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CHINA HK POWER SMART ENERGY GROUP LIMITED
中國港能智慧能源集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 931)

CONNECTED TRANSACTION
LOAN CAPITALISATION INVOLVING ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

The Board is pleased to announce that on 5 March 2026 (after the Stock Exchange trading hours), the Company (as issuer) and Dr. Kan (as Subscriber) entered into the Loan Capitalisation Agreement, pursuant to which the parties conditionally agreed that the Subscriber shall subscribe for, and the Company shall allot and issue, a total of 722,222,222 Capitalisation Shares at the Capitalisation Price of HK$0.36 per Capitalisation Share. The aggregate Capitalisation Price of all Capitalisation Shares payable by the Subscriber shall be satisfied by capitalising and setting off against the Repayment Amount of HK$260,000,000 upon Completion.

The Capitalisation Shares represent (i) approximately 9.71% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 8.85% of the total number of issued Shares as enlarged by the allotment and issue of the Capitalisation Shares, assuming that there will be no changes in the total number of issued Shares between the date of this announcement and the allotment and issue of the Capitalisation Shares.

Completion of the Loan Capitalisation Agreement is conditional upon, among other things, the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Capitalisation Shares.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Subscriber is the chairman of the Board and an executive Director who beneficially owns 3,761,807,346 Shares, representing approximately 50.59% of the issued share capital of the Company. Therefore, the Subscriber is the controlling Shareholder and a connected person of the Company, accordingly, the Loan Capitalisation Agreement and the transactions contemplated thereunder constitutes a connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Capitalisation Shares to be allotted and issued to the Subscriber will be allotted and issued under the Specific Mandate to be obtained at the EGM. The Subscriber and his associates shall abstain from voting in respect of the resolution approving the Loan Capitalisation Agreement and the transactions contemplated thereunder at the EGM.

Dr. Kan, being the chairman of the Board and an executive Director, Mrs. Kan Kung Chuen Lai, being a non-executive Director and the spouse of Dr. Kan, Mr. Li Kai Yien, Arthur Albert, being an executive Director and the nephew of the Subscriber, have abstained from voting on the Board resolution approving the Loan Capitalisation Agreement and the transactions contemplated thereunder. Save as disclosed above, (i) no other Director has a material interest in the Loan Capitalisation Agreement and the transactions contemplated thereunder is required to abstain from voting on the Board resolutions in relation to the aforesaid matters; (ii) to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has any material interest in the Loan Capitalisation Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate) and therefore no other Shareholder is required to abstain from voting at the EGM in respect of the resolution approving the aforesaid matters.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee ("**IBC**") comprising all the independent non-executive Directors has been established to give a recommendation to the Independent Shareholders as to whether the terms of the Loan Capitalisation Agreement are on normal commercial terms or better and fair and reasonable, whether the Loan Capitalisation is in the interests of the Company and its shareholders as a whole and as to how to vote at the EGM. The appointment of the Independent Financial Adviser ("**IFA**") will be subject to approval by the IBC. Further announcement will be made by the Company upon appointment of the IFA as and when appropriate.

EGM

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Loan Capitalisation Agreement and the transactions contemplated thereunder and the grant of the Specific Mandate for the allotment and issue of the Capitalisation Shares.

A circular containing, among other things, (i) further details of the Loan Capitalisation Agreement and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Loan Capitalisation Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Loan Capitalisation Agreement and the transactions contemplated thereunder; (iv) a notice to convene the EGM; and (v) other information as required under the Listing Rules, will be despatched to the Shareholders on or before 26 March 2026 in compliance with the Listing Rules.

APPLICATION FOR LISTING OF THE CAPITALISATION SHARES

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Capitalisation Shares.

Completion of the Loan Capitalisation is subject to the satisfaction of the conditions precedent in the Loan Capitalisation Agreement, and the Loan Capitalisation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 5 March 2026 (after the Stock Exchange trading hours), the Company (as issuer) and Dr. Kan (as Subscriber) entered into the Loan Capitalisation Agreement, pursuant to which the parties conditionally agreed that the Subscriber shall subscribe for, and the Company shall allot and issue, a total of 722,222,222 Capitalisation Shares at the Capitalisation Price of HK$0.36 per Capitalisation Share. The aggregate Capitalisation Price of all Capitalisation Shares payable by the Subscriber shall be satisfied by capitalising and setting off against the Repayment Amount of HK$260,000,000 upon Completion.

The Shareholder's Loans have been provided by the Subscriber to the Group from time to time since January 2018 for the purpose of financing its general working capital requirement and business development. As at the date of this announcement, the Shareholder's Loans amount to approximately HK$454.77 million, which comprise outstanding principal amount of approximately HK$415.63 million and accrued interest of approximately HK$39.14 million. All of the Shareholder's Loans are unsecured, bear interest at the rate of 5% per annum (except during the interest free period for certain loans) and are currently repayable on demand. The Repayment Amount to be set off shall consist of the principals of certain Shareholder's Loans which are currently repayable on demand in an aggregate amount of HK$260 million.

The Subscriber has demonstrated continuous support for the Group's financial stability by converting outstanding Shareholder's Loans into equity over the past three years. The details of the previous completed loan capitalisations are as follows:

1. First Loan Capitalisation (completed on 3 May 2024): The Subscriber capitalised HK$300,000,000 of the Shareholder's Loans at a price of HK$0.43 per Share, with 697,674,419 Shares issued; and

2. Second Loan Capitalisation (completed on 2 July 2025): The Subscriber capitalised HK$140,000,000 of the Shareholder's Loans at a price of HK$0.195 per Share, with 717,948,718 Shares issued.

Upon completion of the current proposed Loan Capitalisation, The Subscriber will have converted a cumulative total of HK$700,000,000 in the Shareholder's Loans into 2,137,845,359 Shares in aggregate. Taking into account all three capitalisations since 2024, the overall average capitalisation price is approximately HK$0.327 per Share.

THE LOAN CAPITALISATION AGREEMENT

The principal terms of the Loan Capitalisation Agreement are as follows:

Date: 5 March 2026 (after the Stock Exchange trading hours)

Parties: (1) the Company (as the issuer); and

(2) Dr. Kan (as the Subscriber).

Number of Capitalisation Shares

The Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, a total of 722,222,222 Capitalisation Shares at the Capitalisation Price of HK$0.36 per Capitalisation Share. The aggregate Capitalisation Price payable by the Subscriber under the Loan Capitalisation Agreement shall be satisfied by capitalising and setting off against the Repayment Amount of HK$260,000,000 upon Completion.

The Capitalisation Shares represent (i) approximately 9.71% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 8.85% of the total number of issued Shares as enlarged by the allotment and issue of the Capitalisation Shares, assuming that there will be no changes in the total number of issued Shares between the date of this announcement and the allotment and issue of the Capitalisation Shares.

The aggregate nominal value of the Capitalisation Shares (with a par value of HK$0.02 each) is HK$14,444,444.

The Capitalisation Shares to be allotted and issued to the Subscriber will be allotted and issued under the Specific Mandate to be obtained at the EGM.

Capitalisation Price

The Capitalisation Price of HK$0.36 per Capitalisation Share represents:

(i) an equal to the closing price of HK$0.36 per Share as quoted on the Stock Exchange on 5 March 2026, being the date of the Loan Capitalisation Agreement;

(ii) a discount of approximately 0.27% to the average closing price per Share of HK$0.361 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Loan Capitalisation Agreement;

(iii) a discount of approximately 2.17% to the average closing price per Share of HK$0.368 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the Loan Capitalisation Agreement; and

(iv) a premium of approximately 753.08% over the Company's unaudited consolidated net asset value per Share as at 30 September 2025 of approximately HK$0.0422 (calculated by equity attributable to the Shareholders of approximately HK$314,054,000 as at 30 September 2025 and 7,435,678,367 Shares in issue as at the date of this announcement).

The Capitalisation Price was arrived at on an arm's length basis between the Company and the Subscriber after taking into account the recent trading performance of the Shares, the recent market conditions, the current financial position and the business prospects of the Group. The Directors (other than the independent non-executive Directors, who shall provide their views after considering the advice from the Independent Financial Adviser) consider that the Capitalisation Price and the terms of the Loan Capitalisation Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The amount of the total Capitalisation Price shall be satisfied by way of capitalising and setting off against the Repayment Amount. In addition, the Group will use its internal resources to settle the professional fees and all related expenses which may be borne by the Company in connection with the relevant Loan Capitalisation.

Conditions Precedent

Completion of the Loan Capitalisation Agreement is conditional upon the fulfilment of the following conditions:

(i) the Board having passed and approved the Loan Capitalisation Agreement and the transactions contemplated thereunder;

(ii) the Independent Shareholders having approved and passed at the EGM, of the necessary resolutions to approve the Loan Capitalisation Agreement and the transaction contemplated thereunder (including but not limited to the grant of the Specific Mandate for the allotment and issuance of the Capitalisation Shares);

(iii) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Capitalisation Shares and such approval and permission having not subsequently been revoked or withdrawn prior to the commencement of dealings in the Capitalisation Shares on the Stock Exchange;

(iv) the representations and warrants given by the parties under the Loan Capitalisation Agreement being true and accurate and not misleading when made and remaining true and accurate and not misleading until the date of completion; and

(v) all necessary consents and approvals required to be obtained on the part of the Company in respect of Loan Capitalisation Agreement and the transactions contemplated thereunder having been obtained.

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. If the conditions set out above are not fulfilled on or before the Long Stop Date, the Loan Capitalisation Agreement shall terminate and neither of the parties shall have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of such Loan Capitalisation Agreement.

Completion

Completion shall take place on or before the tenth (10) business day following the day upon which the conditions precedent have been satisfied (or such later date as may be agreed between the Company and the Subscriber in writing).

Ranking of the Capitalisation Shares

The Capitalisation Shares when allotted and issued, shall rank pari passu in all respects among themselves free from all liens, charges, guarantee, adverse interests and adverse claims, and with the Shares in issue on the date of allotment and issue of the Capitalisation Shares including all dividends declared or payable or distribution made or proposed on or after the date of completion of the Loan Capitalisation.

EFFECT OF THE LOAN CAPITALISATION ON SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion and the allotment and issue of the Capitalisation Shares as contemplated under the Loan Capitalisation (assuming there are no other changes to the issued share capital of the Company between the date of this announcement and the Completion Date save for the allotment and issue of the Capitalisation Shares and the subscriber will not hold any other Shares save for the Capitalisation Shares on the Completion Date):

Name of Shareholders	**As at the date of this announcement**		**Immediately after the allotment and issue of the Capitalisation Shares**	
	No. of Shares	*Approximate % shareholding*	*No. of Shares*	*Approximate % shareholding*
Directors:				
Dr. Kan and Mrs. Kan Kung Chuen Lai *(Note i)*	3,761,807,346	50.59%	4,484,029,568	54.96%
Mr. Li Kai Yien, Arthur Albert	200,000	0.01%	200,000	0.01%
Other Public Shareholders	3,673,671,021	49.40%	3,673,671,021	45.03%
	7,435,678,367	100.00%	8,157,900,589	100.00%

Notes:

i) 5,000,000 shares among these Shares are held by Ground Up. Dr. Kan beneficially owns the entire issued share capital of Ground Up. Therefore he is deemed to be interested in all the Shares held by Ground Up by virtue of the SFO. Dr. Kan is the chairman of the Board and an executive Director. Dr. Kan is also a director of Ground Up.

EQUITY FUND RAISING OF THE COMPANY DURING THE PAST TWELVE MONTHS

On 2 July 2025, the Company issued an aggregate of 717,948,718 Shares at the capitalization price of HK$0.195 per Share, with an aggregate amount of HK$140 million to Dr. Kan, in accordance with the terms and conditions of the conditional agreement dated 17 April 2025 entered into between Dr. Kan and the Company in relation to the capitalisation and set off of a portion of the unsecured Shareholder's loans due from the Group to Dr. Kan. For details, please refer to the announcements of the Company dated 17 April 2025, 22 May 2025 and 2 July 2025.

On 16 July 2025, the Company issued an aggregate of 43,700,000 Shares at the subscription price of HK$0.25 per Share, with an aggregate amount of HK$10.93 million to an independent individual subscriber, in accordance with the terms and conditions of the subscription agreement entered into between the Company and the said independent individual subscriber on 10 June 2025. For details, please refer to the announcements of the Company dated 10 June 2025 and 16 July 2025.

Saved as disclosed above, the Company had not conducted any equity fundraising activities in the past twelve months immediately preceding the date of this announcement.

INFORMATION ON THE COMPANY AND THE SUBSCRIBER

The Company

The Company is an investment holding company. The Group is principally engaged in the sales and distribution of natural gas, the development and production of new energy technology products and integrated solutions in PRC and the provision of financial services business. The natural gas business of the Group includes natural gas energy center, natural gas point-to-point supply services, natural gas truck filling stations, natural gas transportation fleet logistics, local government and gas company natural gas peak shaving storage, national natural gas pipeline network gas transmission, natural gas trading, pipeline natural gas direct supply services and pipeline natural gas trading respectively. In the new energy sector, the Group promotes modern energy system construction based on several proprietary patents and self-developed core platform technologies, such as "IDH Smart Heating" and "ICE Smart Integrated Energy." The advanced energy utilization technologies include household thermal balance, efficient energy storage, and various other solutions. The business distribution encompasses comprehensive smart energy supply for industrial parks (including but not limited to cooling, heating, and steam supply), smart cooling and heating for building complexes, smart heating for northern residential communities, smart management of building energy efficiency, energy storage, industrial power, electricity operation, and carbon trading, among nine major energy service businesses.

The Subscriber

As at the date of this announcement, the Subscriber is the chairman of the Board, an executive Director and the controlling shareholder of the Company who beneficially owns 3,761,807,346 Shares, representing approximately 50.59% of the issued share capital of the Company. Therefore, the Subscriber is a connected person of the Company under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF THE LOAN CAPITALISATION

As disclosed in the interim report of the Company for the six months period ended 30 September 2025, the gearing ratio of the Company was 189.97%, calculated by dividing the interest-bearing debts by total equity. As at 30 September 2025, the Group's interest-bearing borrowings amounted to approximately HK$616.08 million, which comprised outstanding principal of bank borrowings of approximately HK$239.12 million and outstanding principal of the Shareholder's Loans of approximately HK$376.96 million. Interest accrued for the Shareholder's Loans as at 30 September 2025 amounted to approximately HK$30.83 million. Moreover, the cash and cash equivalents of the Group as at 30 September 2025 amounted to approximately HK$57.91 million. As at the date of this announcement, the Shareholders' Loans further increased to approximately HK$454.77 million in outstanding principal amount and accrued interest.

Given the financial positions of the Group, the Group is not able to repay the amount due to the Subscriber with the existing financial resources. Capitalisation of the Repayment Amount enables the Group to settle its existing liabilities without utilising the existing financial resources and can avoid cash outflows. Furthermore, the capitalisation of the Repayment Amount reduces the indebtedness level of the Company and broadens its capital base.

The Directors have considered other alternative means for raising funds to settle the Shareholder's Loans, such as bank borrowings, share placement, rights issue or open offer. However, having taken into account that:

(i) debt financing and bank borrowing will inevitably increase the gearing ratio of the Group and lenders generally require pledge of assets from the borrower;

(ii) the capitalisation of the Repayment Amount under the Subscription Agreement will reduce the indebtedness of the Group;

(iii) other equity financing such as placing of new shares, rights issue and open offer usually require attractive discount to the prevailing market price of the Shares and is relatively more time consuming and less cost effective as compared to the Loan Capitalisation;

(iv) the Subscription Price represents a slight premium over the prevailing market price of the Shares as of the date of the Loan Capitalisation Agreement; and

(v) the Loan Capitalisation demonstrates the support and solid confidence given by the Subscriber to the Group,

the Directors consider that the Loan Capitalisation is a more desirable solution for the Group to settle the Repayment Amount.

Although the allotment and issue of the Capitalisation Shares will have a dilution effect to the existing Independent Shareholders, having considered (i) the capitalisation of the Debt can alleviate the repayment and settlement pressure of the Group; and (ii) the Capitalisation Shares, when allotted and issued, will be recognised entirely as equity of the Company which in turn will reduce the gearing ratio, enlarge the capital base and enhance the net asset position of the Group, the Directors are of the view that the dilution effect arising from the allotment and issue of the Capitalisation Shares is justifiable in this regard.

In view of the above, the Directors (other than the independent non-executive Directors, who shall provide their views after considering the advice from the Independent Financial Adviser) consider that the terms of the Loan Capitalisation Agreement are fair and reasonable based on the current market conditions and are on normal commercial terms, accordingly, the Loan Capitalisation is in the interest of the Company and the Shareholders as a whole.

SPECIFIC MANDATE

The Capitalisation Shares will 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 Stock Exchange for the listing of, and permission to deal in, the Capitalisation Shares.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Subscriber is the chairman of the Board and an executive Director who beneficially owns 3,761,807,346 Shares, representing approximately 50.59% of the issued share capital of the Company. Therefore, the Subscriber is the controlling Shareholder and a connected person of the Company, accordingly, the Loan Capitalisation Agreement and the transactions contemplated thereunder constitutes a connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Capitalisation Shares to be allotted and issued to the Subscriber will be allotted and issued under the Specific Mandate to be obtained at the EGM. The Subscriber and his associates shall abstain from voting in respect of the resolution approving the Loan Capitalisation Agreement and the transactions contemplated thereunder at the EGM.

Dr. Kan, being the chairman of the Board and an executive Director, Mrs. Kan Kung Chuen Lai, being a non-executive Director and the spouse of Dr. Kan, Mr. Li Kai Yien, Arthur Albert, being an executive Director and the nephew of the Subscriber, have abstained from voting on the Board resolution approving the Loan Capitalisation Agreement and the transactions contemplated thereunder. Save as disclosed above, (i) no other Director has a material interest in the Loan Capitalisation Agreement and the transactions contemplated thereunder is required to abstain from voting on the Board resolutions in relation to the aforesaid matters; (ii) to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has any material interest in the Loan Capitalisation Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate) and therefore no other Shareholder is required to abstain from voting at the EGM in respect of the resolution approving the aforesaid matters.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been established to give a recommendation to the Independent Shareholders as to whether the terms of the Loan Capitalisation Agreement are on normal commercial terms or better and fair and reasonable, whether the Loan Capitalisation is in the interests of the Company and its shareholders as a whole and as to how to vote at the EGM. The appointment of the Independent Financial Adviser will be subject to approval by the IBC. Further announcement will be made by the Company upon appointment of the IFA as and when appropriate.

EGM

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Loan Capitalisation Agreement and the transactions contemplated thereunder and the grant of the Specific Mandate for the allotment and issue of the Capitalisation Shares.

A circular containing, among other things, (i) further details of the Loan Capitalisation Agreement and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Loan Capitalisation Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Loan Capitalisation Agreement and the transactions contemplated thereunder; (iv) a notice to convene the EGM; and (v) other information as required under the Listing Rules, will be despatched to the Shareholders on or before 26 March 2026 in compliance with the Listing Rules.

Completion of the Loan Capitalisation is subject to the satisfaction of the conditions precedent in the Loan Capitalisation Agreement, and the Loan Capitalisation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

"Board"	the board of Directors
"Capitalisation Price"	HK$0.36 per Capitalisation Share
"Capitalisation Shares"	722,222,222 Shares to be allotted and issued to the Subscriber by the Company at the Capitalisation Price pursuant to the Loan Capitalisation Agreement, each a Capitalisation Share
"Company"	China HK Power Smart Energy Group Limited (stock code: 931), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange

"Completion"	completion of the Loan Capitalisation pursuant to the terms and conditions of the Loan Capitalisation Agreement
"Completion Date"	the date of Completion
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Directors"	the directors of the Company
"Dr. Kan" or "Subscriber"	Dr. Kan Che Kin, Billy Albert, the chairman of the Board and an executive Director and a substantial shareholder holding 50.59% of the total issued share capital of the Company as at the date of this announcement
"EGM"	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Loan Capitalisation Agreement and the transactions contemplated thereunder and the grant of the Specific Mandate to allot and issue the Capitalisation Shares
"Ground Up"	Ground Up Profits Limited, a company incorporated in the Hong Kong with limited liability and wholly-owned by Dr. Kan, the controlling shareholder of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent committee of the Board comprising all the independent non-executive Directors
"Independent Financial Adviser"	The independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Loan Capitalisation Agreement and the transactions contemplated thereunder
"Independent Shareholders"	Shareholder(s) other than those who are required under the Listing Rules to abstain from voting on the resolution(s) to be proposed at the EGM

"Independent Third Party(ies)"	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company in accordance with the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Loan Capitalisation"	the capitalisation and set off of the Repayment Amount pursuant to the terms and conditions under the Loan Capitalisation Agreement
"Loan Capitalisation Agreement"	the conditional agreement dated 5 March 2026 entered into between the Subscriber and the Company in relation to the Loan Capitalisation
"Long Stop Date"	the date upon the expiry of three (3) months from the date of the Loan Capitalisation Agreement, or such other date as the parties may agree in writing
"PRC"	the People's Republic of China
"Repayment Amount"	the partial amount of Shareholder's Loans due to the Subscriber of HK$260,000,000, being the agreed amount for setting-off against the subscription amount payable by the Subscriber under the Loan Capitalisation Agreement
"Shareholder(s)"	holder(s) of the Shares
"Shareholder's Loans"	the unsecured shareholder's loans due from the Group to the Subscriber, the outstanding principal amount and accrued interest of which amounted to approximately HK$454.77 million as at the date of the Loan Capitalisation Agreement
"Shares"	the ordinary Share(s) of HK$0.02 each in the issued share capital of the Company
"Specific Mandate"	the specific mandate to be sought from the Independent Shareholders at the EGM and to be granted to the Board for the allotment and issue of the Capitalisation Shares

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

By order of the Board
China HK Power Smart Energy Group Limited
Deng Yaobo
Chief Executive Officer and Executive Director

Hong Kong, 5 March 2026

As at the date of this announcement, the Board comprises three executive Directors, namely Dr. Kan Che Kin, Billy Albert (Chairman), Mr. Deng Yaobo (chief executive officer) and Mr. Li Kai Yien, Arthur Albert; and two non-executive Director, namely Mrs. Kan Kung Chuen Lai and Mr. Simon Murray; and three independent non-executive Directors, namely Mr. Li Siu Yui, Mr. Chow Ching Ning and Mr. Lam Lum Lee.