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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)

PROPOSED SHARE CONSOLIDATION
AND
PROPOSED CHANGE IN BOARD LOT SIZE

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Existing Shares of par value of HK$0.0025 each be consolidated into one (1) Consolidated Share of HK$0.05 each. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the SGM.

As at the date of this announcement, there are 9,374,351,360 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued or repurchased from the date of this announcement up to the effective date of the Share Consolidation, upon the Share Consolidation becoming effective, there will be 468,717,568 Consolidated Shares in issue which are fully paid or credited as fully paid.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 2,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 2,000 Existing Shares to 10,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the SGM. A circular containing, among other things, further details of the proposed Share Consolidation and the notice convening the SGM is expected to be despatched to the Shareholders on or before Monday, 19 January 2026.

Shareholders and potential investors of the Company should be aware of and take note that the Share Consolidation is conditional upon satisfaction of the conditions set out in the paragraph headed "Conditions of the Share Consolidation". Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Existing Shares of par value of HK$0.0025 each be consolidated into one (1) Consolidated Share of HK$0.05 each.

Effects of the Share Consolidation

As at the date of this announcement, 9,374,351,360 Existing Shares have been allotted and issued and the Company has no treasury shares. Upon the Share Consolidation becoming effective and assuming that no further Existing Shares are issued or bought back and cancelled from the date of this announcement until the effective date of the Share Consolidation, not more than 468,717,568 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank pari passu in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares which will not be allocated to the Shareholders who may otherwise be entitled.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

(i) the passing of an ordinary resolution by the Shareholders at the SGM to approve the Share Consolidation;

(ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and

(iii) the compliance with the relevant procedures and requirements under the applicable laws of Bermuda and Hong Kong (where applicable) and the Listing Rules to effect the Share Consolidation.

As at the date of this announcement, none of the conditions above had been fulfilled. Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is currently expected to be on Tuesday, 10 February 2026.

Application for listing of the Consolidated Shares

An application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares in issue of the Company are listed or dealt in on any other stock exchange other than the Stock Exchange. Upon the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is currently proposed to be sought.

Adjustments in relation to other securities of the Company

As at the date of this announcement, the Company has no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in the board lot size of 2,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 2,000 Existing Shares to 10,000 Consolidated Shares.

Based on the closing price of HK$0.026 per Existing Share (equivalent to the theoretical closing price of HK$0.52 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, (i) the value of each existing board lot of Existing Shares is HK$52; (ii) the value of each board lot of 2,000 Consolidated Shares would be HK$1,040 assuming the Share Consolidation becoming effective; and (iii) the estimated value per board lot of 10,000 Consolidated Shares would be HK$5,200 assuming that the Change in Board Lot Size had also been effective.

The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares (if any) will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Shareholders who are concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling the Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Odd lots arrangement and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of share certificates

Subject to the Share Consolidation having become effective, Shareholders may during the specified period submit share certificates for Shares to the Company's share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, in exchange for new share certificates for the Consolidated Shares in blue colour at the expense of the Company.

Thereafter, share certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates cancelled/issued is higher.

Subject to the Share Consolidation becoming effective, after 4:10 p.m. on Thursday, 19 March 2026, trading will only be in Consolidated Shares and existing share certificates for the Existing Shares in grey colour will only remain effective as documents of title and may be exchanged for share certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

REASONS FOR THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK$0.01 or HK$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. Further, the "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on September 2024 (the "**Guide**") has further stated that (i) market price of the shares at a level less than HK$0.10 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK$2,000.

The recent trading price of the Existing Shares is at a level below HK$0.10 and the existing board lot value of the Company has been constantly less than HK$2,000. In view of the prevailing trading prices of the Existing Shares, the Board proposes to implement the Share Consolidation. It is expected that the proposed Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange. As a result, the proposed Share Consolidation would enable the Company to comply with the trading requirements under the Listing Rules. The Company also considers that the proposed Change in Board Lot Size will maintain the trading amount for each board lot at a reasonable level and attract more investors and broaden the shareholder base of the Company. Based on the closing price of HK$0.026 per Existing Share (equivalent to the theoretical closing price of HK$0.52 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the expected market value of each board lot of 10,000 Consolidated Shares, assuming the Share Consolidation and the Change in Board Lot Size had become effective, would be HK$5,200, which is greater than HK$2,000 and therefore complies with the requirement as set out in the Guide.

Other than the expenses to be incurred in relation to the Share Consolidation and the Change in Board Lot Size, the implementation of the Share Consolidation and the Change in Board Lot Size will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interests of the Shareholders. With a corresponding upward adjustment in the trading price of the Consolidated Shares, the Board believes that investment in the Consolidated Shares would be more attractive to a broader range of investors, thereby improving the liquidity of the Consolidated Shares and further broadening the Shareholder base of the Company.

Although the Share Consolidation and the Change in Board Lot Size may lead to the creation of odd lots of Shares owned by the Shareholders, the Company will designate an agent to stand in the market to provide matching services for odd lots of Shares for a period of not less than three weeks, which is expected to effectively alleviate the difficulties caused by the creation of odd lots of Shares.

As at the date of this announcement, the Company has no intention to carry out other corporate actions or arrangement, including share consolidation, share sub-division and capital reduction, in the next 12 months, which may have an effect of undermining or negating the intended purpose of the Share Consolidation and the Change in Board Lot Size.

As at the date of this announcement, the Company has no concrete plans to conduct any equity fundraising in the next 12 months. However, the Company is from time to time looking for strategic investors to broaden their investor base and will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation and the Change in Board Lot Size is set out below. The expected timetable is subject to the results of the SGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Events	**Time and Date**
Expected despatch date of circular with notice of the SGM	on or before Monday, 19 January 2026
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the SGM	4:30 p.m. on Friday, 30 January 2026
Closure of register of members for the determination of the entitlement to attend and vote at the SGM	Monday, 2 February 2026 to Friday, 6 February 2026 (both dates inclusive)
Latest date and time for lodging forms of proxy for the SGM	11:00 a.m. on Wednesday, 4 February 2026
Record date for attending the SGM	Friday, 6 February 2026
Date and time of the SGM	11:00 a.m. on Friday, 6 February 2026
Publication of the announcement of the results of the SGM	Friday, 6 February 2026

The following events are conditional upon the fulfilment of the conditions for the implementation of the Share Consolidation and the Change in Board Lot Size as set out in this announcement:

Effective date of the Share Consolidation	Tuesday, 10 February 2026
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Tuesday, 10 February 2026
Dealing in the Consolidated Shares commences	9:00 a.m. on Tuesday, 10 February 2026

Events	Time and Date
Original counter for trading in the Existing Shares in board lots of 2,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Tuesday, 10 February 2026
Temporary counter for trading in Consolidated Shares in temporary board lots of 100 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Tuesday, 10 February 2026
Original counter for trading in Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates for Consolidated Shares) re-opens	9:00 a.m. on Friday, 27 February 2026
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences	9:00 a.m. on Friday, 27 February 2026
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Friday, 27 February 2026
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Thursday, 19 March 2026
Temporary counter for trading in the Consolidated Shares in board lots of 100 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Thursday, 19 March 2026
Parallel trading in Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) ends	4:10 p.m. on Thursday, 19 March 2026

Events	Time and Date
Last day for free exchange of existing share certificates into new share certificates for Consolidated Shares	4:30 p.m. on Monday, 23 March 2026

GENERAL

The SGM will be convened and held for the Shareholders to consider, if thought fit, approve, among other things, the Share Consolidation. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the SGM.

A Circular containing, among other things, (i) further details in relation to the Share Consolidation and (ii) the notice of the SGM, is expected to be despatched to the Shareholders on or before Monday, 19 January 2026.

Shareholders and potential investors of the Company should be aware of and take note that the Share Consolidation is conditional upon satisfaction of the conditions set out in the paragraph headed "Conditions of the Share Consolidation". Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

Term	Definition
"Board"	the board of Directors
"Business Day(s)"	day(s) (excluding Saturdays, Sundays and public holidays) on which licensed banks in Hong Kong are open for business throughout their normal business hours
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Change in Board Lot Size"	the change in board lot size of the Shares for trading on the Stock Exchange from 2,000 Existing Shares to 10,000 Consolidated Shares conditional upon the Share Consolidation becoming effective

"Company"	China Smarter Energy Group Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1004)
"Consolidated Share(s)"	ordinary share(s) of par value HK$0.05 each in the share capital of the Company immediately after the Share Consolidation becoming effective
"Director(s)"	the director(s) of the Company
"Existing Share(s)"	issued and unissued ordinary share(s) of par value HK$0.0025 each in the share capital of the Company prior to the Share Consolidation becoming effective
"General Rules of HKSCC"	the terms and conditions regulating the use of HKSCC's services, as may be amended, supplemented and/or otherwise modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
"Group"	the Company and its subsidiaries
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Operational Procedures"	the operational procedures of the HKSCC, containing the practices, procedures and administrative or other requirements relating to the operations and functions of CCASS, as from time to time in force
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the 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
"SGM"	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Consolidation
"Share(s)"	Existing Share(s) and/or Consolidated Share(s), as the case may be
"Share Consolidation"	the proposed share consolidation on the basis that every twenty (20) issued and unissued Existing Shares be consolidated into one (1) Consolidated Share

"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 5 January 2026

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*