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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)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE – COOPERATION FRAMEWORK AGREEMENT

This is a voluntary announcement made by China Smarter Energy Group Holdings Limited (the “Company”) for keeping the shareholders of the Company (the “Shareholders”) and potential investors informed of the latest business development of the Company and its subsidiaries (the “Group”).

The board of directors of the Company (the “Board”) is pleased to announce that on 25 September 2015, the Company entered into a cooperative framework agreement (the “Framework Agreement”) with GreenEfW Investments Limited (the “Target Company”) which is engaged in the project development of energy from waste facilities in the United Kingdom. Under the Framework Agreement, the Company intends to acquire 55% equity interest in the Target Company through subscription of new shares in the Target Company (the “Transaction”). It is contemplated that if the Transaction proceeds, it will be on the basis that Shanghai Electric Group Company Limited (“SEC”) also acquires 15% equity interest in the Target Company through subscription of new shares at the same time.

The Target Company plans to develop a pipeline of Energy from Waste projects in the United Kingdom, the first being located in the Cornwall Bio-Park Development, Scorrier, Cornwall (hereinafter referred to as “the Project”). The Project will have a new export capacity of 4MW and is capable of processing up to 40,000 tonnes per annum of local waste.

Under the Framework Agreement, the Target Company agreed to give to the Company exclusivity in the negotiations of the Transaction for a period from the date of the Framework Agreement to 20 November 2015. The Transaction will proceed only after the execution of the definitive documentation by the parties. It is the intention of the Target Company to grant to SEC the right to provide EPC services to the Project.

SEC, a joint stock limited company incorporated in the PRC, the H shares of which are listed on The Stock Exchange of Hong Kong Limited (stock code: 2727) and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601727), wholly owns Shanghai Electric Hongkong Co. Limited which holds the HK\$700 million convertible bonds due 2016 issued by the Company in 2014 (please refer to the announcement of the Company dated 22 August 2014 for details of the issue of the convertible bonds).

* *For identification purpose only*

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Target Company and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Shareholders and potential investors are advised to 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, 25 September 2015

As at the date of this announcement, Mr. Wang Hao, Mr. Lai Leong, Mr. Lam Kwan Sing, Mr. Wong Nga Leung, Mr. Hon Ming Sang and Mr. Zhou Chengrong are the executive directors of the Company; and Mr. Fok Ho Yin, Thomas, Mr. Tsui Ching Hung and Ms. Cheung Oi Man, Amelia are the independent non-executive directors of the Company.