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LONGITECH SMART ENERGY HOLDING LIMITED

隆基泰和智慧能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1281)

CHANGE OF AUDITOR

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of LongiTech Smart Energy Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

RESIGNATION OF AUDITOR

The Board of the Company announces that PricewaterhouseCoopers (“**PwC**”) has tendered its resignation as the auditor of the Company with effect from 15 January 2021, as the Company and PwC could not reach an agreement on the audit fee and the expected timetable for the audit for the financial year ended 31 December 2020.

As Mr. Yuen Chi Ping, the former executive Director, vice chairman of the Board and co-chief executive officer of the Company (resigned on 16 September 2020), is currently assisting the Independent Commission Against Corruption of Hong Kong with an investigation (the “**Investigation**”) (please refer to the announcements of the Company dated on 12 June 2020 and 19 June 2020 for further details), and also taking into account its need to assess whether the matters related to the Investigation would have any implications for the Company’s internal controls or financial statements, PwC would need to reconsider its audit strategy and determine whether it is possible for it to design and conduct necessary procedures in order for it to obtain sufficient and appropriate evidence to complete the annual audit. PwC further stated that whether it would be able to design and perform these necessary procedures is currently uncertain.

Given the above, PwC is not in a position to commit to a definitive timetable for the annual audit and it could not agree to a fee level consistent with that of 2019 due to the increased level of work for the reason mentioned above. Therefore, having taken into account the above factors, PwC decided to tender its resignation as the auditor of the Company.

PwC has confirmed that, save for the matters specified in its resignation, there are no other matters connected with its resignation that PwC considers should be brought to the attention of the Company's members and creditors. The Board confirms that there is no disagreement between the Company and PwC except for the above mentioned matters and it is not aware of any other matters in relation to the change of auditor which should be brought to the attention of the holders of securities or creditors of the Company.

The Board confirms that PwC has not commenced any audit field work on the financial statements of the Group for the financial year ended 31 December 2020. The Board believes that the change of auditor will not have any material impact on the annual audit work of the Group for the financial year ended 31 December 2020.

The Board would like to take this opportunity to express its sincere gratitude to PwC for its professional and quality services rendered to the Company during the past years.

APPOINTMENT OF AUDITOR

The Board further announces that, with the recommendation from the audit committee of the Company, BDO Limited (“**BDO**”) has been appointed as the auditor of the Company with effect from 15 January 2021 to fill the casual vacancy following the resignation of PwC and to hold office until the conclusion of the forthcoming annual general meeting of the Company.

The Board would like to take this opportunity to extend its warm welcome to BDO on its appointment as the auditor of the Company.

By Order of the Board
LongiTech Smart Energy Holding Limited
Wei Qiang
Chairman

Hebei, 15 January 2021

As at the date of this announcement, the executive Directors are Mr. Wei Qiang and Dr. Liu Zhengang; the non-executive Director is Mr. Wei Shaojun; and the independent non-executive Directors are Dr. Han Qinchun, Mr. Wong Yik Chung, John and Mr. Han Xiaoping.