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)

PROFIT WARNING

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).

The Company announces that it is expected to record a loss of approximately HK$352 million for both continued and discontinued operations for the financial year ended 31 March 2017 as compared to the loss of approximately HK$320 million recorded for the year before. The loss is mainly attributable to a) a realised loss on investments in listed financial assets at fair value through profit and loss of approximately HK$82 million as announced by the Company on 21 February 2017 and an unrealised loss on investments in listed financial assets at fair value through profit and loss of approximately HK$149 million for the year ended 31 March 2017 as announced by the Company on 3 April 2017; b) finance cost attributable to convertible bonds and loans of approximately HK$143 million; c) administrative and operating expenses of approximately HK$184 million, mainly attributable to amortization of intangible assets of approximately HK$34 million and depreciation of approximately HK$61 million. Such losses are partly offset by an exchange gain of approximately HK$107 million.

The Company is in the process of finalizing the consolidated annual results of the Group for the financial year ended 31 March 2017. 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 annual results of the Group for the financial year ended 31 March 2017 which is expected to be released in June 2017.

* *for identification purpose only*

Shareholders and potential investors should 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, 7 June 2017

As at the date of this announcement, the Board comprises nine Directors, of whom six are executive Directors, namely Mr. Wang Hao, Mr. Ko Tin Kwok, Ms. Zhao Li, Mr. Lam Kwan Sing, Mr. Hon Ming Sang and Mr. Hu Hanyang; and three are independent non-executive Directors, namely Mr. Fok Ho Yin, Thomas, Mr. Li Hui and Mr. Lam Cheung Mau.