

DATE: 17 April 2025

KAN CHE KIN BILLY, ALBERT
(as the Subscriber)

AND

CHINA HK POWER SMART ENERGY GROUP LIMITED
(as the Issuer)

HK\$140,000,000
LOAN CAPITALISATION AGREEMENT
relating to the shares in
CHINA HK POWER SMART ENERGY GROUP LIMITED

This Agreement is dated the 17th day of April 2025 and is made BETWEEN:

- (A) **Kan Che Kin, Billy Albert** (holder of Hong Kong Identity Card no: D616719(6)) of B2, 18th Floor, Elm Tree Towers, 8-10 Chun Fai Road, Jardine's Lookout, Hong Kong (the "**Lender**" or "**Subscriber**");
- (B) **China HK Power Smart Energy Group Limited**, (formerly known as "China LNG Group Limited") a company incorporated in Cayman Island whose principal place of business is situated at 8th Floor, St. John's Building, 33 Garden Road, Central, Hong Kong (the "**Company**" or "**Issuer**")

WHEREAS:

- (1) The Issuer is a company incorporated in the Cayman Islands with limited liability;
- (2) The Issuer has at the date of this Agreement an authorised share capital of HK\$ 400,000,000 divided into 20,000,000,000 shares of HK\$0.02 each (the "**Shares**"), of which 6,674,029,649 Shares have been issued and are fully paid and are listed on the main board of The Stock Exchange of Hong Kong Limited (stock code: 931).
- (3) The Subscriber is a controlling shareholder (as defined under the Listing Rules) of the Company, holding 4,040,182,628 Shares, representing 60.54% of the issued share capital of the Company and a connected person (as defined under the Listing Rules) of the Company.
- (4) At the date of this Agreement, the Issuer was indebted to the Subscriber an aggregate amount of approximately HK\$432,721,626 in outstanding principal amount and HK\$23,943,548 accrued interest under the Shareholder's loans. The shareholder's Loans were granted to the Group since 17 January 2018 by the Subscriber for the purpose of financing its general working capital requirement.
- (5) The Subscriber and the Company have agreed that the Company shall issue and the Subscriber shall subscribe for the Capitalisation Shares (as defined below) on and subject to the terms and conditions set out in this Agreement. The aggregate Capitalisation Price payable by the Subscriber to the Company shall be set-off against HK\$140 million of Shareholder's Loans on a dollar-to-dollar basis. This Agreement and the transactions contemplated herein is subject to the approval by the independent shareholders of the Company (the "**Independent Shareholders**") including the granting of the specific mandate (the "**Specific Mandate**") for allotment and issue of the Capitalisation Shares to the Subscriber at an extraordinary general meeting (the "**EGM**").
- (6) Application shall be made to The Stock Exchange of Hong Kong Limited on behalf of the Company for listing of, and permission to deal in, the Capitalisation Shares

IT IS HEREBY AGREED:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions: In this Agreement, including its Recitals and the Schedule, unless the context otherwise requires:

- “Announcement”** means the press announcement in the agreed form proposed to be issued by the Company immediately following the execution of this Agreement containing information concerning the Loan Capitalisation;
- “Business Day”** means any day (excluding Saturdays and Sundays) on which banks generally are open for business in Hong Kong;
- “Capitalisation Price”** means HK\$0.195 per Capitalisation Share, representing a discount of approximately 0.51% to the average closing price of HK\$0.196 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately preceding the date of this Agreement;
- “Capitalisation Shares”** means 717,948,718 new Shares to be issued by the Company and subscribed by the Subscriber, representing approximately represent (i) approximately 10.76% of the existing issued share capital of the Company as at the date of this Agreement; and (ii) approximately 9.71% of the issued share capital of the Company immediately upon Completion as enlarged by the Capitalisation, and **“Capitalisation Share”** shall be construed accordingly; and
- “Completion”** means completion of the Loan Capitalisation pursuant to the terms and conditions of this Agreement;
- “Completion Date”** means the date of actual Completion;
- “Conditions”** means the conditions set out in **Clause 2.1**;
- “Group”** means the Company and its subsidiaries;
- “HK\$”** means Hong Kong dollars in the currency of Hong Kong;
- “Listing Rules”** means the Rules Governing the Listing of Securities on the Stock Exchange;
- “Repayment Amount”** the partial amount of Shareholder’s Loans due to the Subscriber of HK\$140,000,000, being the agreed amount for setting-off against the subscription amount payable by Subscriber under this Agreement
- “Shares”** has the meaning given to it in **Recital (B)**;
- “Stock Exchange”** means The Stock Exchange of Hong Kong Limited;

Interpretation: In this Agreement, including its Recitals and the Schedule, unless otherwise defined or unless the context or subject matter otherwise requires, any reference to parties to this Agreement shall include their respective permitted assignees and successors; any reference to Recitals, Clauses or the Schedule is a reference to the recitals and clauses of, and the schedule to, this Agreement; any reference to a statutory provision shall include a reference to that provision as amended or re-enacted from time to time; headings are inserted for convenience only and shall be ignored in construing this Agreement; the singular includes the plural and vice versa, words importing gender or the neuter include both genders and the neuter; any reference to this Agreement or any other agreement or document shall be construed as a reference to this Agreement or, as the case may be, such other agreement or document as it may have been, or may be, amended, varied, novated or supplemented.

2. CONDITIONS

2.1 Completion of this Agreement is conditional upon (i) the approval of the Agreement and the transactions contemplated thereunder, by the board of directors of the Company; (ii) the approval of this Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for the allotment and issue of the Capitalisation Shares to the Subscriber, by the Independent Shareholders at the EGM; (iii) the Listing Committee of the Stock Exchange having granted approval for the listing of and permission to deal in the Capitalisation Shares; (iv) there has been no material breach of any representations, warranties or agreements by any party to this Agreement prior to Completion; and that (v) all necessary consents and approvals required to be obtained on the part of the Company in respect of Agreement and the transactions contemplated thereunder having been obtained.

2.2 Save for condition (iv) above which can be waived by the Subscriber by notice in writing to the Company, none of the above conditions may be waived by the Company or the Subscriber. In the event that the Conditions are not fulfilled on or before the expiry of 3 months from the date of this Agreement (or such later date as may be agreed between the parties), this Agreement and all rights and obligations hereunder will cease and terminate and neither of the parties hereto will have any claim against the other for costs, damages, compensation or otherwise.

3. CAPITALISATION

(A) Subject to the fulfilment of the Conditions and on Completion, the Subscriber shall subscribe for and the Company shall issue the Capitalisation Shares to the Subscriber at the Capitalisation Price fully paid and free from all liens, charges, security interests, encumbrances and adverse claims on the Completion Date.

(B) The aggregate Capitalisation Price of all Capitalisation Shares payable by the Subscriber shall be satisfied by setting off against the Repayment Amount of HK\$140,000,000 upon Completion.

- (C) The Company agrees that the Capitalisation Shares shall, when fully paid, rank pari passu in all respects with the other Shares in issue or to be issued by the Company on or prior to the Completion Date including the rights to all dividends and other distributions declared, made or paid at any time after the Completion.

4. COMPLETION

4.1 Subject to the fulfilment of the Conditions, Completion shall take place at the offices of the Company on or before the tenth (10) Business Day following the day upon which the Conditions shall have been satisfied (or such other time and/or date as the Company and the Subscriber may agree in writing). At Completion, the following business shall be transacted:

- (A) the Company shall deliver to the Subscriber evidence of the fulfilment of the Conditions;
- (B) the Subscriber shall deliver to the Company application for the Capitalisation Shares agreed to be subscribed under this Agreement in the form set out in the Schedule;
- (C) the Company shall allot and issue the Capitalisation Shares to the Subscriber and shall promptly thereafter register the Subscriber as a member of the Company; and
- (D) the Company shall cause to be delivered to the Subscriber definitive share certificate(s) issued in the name of the Subscriber in respect of the Capitalisation Shares and in accordance with the instructions given in the application to be delivered in Clause 4.1(B) PROVIDED THAT the Company's obligations under this Clause 4.1(D) may be satisfied within two weeks of the Completion Date.

4.2 At Completion, the Subscriber shall satisfy the subscription amount payable to the Company by the capitalization and setting off against the Repayment Amount, which shall constitute a complete discharge of its obligations in respect thereof.

5. WARRANTIES AND REPRESENTATIONS

5.1 In consideration of the Subscriber entering into this Agreement, the Company represents, warrants and undertakes to the Subscriber as follows:

- (A) the Capitalisation Shares shall be issued and allotted in accordance with the memorandum and articles of association of the Company and with all relevant laws of Hong Kong and the Cayman Islands and shall rank pari passu in all respects and with all other Shares.

5.2 The representations and warranties contained in this Clause are deemed to be given as at the date hereof and shall remain true and accurate in all respects up to and including the Completion Date. In addition, such representations and warranties shall be deemed to be given on and as at Completion and the Company hereby undertakes to notify the Subscriber of any matter or event coming to its attention prior to Completion the occurrence of which shall result in a breach of the representations, warranties and undertakings given hereunder.

5.3 If prior to Completion (and whether by notice as aforesaid or otherwise) any such matter or event referred to in Clause 5.1 comes to the attention of the Subscriber, it shall be entitled (but not bound) by notice to the Company to elect to treat such matter or event as releasing and discharging the Subscriber from its obligations under this Agreement.

5.4 The foregoing representations, warranties and undertakings shall remain in full force and effect notwithstanding the allotment and issue of the Capitalisation Shares to the Subscribers.

6 INDEMNITY

The Company undertakes with the Subscriber that it shall on demand hold the Subscriber fully and effectively indemnified against all losses, claims, costs, charges and expenses (except those arising out of or as a result of any fraud, wilful default or gross negligence on the part of the Subscriber) which the Subscriber may suffer or incur or which may be brought against or incurred by the Subscriber arising out of or as a result of the performance by the Subscriber of its obligations under this Agreement or any breach by the Company of any warranty or undertaking and any failure by the Company to perform any of its obligations under this Agreement.

7 ANNOUNCEMENT

Subject to any applicable statutory or regulatory rules or the Listing Rules or otherwise as may be required by the Stock Exchange or the Securities and Futures Commission and save and except for the Announcement, no party to this Agreement shall make any public announcement or communication or despatch any circular in relation to this Agreement or the transactions or arrangements hereby contemplated or any matter ancillary hereto without the prior written consent of the other party to this Agreement.

8 NOTICES

8.1 Any notice to be given under this Agreement shall be in English and made in writing and may be delivered personally or sent by prepaid letter (airmail if overseas) or facsimile transmission. A notice shall be sent to the addressee (marked for the attention of the appropriate person) at its address or facsimile number set out below or to such other address or facsimile number as may be notified by such addressee to the other party from time to time for the purposes of this Clause.

8.2 Notices shall be given as follows:

To the Subscriber:

Address : B2, 18th Floor, Elm Tree Towers, 8-10 Chun Fai Road,
Jardine's Look, Hong Kong Kong
Facsimile : (852) 2592 7797
Attention : Mr. Kan Che Kin, Billy Albert

To the Issuer:

Address : Unit B, 8/F, St. John's Building, 33 Garden Road, Central,
Hong Kong
Facsimile : (852) 3691 8282
Attention : Board of Directors

8.3 A notice shall be deemed to have been served:

- (A) if personally delivered, at the time of delivery;
- (B) if posted, if to an addressee within the same country, two (2) Business Days (or if to an addressee in a different country, five (5) Business Days, when it shall be sent by airmail) after the envelope containing the notice was delivered into the custody of the postal authorities;
- (C) if communicated by facsimile transmission, at the time of transmission;

PROVIDED THAT where, in the case of delivery by hand or transmission by facsimile, such delivery or transmission occurs after 4 p.m. (local time) on a Business Day or on a day which is not a Business Day in the place of receipt, service shall be deemed to occur at 9 a.m. (local time) on the next following Business Day.

- 8.4 In proving service, it shall be sufficient to prove that personal delivery was made or that the envelope containing the notice was properly addressed and delivered into the custody of postal authorities authorised to accept the same, or if sent by facsimile, by receipt of automatic confirmation of transmission or answerback PROVIDED THAT a notice shall not be deemed to be served if communicated by facsimile transmission which is not legible in all material respects; such transmission shall be deemed to have been so legible if a request for retransmission is not made before the end of the next Business Day following the transmission.

9 GENERAL PROVISIONS

- 9.1 Further Assurance: Each party agrees to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law or as may be necessary or reasonably desirable to implement and/or give effect to this Agreement and the transactions contemplated by it.

- 9.2 Entire Agreement: This Agreement (together with any document described in or expressed to be entered into in connection with this Agreement) constitutes the entire agreement between the parties in relation to the transaction(s) herein referred to and supersedes any previous agreement between the parties in relation to such transaction(s).
- 9.3 Remedies Cumulative: Any right, power or remedy expressly conferred upon any party under this Agreement shall be in addition to, not exclusive of, and without prejudice to all rights, powers and remedies which would, in the absence of express provision, be available to it; and may be exercised as often as such party considers appropriate.
- 9.4 Waivers: No failure, relaxation, forbearance, indulgence or delay of any party in exercising any right or remedy provided by law or under this Agreement shall affect the ability of that party subsequently to exercise such right or remedy or to pursue any other rights or remedies, nor shall such failure or delay constitute a waiver or variation of that or any other right or remedy. No single or partial exercise of any such right or remedy shall preclude any other or further exercise of it or the exercise of any other right or remedy.
- 9.5 Severability: The parties intend that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws applied in each jurisdiction in which enforcement is sought. If any particular provision or part of this Agreement shall be held to be invalid or unenforceable, then such provision shall (so far as invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement but without invalidating any of the remaining provisions of this Agreement. The parties shall use all reasonable endeavours to replace the invalid or unenforceable provisions by a valid and enforceable substitute provision the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.
- 9.6 Variation: No variation of any of the terms of this Agreement (or of any document described in or expressed to be entered into in connection with this Agreement) shall be effective unless such variation is made in writing and signed by or on behalf of each of the parties. The expression "variation" shall include any variation, supplement, deletion or replacement however effected.
- 9.7 Assignment: This Agreement shall be binding upon, and inure to the benefit of, the parties and their respective successors and permitted assigns. No party shall take any steps to assign, transfer, charge or otherwise deal with all or any of its rights and/or obligations under or pursuant to this Agreement without the prior written consent of the other parties. In the absence of the prior written consent of the parties, this Agreement shall not be capable of assignment.

9.8 Counterparts: This Agreement may be executed in any number of counterparts all of which, taken together, shall constitute one and the same agreement. Any party may enter into this Agreement by executing any such counterpart.

9.9 Punctual Performance: Time shall be of the essence of this Agreement.

9.10 Costs and Expenses: Except as expressly agreed otherwise in writing each of the Company shall bear the costs and expenses, including all legal costs, incurred by such party in connection with this Agreement.

10 GOVERNING LAW AND JURISDICTION

10.1 Governing Law: This Agreement (together with all documents referred to in it) shall be governed by and construed and take effect in accordance with the laws of Hong Kong.

10.2 Jurisdiction: With respect to any question, dispute, suit, action or proceedings arising out of or in connection with this Agreement ("Proceedings"), each party irrevocably:

(A) submits to the non-exclusive jurisdiction of the courts of Hong Kong; and

(B) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bring Proceedings in any other jurisdiction nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

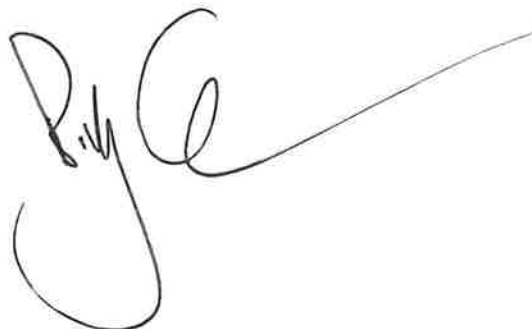
IN WITNES whereof the parties hereto have duly executed this Agreement the on the date
and year first above written.

The Subscriber

SIGNED by

Kan Che Kin, Billy Albert

in the presence of:-



The Company

SIGNED by

For and on behalf of

**China HK Power Smart Energy
Group Limited**

in the presence of:-



For and on behalf of
China HK Power Smart Energy Group Limited
中國港能智慧能源集團有限公司


.....
Authorized Signature(s)