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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)

PROFIT WARNING

This announcement is made by Puxing Energy Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review and assessment on the Group’s unaudited consolidated management accounts for the year ended 31 December 2022 and the information currently available to the Board, the profit attributable to the equity Shareholders for the year ended 31 December 2022 is expected to record a decrease of approximately 48% to 58% as compared to the corresponding period of last year.

The Board considers that such expected decrease is mainly due to (i) the cut in capacity tariff with effect from 1 January 2022 (details of which have been disclosed in the announcement of the Company dated 7 October 2021, the 2021 annual report and the 2022 interim report of the Company) which resulted in a decrease in capacity tariff revenue of the Group of approximately RMB57.3 million for the year ended 31 December 2022 as compared to the corresponding period of last year; (ii) in 2022, under the cost inversion of natural gas power generation (i.e. the cost of natural gas power generation per unit is higher than the volume tariff of natural gas power generating units per unit), the annual production volume by natural gas power generating units increased significantly as compared to 2021 (the production volume by natural gas power generating units in 2022 increased by 53.14% to 586,869.83 megawatt hour as compared to 383,230.24 megawatt hour in 2021) to meet the peak demand of the power grid; and (iii) in 2022, due to the increase in the cost of natural gas procurement, the unit cost of natural gas power generation fuel increased significantly (the average unit fuel cost of power generation in 2022 increased by 43.91% to approximately RMB725/megawatt hour as compared to approximately RMB504/megawatt hour in 2021).

As the Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2022, the information contained in this announcement is only based on the preliminary review and assessment made by the Company with reference to the Group's unaudited consolidated management accounts for the year ended 31 December 2022 and the information currently available to the Board, which may be subject to further adjustments. As at the date of this announcement, the Group's unaudited consolidated management accounts for the year ended 31 December 2022 have not been audited or reviewed by the independent auditor of the Company and have not been confirmed by the audit committee of the Company. The actual financial results of the Group for the year ended 31 December 2022 may be different from the information disclosed herein. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2022, which is expected to be published by the end of March 2023 pursuant to the requirements of the Listing Rules.

Shareholders and potential investors are advised to exercise caution in dealing in shares of the Company.

By order of the Board
Puxing Energy Limited
XU Anliang
Chairman

20 March 2023

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