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CHINA SMARTER ENERGY GROUP HOLDINGS LIMITED

中國智慧能源集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1004)

**(1) UNAUDITED MANAGEMENT ACCOUNTS FOR THE YEAR ENDED
31 DECEMBER 2020;
(2) DELAY IN DESPATCH OF ANNUAL REPORT; AND
(3) CONTINUED SUSPENSION OF TRADING**

This announcement is made by China Smarter Energy Group Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

Reference is made to the announcements of the Company dated 31 March 2021 (the “**Prior Announcement**”) in relation to, among others, its delay in publication of the 2020 Annual Results. Capitalised terms used herein shall have the same meanings as those defined in the Prior Announcement unless otherwise stated herein.

UNAUDITED MANAGEMENT ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Board announces that additional time is required by the Auditor to perform and complete its audit work. The Company is still in the process of addressing certain outstanding requests raised by the Auditor. Such outstanding requests are mainly in connection with, inter alia, (i) obtaining of certain outstanding balances, loans balances and loan extension confirmations; (ii) certain issues relating to the Group’s legal proceedings; (iii) finalization of various valuation reports and (iv) determining the recoverability of a receivable. The Company has been using its best endeavors to assist the Auditor to complete the audit work. In light of the above, the Auditor is not in a position to commit to a definite timeline about the completion of their audit and issuance of their audit opinion. Accordingly, as at the date of this announcement, the Board is not able to determine the expected date of publication of the 2020 Annual Results. The Company will issue further announcement on the expected date of publication of the 2020 Annual Results as and when appropriate in accordance with the requirements of the Listing Rules.

The audit committee of the Company (the “**Audit Committee**”) has reviewed with the management of the Company the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters including a review of the unaudited consolidated annual results of the Group for the year ended 31 December 2020. The Audit Committee has also conducted communication with the Auditor, to understand their audit work progress to date.

Pursuant to Rule 13.46(1)(a) of the Listing Rules, the Company is required to despatch the annual report of the Company for the year ended 31 December 2020 (the “**2020 Annual Report**”) to the Shareholders on or before 30 April 2021. Due to the delay in publication of the 2020 Annual Results, there will be a delay in despatch of the 2020 Annual Report. It is expected that the 2020 Annual Report will be despatched to the Shareholders after publication of the 2020 Annual Results. The Board acknowledges that the delay in despatch of the 2020 Annual Report constitutes non-compliance with Rule 13.46(1)(a) of the Listing Rules.

In order to keep the shareholders and potential investors of the Company informed of the Group’s business operation and financial position, the Board would like to provide the shareholders and potential investors of the Company with the preliminary unaudited financial information of the Group for the year ended 31 December 2020 which was extracted from the management accounts of the Group for the year ended 31 December 2020 together with the audited comparative figures for the year ended 31 December 2019.

Shareholders and potential investors of the Company are reminded that the information contained in this announcement is only based on the preliminary assessment by the Board and the Audit Committee on the unaudited management accounts of the Group for the year ended 31 December 2020, and is not based on any data or information that has been audited or reviewed by the Auditor. The relevant financial information is pending further review by the Company and the Auditor, and will be subject to changes resulting from, among others, further review by the Company and any adjustments that may be made by the Auditor subject to the completion of auditing process. The Board cannot guarantee that the unaudited consolidated financial information set out above truly reflects the financial performance and position of the Group and such information might be misleading if any potential adjustments have not been taken into account. Shareholders and potential investors should note that the actual 2020 Annual Results may be significantly different from the disclosure in this announcement.

Shareholders and potential investors of the Company are also cautioned not to unduly rely on the unaudited financial information disclosed above, and should exercise caution when dealing in the securities of the Company.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

	Year ended 31 December 2020 HK\$'000	Year ended 31 December 2019 HK\$'000
Continuing operations		
Revenue	545,824	1,122,958
Cost of sales	(449,466)	(1,021,549)
Gross profit	96,358	101,409
Other income	79	11,051
Other gains and losses	(147)	29,609
Impairment losses on trade receivables	(694)	(7,407)
Impairment losses on loans receivable	–	(32,700)
(Impairment)/Reversal of impairment losses on other receivables	(13,907)	83
Administrative and operating expenses	(59,543)	(62,251)
Profit from operations	22,146	39,794
Finance costs	(169,682)	(160,339)
Loss before tax	(147,536)	(120,545)
Income tax expense	(6,036)	(3,511)
Loss for the year from continuing operations	(153,572)	(124,056)
Discontinued operations		
Profit for the year from discontinued operations	–	2,195
Loss for the year	(153,572)	(121,861)
Attributable to:		
Owners of the Company	(148,595)	(122,175)
Non-controlling interests	(4,977)	314
	(153,572)	(121,861)
Loss per share		
From continuing and discontinued operations		
Basic (cents per share)	(1.59)	(1.30)
Diluted (cents per share)	(1.59)	(1.30)
From continuing operations		
Basic (cents per share)	(1.59)	(1.33)
Diluted (cents per share)	(1.59)	(1.33)

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Year ended 31 December 2020 HK\$'000	Year ended 31 December 2019 HK\$'000
Loss for the year	<u>(153,572)</u>	<u>(121,861)</u>
Other comprehensive income:		
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value changes of equity instruments at fair value through other comprehensive income ("FVTOCI")	–	(34,191)
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	<u>68,898</u>	<u>(17,553)</u>
Other comprehensive income for the year, net of tax	<u>68,898</u>	<u>(51,744)</u>
Total comprehensive income for the year	<u><u>(84,674)</u></u>	<u><u>(173,605)</u></u>
Attributable to:		
Owners of the Company	(79,697)	(173,919)
Non-controlling interests	<u>(4,977)</u>	<u>314</u>
	<u><u>(84,674)</u></u>	<u><u>(173,605)</u></u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	At 31 December 2020 HK\$'000	At 31 December 2019 HK\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,036,192	2,053,798
Right-of-use assets	20,340	35,870
Intangible assets	631,844	627,992
Equity instruments at FVTOCI	231,554	231,554
Club membership debenture	130	130
Contract assets	–	7,564
Total non-current assets	2,920,060	2,956,908
Current assets		
Trade and bill receivables	788,886	695,021
Prepayments, deposits and other receivables	80,367	100,033
Refundable deposits	335,646	333,564
Financial assets at fair value through profit or loss ("FVTPL")	46	36
Contract assets	–	46,085
Derivative financial instruments	25,841	1,751
Restricted bank deposit	1,299	6,979
Cash and bank balances	36,780	48,523
Total current assets	1,268,865	1,231,992

	At 31 December 2020 <i>HK\$'000</i>	At 31 December 2019 <i>HK\$'000</i>
LIABILITIES		
Current liabilities		
Trade payables	47	185,716
Other payables and accruals	441,593	225,276
Lease liabilities	6,026	8,851
Bank and other borrowings	1,314,415	1,277,312
Current tax liabilities	8,288	1,502
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Total current liabilities	1,770,369	1,698,657
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Net current liabilities	(501,504)	(466,665)
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Total assets less current liabilities	2,418,556	2,490,243
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Non-current liabilities		
Lease liabilities	14,796	26,452
Bank and other borrowings	806,312	789,336
Deferred tax liabilities	240,938	233,271
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Total non-current liabilities	1,062,046	1,049,059
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Net assets	1,356,510	1,441,184
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EQUITY		
Equity attributable to owners of the Company		
Share capital	23,436	23,436
Other reserves	1,330,922	1,410,619
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	1,354,358	1,434,055
Non-controlling interests	2,152	7,129
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Total equity	1,356,510	1,441,184
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CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021. Trading in the shares of the Company will remain suspended until further notice.

By order of the Board
China Smarter Energy Group Holdings Limited
Xu David Hua
Chairman and Chief Executive Officer

Hong Kong, 26 April 2021

As at the date of this announcement, Mr. Xu David Hua, Mr. Hu Hanyang, Mr. Weng Xiaoquan, Mr. Bo Dateng and Mr. Chen Xiaxuan are the executive directors of the Company; Mr. Chen Lei is the non-executive director of the Company; and Mr. Lam Cheung Mau, Mr. Pun Hau Man and Mr. Lo Ka Ki are the independent non-executive directors of the Company.

* *For identification purposes only*