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PUXING ENERGY LIMITED
普星能量有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 90)

CONNECTED TRANSACTION
IN RELATION TO SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

Independent Financial Adviser

to the Independent Board Committee and the Independent Shareholders



THE SUBSCRIPTION AGREEMENT

On 30 October 2026 (after trading hours), the Company entered into the Subscription Agreement with Puxing International Limited, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for 61,400,000 Subscription Shares at the Subscription Price of HK$0.834 per Subscription Share for a total consideration of approximately HK$51.21 million.

Assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion other than as a result of the Subscription, the total number of 61,400,000 Subscription Shares to be allotted and issued under the Subscription represent (i) approximately 13.39% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 11.81% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares immediately upon Completion.

The gross proceeds from the Subscription will amount to approximately HK$51.21 million and the net proceeds from the Subscription (after deduction of the related expenses) will be approximately HK$50.50 million, representing a net Subscription Price of approximately HK$0.822 per Subscription Share. The Company intends to apply the net proceeds from the Subscription in the manner set out in the paragraph headed "Reasons for the Subscription and Use of Proceed" in this announcement.

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought at the EGM. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Subscriber is the controlling shareholder of the Company, and is, therefore, a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Subscription constitutes a connected transaction of the Company under the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

The EGM will be convened for the purpose of considering and, if thought fit, approving, among others, the Subscription Agreement and the transaction contemplated thereunder (including the grant of Specific Mandate for the allotment and issue of the Subscription Shares).

A circular containing, among other things, (i) details of the Subscription Agreement; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder; and (iv) the notice of the EGM and proxy form, will be despatched to the Shareholders. It is expected that the circular will be despatched on or before 20 November 2026.

Since Completion is subject to the fulfilment of the conditions as set out in the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION AGREEMENT

On 30 October 2026 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 61,400,000 Subscription Shares at the Subscription Price of HK$0.834 per Subscription Share for a total consideration of approximately HK$51.21 million.

The principal terms of the Subscription Agreement are set out as follows:

Date : 30 October 2026

Parties : (i) the Company (as the issuer); and

(ii) Puxing International Limited (as the Subscriber).

The Subscription Shares

Assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion other than as a result of the Subscription, the total number of 61,400,000 Subscription Shares to be allotted and issued under the Subscription represent (i) approximately 13.39% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 11.81% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares immediately upon Completion.

The aggregate nominal value of the Subscription Shares is approximately HK$6.14 million.

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects with Shares in issue at the time of allotment and issue of the Subscription Shares.

The Subscription Price

It is agreed that the Subscription Price shall be the higher of (i) the closing price on the date of the Subscription Agreement; and (ii) the average closing price quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement.

The Subscription Price of HK$0.834 per Subscription Share represents:

(i) a premium of approximately 1.09% to the closing price of HK$0.825 per Share as quoted on the Stock Exchange on 30 October 2026, being the date of the Subscription Agreement; and

(ii) the average of the closing price of HK$0.834 per Share quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement.

The net Subscription Price, after deduction of relevant expenses, is estimated to be approximately HK$0.822 per Share. The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber, with reference to the prevailing market price of the Shares. The Directors (excluding the independent non-executive Directors whose view will be provided after taking into consideration the advice from the Independent Financial Adviser) are of the view that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable under the current market conditions, and are in the interests of the Company and its Shareholders as a whole.

Conditions Precedent

Completion is subject to the fulfilment of the following conditions:

(i) the representations and warranties given and made by the Company to the Subscriber pursuant to the Subscription Agreement remaining true, accurate and complete in all material respects and not being misleading;

(ii) the representations and warranties given and made by the Subscriber to the Company pursuant to the Subscription Agreement remaining true, accurate and complete in all material respects and not being misleading;

(iii) the transactions contemplated by the Subscription Agreement, including without limitation, the Subscription and the allotment and issue of the Subscription Shares, having been approved by the Independent Shareholders at an EGM in compliance with the Listing Rules and/or any other applicable laws and regulations;

(iv) the Listing Committee having granted the approval for the listing of, and permission to deal in, the Subscription Shares and such approval not having been revoked, withdrawn or cancelled; and

(v) all necessary internal and external approvals, authorisations and consents required to be obtained by the Subscriber for the implementation or completion of the Subscription having been obtained by the Subscriber and such approvals and consents remaining in full force and effect.

Completion

Completion shall take place within five (5) Business Days after all of the above conditions precedent are satisfied in full, or such later date as the parties to the Subscription Agreement may agree in writing.

Specific Mandate

The Subscription Shares shall be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Independent Shareholders at the EGM.

APPLICATION FOR LISTING

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

INFORMATION OF THE PARTIES

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

The Subscriber is an investment holding company incorporated in British Virgin Islands with limited liability, the entired issued share capital of which is indirectly owned by Wanxiang Group, which is ultimately beneficially owned by Mr. Lu Weiding. As at the date of this announcement, the Subscriber is interested in approximately 65.42% of the entire issued share capital of the Company, and is our controlling shareholder.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

Use of Proceeds

The gross proceeds from the Subscription will amount to approximately HK$51.21 million and the net proceeds from the Subscription (after deduction of the related expenses) will be approximately HK$50.50 million, representing a net Subscription Price of approximately HK$0.822 per Subscription Share. Assuming no material fluctuations in the stock market, the Company intends to apply:

(i) approximately HK$45.50 million (representing approximately 90.10% of the net proceeds from the Subscription) by the end of December 2027 for future business development, including, where appropriate and subject to market opportunities and conditions, acquisitions of or investments in listed and unlisted companies engaged in AI, digital economy, energy technology and related industries. Such investments are expected to include, but are not limited to (a) underlying infrastructure along the AI industry chain, including energy infrastructure, chips and computing infrastructure, and AI infrastructure (such as computing power centres); (b) AI companies engaged in large AI models and the development of next-generation multimodal models; and (c) innovative enterprises engaged in applications at the intersection of AI and blockchain; the Company intends to carry out equity investment, industrial investment and asset management businesses in the aforesaid areas, supporting the Group's transformation from a traditional energy group into an integrated industrial group driven by both technology and digitalisation; and

(ii) the remaining of approximately HK$5.0 million (representing approximately 9.9% of the net proceeds from the Subscription) by the end of December 2027 for the Group's general working capital needs, such as salaries of independent non-executive directors, audit fee, legal and professional fees, and other related expenses.

Reasons for the Subscription

As part of the Group's business development and investment strategy, the Group intends to, where appropriate and subject to market opportunities and conditions, pursue equity investment, industrial investment and asset management opportunities in sectors including artificial intelligence, digital economy, energy technology and related industries, including through investments in offshore listed and unlisted companies engaged in the aforesaid sectors.

The Subscription is intended to provide the Group with additional financial resources to support its offshore investment opportunities and general working capital requirements. In particular, the net proceeds from the Subscription will enhance the Group's financial flexibility to pursue suitable investment opportunities in the aforesaid sectors, including those described in the section headed "Use of Proceeds" above. Any such proposed investments will be made in accordance with the objectives of the Company's investment policy and subject to prevailing market opportunities and conditions. The Board (excluding the independent non-executive Directors whose view will be provided after taking into consideration the advice from the Independent Financial Adviser) considers that the Subscription will support the Group's ongoing business development and its strategy to gradually transform from its traditional energy business into an integrated industrial group driven by technology and digitalisation, with a view to enhancing the Group's long-term growth potential and generating returns to the Shareholders.

Based on the aforesaid and taking into consideration that the Subscription by the Subscriber, being the controlling shareholder of the Company, reflects its confidence towards the long-term and sustainable growth of the Group, and the continuing support of the Subscriber would be beneficial to the long-term business development of the Group, the Board (excluding the independent non-executive Directors whose view will be provided after taking into consideration the advice from the Independent Financial Adviser) is of the view that the terms of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Mr. Zhu Xianbin (Executive Director) and Mr. Lu Zepu (Executive Director) are directors of the Subscriber. Mr. Zhang Xuji (Non-Executive Director) is the vice general manager of the board office of Wanxiang Group. They have abstained from voting on (and have not been counted in the quorum for) the relevant Board resolutions for approving the Subscription Agreement and the transactions contemplated thereunder by virtue of his interests in the Subscription. Save as disclosed above, none of the other Directors is regarded as having a material interest in, and therefore none of them is required to abstain from voting on, the relevant Board resolutions for approving the Subscription Agreement and the transactions contemplated thereunder.

EQUITY FUND RAISING ACTIVITY DURING THE TWELVE MONTHS

The Company has not carried out any other equity fund raising activities during the twelve months immediately preceding the date of this announcement.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after Completion (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion other than as a result of the Subscription). The Company does not have any treasury shares as at the date of this announcement.

Shareholders	**As at the date of this announcement**		**Immediately after the Completion (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion other than as a result of the Subscription)**	
	Number of Shares	*Approx.%*	*Number of Shares*	*Approx.%*
Puxing International Limited	300,000,000	65.42	361,400,000	69.50
Public Shareholders	158,600,000	34.58	158,600,000	30.50
Total	458,600,000	100	520,000,000	100

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Subscriber is the controlling shareholder of the Company holding 300,000,000 Shares (representing approximately 65.42% of the total number of Shares in issue) and therefore is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Subscription constitutes a connected transaction of the Company under the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising, all three independent non-executive Directors, namely Mr. Wu Chongguo, Ms. Wu Ying and Mr. Yu Wayne W., has been established to consider the terms of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares), and to advise the Independent Shareholders as to whether the aforesaid transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Donvex Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

The EGM will be convened for the purpose of considering and, if thought fit, approving, among others, the Subscription Agreement and the transactions contemplated thereunder (including the grant of Specific Mandate for the allotment and issue of the Subscription Shares).

A circular containing, among other things, (i) details of the Subscription; (ii) a letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder (including the grant of Specific Mandate for the allotment and issue of the Subscription Shares); (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder (including the grant of Specific Mandate for the allotment and issue of the Subscription Shares); and (iv) the notice of the EGM and proxy form, will be despatched to the Shareholders. It is expected that the circular will be despatched on or before 20 November 2026.

Since Completion is subject to the fulfilment of the conditions as set out in the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

"AI"	artificial intelligence
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day(s)"	a day other than Saturday, Sunday and a public holiday in the PRC or Hong Kong
"Company"	Puxing Energy Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 90)
"Completion"	completion of the Subscription pursuant to the Subscription Agreement
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held by the Company for the Shareholders for the purpose of considering, and if thought fit, approving, among others, the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares)

"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Independent Board Committee"	the independent board committee of the Board, comprising all the independent non-executive Directors, namely Mr. Wu Chongguo, Ms. Wu Ying and Mr. Yu Wayne W., which has been established for the purposes of making recommendations to the Independent Shareholders in respect of the fairness and reasonableness of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares)
"Independent Financial Adviser"	Donvex Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares)
"Independent Shareholders"	Shareholders, other than Puxing International Limited and its associates, who have no material interest in the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares)
"Listing Committee"	has the meaning ascribed to it under the Listing Rules

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the issued Share(s)
"Specific Mandate"	a specific mandate to be sought from the Independent Shareholders at the EGM for the allotment and issue of the Subscription Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber"	Puxing International Limited, an investment holding company incorporated in British Virgin Islands with limited liability, the entired issued share capital of which is indirectly owned by Wanxiang Group, which is ultimately beneficially owned by Mr. Lu Weiding
"Subscription"	the subscription of the Subscription Shares by the Subscriber pursuant to the terms and subject to the conditions of the Subscription Agreement
"Subscription Agreement"	the conditional subscription agreement dated 30 October 2026 between the Company and the Subscriber in relation to the Subscription

"Subscription Price"	the subscription price of HK$0.834 per Subscription Share
"Subscription Share(s)"	the 61,400,000 new and fully paid Shares to be subscribed for by the Subscriber
"Wanxiang Group"	Wanxiang Group Corporation (萬向集團公司), a company established under the laws of the PRC with limited liability and is ultimately controlled by Mr. Lu Weiding; and
"%"	per cent.

Yours faithfully
By order of the Board
Puxing Energy Limited
Deng Chao
Chairman

the PRC, 30 October 2026

As at the date of this announcement, the Board comprises nine Directors, of whom three are executive Directors, namely Mr. Zhu Xianbin, Mr. Xu Jintao and Mr. Lu Zepu; three are non-executive Directors, namely Mr. Deng Chao, Mr. Zhang Xuji and Mr. Du Yu; and three are independent non-executive Directors, namely Mr. Wu Chongguo, Ms. Wu Ying and Mr. Yu Wayne W.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.