CSE

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)

INSIDE INFORMATION

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

Reference is made to the inside information announcement (the "Announcement") of the Company dated 4 October 2016. Unless otherwise specified, capitalized terms used herein shall bear the same meanings as defined in the Announcement.

The board of directors of the Company (the "Board") wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that, based on the preliminary review on the unaudited management accounts of the relevant subsidiaries of the Group and information currently available to the Board, the loss for the six months ended 30 September 2016 is approximately HK$150 million, compared to the loss for the corresponding period in 2015 of approximately HK$276 million (Loss from continuing operations: HK$55 million and loss from discontinued operation: HK$221 million), which loss is mainly attributable to:

a) the unrealized loss on investments in listed financial assets at fair value through profit and loss of approximately HK$40 million for the six months ended 30 September 2016 as recognized in revenue, compared to the unrealized gain on investments in listed financial assets at fair value through profit and loss of approximately HK$28 million for the corresponding period in 2015;

b) finance costs attributable to the convertible bonds and loans of approximately HK$70 million (30 September 2015: HK$73 million);

c) administrative and operating expenses of approximately HK$93 million (30 September 2015: HK$79 million): the administrative and operating expenses mainly includes the amortization of intangible assets of approximately HK$17 million (30 September 2015: HK$18 million), depreciation of approximately HK$29 million (30 September 2015: HK$22 million) and staff costs of approximately HK$12 million (30 September 2015: HK$10 million).

As at the date hereof, the Company is in the process of finalizing the consolidated interim results of the Group for the six months ended 30 September 2016. The information contained in this announcement is based on a preliminary review by the management of the Company of information currently available to the Board, and is not based on any figures or information which have been audited or reviewed by the auditors of the Company. Shareholders and potential investors are advised to read carefully the announcement of the interim results of the Group for the six months ended 30 September 2016 which is expected to be released in November 2016.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Smarter Energy Group Holdings Limited
Mr. Wang Hao
Chairman

Hong Kong, 14 November 2016

As at the date of this announcement, Mr. Wang Hao, Mr. Ko Tin Kwok, Mr. Lai Leong, Mr. Lam Kwan Sing, Ms. Zhao Li and Mr. Hon Ming Sang are the executive directors of the Company; and Mr. Fok Ho Yin, Thomas, Mr. Tsui Ching Hung and Ms. Cheung Oi Man, Amelia are the independent non-executive directors of the Company.

* *For identification purpose only*