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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)

FULFILLMENT OF RESUMPTION GUIDANCE AND RESUMPTION OF TRADING

This announcement is made by China Smarter Energy Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) 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 8 March 2024, 28 March 2024, 29 May 2024, 14 June 2024, 28 June 2024, 29 August 2024, 27 September 2024, 27 December 2024, 27 March 2025, 15 April 2025, 21 May 2025, 20 June 2025, 27 June 2025, 17 July 2025, 25 September 2025 and 30 September 2025 in relation to, among other things, (i) the delay in publication of 2023 Annual Results and despatch of 2023 Annual Report; (ii) the suspension of trading in the shares of the Company on the Stock Exchange from 9:00 a.m. on 2 April 2024; (iii) the Resumption Guidance; (iv) the quarterly update on status of resumption; (v) the delay in publication of the 2024 Interim Results and despatch of the 2024 Interim Report; (vi) the delay in publication of the 2024 Annual Results and despatch of the 2024 Annual Report, (vii) the winding up petition against the Company; (viii) interim results for the six months ended 30 June 2024 and 2025; and (ix) annual results for the year ended 31 December 2023 and 2024 (collectively, the "**Announcements**"). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

BACKGROUND

As disclosed in the Announcements, trading in the Shares has been suspended since 2 April 2024 pending the publication of, among other things, the audited annual results of the Group for the year ended 31 December 2023. The Stock Exchange issued the Resumption Guidance on 6 June 2024. It required the Company to remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume.

Pursuant to the Resumption Guidance, the Company is required to fulfil the following:

1. Publish all outstanding financial results required under the Listing Rules and address any audit modifications;

2. Demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and

3. Inform the market of all material information for the Company's shareholders and investors to appraise the Company's position.

FULFILLMENT OF RESUMPTION GUIDANCE

The Company has adopted a focused work plan to fulfil the Resumption Guidance by the 18-month deadline of 1 October 2025. Progress is summarised below.

Resumption Guidance (a): Publication of Outstanding Financial Results and Addressing Audit Modifications

The board of the Company (the "**Board**") confirms that all outstanding financial statements were published by 25 September 2025, as follows: (a) annual results and annual report for the year ended 31 December 2023 ("**FY2023**"); (b) interim results and interim report for the six months ended 30 June 2024; (c) annual results and annual report for the year ended 31 December 2024 ("**FY2024**"); and (d) interim results and interim report for the six months ended 30 June 2025.

The delay in the publication of all outstanding financial results on 30 September 2025 was attributable to:

1. Insolvency proceedings and deconsolidation in the People's Republic of China ("**PRC**"): the financial records and supporting documents of Jinchang Jintai and Shanghai Dianyang were under the custody of the court-appointed administrators until their reorganisation and liquidation were approved on 19 December 2024, and the winding up proceedings of Shanghai Dianyang were terminated on 30 December 2024.

2. Audit procedure sequencing: the auditor (the "**Auditor**") required completion of the PRC reorganisation audit treatment before they could issue an opinion on FY2023, which in turn formed the opening balances for FY2024. Both years, therefore, had to be audited sequentially to ensure consistency.

3. The cautious approach adopted to address audit modifications: the Board and audit committee of the Company ("**Audit Committee**") elected to adopt a conservative approach by ensuring that all audit modifications were addressed after the completion of the PRC subsidiaries' reorganisation and the conclusion of the bilateral loan restructuring before publication of the financial results.

At or around the time of suspension of trading (i.e., April 2024), the Company's financial results for FY2023 were unable to be published due to the non-payment of employee salaries within the Group's former PRC subsidiaries in the PRC, in particular Jinchang Jintai and its immediate holding company Shanghai Dianyang, which consequently delayed the preparation of such results. Following the PRC court-approved reorganisation and winding up of these companies in late 2024, the relevant staff obligations were addressed through the reorganisation administrator, and these companies were deconsolidated from the Group's accounts.

Based on communication with the Auditor, the Auditor issued a disclaimer opinion for FY2023 and FY2024 in respect of:

1. Material uncertainty related to the going concern of the Group (the "**Going Concern Uncertainty**");

2. Insufficiency of accounting records of Jinchang Jintai; and

3. Scope limitation on the estimation of impairment losses on refundable deposits.

No other audit modifications were issued.

The Group historically carried substantial bank and other borrowings at the subsidiary level in the PRC. The Going Concern Uncertainty arose solely from the maturity profile of this indebtedness and is not linked to any accounting irregularity. It mirrors the modification that appeared in the audited results for the year ended 31 December 2022.

To eliminate the underlying uncertainty, the following measures have been taken:

1. PRC Insolvency Proceedings

Following court approval of the reorganisation plan for Jinchang Jintai on 19 December 2024 and the declaration of the winding up of Shanghai Dianyang on 30 December 2024 (the "**PRC Insolvency Proceedings**"), approximately HK$537 million of the Group's on-balance-sheet borrowings were deconsolidated, effective FY2024.

2. ANPA Winding-up Petition

The winding-up petition filed by ANPA Financial Services Group Limited in April 2025 (HCCW 385/2025) ("**ANPA Petition**") for HK$834,109.25 has been fully settled. The final instalment was paid on 30 September 2025. The ANPA Petition was withdrawn on 8 October 2025.

3. Bilateral Loan Restructuring – Background and Circumstances of the Negotiation

On 31 July 2025, binding bilateral loan restructuring agreements were executed with independent third parties lenders in the PRC (the "**Third-Party Lenders**"), being state-controlled enterprises of the PRC independent of the Company and its connected persons (as defined under the Listing Rules). The loans from Third-Party Lenders were obtained around 2015 to support photovoltaic ("**PV**") projects, following China's shift from overseas to domestic PV development due to international trade restrictions. At the material time, PV power generation costs were significantly higher compared to coal-fired power, with the difference subsidised by the PRC government. The loans were granted by the Third-Party Lenders, and they matured around 2018-2019.

The negotiations for the bilateral loan restructuring commenced in or around late 2024. Discussions began at that time due to a combination of factors: (1) the recovery of government subsidies in 2024, which strengthened the Company's financial position and provided a viable basis for negotiation; and (2) the alignment with national policy prioritizing renewable energy and carbon neutrality, encouraging creditor support to sustain viable PV enterprises, including the confirmation of the Group's inclusion in the subsidy list (可再生能源電價附加補助目錄) (the "**Subsidy List**") and the broader promotion of renewable energy under China's carbon-neutrality initiatives.

Prior to 2024, the Company's creditors exercised forbearance, recognising that delays in subsidy payments were industry-wide and largely due to national fiscal processes. The negotiations were conducted in good faith, taking into account the unique historical and policy context of the PV industry. The primary objective was to align debt-repayment arrangements with the cash-flow capacity of the Group's operating subsidiaries, while safeguarding the long-term sustainability of the Group's operations.

The restructuring became effective on 1 August 2025. A PRC legal opinion confirmed the validity and enforceability of these agreements under PRC law. No other material PRC loans remain outside the restructuring.

The Board confirms that the Company has no relationship with Third-Party Lenders beyond the creditor-debtor relationship related to the loans for the PV projects. There are no other debts owed to Third-Party Lenders outside of those covered by the bilateral loan restructuring agreements. The Board further confirms that, other than the bilateral loan restructuring agreements executed, there are no other side arrangements, undertakings, or restrictions imposed on the Company's business operations or cash flow.

The restructuring agreements do not impose any operational restrictions, such as limitations on the Group's ability to enter into new contracts, pursue business opportunities, or manage its cash flows, beyond the agreed repayment terms tied to 70% of Surplus Operating Cash Flow. As defined in the restructuring agreements, "Surplus Operating Cash Flow" denotes the net cash generated from operations (being revenues less operation and maintenance costs, taxes and other necessary expenses) after deduction of maintenance capital expenditures, which represents the amount available for debt servicing. However, they impose standard notification obligations for significant actions, such as major acquisitions, disposals, litigation, or changes in key management personnel. The Company retains full discretion over its business and asset management, provided it notifies Third-Party Lenders of such major actions. There are no approval requirements imposed under the bilateral loan restructuring agreements that limit the Company's operational discretion. Pursuant to the terms of the bilateral loan restructuring agreement, the Third-Party Lenders are entitled to customary information rights, including the right to request the Company's published annual and interim financial reports. They also have site inspection rights, allowing them to conduct site visits, if needed, and request supplementary materials for specific matters. However, they do not possess any voting rights or any form of direct control over the Company's management or operations, as their role remains that of creditors acting as financial institutions concerned solely with the repayment obligations, rather than with its operational oversight.

Key terms of the restructuring agreements are set out as follows:

1. Interest waiver: All contractual, overdue, and penalty interest waived from 1 August 2025 onwards.

2. Repayment schedule: 70% of Surplus Operating Cash Flow to be applied semi-annually (each 30 June and 31 December) to reduce outstanding principal.

3. Term: Five years from 1 August 2025. If debt remains thereafter, conversion into equity of the Company at the prevailing market price, subject to necessary consent and approval from shareholders and regulatory authorities, within 12 months. If conversion proves impracticable, an alternative settlement will be agreed within an additional one-year extension.

The waiver applies to all interest, overdue charges, and penalty interest accrued after 1 August 2025. Thus, finance cost in FY2025 will be limited to interest accrued up to 31 July 2025. As the repayments are drawn from the Surplus Operating Cash Flow, the bilateral loan restructuring thus ensures that they remain within the Company's operating capacity. The inclusion of the potential debt-to-equity conversion option, designed to align with a future recovery in the Company's share price, providing a balanced resolution for both parties.

Government subsidies for the Group's PV projects have been paid in 2024 and 2025. Further subsidies are expected to be received in 2026. During FY2024, the Group recognised government tariff subsidies of approximately HK$43.8 million and during FY2025 (up to the end of September 2025), approximately HK$45.7 million. These relate primarily to feed-in tariff ("**FIT**") receivables and renewable-energy support programmes approved by the PRC authorities. Some historical pre-2024 subsidies remain outstanding due to delays in national fiscal processes, but the Group's PV projects are enrolled in a government acceleration scheme to expedite these payments, implemented by the Ministry of Finance and the National Energy Administration to expedite settlement of renewable-energy tariff subsidies through designated state-owned entities. Under this scheme, qualified projects receive reimbursement on a rolling-list basis, shortening payment cycles. This scheme prioritises companies like the Group, which are on the Subsidy List, to clear outstanding amounts as part of broader support for the renewable energy sector. All subsidies received will be used to repay the loans and working capital of the PV projects and working capital of the PV projects.

The Auditor has reviewed the restructuring and, as communicated to the Board, is satisfied that the bilateral loan restructuring resolves the Going Concern Uncertiainty which had led to the FY2023–2024 audit modification. The Auditor has indicated that no going concern modification is expected in FY2025.

The Board considers that the bilateral loan restructuring has substantially eliminated the uncertainty and the Audit Committee concurs that the restructuring measures mitigate the refinancing risk and provide a clear framework for settling the residual indebtedness. The Group's operations remain cashflow-positive and sufficient to sustain operations.

1. Insufficiency of Accounting Records of Jinchang Jintai

In respect of the inadequacy of accounting records maintained by Jinchang Jintai, this limitation was a direct consequence of the bankruptcy reorganisation of Jinchang Jintai, resulting in the Group losing control over the subsidiary and its associated business and accounting records. As confirmed by the Auditor, following deconsolidation of Jinchang Jintai from the Group since FY2024, this limitation will not recur for the financial year ended 31 December 2025 ("**FY2025**").

The loss of access to Jinchang Jintai's accounting records was a direct consequence of its court-administered bankruptcy reorganisation. As Jinchang Jintai was deconsolidated from the Group in FY2024, the limitation is confined to (i) the 2023 profit and loss statement and balance sheet, and (ii) the 2024 income statement of Jinchang Jintai.

The Audit Committee is satisfied that, post-deconsolidation, the Group's consolidated financial statements are no longer affected by this issue.

The Auditor has confirmed that this scope limitation will not recur in FY2025 and thereafter.

2. Scope Limitation on the Estimation of Impairment Losses on Refundable Deposits

In December 2015, the Group entered into potential acquisitions, under which the Group agreed to acquire solar power plants. As stipulated under the terms of the said acquisitions, the Group paid two refundable deposits which amounted to HK$300.0 million and RMB30.0 million, respectively. Details of which were disclosed in the Company's announcements dated 11 December 2015 and 13 March 2018, respectively. At the time, the transactions were evaluated under the prevailing market practices and regulatory environment. The Group obtained the usual supporting documentation and board approvals before remittance, and the due diligence and internal approval procedures in place at that time were consistent with industry standards. Subsequently, the said acquisitions were lapsed and terminated. Since then, the Group has sought to recover the deposits (including (i) issuing formal demand letters to the vendor; (ii) engaging legal advisers to review contractual remedies and limitation issues; and (iii) commencing discussions with the counterparty regarding repayment arrangements), but none of them has been successful.

The subsequent failure to recover the deposits was the result of counterparty-specific credit and performance risks that only emerged years later. Since then, the Board has strengthened the Company's risk management. In particular:

2.1 All material deposits or prepayments must now be supported by specific contractual undertakings, including clearly defined refund obligations and security arrangements.

2.2 The Audit Committee reviews and challenges any significant non-trade prepayments or deposits before approval.

2.3 The Group has adopted a policy that no upfront deposits for acquisitions will be made without legally enforceable pledge assets or guarantees in place.

As a result of these measures, the Board is satisfied that there are no systemic internal control deficiencies. The refundable deposits were fully provided for and impaired in FY2023, pursuant to a resolution of the Board to reduce the remaining carrying amount to nil as at 31 December 2023. As at the end of FY2024, the deposit balance remained at nil, with no further impairment charge or reversal recognised in that period. The impairment was recorded in FY2023 and remained unchanged in FY2024. The qualification relates only to the comparative figure, and there is no ongoing financial impact.

The Auditor has confirmed that this scope limitation will not recur in the audit of FY2025. The refundable deposit matter is historical in nature and was fully written off in FY2023. There is no remaining financial exposure to the Company.

As the refundable deposits in question were fully impaired in FY2023, with no residual carrying value in the balance sheet as at 31 December 2024, the Board is satisfied that the matter has been fully resolved.

The Audit Committee has reviewed management's assessment and concurs that the impairment was appropriate and that no further uncertainty exists.

The Company is of the view that, based on the aforementioned and as discussed with the Auditor, it has resolved the issues that resulted in the disclaimer opinion in FY2024. Consequently, barring unforeseen circumstances, such a qualification or disclaimer opinion is not anticipated to recur in FY2025. The Board is of the view that Resumption Guidance (a) has been fully satisfied upon publication of the outstanding financial results by 25 September 2025.

Resumption Guidance (b): Compliance with Rule 13.24

1. Business Model

The Group operates as an investment holding company principally engaged in the investment, development, operation, and management of clean-energy power projects, with a primary focus on solar (PV) power generation. The business model is characterised by the following key elements:

1.1 Power generation operations – the generation and sale of electricity through grid-connected solar plants, which benefit from long-term (typically 20-year) FIT schemes established under the renewable energy policies of the PRC;

1.2 Stable revenue structure – the derivation of predictable and recurring cash flows from electricity sales to grid operators and the receipt of renewable-energy tariff subsidies; and

1.3 Project acquisition and investment – the identification and acquisition of operating or near-completion solar power plants that exhibit stable income potential and eligibility for government-backed tariff subsidies.

The Group is a pure-play renewable-energy operator. The Company was founded in 1997 and officially changed its name to its present one in 2015. It was neither newly established nor a later-acquired business. Currently, the Group owns and operates six solar power plants in Anhui, Jiangxi, and Shandong with a combined installed capacity of 71.25MW and an output of approximately 72GWh in FY2024. This is broadly consistent with industry benchmarks for utility-scale solar farms in China and overseas. The Group's operations are therefore conventional, of sufficient scale, and sustainable. The Group confirms the six plants represent the Group's long-term operating base and are not intended for divestment.

Under the state-sanctioned FIT schemes, electricity generated is sold exclusively to the relevant provincial grid companies or nearby industrial customers under long-term purchase arrangements, providing a predictable revenue stream.

Plant-level operations (24/7 remote monitoring, routine maintenance, and modular equipment replacement) are contracted to specialised operation and maintenance services for PV plants service providers. At the same time, the Group maintains a lean in-house engineering team for performance oversight and major overhaul decisions. This capex-light, concession-based structure means day-to-day cash outflows are largely limited to fixed-price fees for operation and maintenance services for PV plants and interest on project loans, enabling high cash conversion even during sector downturns. Regarding the viability and sustainability of the Group, it continues to own and operate revenue-generating utility assets with a remaining technical life of approximately 15 to 20 years. Some of these assets receive fixed-price FITs backed by state-owned grid companies. There is no reliance on trading or speculative financing activities.

China's national renewable-energy FIT framework was established under the Renewable Energy Law of the PRC (2006, amended 2009 and 2020) and the administrative measures jointly issued by the National Development and Reform Commission ("**NDRC**"), the National Energy Administration, and the Ministry of Finance. Since 2011, the policy has guaranteed all qualifying solar power producers a fixed on-grid tariff for a term of 20 years from the date of commercial operation. In 2015 and 2016, the NDRC issued notices which reduced FIT rates for newly approved PV projects and introduced a regional tariff-zoning mechanism. These measures marked the beginning of a gradual transition toward grid-parity projects, reducing future subsidy entitlements while preserving the Group's existing tariff rates for legacy projects.

This tariff comprises two components:

1.1 The benchmark coal-fired tariff payable directly by the relevant State Grid Corporation of China or China Southern Power Grid; and

1.2 A tariff adjustment equal to the difference between the approved FIT rate and the local coal benchmark. The tariff adjustment is funded by the Renewable Energy Development Fund, which is financed through a national renewable-energy surcharge on electricity consumption. The funds are disbursed to registered projects after verification by the competent authorities through the Renewable Energy Tariff Subsidy Catalogue/List system.

This policy structure was intentionally designed to compensate renewable projects for higher upfront costs and ensure investment viability, making FIT subsidies a structural component of revenue for all pre-2021 grid-connected projects. As of 2023, approximately 60-70% of revenue for legacy utility-scale solar operators derives from FIT subsidies, as confirmed by industry reports and peer disclosures.

The Group's six remaining solar power plants operate under standard power purchase agreements ("**PPAs**") entered into with the relevant provincial grid companies and, in certain cases, direct supply arrangements with industrial customers. The duration of these PPAs is 1 to 5 years from the commercial operation date, subject to automatic renewal. There is no contractual obligation requiring the Company to sell electricity exclusively to state-owned enterprises. Electricity generated is sold either: (a) under direct supply contracts with industrial users; or (b) to the provincial grid company (all of which are state-owned enterprises) under the long-term PPAs.

The pricing mechanism is set in accordance with the national and provincial guidelines issued by the NDRC and relevant authorities of the PRC, and comprises the baseline coal-fired benchmark tariff together with the applicable renewable energy subsidy (FIT adjustment) approved for each project at commissioning.

All six power plants are contracted with the state grid as the purchaser of last resort. This ensures that any electricity not supplied directly to industrial users is mandatorily taken up by the grid. Accordingly, the Group can sell the full output of all plants, and the only variable affecting production is physical generation capacity (sunlight and maintenance downtime), rather than demand.

The Group's business model is subject to the following risk factors:

1.1 **Policy and Subsidy Dependence:** The tariff subsidy is one of the key income streams for the Group, and any adjustment in the tariff subsidies or other economic incentives might influence its profitability.

The availability and size of such subsidies and incentives depend, to a large extent, on political considerations and environmental policies of the PRC government. The adjustments to subsidies and economic incentives in the PRC are subject to the sole discretion of the PRC government. The PRC government has historically issued Notice for Announcement of the Catalogue for Additional Subsidies for Renewable Energy Electricity Prices（關於公佈可再生能源電價附加資金補助目錄的通知）in successive batches. The enrolment in such catalogues would allow solar power plants to receive FITs from the relevant PRC government authorities.

As the renewable energy industry becomes more mature, the PRC government may reduce, and has reduced, the applicable on-grid tariffs. For example, in December 2015, the NDRC announced a reduction in FIT with a view to improving the efficiency of the additional subsidies on tariffs for renewable energy. In December 2016, the NDRC announced a further reduction in FIT for solar power projects registered after 1 January 2017. In order to minimise this risk, the Group will continue to implement cost control measures to lower development and operating costs.

The NDRC's 2021 policy removed central FIT subsidies for newly approved plants. This has no impact on the Group's existing six plants, which continue to benefit from contracted FITs and subsidies for their remaining concession lives (generally 15-20 years from commissioning). Only new projects commissioned in the future would not receive subsidies.

1.2 **Weather and Irradiation Variability:** Solar power generation is inherently sensitive to weather conditions and solar irradiation levels. Unfavourable weather patterns or lower-than-expected sunlight exposure in operating regions may lead to reduced electricity output and revenue shortfalls, as observed in certain projects during the year.

1.3 **Financial Distress and Liquidity Constraints:** The Company reported net current liabilities of HK$1.38 billion and total borrowings of HK$697 million as at 31 December 2024. With the implementation of the bilateral loan restructuring, which has significantly reduced finance costs through a full waiver of contractual interest from 1 August 2025, the Group's will continue to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirement in short and longer term.

1.4 **Credit Risk from Tariff Subsidy Receivables:** A substantial portion of revenue comprises delayed tariff subsidy payments from grid companies. Prolonged settlement periods or defaults increase credit risk and working capital pressure, impacting the Group's ability to service debt and fund operations. For the avoidance of doubt, there has been no historical default or denial of payment by the PRC government or grid operators in respect of approved tariff subsidies.

1.5 **Foreign Currency Fluctuations:** With operations primarily in RMB and reporting in HKD, the Company is exposed to exchange rate volatility. Adverse movements in the RMB/HKD rate may result in foreign exchange losses or reduced reported earnings.

1.6 **Force Majeure Events:** Natural disasters, epidemics, or extreme weather events may damage solar facilities, interrupt generation, or delay maintenance, leading to unplanned outages and loss of revenue.

1.7 **Customer Concentration Risk:** The Group's top five customers accounted for over 90% of total revenue in FY2024. A loss or material reduction of orders from any of these customers could adversely affect revenue and profitability.

2. Operating Scale and History

The Group's single focus has enabled the Company to develop significant expertise in the renewable energy sector, supported by its long history of operating the same business. Positive operating cash flow has been recorded in each of the last five financial years; the bilateral debt rescheduling described in Resumption Guidance (a) will further mitigate liquidity risk. The Auditor has indicated that the Going Concern Uncertainty is not expected to recur for FY2025.

Following the PRC bankruptcy reorganisation of Jinchang Jintai and the winding-up of Shanghai Dianyang, the post-reorganisation portfolio will comprise approximately 71.25 MW of grid-connected capacity, with an estimated steady-state output of approximately 72 GWh per annum. For FY2024, the portfolio generated 71.68 GWh and recognised revenue of HK$74.25 million under long-term PPAs or FITs, demonstrating recurring operations.

3. Sufficient Assets to Support Its Operations

The Company has assets of sufficient value and resources that are adequate for its scaled operations and business model. Its property, plants, and machinery indicate a carrying value of HK$323.4 million for the six plants. As at 30 June 2025, the Company had total assets of HK$513.8 million and, on a pro forma basis (assuming the completion of the bilateral loan restructuring as if it had taken place on 1 January 2024 and excludes one-off items resulting in the reduction of finance costs, and reclassification of certain current borrowings to non-current), net current assets of HK$14.8 million.

The Company's current net liabilities primarily reflect legacy bank and other borrowings rather than any deficiency in operating assets. These borrowings are subject to an executed bilateral restructuring that: (i) aligns cash repayments with forecast operating cash flows over the next five years; and (ii) provides a backstop via a debt-to-equity conversion for any residual balance. This framework materially de-risks liquidity, preserves operating capacity, and ensures that assets remain available to support ordinary course operations without curtailment.

On a pro forma basis as at 30 June 2025, after giving effect to the bilateral loan restructuring, the Group's balance sheet improves materially. This demonstrates that the restructuring eliminates the short-term mismatch, ensures repayment obligations are aligned to cash flow, and preserves the Company's ability to finance ongoing operations.

4. Business of Substance

As demonstrated in the sections above, in terms of business model, operating scale, and history, as well as the sufficiency of its assets, the Group conducts a substantive and sustainable business. It is a long-established operator with proven expertise in renewable energy, boasting a portfolio of utility-scale assets that generate predictable revenue under state-backed arrangements, deliver consistent positive cash flow, and have a substantial net asset value.

In short, the Group retains: (i) a coherent, proven, well-established renewable-energy business model; (ii) a demonstrable operating scale; and (iii) assets and cash flows capable of sustaining operations. The Board, therefore, is of the view that Resumption Guidance (b) has been fully addressed.

Resumption Guidance (c): Informing the Market of All Material Information

Resumption Guidance (c) requires the Company to disclose all material information to shareholders and investors.

Since trading was suspended on 2 April 2024, the Board has issued a series of inside information and quarterly progress announcements. Through these announcements, the Company has kept investors informed of significant developments, including, but not limited to, the PRC subsidiary restructurings, the ANPA Petition, and the audit timetable described in Resumption Guidance (a).

Upon publication of the outstanding financial results in accordance with the audit timetable, the Board is of the view that Resumption Guidance (c) has been fully satisfied. The Company will continue to disclose material information in a timely and prompt manner.

INTERNAL CONTROL REVIEW

The Auditor conducted a review of the Group's internal control systems relevant to financial reporting as part of the FY2024 audit, in accordance with Hong Kong Standards on Auditing. The audit included assessing key controls over payment authorisations, deposits, prepayments, and investment approvals, and confirming the effectiveness of enhanced procedures introduced since 2023, such as tiered approvals, stricter documentation requirements, and electronic approval workflows. No fraud, misappropriation, or material weaknesses in internal controls were identified, and prior deficiencies were found to have been fully remediated.

The internal control review has been initiated in response to the auditors' modified opinion in respect of the scope limitations on: (a) valuation of financial assets at fair value through other comprehensive income and (b) the estimation of expected credit losses on the refundable deposits. Details of which were disclosed in the Company's announcement dated 12 July 2023. Furthermore, the Audit Committee has made recommendations on considering reviewing and implementing the following:

1. Carry out directors' meetings between executive directors more frequently to update the operations of the Company;

2. Enhance the internal control procedures in respect of investment in offshore private companies in view of the potential difficulties in acquiring necessary financial information, such as conducting a more comprehensive pre-deal analysis and engaging legal advisers in drafting/reviewing agreements with counterparties in safeguarding the Company's interests;

3. Enhance the risk management policy, including but not limited to payment of deposits in material acquisitions, such as escrow arrangements;

4. Instruct the said external independent adviser to discuss with the Audit Committee member and the board to follow up on the highlighted weakness mentioned on the internal control/ risk management report, and if necessary, consider further enhancing the procedures in respect of acquisitions and new investments; and

5. Review the communication policy of the Company in strengthening the Company's communications with counterparties in a transaction.

The Company has engaged an external consultant, Zhonghui Anda Risk Services Limited ("**Zhonghui Anda**"), to conduct the review. The engagement is scheduled to commence in November 2025, with an anticipated completion by the end of December 2025. The scope of Zhonghui Anda's engagement include discussing with management and reviewing relevant policies, procedures, and documents; performing sample and walkthrough tests to evaluate design and implementation effectiveness; reporting identified deficiencies in design and execution; discussing issues and providing remediation suggestions, including system modifications; and conducting follow-up reviews upon implementation of improvements, culminating in a final review report, in particular including the following aspects:

1. Corporate Level Control including internal communication, external communication, supervision and reporting control procedures

2. Business Level Monitoring such as banking and fund management, investment management including risk management policy for security deposits for major acquisition and monitoring procedures for investment projects.

The results of the internal control review will be disclosed in the Company's annual report for FY2025, where appropriate. The Board is committed to implementing the consultant's recommendations promptly to ensure the Group's internal control and risk management systems remain robust and aligned with best practices.

FUTURE BUSINESS PLAN

The Group intends to implement the following key initiatives:

1. **Acceleration of Clean Energy Development and Investment:** The Group plans to speed up progress in its principal solar power generation business. This includes intensifying efforts in project mergers and acquisitions as well as cooperative development partnerships to expand its portfolio of grid-connected PV assets. Looking ahead, the Company aims to evolve from its core solar PV generation business into a broader clean energy provider, aligning with China's goal of achieving carbon neutrality by 2060 and the 14th Five-Year Plan's emphasis on non-fossil energy reaching 20% by 2025 and 25% by 2030.

2. **Enhancement of Operational Efficiency:** Continuous enhancement of operational efficiency, real-time performance monitoring, and potential retrofitting for energy-storage integration are being considered to optimise plant utilisation and prepare for participation in peak-shaving and ancillary service markets, thereby supporting the Group's sustainable growth. The Company also plans to expand into energy-storage solutions (such as incorporating 5-20% ancillary facilities in new plants) and comprehensive energy services, including the digitalisation of energy infrastructure across production, transmission, storage, distribution and use. These initiatives include the development of internet-based energy platforms, data centres, scheduling centres and trading systems to further enhance efficiency and promote integration of the source-grid-load-storage model.

3. **Refinancing and Capital Structure Optimisation:** The bilateral loan restructuring has significantly reduced finance costs through a full waiver of contractual interest from 1 August 2025, aligning repayments with actual operating cash flows and enabling the reallocation of resources toward growth and efficiency initiatives. Building on this foundation, the Group will continue to enhance its capital structure to strengthen the balance sheet, support business expansion and facilitate long-term development. The Company also plans to pursue refinancing opportunities, asset disposals and new financing channels to further reduce funding costs and improve liquidity, while addressing ongoing challenges such as subsidiary bankruptcies. By leveraging the Company's expertise in wind and PV project development, the Company is positioned to support China's energy transition, which includes the projected addition of over 665 GW of renewable capacity from 2020 to 2030. This foundation enables the Company to expand into emerging sectors such as microgrids, electric vehicle charging, and demand-side response. These efforts aim to mitigate operational risks and drive sustainable revenue growth across the evolving energy landscape.

These plans build on the Group's existing operations, which include a post-reorganisation portfolio of approximately 71.25 MW of grid-connected solar capacity in provinces like Anhui, Jiangxi, and Shandong, generating steady revenue from long-term power purchase agreements and FIT.

The Group has no existing fundraising plans as at the date of this announcement.

TRADING RESUMPTION

The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 17 November 2025.

The Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 14 November 2025

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. Choi Pun Lap are the independent non-executive directors of the Company.

* *For identification purposes only*