest rate at 2.86% – 2.96% per annum (31 December 2024: 3.21%) and will be repayable from 2026 to 2029.

(ii) Unsecured loans from related parties as at 31 December 2025 represented loans and accrued interest expense from Wanxiang Finance of RMB128,386,000 (31 December 2024: RMB516,826,000), which borne interest at 3.45% – 3.60% per annum (31 December 2024: 3.45% – 3.70%) and will be repayable from 2026 to 2027.

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

	At 31 December 2025 *RMB'000*	At 31 December 2024 *RMB'000*
Within one year or on demand	**94,297**	179,713
After 1 year but within 2 years	**131,415**	368,300
After 2 years but within 5 years	**66,577**	164,493
	292,289	712,506

14. TRADE AND OTHER PAYABLES

	2025 *RMB'000*	2024 *RMB'000*
Trade payables	**958**	766
Construction payable	**92,785**	125,985
Accrued expenses and other payables	**3,900**	6,486
Financial liabilities measured at amortised cost	**97,643**	133,237
Salary payable	**2,961**	4,056
Other taxes payable	**1,223**	5,473
	101,827	142,766

As at 31 December 2025, the ageing analysis of trade payables of the Group based on the invoice date, is as follows:

	2025 *RMB'000*	2024 *RMB'000*
Within 3 months	**958**	766

15. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the directors proposed a final dividend. Further details are disclosed in Note 7.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is mainly engaged in the development, operation and management of natural gas-fired power plants. As of 31 December 2025, the Group has three wholly-owned gas-fired power plants in Zhejiang Province (after the disposal of 51% equity interests in Zhejiang Puxing Deneng Natural Gas Power Co., Ltd.* ("**Deneng Power Plant**") and Quzhou Puxing Gas Turbine Thermal Power Co., Ltd.* ("**Quzhou Power Plant**")), with an aggregate installed capacity of 345.92 megawatt (MW) (2024: 688.07 MW) (including 919 kilowatt (kW) (2024: 1,072 kW) photovoltaic power generating units) and a maximum heating capacity per hour of 160 tons (2024: 360 tons). Aggregate installed capacity of energy storage on the grid was 100 MW/200 MWh (2024: 100 MW/200 MWh).

BUSINESS REVIEW

In 2025, with the continuous efforts of the Chinese government to enhance the vitality of social and economic development, alongside the internal and external changes in the global economic environment, social and economic activities were steadily improved. Meanwhile, affected by the comprehensive impact of social production and power consumption, the overall social power consumption demand in Zhejiang Province remained stable. Based on our own business development and grid power generation scheduling needs, the overall power generation volume of the Group for the year ended 31 December 2025 decreased by 44.27% to 170,358.37 MWh as compared to 305,663.81 MWh in 2024. Meanwhile, as the power generation volume decreased during the period under review as compared to the corresponding period of last year, the consumption of natural gas for power generation decreased by 32.03% to 46,498,130 m^3 from 68,406,436 m^3 in 2024.

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

During the year, affected by the changes in external economic environment, the adjustment of natural gas prices, the decline of heat supply and other factors, the number of heat users and demand decreased, the heating price subsequently decreased and the overall heat sales volume of the Company also decreased. For the year ended 31 December 2025, the Group's heat sales volume decreased by 26.86% to 78,431.92 tons as compared to 107,228 tons in 2024, and the revenue from sales of heat decreased by 31.64% to RMB26,838,000 as compared to RMB39,260,000 in 2024.

During the year, Zhejiang Development and Reform Commission ("**ZDRC**") adjusted the volume tariff of natural gas power generating units and gate station price for natural gas (inclusive of value-added tax (VAT)) for several times. After several adjustments during the year, the volume tariff (inclusive of VAT) of Bluesky Power Plant under the Group was adjusted from RMB0.7007/kilowatt hour (kWh) at the beginning of the year to RMB0.7288/kWh at the end of the year, representing an increase of approximately 4.01%; the volume tariff (inclusive of VAT) of Jingxing Power Plant was adjusted from RMB0.7515/kWh at the beginning of the year to RMB0.6962/kWh at the end of the year, representing a decrease of approximately 7.36%; the volume tariff (inclusive of VAT) of Anji Power Plant was adjusted from RMB0.6607/kWh at the beginning of the year to RMB0.6738/kWh at the end of the year, representing an increase of approximately 1.98%. The price of natural gas (inclusive of VAT) of Bluesky Power Plant under the Group was adjusted from RMB3.0415/m^3 at the beginning of the year to RMB3.0114/m^3 at the end of the year, representing a decrease of approximately 1%; the price of natural gas (inclusive of VAT) of Jingxing Power Plant was adjusted from RMB3.2620/m^3 at the beginning of the year to RMB3.022/m^3 at the end of the year, representing a decrease of approximately 7.36%; the price of natural gas (inclusive of VAT) of Anji Power Plant was adjusted from RMB3.1226/m^3 at the beginning of the year to RMB3.1848/m^3 at the end of the year, representing an increase of approximately 1.99%; the capacity tariff of each power plant (inclusive of VAT) remained unchanged during the year ended 31 December 2025.

EQUITY INSTALLED CAPACITY

As at 31 December 2025, the equity installed capacity of power plants held and operated by the Group are as follows:

The total installed capacity of the power generating units in the power plants under the Group was 345.92 MW, with a total equity installed capacity of 345.92 MW and the equity interest proportion of 100%. Among them, the total installed capacity of the power generating units in Bluesky Power Plant was 112.34 MW, with a total equity installed capacity of 112.34 MW and the equity interest proportion of 100%, in which the installed capacity of natural gas power generating units was 112 MW, and the installed capacity of photovoltaic power generating units was 0.34 MW. The total installed capacity of the power generating units in Jingxing Power Plant was 75.22 MW, with a total equity installed capacity of 75.22 MW and the equity interest proportion of 100%, in which the installed capacity of natural gas power generating units was 75 MW, and the installed capacity of photovoltaic power generating units was 0.22 MW. The total installed capacity of the power generating units in Anji Power Plant was 158.36 MW, with a total equity installed capacity of 158.36 MW and the equity interest proportion of 100%, in which the installed capacity of natural gas power generating units was 158 MW, and the installed capacity of photovoltaic power generating units was 0.36 MW. The total energy storage installed capacity of power grid was 100 MW/200 MWh, all of which was the energy storage installed capacity of Bluesky Power Plant of 100 MW/200 MWh.

POWER GENERATION BUSINESS

Natural Gas Power Generation

In order to cooperate with the trial implementation of the Dual Tariff Policy in Zhejiang Province, the relevant government authorities have organised the 2025 production plan for natural gas power generating units based on the peak demand within the power grid. Affected by the overall external economic environment and the adjustment to the overall electricity procurement demand of Zhejiang Province in 2025, and the partial disposal of the Deneng Power Plant and the Quzhou Power Plant, the power generation volume by natural gas of the Group for the year ended 31 December 2025 decreased by 135,305.44 MWh or 44.27% to approximately 170,358.37 MWh as compared to 305,663.81 MWh in 2024 under the condition of meeting the peak demand of the power grid.

Photovoltaic Power Generation

For the year ended 31 December 2025, the photovoltaic power generation volume of the Group was approximately 1,020 MWh (2024: approximately 1,059 MWh), of which approximately 121.50 MWh (2024: approximately 93 MWh) was sold to the power grid.

During the year, the Group saved power consumption cost of RMB413,700 (2024: RMB549,100) through photovoltaic power generation and realised a revenue of RMB131,000 (2023: RMB185,000).

Heating Business

The Anji Power Plant under the Group provide steam to manufacturers near heating pipelines. The maximum hourly heating production capacity is approximately 160 tons (2024: 360 tons).

During the year, affected by the fluctuations of external economic environment, the adjustment of natural gas prices, the decline of heat supply and other factors, the number of heat users and demand decreased, the heating price decreased, and due to the partial disposal of the Quzhou Power Plant, the overall heat sales volume of the Company decreased. The Group's heat sales volume for the year ended 31 December 2025 decreased by 26.86% to 78,432 tons as compared to 107,228 tons in 2024; the revenue from sales of heat decreased by 31.64% to RMB26,838,000 as compared to RMB39,260,000 in 2024. The average selling price (inclusive of VAT) decreased by 6.54% to approximately RMB372.98/ton as compared to approximately RMB399.09/ton in 2024.

ENERGY STORAGE BUSINESS

In line with the national industrial policies and sustainable development strategy, and to expand into the clean energy sector beyond the Group's natural gas business, the Bluesky Power Plant was included in the first batch of the "14th Five-Year Plan" new energy storage demonstration projects in Zhejiang Province in 2022. In 2024, the construction of the grid-side electrochemical energy storage power station demonstration project was completed and put into operation, with an installed energy storage capacity of 100 MW/200 MWh.

For the year ended 31 December 2025, the Group's energy storage business recorded a charging volume of 126,967.18 MWh (2024: 70,162.68 MWh) and a discharging volume of 111,260.40 MWh (2024: 60,180.42 MWh). Revenue from the energy storage business amounted to RMB21,428,000, representing an increase of 68.90% compared to RMB12,687,000 in 2024.

Fuel Cost and Natural Gas Usage

All power plants under the Group use natural gas as fuel for power generation, while Anji Power Plant under the Group also use natural gas as fuel for heating at the same time. Natural gas is the only source of fuel for the Group and is mainly provided by the suppliers of the Group, namely Zhejiang Zheneng Natural Gas Trading Co., Ltd. (浙江浙能天然氣貿易有限公司), PetroChina Company Limited Zhejiang Sale Branch (中國石油天然氣股份有限公司天然氣銷售浙江分公司), and PipeChina Zhejiang Provincial Natural Gas Pipeline Network Co., Ltd. (國家管網集團浙江省天然氣管網有限公司). During the year, under the organisation of the Energy Bureau in Zhejiang Province, all power plants under the Group signed special contracts for natural gas sales with several natural gas suppliers.

The natural gas price in Zhejiang Province is determined by ZDRC. According to the adjustment of natural gas price made by ZDRC during the year, the price of natural gas (inclusive of VAT) of Bluesky Power Plant under the Group was adjusted from RMB3.0415/m^3 at the beginning of the year to RMB3.0114/m^3 at the end of the year, representing a decrease of approximately 1%; the price of natural gas (inclusive of VAT) of Jingxing Power Plant was adjusted from RMB3.2620/m^3 at the beginning of the year to RMB3.022/m^3 at the end of the year, representing a decrease of approximately 7.36%; the price of natural gas (inclusive of VAT) of Anji Power Plant was adjusted from RMB3.1226/m^3 at the beginning of the year to RMB3.1848/m^3 at the end of the year, representing an increase of approximately 1.99%.

For the year ended 31 December 2025, fuel costs amounted to RMB148,601,000, representing a decrease of 35.77% as compared to RMB231,361,000 in 2024.

FINANCIAL REVIEW

Due to the combined effects of (1) the phased reduction in capacity electricity tariffs effective from 1 January 2022; (2) the increase in demand for peak-shaving electricity in Zhejiang Province during the review period compared with the same period of the previous year and the inverted natural gas power generation costs (i.e., the cost of natural gas power generation per unit is higher than the electricity price per unit of electricity generated by natural gas power units); (3) the failure to fully implement the electricity spot market transactions as expected in the first half of 2025; and (4) the disposal of a 51% equity interest in Deneng Power Plant and its subsidiary Quzhou Power Plant during the review period, with the financial data of the two power plants no longer included in the consolidated scope from June 2025 onwards, the net profit attributable to equity shareholders of the Company for the year ended 31 December 2025 was RMB38,336,000, representing a decrease of RMB21,566,000 or 36%, as compared to RMB59,902,000 in 2024. For the year ended 31 December 2025, the basic and diluted earnings per share of the Company amounted to RMB0.084, representing a decrease of RMB0.047 or 36% as compared to RMB0.131 in 2024.

Revenue

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

Based on the own business development of the Group and grid power generation scheduling needs, the electricity sales volume from participation in spot electricity trading, the heat supply and heating prices decreased in 2025. Revenue of the Group for the year ended 31 December 2025 amounted to RMB368,233,000, representing a decrease of RMB165,821,000 or 31.05% as compared to RMB534,054,000 in 2024.

Operating Expenses

During the year, the Group's operating expenses mainly comprised fuel consumption, depreciation and amortisation, repairs and maintenance, staff costs, administrative expenses, sales related taxes and other operating expenses. For the year ended 31 December 2025, the Group's operating expenses were RMB291,990,000, representing a decrease of RMB122,396,000 or 29.54% as compared to RMB414,386,000 in 2024. The decrease in operating expenses was mainly due to the decrease in power generation demand and the disposal of Deneng Power Plant.

Profit from Operations

Affected by fluctuations in fuel costs and the disposal of Deneng Power Plant, the profit from operations of the Group for the year ended 31 December 2025 was RMB76,243,000, representing a decrease of RMB43,425,000 or 36.29% as compared to RMB119,668,000 in 2024.

Net Finance Costs

For the year ended 31 December 2025, net finance costs of the Group amounted to RMB17,467,000, representing a decrease of RMB14,285,000 or 44.99% as compared to RMB31,752,000 in 2024. The decrease in net financial costs was mainly due to the reasonable arrangement of funds, early repayment of borrowings due within the year and the decrease in borrowing rates, resulting in a decrease in interest expenses during the year.

Loss on Disposal of a Subsidiary

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

Share of Profit of Associates

Since the completion date of the Disposal, the financial results of Deneng Power Plant and its subsidiaries are no longer consolidated into the Group's consolidated financial statements, and the remaining 49% interest held by the Group is recognised as an interest in an associate.

During the period under review, the Group recognised an adjusted net profit under the equity method of RMB14,772,000.

Income Tax

Pursuant to the Corporate Income Tax Law of the PRC, the Group's subsidiaries in the PRC are subject to the unified tax rate of 25%. For the year ended 31 December 2025, income tax of the Group amounted to RMB27,994,000, representing a decrease of RMB2,045,000 or 6.81% as compared to RMB30,039,000 in 2024. The decrease in income tax for the year was mainly due to a decrease in profit from operations.

Earnings per Share

For the year ended 31 December 2025, net profit attributable to equity shareholders of the Company amounted to RMB38,336,000 (2024: RMB59,902,000). The basic and diluted earnings per share amounted to RMB0.084, representing a decrease of RMB0.047 or 36% as compared to RMB0.131 in 2024.

Major Acquisitions, Disposals and Major Investment Activities

Save as disclosed below, the Group had no major acquisition, disposal and major investment activities relating to its subsidiaries, associates and joint ventures during the year.

Major and Connected Transaction relating to the Disposal of 51% Equity Interest in Deneng Power Plant

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 the 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 would cease to be a subsidiary of the Company.

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

The transaction was completed on 7 March 2025, which is the date of completion of the business change registration. Upon completion of the Disposal, the Group's equity interest in Deneng Power Plant decreased from 100% to 49%. The Directors consider that the Group has lost the practical ability to unilaterally direct the relevant activities of Deneng Power Plant and Quzhou Power Plant.

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

FULLY EXEMPTED CONNECTED TRANSACTION

On 9 July 2025, the Group entered into an investment agreement with HashKey Holdings Limited and subscribed for 586,329 shares of HashKey Holdings Limited for a consideration of RMB2,694,000. HashKey Holdings Limited provides a licensed digital asset platform offering transaction facilitation services, on-chain services and asset management services. It is controlled by Mr. Lu Weiding, the ultimate controller of the Company, and was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 17 December 2025.

For details, please refer to the Company's voluntary announcement dated 9 July 2025 and the Company's supplementary announcement dated 20 October 2025.

Liquidity and Financial Resources

Cash and cash equivalents of the Group are denominated in Renminbi (RMB) and Hong Kong Dollar (HKD). As at 31 December 2025, cash and cash equivalents of the Group amounted to RMB301,639,000(31 December 2024: RMB114,458,000).The increase in cash and cash equivalents was mainly attributable to the disposal of 51% equity interest in Deneng Power Plant.

As at 31 December 2025, the Group had current assets of RMB431,032,000 (31 December 2024: RMB233,502,000), current liabilities of RMB336,010,000 (31 December 2024: RMB463,094,000) and net current assets of RMB95,022,000 (31 December 2024: net current liabilities of RMB229,592,000) with a current ratio of 1.28 (31 December 2024: 0.50). The increase in current ratio was mainly attributable to the increase in cash reserves and reduction in current liabilities resulting from the disposal of power plants during the period under review.

As at 31 December 2025, the Group had unused revolving loan credit facilities granted by Wanxiang Finance Co., Ltd. ("**Wanxiang Finance**"), a subsidiary of Wanxiang Group Corporation ("**Wanxiang Group**"), of RMB672 million (2024: RMB283 million).

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

Debts

All the debts of the Group are denominated in RMB and HKD. As at 31 December 2025, the Group had total debts of RMB516,221,000 (31 December 2024: RMB975,541,000), including shareholder's loan of RMB122,105,000 (2024: RMB120,269,000), trade and other payables of RMB101,827,000 (2024: RMB142,766,000), bank loans of RMB163,903,000 (2024: RMB195,680,000), and loans from related parties of RMB128,386,000 (2024: RMB516,826,000). Among them, bank loans and loans from related parties were denominated in RMB and their interest rates were subject to adjustment in accordance with relevant regulations of the People's Bank of China. The interest rate of bank loans was adjusted to 2.86% to 2.96% (2024: 2.96% to 3.50%) per annum, and the interest rate of loans from related parties was adjusted to 3.45% to 3.60% (2024: 3.45% to 3.70%) per annum.

Gearing Ratio

The Group's gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total debts (including interest-bearing borrowings, shareholder's loan and lease liabilities, as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as equity attributable to equity shareholders of the Company (as shown in the consolidated statement of financial position) plus net debt. As at 31 December 2025, the Group's gearing ratio was 11.05% (31 December 2024: 45.05%).

Capital Expenditures

For the year ended 31 December 2025, the Group invested RMB58,961,000 (2024: RMB188,477,000) mainly for the construction of the heat grid (phase II) of Anji Power Plant, the energy storage project of Bluesky Power Plant as well as the costs of technological renovation of power plant equipment.

Capital Commitments

As at 31 December 2025, capital commitments of the Group were RMB40,382,000 (31 December 2024: RMB53,399,000), mainly for the construction of heat grid (phase II) of Anji Power Plant, the energy storage project of Bluesky Power Plant and the technological renovation of power generation units.

Pledge of Assets

As at 31 December 2025, trade and other receivables of RMB3,723,000 (2024: RMB3,580,000) were pledged as security for bank loans.

Contingent Liabilities

As at 31 December 2025, the Group had no material contingent liability.

Exchange Rate Risk

The Group primarily operates its business in mainland of the PRC and most of the transactions are settled in RMB. Except for certain cash, bank balances and borrowings that are denominated in HKD, the Group's assets and liabilities are mainly denominated in RMB. The Group considers that its current foreign exchange risk is insignificant and therefore has not hedged it through any derivative for the time being. However, the management of the Group will continue monitoring its foreign currency exposure and will consider hedging significant foreign exchange risks should the need arise.

Employees and Remuneration Policy

As at 31 December 2025, the Group had a total of 188 employees (excluding trainees) (31 December 2024: 291 employees, including 13 trainees). For the year ended 31 December 2025, total employees' remuneration (including Directors' remuneration and benefits) was RMB25,669,000 (2024: RMB27,603,000). The Group determines employees' remuneration according to industry practices, financial performance and employees' performance. In addition, the Group provides employees with training and benefits, such as insurance, medical benefits and mandatory provident fund contributions, with an aim to retain talents of all levels for further contribution to the Group.

Prospects

2026 will be a challenging year for Puxing Energy. The cut in capacity tariff in Zhejiang Province, the fluctuation of natural gas prices, the tightening of energy storage policies and the substantial narrowing of time-of-use electricity tariffs have brought a severe test to the profitability of Puxing Energy. The Group will continue to strengthen cost management, persistently implement refined management and maintain strict cost control, and actively address challenges, so as to minimise the impact of policy changes and external economic fluctuations.

Meanwhile, the management team will actively study and explore business models under the new situation, strive to find new market convergence points, and be committed to achieving strategic transformation. Where appropriate and depending on market opportunities and conditions, the Group may acquire or invest in businesses engaged in energy technology, digital economy, artificial intelligence and other related sectors, strive to seek new opportunities, pursue different types of projects, diversify its business structure, and make unremitting efforts to enhance the Group's long-term growth potential and shareholder value.

FINAL DIVIDEND

The Group completed the disposal of certain assets and is in a position to pay dividends. However, due to the significant operation challenges, it is necessary to reserve funds for business transformation. Meanwhile, the liability ratio is still relatively high, and it is necessary to repay debts to reduce financial expenses, so as to enhance the value of the Company and shareholders' returns in the long run.

The Board recommends to pay a final dividend of HK$0.074 per share (2024: HK$0.014) for the year ended 31 December 2025. Proposed final dividend is expected to be paid in due course, subject to approval by shareholders of the Company (the "**Shareholders**") at the forthcoming annual general meeting ("**AGM**").

AGM AND CLOSURE OF REGISTER OF MEMBERS

The notice of the forthcoming AGM, which contains the date, time and place of the forthcoming AGM, as well as details of the period during which the register of members and the registration of share transfers is closed, will be published and despatched to the Shareholders in due course.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities (including treasury shares as defined in the Listing Rules) listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

As at 31 December 2025, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE

The Board has been adamant in upholding high standards of corporate governance to maximise operational efficiency, corporate values and Shareholders' returns. The Company has adopted and applied the principles of the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules. The Company will continue to upgrade its internal control system, strengthen its risk management and reinforce its corporate governance structure.

The Company has complied with all the code provisions set out in the CG Code throughout the year ended 31 December 2025.

COMPLIANCE WITH THE CODE OF CONDUCT BY DIRECTORS

The Company adopted a code of conduct (the "**Code of Conduct**") regarding the securities transactions of the Directors and relevant employees (as defined in code provision C.1.3 in Part 2 of the CG Code) on terms no less exacting than the required standard set out in the Model Code in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions. The Company has made specific enquiry to all Directors regarding the compliance with the Code of Conduct. All Directors confirmed that they have complied with the required standard set out in the Code of Conduct throughout the year ended 31 December 2025.

MAJOR ACQUISITIONS, DISPOSALS AND MAJOR INVESTMENT ACTIVITIES

At the extraordinary general meeting held on 17 February 2025, a major and connected transaction to approve the disposal of 51% equity interest in Deneng Power Plant by the Company to SHUNFA HENGNENG Corporation*（順發恒能股份公司）at a consideration of RMB142,720,000 was approved by the independent shareholders of the Company by way of an ordinary resolution. Upon completion of the relevant disposal, Deneng Power Plant ceased to be a subsidiary of the Company. For details, please refer to the circular of the Company dated 27 January 2025 and the announcement of the Company dated 30 December 2024 and the announcement of poll results of the extraordinary general meeting dated 17 February 2025 respectively.

* *For identification purpose only*

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there has not been any other material event affecting the Group since 31 December 2025 and up to the date of this announcement.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") consists of three independent non-executive Directors, namely Mr. Wu Chongguo, Ms. Wu Ying and Mr. Yu Wayne W. Mr. Wu Chongguo is the chairman of the Audit Committee.

The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2025. The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Company and the consolidated financial statements for the year ended 31 December 2025. The Audit Committee considers that the annual results are in accordance with applicable accounting standards, laws, and regulations, and the Company has made appropriate disclosures in this regard.

SCOPE OF WORK OF KPMG ON THIS PRELIMINARY ANNOUNCEMENT

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Group's auditor, KPMG, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the Company's website (www.puxing-energy.com) and the Stock Exchange's website (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2025 containing all the information required by the Listing Rules shall be despatched to the Shareholders who request a printed copy and made available on the aforesaid websites in due course.

By order of the Board
Puxing Energy Limited
Guan Dayuan
Chairman

Hong Kong, 27 March 2026

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