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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)

CHANGE OF AUDITOR

This announcement is made by the board of directors (the “**Board**”) of China Smarter Energy Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

RESIGNATION OF AUDITOR

The Board announces that on 3 November 2021, the Company received the letter of resignation (the “**Letter**”) of RSM Hong Kong (“**RSM**”), the auditor of the Company, dated 3 November 2021. RSM stated in the Letter that it has decided to tender its resignation as the auditor of the Company with immediate effect as it could not reach a mutual agreement with the Company on the audit fee for the year ending 31 December 2021.

RSM stated in the Letter that the following matters related to the change of auditor need to be brought to the attention of the shareholders of the Company: (i) the auditor’s report with a disclaimer of opinion on the Group’s consolidated financial statements for the year ended 31 December 2020 (the “**2020 Auditor’s Report**”) issued by it on 30 June 2021 and the details of the matters as described under the heading of “Basis for Disclaimer Opinion” in the 2020 Auditor’s Report; and (ii) with respect to the announcement of the Company dated 5 October 2021 regarding the winding up petition submitted by Nine United International Limited (the “**Petitioner**”) in relation to the outstanding principal and interest of the loans owed by the Company to the Petitioner (the “**Announcement**”), when RSM signed the 2020 Auditor’s Report on 30 June 2021, RSM had not been provided with or informed by the Company’s management of the existence of the Relevant Agreements (as defined in the Announcement). During the course of its audit, RSM discussed the terms of the loans between the Group and Creaton Holdings Limited (“**Creaton**”) with the Company’s management who informed RSM that the loans between the Group and Creaton were interest-free. Further, RSM obtained audit confirmations from Creaton that such loans were interest-free. As RSM does not consider the interest payable claimed by the Petitioner to be material, its audit opinion in the 2020 Auditor’s Report would not be affected.

Save for the above, RSM stated in the Letter that it is not aware of any other matters related to the change of auditor of the Company that need to be brought to the attention of shareholders.

* *For identification purposes only*

As far as the Board is aware, there are no other circumstances or matters related to the change of auditor of the Company that needs to be brought to the attention of shareholders.

The Board would like to take this opportunity to express its sincere gratitude to RSM for its professional and quality services rendered to the Company during its tenure.

APPOINTMENT OF AUDITOR

The Board further announces that with the recommendation of the audit committee, ZHONGHUI ANDA CPA Limited has been appointed as the new auditor of the Company with effect from 3 November 2021 to fill the casual vacancy following the resignation of RSM and to hold office until the conclusion of the next annual general meeting of the Company.

CONTINUED SUSPENSION OF TRADING OF SHARES

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 1 April 2021 and will remain suspended until further notice.

By order of the Board
China Smarter Energy Group Holdings Limited
Chen Xiaxuan
Chairman and Executive Director

Hong Kong, 3 November 2021

As at the date of this announcement, Mr. Chen Xiaxuan, Mr. Hu Hanyang, Mr. Weng Xiaoquan and Mr. Bo Dateng 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.