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隆基泰和智慧能源
LONGITECH SMART ENERGY

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)

**MAJOR TRANSACTION
REDEMPTION OF FUND**

THE REDEMPTION

On 8 December 2021, the Company has served a Redemption Notice to the Yuexiu SPC and the Administrator, pursuant to which the Company intended to redeem its 6,935.6307631 Class A Shares in the Fund at the aggregate redemption proceeds of approximately HK\$57,430,000.

After the completion of the Redemption, the Company will no longer hold any interest in the Fund.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Redemption, when aggregated with the Previous Redemption which was conducted within 12 months of the Redemption pursuant to Rule 14.22 of the Listing Rules, exceed 25% but are less than 75%, the Redemption constitutes a major transaction for the Company and therefore is subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has any material interest in the Redemption. As such, no Shareholder would be required to abstain from voting for the resolution to approve the Redemption should the Redemption be put forward to the Shareholders to approve at a general meeting of the Company, therefore a written shareholders' approval may be accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules.

As at the date of this announcement, Longevity, Lightway and Harvest Oak, directly holds 422,872,512 shares, 534,462,121 shares and 13,200,000 shares of the Company respectively, representing an aggregate of 65.37% (i.e. 28.48%, 36% and 0.89% respectively) of the total issued share capital of the Company. Longevity, Lightway and Harvest Oak are all wholly-owned subsidiaries of King River (which in turn is a wholly-owned subsidiary of Zedra Trust) and thus constitute a group of closely allied shareholders. The Company will obtain an irrevocable and unconditional written approval for the Redemption from each of Longevity, Lightway and Harvest Oak. Upon such written shareholders' approvals being obtained, pursuant to Rule 14.44 of the Listing Rules, the shareholders' approval requirement in respect of the Redemption under Chapter 14 of the Listing Rules will be taken to have been satisfied in lieu of a general meeting of the Company.

GENERAL

A circular containing, among other things, further details of the Redemption and other information as required by the Listing Rules will be dispatched to the Shareholders in accordance with the requirements of the Listing Rules. The Company expects that the circular will be dispatched to the Shareholders on or before 30 December 2021.

THE REDEMPTION

The Board announces that, on 8 December 2021, the Company has served a Redemption Notice to the Yuexiu SPC and the Administrator, pursuant to which the Company intended to redeem its 6,935.6307631 Class A Shares in the Fund at the aggregate redemption proceeds of approximately HK\$57,430,000.

According to the provisions contained in the PPM, participating shares may be redeemed at the option of the shareholder on any redemption day falling after the expiry of the applicable lock-up period, being a period of 3 months commencing on the issue of such participating share or such shorter period as the directors of the Yuexiu SPC may determine. A shareholder wishing to redeem its participating shares must send a completed redemption notice to the Administrator and must be received by on a business day falling at least 1 month (or such shorter period as the directors of the Yuexiu SPC may permit, either generally or in any particular case) before the relevant redemption day.

Pursuant to the terms of the PPM, payment of redemption proceeds will normally be made within 7 Business Days of the later of (i) the finalisation of the redemption price for the relevant Redemption Date, and (ii) the date on which the Administrator has received the original of the Redemption Notice and such other information and documentation as may be required. The redemption price for the Redemption will be equal to the net asset value per Class A Shares as at the Reference Date provided by the Administrator.

In addition, pursuant to the arrangements prescribed in the PPM, up to 5 per cent of the proceeds for the Redemption shall be held back pending the completion of the next annual audit of the Fund (which currently expected to be undertaken during January 2022). Promptly after completion of the audit, the balance of such held amount to which such shareholder of the Fund is entitled, after taking account of any adjustment made to the relevant redemption price as a result of the audit, will then be paid to the Company.

The completion of the Redemption is also subject to the fulfillment of the relevant requirements by the Company with respect to the Redemption as a major transaction pursuant to Chapter 14 of the Listing Rules. After the completion of the Redemption, the Company will no longer hold any interest in the Fund.

FINANCIAL EFFECT OF THE REDEMPTION

The total proceeds from the Redemption is approximately HK\$57,430,000 (at the redemption price of approximately HK\$8,280.43 per Class A Share, calculated based on the applicable net asset value per Class A Share as at the Reference Date).

It is expected that the Group will record a gain of HK\$2,993,644 from the Redemption, being the difference between the proceeds of the Redemption and the initial subscription price of the Class A Share being redeemed. The actual gain or loss as a result of the Redemption to be recorded by the Group is subject to audit.

INFORMATION ON THE FUND, THE YUEXIU SPC AND THE INVESTMENT MANAGER

The Fund is a segregated portfolio of the Yuexiu SPC established in accordance with the PPM (with its principal business activities being investing business). The Yuexiu SPC, incorporated on 27 January 2012, is an exempted company incorporated with limited liability and registered as a segregated portfolio company under the Companies Law (2016 Revision) of the Cayman Islands. The objects of the Yuexiu SPC, as set out in its memorandum of association, are unrestricted and so include the carrying on of the business of an investment company.

The Investment Manager is a company incorporated with limited liability in Hong Kong. The Investment Manager is licensed for Type 4 (advising on securities) and Type 9 (asset management) regulated activities by the Securities and Futures Commission under the Securities and Futures Ordinance of Hong Kong.

Up to the date of the request for Redemption, no dividend in respect of the Class A Shares being redeemed has been received by the Company since its subscription of such Class A Shares.

Based on the information provided by the Administrator, the net assets value of the Class A Shares held by the Company as at 30 June 2021 was approximately HK\$66,779,000 (approximately HK\$9628.396072 per Class A Share), which is the same as the unaudited carrying fair value of the Class A Shares recorded in the books of the Group as at 30 June 2021.

In respect of the Class A Shares held by the Company in relation to the Redemption, stated at fair value, it recorded a fair value loss of approximately HK\$250,000 and a fair value loss of approximately HK\$728,683 for the year ended 31 December 2020 and 31 December 2019 respectively (both before and after taxation).

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Fund, Yuexiu SPC, the Investment Manager, the Administrator and their respective ultimate beneficial owners is independent of and not connected with the Company and its connected persons.

INFORMATION ON THE GROUP

The Group is principally engaged in smart energy business and public infrastructure construction and the related preliminary investment and post-construction operation management business, with gradual expansion and diversification to other clean energy business.

REASONS FOR AND BENEFITS OF THE REDEMPTION

Taking into account the cash inflow that will be brought by the Redemption, the Directors consider that the Redemption represents a good opportunity for the Group to realize such investment so that it can re-allocate its resources to its other existing businesses.

The proceeds from the Redemption are intended to be used as the general working capital of the Group or for investments when suitable investment opportunities arise in the future.

The Directors (including the independent non-executive Directors) consider that the terms of the Redemption are fair and reasonable and the Redemption is in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Redemption, when aggregated with the Previous Redemption which was conducted within 12 months of the Redemption pursuant to Rule 14.22 of the Listing Rules, exceed 25% but are less than 75%, the Redemption constitutes a major transaction for the Company and therefore is subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has any material interest in the Redemption. As such, no Shareholder would be required to abstain from voting for the resolution to approve the Redemption should the Redemption be put forward to the Shareholders to approve at a general meeting of the Company, therefore a written shareholders' approval may be accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules.

As at the date of this announcement, Longevity, Lightway and Harvest Oak, directly holds 422,872,512 shares, 534,462,121 shares and 13,200,000 shares of the Company respectively, representing an aggregate of 65.37% (i.e. 28.48%, 36% and 0.89% respectively) of the total issued share capital of the Company. Longevity, Lightway and Harvest Oak are all wholly-owned subsidiaries of King River (which in turn is a wholly-owned subsidiary of Zedra Trust) and thus constitute a group of closely allied shareholders. The Company will obtain an irrevocable and unconditional written approval for the Redemption from each of Longevity, Lightway and Harvest Oak. Upon such written shareholders' approvals being obtained, pursuant to Rule 14.44 of the Listing Rules, the shareholders' approval requirement in respect of the Redemption under Chapter 14 of the Listing Rules will be taken to have been satisfied in lieu of a general meeting of the Company.

GENERAL

A circular containing, among other things, further details of the Redemption and other information as required by the Listing Rules will be dispatched to the Shareholders in accordance with the requirements of the Listing Rules. The Company expects that the circular will be dispatched to the Shareholders on or before 30 December 2021.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Administrator”	Millennium Fund Services (Asia) Limited, the administrator of the Fund;
“Board”	the board of directors of the Company;
“Business Day”	a day other than a Saturday or Sunday on which banks in Hong Kong are authorised to open for normal banking business and/or such other day or days as the directors of Yuexiu SPC may determine, either generally or in any particular case, provided that where, as a result of a Number 8 Typhoon Signal, Black Rainstorm Warning or similar event, the period during which banks in Hong Kong are open on any day are reduced, such day shall not be a business day;
“Class A Share(s)”	a participating, redeemable and non-voting share designated as a Class A Share in the Fund;
“Company”	LongiTech Smart Energy Holding Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to such term under the Listing Rules;

“Director(s)”	the director(s) of the Company;
“Fund”	Yue Xiu Stable Income SP, a segregated portfolio of the Yuexiu SPC established in accordance with the PPM;
“Group”	the Company and its subsidiaries;
“Harvest Oak”	Harvest Oak Holdings Limited, a company incorporated in the British Virgin Islands and the entire issued share capital of which is held by King River as at the date of this announcement;
“HK\$”	Hong Kong dollar(s), the lawful currency of the Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Investment Manager”	Yue Xiu Asset Management Limited, which is the investment manager of the Fund;
“King River”	King River Developments Limited, a company incorporated in the British Virgin Islands and is wholly owned by Zedra Trust as at the date of this announcement;
“Lightway”	Lightway Power Holdings Limited, a company incorporated in the Cayman Islands and is wholly-owned by King River as at the date of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Longevity Investment”	Longevity Investment Holding Limited, a company incorporated in the British Virgin Islands and wholly-owned by King River as at the date of this announcement;
“Mr. Wei”	Wei Shaojun, a non-executive Director and the ultimate controlling shareholder of the Company;
“PPM”	the private placement memorandum issued in January 2018 (updated in September 2019 and supplemented in March 2020) by the Yuexiu SPC;
“Previous Redemption”	the redemption of 4,390.8282984 Class A Shares in the Fund by the Company, details of which were disclosed in the announcement of the Company dated 17 December 2020;
“Redemption”	the redemption of 6,935.6307631 Class A Shares in the Fund by the Company pursuant to the Redemption Notice;

“Redemption Date”	means the date of the Redemption Notice, being 8 December 2021;
“Redemption Notice”	a notice served by the Company to redeem its 6,935.6307631 Class A Shares in the Fund dated 8 December 2021;
“Reference Date”	means 30 November 2021, as determined by the directors of the Yuexiu SPC according to the PPM;
“Shareholder(s)”	shareholder(s) of the Shares;
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“Yuexiu SPC”	Yue Xiu Investment Fund Series Segregated Portfolio Company;
“Zedra Trust”	Zedra Trust Company (Singapore) Limited, the trustee of a discretionary trust with Mr. Wei as the founder and Mr. Wei Qiang as a beneficiary; and
“%”	per cent.

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

Hebei, 8 December 2021

As at the date of this announcement, the executive Director is Mr. Wei Qiang, 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.