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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)

**(I) QUARTERLY UPDATE ON STATUS OF RESUMPTION; AND
(II) 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) and 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), 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 announcements of the Company dated 31 March 2021, 26 April 2021, 3 June 2021 and 15 June 2021, in relation to, among other things, the delay in publication of the 2020 Annual Results and the suspension of trading in the shares of the Company on the Stock Exchange from 9:00 a.m. on 1 April 2021, and the announcements of the Company dated 24 June 2021, 30 June 2021, 30 September 2021, 30 December 2021, 30 March 2022, 19 April 2022, 30 June 2022 and 30 September 2022, in relation to, among other things, the Resumption Guidance issued to the Company by the Stock Exchange (collectively, the “**Announcements**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

RESUMPTION GUIDANCE

As disclosed in the announcements of the Company dated 24 June 2021, 30 June 2021, 30 September 2021, 30 December 2021, 30 March 2022, 19 April 2022, 30 June 2022 and 30 September 2022, the Company received the following Resumption Guidance for the Company from the Stock Exchange:

- (i) publish all outstanding financial results as required under the Listing Rules and address any audit modifications;
- (ii) demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules;
- (iii) announce all material information for the Company’s shareholders and investors to appraise the Company’s position; and

- (iv) withdraw or dismiss the winding up petition (or winding up order, if made) against the Company filed by Nine United International Limited (the “**Petitioner**”) on 3 September 2021 (the “**Nine United Petition**”).

The Company is taking appropriate steps to resolve the issues causing its trading suspension and to fully comply with the Listing Rules to the satisfaction of the Stock Exchange. The Company will use its best endeavors to keep the duration of the trading suspension to the shortest possible period.

UPDATE ON BUSINESS OPERATIONS

In respect of the Group’s business operations, the Group has continued its operations notwithstanding the suspension of trading in the shares of the Company. The Group will continue to proactively seek for new potential business opportunities, with the aim of broadening its sources of income and maximizing the return to shareholders. The Group will make announcement(s) to update its shareholders and investors regarding the major development of the business operations of the Group as and when appropriate.

UPDATES ON RESUMPTION PROGRESS

The Company is taking appropriate steps to fulfill the Resumption Guidance, the status of resumption since the suspension of trading in the shares of the Company are summarised as follows:

(i) Financial results

The Company has published all outstanding financial results as required under the Listing Rules and is in the process of addressing the audit issues that led to the auditor’s qualified opinion on the 2020 Annual Report and the 2021 Annual Report.

The Company has published its audited annual results for the year ended 31 December 2021 on 11 October 2022 and its annual report for the year ended 31 December 2021 on 2 November 2022. Further, the Company has published its interim report for the six months ended 30 June 2022 on 2 November 2022.

In relation to the audit modifications, reference is made to the circular of the Company dated 26 October 2022 in relation to, among other things, major transaction – disposal of a subsidiary and the announcement of the Company dated 11 November 2022 in relation to the poll results of the special general meeting held on 11 November 2022. By the said special general meeting, the shareholders of the Company have approved the disposal of Jinchang Disheng Solar Energy Company Limited.

(ii) Resumption plan

Since the suspension of trading in its shares, the Company has taken and is taking measures to improve the Group's working capital and cash flow position and mitigate its asset liquidity pressure which are summarized as follows:

- (a) continuing to negotiate with creditors in relation to debt restructuring and repayment plans;
- (b) in respect of the refundable deposit of carrying value approximately HK\$99 million due from the vendor in relation to the termination of a potential acquisition as mentioned in the 2021 Annual Report and the 2022 Interim Report, the Company had commenced legal action and continues to negotiate with the vendor on the repayment arrangement;
- (c) discussing with external financing parties to provide long-term financing support for the Group; and
- (d) actively researching on the feasibility of new business models relevant to the main business of the Group for generating cash flow.

The Group will use its best endeavours to improve its financial position and strive to continue its businesses and operations as a going concern.

Further announcements will be made by the Company to update the Shareholders and potential investors on the progress of the resumption plan of the Company as and when appropriate. The Company will also announce quarterly updates as required under Rule 13.24A of the Listing Rules.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited 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
Chen Xiaxuan
Chairman and Executive Director

Hong Kong, 30 December 2022

As at the date of this announcement, Mr. Chen Xiaxuan, Mr. Bo Dateng and Ms. Yue Lu are the executive directors of the Company; and Mr. Pun Hau Man, Mr. Lo Ka Ki and Mr. Kwok Shun Sing are the independent non-executive directors of the Company.

* *For identification purposes only*