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**PUXING CLEAN ENERGY LIMITED**  
**普星潔能有限公司**

*(Incorporated in Cayman Islands with limited liability)*

**(Stock Code: 90)**

**VERY SUBSTANTIAL ACQUISITION  
AND  
CONNECTED TRANSACTION**

**THE ACQUISITION**

The Board is pleased to announce that on 6 May 2020 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Share Purchase Agreement, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to dispose of, 100% of the equity interests in the Target Company at the Consideration of RMB333,398,965.29 (subject to adjustment), subject to the terms and conditions of the Share Purchase Agreement.

**IMPLICATIONS UNDER THE LISTING RULES**

As one of the applicable percentage ratios set out in the Listing Rules in respect of the Share Purchase Agreement and the transaction contemplated thereunder exceeds 100%, the Share Purchase Agreement and the transaction contemplated thereunder constitute a very substantial acquisition of the Company which is subject to reporting, announcement and Shareholders' approval under Chapter 14 of the Listing Rules.

The Vendor is the Controlling Shareholder indirectly interested in approximately 65.42% of the issued share capital of the Company as at the date of this announcement and is therefore a connected person of the Company. Accordingly, the Share Purchase Agreement and the transaction contemplated thereunder constitute a connected transaction of the Company which is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee has been established by the Company to consider the terms of the Share Purchase Agreement and the transaction contemplated thereunder, and to advise the Independent Shareholders as to whether the Acquisition is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Independent Financial Adviser has been engaged to advise the Independent Board Committee and the Independent Shareholders in this respect.

## **EGM**

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Share Purchase Agreement and the transaction contemplated thereunder.

The Vendor, being a Controlling Shareholder indirectly interested in approximately 65.42% of the issued share capital of the Company as at the date of this announcement, is a connected person of the Company and is therefore considered to have a material interest in the Share Purchase Agreement and the transaction contemplated thereunder. Therefore, Puxing International and its associates will be required to abstain from voting on the resolutions in relation to the Share Purchase Agreement and the transaction contemplated thereunder.

Save as abovementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Share Purchase Agreement and the transaction contemplated thereunder and therefore, no other Shareholder is required to abstain from voting at the EGM for the relevant resolutions.

## **DESPATCH OF CIRCULAR**

A circular containing, among other things, (i) further information on the Share Purchase Agreement and the transaction contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the terms of the Share Purchase Agreement; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its recommendation in respect of the terms of the Share Purchase Agreement; (iv) financial information of the Group; (v) financial information of the Target Company; (vi) unaudited pro forma financial information of the Enlarged Group upon completion of the Acquisition; (vii) the notice of the EGM; and (viii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 15 June 2020, which is more than 15 Business Days after the publication of this announcement as more time will be needed for the preparation of certain information to be included in the circular.

## **WARNING**

**Completion of the Acquisition is subject to the satisfaction (or, if applicable, waiver) of the conditions precedent to the Share Purchase Agreement and as such, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## **THE ACQUISITION**

On 6 May 2020, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Share Purchase Agreement, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to dispose of, 100% of the equity interests in the Target Company at the Consideration of RMB333,398,965.29 (subject to adjustment), subject to the terms and conditions of the Share Purchase Agreement.

## **SHARE PURCHASE AGREEMENT**

Date : 6 May 2020 (after trading hours)

Parties : (1) the Purchaser; and  
(2) the Vendor.

Subject matter : Pursuant to the Share Purchase Agreement, the Purchaser agreed to acquire, and the Vendor agreed to dispose of, 100% of the equity interests in the Target Company, subject to terms and conditions of the Share Purchase Agreement.

The Target Company is a company established under the laws of the PRC with limited liability on 30 November 2011 with a paid-up capital of RMB300,000,000, and is a wholly-owned subsidiary of the Vendor.

Consideration : The Consideration for the Acquisition is RMB333,398,965.29 (subject to adjustment), which was determined after arm's length negotiations between the Purchaser and Vendor on normal commercial terms with reference to a number of factors, including (i) the historical financial performance of the Target Company for the three years ended 31 December 2019 prepared in accordance with the PRC GAAP; (ii) the unaudited net asset value of the Target Company as at 31 March 2020 prepared in accordance with the PRC GAAP of RMB415,704,820.39; (iii) the accumulated undistributed profit of the Target Company as at 31 December 2019 of RMB82,305,855.10 prepared in accordance with the PRC GAAP (the "**Undistributed Profit**"); (iv) the condition of the generating units and equipment owned by the Target Company; (v) the business development and prospects of the Target Company; and (vi) the benefits of the Acquisition as set out in the section headed "Reasons for and benefits of the Acquisition" below.

The parties to the Share Purchase Agreement agreed to adjust the final amount of the Consideration based on the net asset value in the Completion Audit Report issued within 30 days after the Completion Date, minus the Undistributed Profit (the "**Adjusted Consideration**"). The Adjusted Consideration so determined in accordance with the aforementioned Completion Audit Report is binding on all parties to the Share Purchase Agreement, and the Vendor and the Purchaser shall adjust the Consideration to be paid by the Purchaser based on the Adjusted Consideration.

Taking into account (i) the Consideration being equivalent to the unaudited net asset value of the Target Company as at 31 March 2020 prepared in accordance with the PRC GAAP less the Undistributed Profit; (ii) the historical financial performance of the Target Company prepared in accordance with the PRC GAAP as further detailed in the section headed “Information about the Parties – Financial information of the Target Company” below; and (iii) the condition of the generating units and equipment owned by the Target Company, and based on the knowledge and experience of the relevant Directors and management of the Company in the energy supply and related businesses in the PRC, the Board is of the view that no independent valuation on the assets and business of the Target Company was necessary.

The Consideration will be financed by (i) the internal resources of the Group, including the cash flows generating from operating activities of the Group from time to time; and (ii) other debt financing to be determined by the Company from time to time when necessary.

The Company’s on-going liquidity will be supported by the credit facility of up to RMB300,000,000 provided by Wanxiang Finance Co., Ltd.\* (萬向財務有限公司) (“**Wanxiang Finance**”) to the Group during the term of the financial services framework agreement entered into between the Company and Wanxiang Finance on 22 January 2020. For details, please refer to the Company’s circular dated 21 February 2020. In addition, the Company will also consider restructuring its debt profile through negotiating with its holding companies to extend the repayment dates of all or part of the relevant outstanding loans in order to enhance its liquidity as and when necessary.

Payment of the Consideration : The Purchaser shall pay the Vendor RMB50,000,000 within ten (10) Business Days from the Completion Date (the “**First Payment**”).

Upon the issuance of the Completion Audit Report, the Purchaser shall pay the Vendor all outstanding Consideration (the “**Outstanding Payment**”) in accordance with the following equation:

$$\textit{Outstanding Payment} = \textit{Adjusted Consideration} - \textit{First Payment}$$

Upon the issuance of the Completion Audit Report, the Outstanding Payment shall be payable by the Purchaser in three instalments in the following manners together with the relevant interests on such payments incurred from the issuance date of the Completion Audit Report to the actual payment date at fixed interest rate of 5% per annum:

- (a) on the first anniversary of the issuance date of the Completion Audit Report, the Purchaser shall pay the Vendor RMB100,000,000 (the “**First Outstanding Payment**”) and the relevant interests;
- (b) on the second anniversary of the issuance date of the Completion Audit Report, the Purchaser shall pay the Vendor RMB100,000,000 (the “**Second Outstanding Payment**”) and the relevant interests;
- (c) on the third anniversary of the issuance date of the Completion Audit Report, the Purchaser shall pay the Vendor the remainder of the Outstanding Payment (the “**Remainder of Outstanding Payment**”) and the relevant interests in accordance with the following equation:

$$\textit{Remainder of Outstanding Payment} = \textit{Outstanding Payment} - (\textit{the First Outstanding Payment} + \textit{the Second Outstanding Payment})$$

The Purchaser has the right to pay the Vendor the Outstanding Payment in advance of the instalment payment schedule set out above. The Purchaser shall notify the Vendor in writing before making such advanced payments. Each advanced payment paid by the Purchaser shall not be less than RMB10,000,000, and the Purchaser shall also pay the interests corresponding to such advanced payment.

- Conditions precedent : Completion is conditional upon the satisfaction of or full or partial waiver (except condition (c) below) of, the following conditions precedent on or before the Completion Date in accordance with the terms of the Share Purchase Agreement:
- (a) the representations and warranties made by the Purchaser and the Vendor under the Share Purchase Agreement shall be true, accurate and complete in all respects on the Completion Date;
  - (b) the Purchaser and Vendor shall have fulfilled and complied with all the agreements, commitments, obligations and conditions contained in the Share Purchase Agreement which shall be performed or complied with on or before the Completion Date;
  - (c) all consents required by the Acquisition (including but not limited to the consent of relevant government departments, internal approvals of the Target Company and consents of third parties) shall have been duly obtained by the Vendor and the Target Company and continue to be fully valid, and all consents required by the Acquisition, including but not limited to the passing of the relevant resolutions during a duly convened extraordinary general meeting of the Company in relation to the very substantial acquisition and connected transaction (as defined under the Listing Rules) in relation to the Acquisition and (if applicable) consents of other relevant government departments, the Stock Exchange, third parties and internal permissions of the Company shall have been duly obtained by the Purchaser and continue to be fully valid;

- (d) the Purchaser has completed the due diligence review (including but not limited to the legal affairs, financials, tax affairs, assets, debt, operation and business conditions of the Target Company) and the Purchaser has been satisfied with the results of such due diligence review;
- (e) no material adverse impact has occurred and there is no reasonable indication that any material adverse impact will occur;
- (f) no one has threatened to bring, has already filed or has been pending to file a claim to attempt to impose any restrictions on the Completion of the Acquisition;
- (g) there are no claims from any government department or any law that proposes, promulgates, implements, issues, or is deemed to be applicable to the Acquisition or any changes to current law that, based on reasonable judgment, would directly or indirectly restrict the Completion of the Acquisition in any material respect;
- (h) the Target Company has completed the registration and filed the transfer of its equity interest at the industrial and commercial department (the “**Equity Transfer**”) (for the avoidance of doubt, before the completion of the Equity Transfer, all interests of the equity interest of the Target Company belongs to the Vendor and after the completion of the Equity Transfer, all interests of the equity interests belong to the Purchaser);
- (i) the international certified public accountants have audited the financial statements of the Target Company prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board for each of the years ended 31 December 2017, 2018 and 2019 without modified audit opinion; and
- (j) all agreements, contracts, instruments, memoranda, certificates or other documents signed or related to the Acquisition have been (if applicable) duly signed by the Vendor and in force.



Save and except for condition (c) above, all other conditions may be waived by the Purchaser in writing at its discretion. The above condition (c) shall not be waivable at all times.

Completion : Completion shall take place within ten (10) Business Days after all the conditions precedent (except those that are waived) are satisfied or such other day as the parties to the Share Purchase Agreement may agree in writing.

Before or upon Completion, the Vendor shall deliver or cause the Target Company to deliver the following documents to the Purchaser:

- (a) the shareholders' resolutions of the Vendor approving the Acquisition and amendment of articles of association of the Target Company, duly signed by the Vendor, and, as may be required by the articles of association of the Target Company, all duly signed internal documents of the Target Company required for the purposes of approving the Acquisition;
- (b) written documents regarding the designation of relevant account(s) as the account(s) to accept the Consideration and/or other relevant payments under the Share Purchase Agreement and specific information of such account(s);
- (c) the new business licence and the copy of the full set of documents issued by the Quzhou City Kecheng District Market Supervision and Administration Bureau\* (衢州市柯城区市场监督管理局) regarding the Acquisition (and the Vendor having confirmed in writing that such documents are completely consistent with the originals actually submitted to the Quzhou City Kecheng District Market Supervision and Administration Bureau\* (衢州市柯城区市场监督管理局));

- (d) all assets, documents and materials of the Target Company including but not limited to official seals and other seals, account books, receipts, archives, contracts, invoices, licenses, property certificates, electronic information, business qualifications, governmental project approvals or permits have been transferred to person designated by the Purchaser (if applicable), and the Purchaser and the Vendor having signed a handover list. Such handover list shall also include a list of all the Target Company's real estate and equipment that worth more than RMB100,000, a list of the Target Company's employees and all other information that the Purchaser believes should be listed; and
- (e) a certificate signed by the Vendor in accordance with the format and content of annex B to the Share Purchase Agreement to confirm that all conditions precedent pertaining to the Vendor as set out in the section headed "Share Purchase Agreement – Conditions Precedent" above have been satisfied.

Before or upon Completion, the Purchaser shall transfer to the Vendor a certificate signed by the Purchaser in the format and content set out in the Share Purchase Agreement to confirm that all conditions precedent pertaining to the Purchaser as set out in the section headed "Share Purchase Agreement – Conditions Precedent" above have been satisfied.

- Termination : At any time, the Share Purchase Agreement may be terminated and the Acquisition may be aborted:
- (a) unless the Vendor and the Purchaser agree otherwise, if Completion does not take place before 30 September 2020, either the Vendor or the Purchaser shall serve a written notice to the other party; or
  - (b) with the written consent of the Vendor and the Purchaser.

If the following occurs, any party has the right to, pursuant to an independent and prudent decision, terminate the Share Purchase Agreement with immediate effect by notifying the other party in writing, free of any responsibility under the Share Purchase Agreement:

- (a) either party to the Share Purchase Agreement fails to complete, abide by, or perform its obligations, commitments, or guarantees under the Share Purchase Agreement in a timely and effective manner, and as a result such obligation, commitment or guarantee cannot be fulfilled before the Completion Date by reasonable judgement; or
- (b) statements or warranties made by either party to the Share Purchase Agreement are untrue, inaccurate, incomplete or misleading, or any such statements or warranties will apparently become untrue, inaccurate, incomplete or misleading, or the occurrence of any event or circumstance that causes or will cause any statement or warranty made by either party to the Share Purchase Agreement untrue, inaccurate, incomplete or misleading.

If the Share Purchase Agreement is terminated in accordance with the above provisions, the Share Purchase Agreement will no longer be valid, but the parties to the Share Purchase Agreement shall not be exempted from their respective breaches of the Share Purchase Agreement or any liability arising out from any misrepresentation under the Share Purchase Agreement, and such termination shall not be regarded as a waiver of any remedy (including specific performance, if awarded) for any such breach or misrepresentation.

If the Share Purchase Agreement is terminated in accordance with the above provisions or any applicable law, the parties to the Share Purchase Agreement shall use their respective reasonable efforts to restore any actions and effects produced by the parties to complete the Acquisition to the status before the parties entered into the Share Purchase Agreement (including but not limited to further registration and filing procedures regarding the filings to the industrial and commercial department regarding the transfer of the Target Company's shares).

## **INFORMATION ABOUT THE PARTIES**

### **The Group**

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

### **The Purchaser**

The Purchaser is a sino-foreign equity joint venture enterprise established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. The Purchaser is principally engaged in natural gas power generation and on-grid sales; production and sales of supporting mechanical and electrical equipment; sales of waste heat hot water production; and development, operation, maintenance and technical services of auxiliary services for power grids.

### **The Vendor**

The Vendor is a company established under the laws of the PRC with limited liability, which is principally engaged in technology development, technical services, consulting, technology transfer of clean energy and energy technology; investment in the wind power industry; business management consulting; wind power project management consulting; installation and sales of wind power equipment and energy equipment; import and export of goods and technologies; contract energy management; and investment management. The Vendor is the Controlling Shareholder indirectly interested in approximately 65.42% of the issued share capital of the Company as at the date of this announcement.

### **The Target Company**

The Target Company is a company established under the laws of the PRC with limited liability on 30 November 2011 with a paid-up capital of RMB300,000,000 and a wholly-owned subsidiary of the Vendor. It is principally engaged in thermal power technology research and development; gas turbine thermal power project investment, operation maintenance, technical services; heating services; power generation business and photovoltaic power generation project investment and development. The Target Company has an installed capacity of approximately 230MW (including approximately 153kW photovoltaic power generating units) and a maximum heating capacity of approximately 200 tons/hour.

To the best knowledge of the Board, the Group, the Vendor, the Purchaser and the Target Company are ultimately controlled by Mr. Lu.

## Financial information of the Target Company

Based on the audited financial statements of the Target Company as prepared in accordance with the PRC GAAP, the financial information of the Target Company for the three years ended 31 December 2019 was approximately as follows:

	For the year ended 31 December		
	2017	2018	2019
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	166,315	169,324	170,910
Profit before taxation	48,490	54,178	68,086
Profit after taxation	36,242	40,406	51,045

The audited net asset value of the Target Company as at 31 December 2019 prepared in accordance with the PRC GAAP was approximately RMB401,193,000 and the unaudited net asset value of the Target Company as at 31 March 2020 was approximately RMB415,705,000.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the development, operation and management of natural gas-fired power plants in the PRC. Building on its clean energy business, the Group has been actively searching for potential acquisition targets to expand its installed capacity and heating business, which would facilitate the achievement of the strategic objectives of the Group and maximise returns to Shareholders.

As at the date of this announcement, the Group owns and operates four natural gas-fired power plants located in Zhejiang province, the PRC with a total installed capacity of approximately 458MW (including approximately 578kW photovoltaic power generating units) and a heating capacity of approximately 160 tons/hour. The Target Company owns and operates a natural gas-fired power plant with installed capacity of approximately 230MW (including approximately 153kW photovoltaic power generating units) and a maximum heating capacity of approximately 200 tons/hour. The advanced power generating units and equipment owned by the Target Company enable the Target Company to generate power and heat more efficiently and effectively, and result in a better financial performance. For the three years ended 31 December 2019, profit after taxation of the Target Company as prepared in accordance with the PRC GAAP represented approximately 106%, 89% and 93% of the profit attributable to the equity Shareholders. Therefore, the Board is of the view that the Acquisition presents a unique opportunity for the Group to further strengthen its presence and operations in Zhejiang province, the PRC, and to enhance its business performance by further expanding its installed capacity and heating capacity.

As disclosed in the section headed “Share Purchase Agreement – Consideration” above, the Board has taken into account a number of factors in determining the Consideration. The Directors consider that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The terms of the Share Purchase Agreement were agreed at after arm’s length negotiations between the parties thereto. The Directors (other than the independent non-executive Directors who will express their views after considering the advice from the Independent Financial Advisor) consider that the terms of the Share Purchase Agreement and the transaction contemplated thereunder are on normal commercial terms which are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

### **IMPLICATION UNDER THE LISTING RULES**

As one of the applicable percentage ratios set out in the Listing Rules in respect of the Share Purchase Agreement and the transaction contemplated thereunder exceeds 100%, the Share Purchase Agreement and the transaction contemplated thereunder constitute a very substantial acquisition of the Company which is subject to reporting, announcement and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

The Vendor is the Controlling Shareholder indirectly interested in approximately 65.42% of the issued share capital of the Company as at the date of this announcement and is therefore a connected person of the Company. Accordingly, the Share Purchase Agreement and the transaction contemplated thereunder constitute a connected transaction of the Company which is subject to the reporting, announcement and Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

As at the date of this announcement, Mr. Wei Junyong has declared to the Board of his concurrent title as a director and the president of the Vendor and a director of the Target Company. He had absented himself from the relevant Board meeting and abstained from voting in respect of the resolutions approving the Share Purchase Agreement and the transaction contemplated thereunder. Save as disclosed above, none of the other Directors was considered having a material interest in Share Purchase Agreement and the transaction contemplated thereunder and was required to abstain from voting in respect of the resolutions approving such transaction.

### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the Share Purchase Agreement and the transaction contemplated thereunder.

In this connection, the Independent Financial Adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the Share Purchase Agreement and the transaction contemplated thereunder.

## **EGM**

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Share Purchase Agreement and the transaction contemplated thereunder.

As disclosed on the section headed “Implications under the Listing Rules” above, the Vendor, being a Controlling Shareholder indirectly interested in approximately 65.42% of the issued share capital of the Company as at the date of this announcement, is a connected person of the Company and is therefore considered to have a material interest in the Share Purchase Agreement and the transaction contemplated thereunder. Therefore, Puxing International and its associates will be required to abstain from voting on the resolutions in relation to the Share Purchase Agreement and the transaction contemplated thereunder.

Save as abovementioned, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Share Purchase Agreement and the transaction contemplated thereunder and therefore, no other Shareholder is required to abstain from voting at the EGM for the relevant resolutions.

## **DESPATCH OF CIRCULAR**

A circular containing, among other things, (i) further information on the Share Purchase Agreement and the transaction contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the terms of the Share Purchase Agreement; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its recommendation in respect of the terms of the Share Purchase Agreement; (iv) the financial information of the Group; (v) the financial information of the Target Company; (vi) the unaudited pro forma financial information of the Enlarged Group upon completion of the Acquisition; (vii) the notice of the EGM; and (viii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 15 June 2020, which is more than 15 Business Days after the publication of this announcement as more time will be needed for the preparation of certain information to be included in the circular.

## **WARNING**

**Completion of the Acquisition is subject to the satisfaction (or, if applicable, waiver) of the conditions precedent to the Share Purchase Agreement and as such, the Acquisition 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, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of 100% of the equity interests in the Target Company by the Purchaser from the Vendor pursuant to the Share Purchase Agreement
“Articles of Association”	articles of association of the Company, as amended from time to time
“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 Clean 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”	means (i) the completion of the transfer of all 100% equity interests in the Target Company to the Purchaser; and (ii) the completion of the transfer of all documents pursuant as outlined in the section headed “Share Purchase Agreement – Completion” in this announcement
“Completion Audit Report”	means the unqualified audit report of the Target Company’s financial statements as at the Completion Reference Date issued by a PRC certified public accountants designated by the Purchaser in accordance with the PRC GAAP
“Completion Date”	the date of the Completion
“Completion Reference Date”	means the last day of the natural month preceding the month of which the Completion Date falls on



“Consideration”	the consideration in the amount of RMB333,398,965.29 (subject to adjustment) payable by the Purchaser to the Vendor for the Acquisition under the Share Purchase Agreement
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Share Purchase Agreement and the transaction contemplated thereunder
“Enlarged Group”	the Group and the Target Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board comprising Mr. Tse Chi Man, Mr. Yao Xianguo and Mr. Yu Wayne W., being all the independent non-executive Directors, which is formed to advise the Independent Shareholders on the Share Purchase Agreement and the transaction contemplated thereunder
“Independent Financial Advisor”	Donvex Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and is the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Share Purchase Agreement and the transaction contemplated thereunder
“Independent Shareholders”	the Shareholders other than Puxing International and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mr. Lu”	Mr. Lu Weiding (魯偉鼎先生), the ultimate Controlling Shareholder
“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
“PRC GAAP”	generally accepted accounting principles in the PRC
“Purchaser”	Zhejiang Puxing Deneng Natural Gas Power Co., Ltd.* (浙江普星德能然氣發電有限公司), a sino-foreign equity joint venture enterprise established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Puxing International”	Puxing International Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and the wholly-owned subsidiary of the Vendor
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	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 Shares from time to time
“Share Purchase Agreement”	the share purchase agreement dated 6 May 2020 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Quzhou Puxing Gas Turbine Thermal Power Co., Ltd.* (衢州普星燃機熱電有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Vendor

“Vendor” Shanghai Pu-Xing Energy Limited\* ( 普星聚能股份公  
司), a company established under the laws of the PRC with  
limited liability, and the Controlling Shareholder indirectly  
interested in approximately 65.42% of the issued share  
capital of the Company as at the date of this announcement

“%” per cent

By order of the Board  
**Puxing Clean Energy Limited**  
**WEI Junyong**  
*Chairman*

Hong Kong, 6 May 2020

*As at the date of this announcement, the Board comprises five Directors, of whom two are executive Directors, namely Mr. Wei Junyong and Mr. Gu Genyong; and three are independent non-executive Directors, namely Mr. Tse Chi Man, Mr. Yao Xianguo and Mr. Yu Wayne W.*

\* *For identification purposes only*