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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)**

### **DISCLOSEABLE TRANSACTION INVESTMENT AND OPERATION AGREEMENT FOR DONGGUAN SONGSHAN LAKE SCIPOLIS INTEGRATED ENERGY SYSTEM PROJECT**

#### **THE INVESTMENT AND OPERATION AGREEMENT**

On 6 August 2024, Oasetech Energy, an indirect wholly owned subsidiary of the Company, entered into the Investment and Operation Agreement with Dongguan Huiheng, pursuant to which (i) Oasetech Energy agreed to invest in the Project with an amount of RMB107 million (equivalent to approximately HK\$117million); and responsible for the building of the integrated system including cooling system, steam system, photovoltaic power generation, energy storage and charging piles, Oasetech Energy shall be granted a 20 year exclusive operating right for the Project; Oasetech Energy can enter into energy supply contract with the enterprises located in the Songshan Lake Scipolis and receive revenue calculated based on their actual energy consumption; (ii) Dongguan Huiheng agreed to provide the land for the Project and assist Oasetech Energy to obtain the necessary administrative approvals and filings for construction of the project, including but not limited to the property ownership certificate, the land use planning permit, the construction project planning permit, the construction project building permit and the investment filing certificate. Dongguan Huiheng shall be entitled to share a portion of the operating revenue according to the contract terms, accounting for 5%-20% of the revenue generated from various energy supply; and (iii) after the expiration of the 20 year exclusive operating right, the ownership and management rights of the integrated energy system will be unconditionally transferred to Dongguan Huiheng.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Project is/are more than 5% but less than 25%, the entering into of the Investment and Operation Agreement and the transactions contemplated thereunder constitutes a discloseable transaction on the part of the Company under the Listing Rules and are therefore subject to reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

## INTRODUCTION

Reference is made to the announcement of China HK Power Smart Energy Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 11 July 2024, in relation to the successful tender in Dongguan Songshan Lake Scipolis Centralized Energy Station Project.

The Company would like to provide the following additional information in relation to the Investment Cooperation Agreement.

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The principal terms of the Investment and Operation Agreement are set out as follows:

Date	:	6 August 2024
Name of the Project	:	Construction of Songshan Lake Scipolis first phase Integrated Energy System Project
Parties	:	(1) Oasetech Energy (2) Dongguan Huiheng
Term of the Project	:	Oasetech Energy has 20 years franchise right of operation of the Project.
Subject matter	:	Oasetech Energy agreed to invest RMB107 million in the Project including cooling system, steam system, photovoltaic power generation, energy storage, charging piles, centralized energy control Panel.
Completion of construction of the Project	:	The construction of the Project should be completed and put into service within 9 months upon the Group received the Tender from the government, which is 11 July 2024.

## **INFORMATION ON THE PARTIES**

Oasetash Energy is a company established in the PRC with limited liability and is principally engaged in the development and production of new energy technology products and integrated solutions in PRC.

Dongguan Huiheng is a company established in the PRC with limited liability which is a wholly-owned subsidiary of Dongguan Songshan Lake High-tech Industrial Development Zone Management Committee#.

As the date of this announcement, to the best of knowledge, information and belief of the Directors, having made all reasonable enquiry, Dongguan Huicheng is a third party independent of the Company and its connected persons.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE INVESTMENT AND OPERATION AGREEMENT**

Dongguan Songshan Lake Scipolis is a high-standard, high-quality, and high-level biopharmaceutical industrial park invested by the Dongguan Songshan Lake Science City Development Group Co., Ltd# (a wholly-owned subsidiary of the Dongguan Songshan Lake High-tech Industrial Development Zone Management Committee#) with an investment of RMB4.5 billion. The total planned area of the industrial park is 360 acres, and the total building area is 1 million square meters, of which the first phase is 200,000 square meters and the second phase is 800,000 square meters. The first phase has already completed the recruitment of tenants and the relevant enterprises have moved in. According to the overall planning of the park, the biopharmaceutical enterprises in the park will be supplied with energy by the Integrated energy system.

The first phase of the Integrated energy system has an installed capacity of 85MW and an investment of approximately RMB107 million, which is expected to achieve an annual revenue of over RMB45 million. The second phase of the project has an installed capacity of approximately 300MW and an investment of approximately RMB400 million, which is expected to achieve an annual revenue of approximately RMB200 million. Based on the data from the Company's previously implemented park-type projects, including the 51MW efficient cold storage energy center project at the Yichang Humanwell headquarters base# which achieved a 30% annual fuel operating cost savings, and the successful implementation of the Group's AI heating system in multiple heating projects in Xi'an in the past few months, which achieved 20% to 60% annual fuel operating cost savings, the Company's self-developed energy-saving and emission-reduction equipment and AI technology applications have been widely recognized and admired by governments and corporate users in many parts of China.

The Board believes that the successful construction and operation of the first phase of the Integrated energy system will also play a demonstrative role.

Seizing this opportunity, the Group will further expand the comprehensive energy supply business to surrounding industrial parks, with the covered factory building area expected to exceed 2 million square meters in the short term, accelerating the implementation of the Company's market layout and strategy in the new energy field, thereby expanding the Company's revenue and profit sources, which is in line with the overall interests of the Company and its shareholders.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Project is/are more than 5% but less than 25%, the entering into of the Investment and Operation Agreement and the transactions contemplated thereunder constitutes a discloseable transaction on the part of the Company under the Listing Rules and are therefore subject to reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

Unless the context otherwise requires, capitalized terms used in this announcement shall have the following meanings:

“Board”	the board of Directors of the Company
“Company”	China HK Power Smart Energy Group Limited, a company incorporated in the Cayman Islands with limited liability, and whose Shares are listed on the Main Board of the Stock Exchange (stock code: 931)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Oasetech Energy”	Oasetech Energy Technology (Wuxi) Co., Limited# (翱途能源科技(無錫)有限公司), a company established in the PRC with limited liability, which is and indirect wholly owned subsidiary of the Company as at the date of this announcement
“Independent Third Party/(ies)”	any person or company and its ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is/are not connected person(s) of the Company and is/are third party(ies) independent of the Company and its connected person(s) in accordance with the Listing Rules

“Dongguan Huiheng”	Dongguan Huiheng Technology Property Co., Limited# (東莞匯恒科技置業有限公司), a company established in the PRC with limited liability, which is a wholly-owned subsidiary of Dongguan Songshan Lake High-tech Industrial Development Zone Management Committee# (東莞松山湖高新技術產業開發區管理委員會)
“Investment and Operation Agreement”	the investment and operation agreement dated 6 August 2024 entered into between Oasetech Energy and Dongguan Huicheng in relation to the investment, development and operation of the Project
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Project”	The investment, development, construction and operation of the Integrated energy system in phase one of the Dongguan Songshan Lake Scipolis
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	Percent

# *the English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

*For the purpose of this announcement, unless otherwise indicated, conversion of Renminbi into Hong Kong dollars is calculated at the approximate exchange rate of RMB1 to HK\$1.09. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.*

For and on behalf of  
**China HK Power Smart Energy Group Limited**  
**Kan Che Kin, Billy Albert**  
*Chairman*

Hong Kong, 6 August 2024

*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 one non-executive Director, namely Mr. Simon Murray; and three independent non-executive Directors, namely Mr. Li Siu Yui, Mr. Chow Ching Ning and Mr. Lam Lum Lee.*