

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

(1) PROMOTERS AGREEMENT

AND

(2) DEVELOPMENT OF PRINCIPAL BUSINESS ACTIVITIES

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of 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 PROMOTERS AGREEMENT

The Company is pleased to announce that on 22 December 2017, Gorseland Energy (an indirect wholly-owned subsidiary of the Company) and Growth Rings entered into the Promoters Agreement for the establishment of the Trading Company.

The Trading Company

The Trading Company shall be established as a private company limited by shares under the laws of Singapore.

Scope of business

The Trading Company shall be principally engaged in (i) the trading of solid, liquid and gaseous fuels and other related products (the “**Oil Trading Business**”); and (ii) the trading of bulk commodities derivatives (the “**Derivatives Trading Business**”).

Capital contribution

Pursuant to the Promoters Agreement, the initial issued and paid-up share capital of the Trading Company shall be US\$2,000,000 with 2,000,000 shares. The Parties shall subscribe for the shares of the Trading Company in the following manner:

- (1) Gorseland Energy shall pay the subscription price of US\$1,400,000 in cash to the Trading Company to subscribe for 1,400,000 shares, representing 70% of the issued and paid-up share capital of the Trading Company; and

- (2) Growth Rings shall pay the subscription price of US\$600,000 in cash to the Trading Company to subscribe for 600,000 shares, representing 30% of the issued and paid-up share capital of the Trading Company.

Responsibilities of the Parties

Pursuant to the Promoters Agreement, the Parties shall have the following responsibilities:

- (1) Gorseland Energy shall be responsible for the formulation of the development strategies, and overseeing the financial management and legal compliance of the Trading Company; and
- (2) Growth Rings shall be responsible for the daily operations, formation of business team and developing business, procuring the completion of performance targets prescribed by the board of directors, controlling risks of the business of the Trading Company, and reporting business performance of the Trading Company to the board of directors.

DEVELOPMENT OF PRINCIPAL BUSINESS ACTIVITIES

The Group is principally engaged in clean energy business and investment business. As disclosed in the Strategic Cooperation Announcement, the Board would like to develop bulk commodities trading, including crude oil and other energy products, as one of the principal business activities of the Group. In this connection, the Board would like to develop the Oil Trading Business and the Derivatives Trading Business as the principal business activities of the Group, which complement its existing energy and investment businesses, thereby further broadening its source of revenue and enhancing Shareholders' value.

In addition, the development of the Derivatives Trading Business may enable the Group to utilize its existing cash surplus, enhance return of investments of the Group and manage exposure to the risks in relation to the fluctuation of prices of crude oil and other energy products by hedging the risks against physical shipments of crude oil and other energy products. The Group will closely monitor the Derivatives Trading Business and will maintain a conservative and prudent approach in the selection of financial instruments.

Based on the above, the Board is of the view that the terms of the Promoters Agreement and the transactions contemplated thereunder are fair and reasonable, and the establishment of the Trading Company is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As each of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the establishment of the Trading Company is below 5%, the establishment of the Trading Company does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

GENERAL

Gorseland Energy is a company incorporated under the laws of the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company.

Growth Rings is a company incorporated under the laws of Singapore with limited liability and is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Growth Rings and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

As the transactions contemplated under the Promoters Agreement may or may not proceed, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless otherwise defined, the following terms shall have the following meanings:

| | |
|--------------------------------|---|
| “Board” | the board of Directors |
| “Company” | China Smarter Energy Group Holdings Limited (中國智慧能源集團控股有限公司*), a company incorporated under the laws of Bermuda as an exempted company with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1004) |
| “connected person(s)” | has the meanings ascribed to it under the Listing Rules |
| “Derivatives Trading Business” | has the meaning ascribed to it in the section headed “The Promoters Agreement – Scope of business” of this announcement |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “Gorseland Energy” | Gorseland Energy Trading Ltd (國仕能源有限公司), a company incorporated under the laws of British Virgin Islands and an indirect wholly-owned subsidiary of the Company |

| | |
|--------------------------------------|---|
| “Growth Rings” | Growth Rings Holdings Pte. Ltd., a company incorporated under the laws of Singapore |
| “Hong Kong” | Hong Kong Special Administrative Region of the People’s Republic of China |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Oil Trading Business” | has the meaning ascribed to it in the section headed “The Promoters Agreement – Scope of business” of this announcement |
| “Promoters Agreement” | the promoters agreement dated 22 December 2017 entered into between the Parties for the establishment of the Trading Company |
| “Shareholders” | holders of the shares of the Company |
| “Singapore” | the Republic of Singapore |
| “Strategic Cooperation Announcement” | the announcement of the Company dated 12 April 2017 in relation to, among other things, the strategic cooperation agreement entered into between Fantasy Time Holdings Limited (an indirect wholly-owned subsidiary of the Company) and Intelligence Cinda International Investment Limited dated 12 April 2017 |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Trading Company” | the private company limited by shares to be established by the Parties under the laws of Singapore pursuant to the Promoters Agreement |
| “Parties” | collectively, the Company and Growth Rings |

By order of the Board
China Smarter Energy Group Holdings Limited
Sun Liang
Chairman

Hong Kong, 22 December 2017

As at the date of this announcement, Mr. Sun Liang, Mr. Ko Tin Kwok, Ms. Zhao Li, Mr. Zeng Weibing and Mr. Hu Hanyang are the executive Directors of the Company; and Mr. Fok Ho Yin, Thomas, Mr. Li Hui and Mr. Lam Cheung Mau are the independent non-executive Directors of the Company.

* *For identification purposes only*