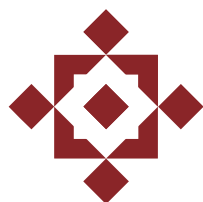


THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in LongiTech Smart Energy Holding Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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**

All capitalised terms used in this circular shall have the same meanings as set out in the section headed “Definitions” in this circular, unless the context requires otherwise.

A letter from the Board containing details of the Redemption is set out on pages 3 to 7 of this circular.

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written shareholders’ approvals for the Redemption have been obtained from Longevity, Lightway, and Harvest Oak, being a closely allied group of Shareholders holding an aggregated 65.37% of the total issued share capital of the Company as at the Latest Practicable Date. Accordingly, no general meeting will be convened by the Company for approving the Redemption. This circular is being despatched to the Shareholders for information only.

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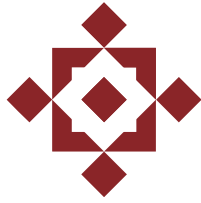
DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“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 circular;
“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 circular;

DEFINITIONS

“Latest Practicable Date”	17 December 2021, being the latest practicable date for the purpose of ascertaining certain information contained herein prior to the printing of this circular;
“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 circular;
“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 circular;
“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.



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)

Executive Director:

Mr. Wei Qiang (*Chairman and Chief Executive Officer*)

Non-executive Director:

Mr. Wei Shaojun

Independent Non-executive Directors:

Dr. Han Qinchun

Mr. Wong Yik Chung, John

Mr. Han Xiaoping

Registered office:

Windward 3,
Regatta Office Park
PO Box 1350
Grand Cayman
KY1-1108
Cayman Islands

*Principal place of business
in Hong Kong:*

Room 1231,12/F
China Resources Building
No. 26 Harbour Road
Wanchai
Hong Kong

20 December 2021

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
REDEMPTION OF FUND**

INTRODUCTION

Reference is made to the announcement of the Company dated 8 December 2021 in relation to the Redemption (the “**Announcement**”).

LETTER FROM THE BOARD

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 percent 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. As of the Latest Practicable Date, the Company held 6,935.6307631 Class A Shares in the Fund and the Redemption has not been completed.

Please find below a summary table listing out the historical events and the relevant information in relation to the Company's investment interest in the Fund:

Event	Date of event	Subscription/ redemption amount	Number of shares in the Fund relating to subscription/ redemption	Gain/loss under subscription/ redemption ^(Note)
Subscription for the Fund	6 September 2018	HK\$88,800,000	11,313.8362349 Class A Shares	—
Subscription for the Fund	2 January 2020	HK\$99,074	12.6228267 Class A Shares	—
Redemption from the Fund	17 December 2020	HK\$34,430,000	4,390.8282984 Class A Shares	a loss of HK\$32,697
Redemption from the Fund	8 December 2021	HK\$57,430,000	6,935.6307631 Class A Shares	a gain of HK\$2,993,644

Note: the actual gain or loss as a result of the Redemption to be recorded by the Group is subject to audit.

LETTER FROM THE BOARD

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). As at the Reference Date, the applicable net asset value per Class A Share is HK\$8,280.43.

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 circular, 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.

LETTER FROM THE BOARD

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 circular, 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 has obtained an irrevocable and unconditional written approval for the Redemption from each of Longevity, Lightway and Harvest Oak. Upon such written shareholders' approvals having been 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 shall be taken to have been satisfied in lieu of a general meeting of the Company.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the Redemption is on normal commercial terms which are made on an arm's length basis and are fair and reasonable and in the best interests of the Company and the Shareholders as a whole. Given that Shareholders' approval is required for the Redemption, the Company has obtained a written approval from each of a group of closely allied shareholders, including Longevity, Lightway, and Harvest Oak, representing an aggregate of 65.37% of the total voting rights of the Company, under recommendation from the Directors. The Directors would recommend other Shareholders to vote in favour of the Redemption should a general meeting be required to be held.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
LongiTech Smart Energy Holding Limited
Wei Qiang
Chairman and Chief Executive Officer

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the three years ended 31 December 2018, 2019 and 2020, and the six months ended 30 June 2021, are disclosed on the annual report of the Company for the year ended 31 December 2018, 2019 and 2020, and the interim report of the Company for the six months ended 30 June 2021, all of which are published on the website of the Stock Exchange at www.hkexnews.hk, and the website of the Company at www.longitech.hk. Quick links to the above-mentioned reports of the Company are set out below:

- annual report of the Company for the year ended 31 December 2018:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0417/ltn20190417949.pdf>
- annual report of the Company for the year ended 31 December 2019:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0428/2020042801282.pdf>
- annual report of the Company for the year ended 31 December 2020:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0421/2021042101567.pdf>
- interim report of the Company for the six months ended 30 June 2021:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0916/2021091601620.pdf>

2. INDEBTEDNESS

Borrowings

At the close of business on 30 November 2021, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had lease liabilities of approximately RMB13 million some of which were secured by rental deposit and outstanding bank borrowings of approximately RMB211 million which were secured by the solar power plant machineries and the future receivable collection right of certain subsidiaries.

Financial guarantee and contingent liabilities

As at 30 November 2021, the Group did not have any material financial guarantee and contingent liabilities.

Mortgages and charges

As at 30 November 2021, except those solar power plant machineries and futures receivables collection right of certain subsidiaries disclosed on the borrowings section above, there were no mortgages and charges of the Group.

Apart from as disclosed above, as at 30 November 2021, the Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, and term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, mortgages, charges, contingent liabilities or guarantees.

3. WORKING CAPITAL

After taking into account the effect of the Redemption and the Group's available resources, including internal generated funds, external borrowings, the presently available banking facilities, the Directors are of the opinion that the Group will have sufficient working capital to meet its present requirements for the next twelve months from the date of this circular. As of the date of this circular, the Company has obtained a confirmation letter from the auditor of the Company to confirm that (a) the statement has been made by the Directors after due and careful enquiry, and (b) the persons or institutions providing finance have confirmed in writing that such facilities exist.

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, the date to which the latest published audited accounts of the Company were made up.

5. FINANCIAL AND TRADING PROSPECTS

Energy and environment are two prominent issues that constrain the sustainable development of the global economy and society. Energy conservation and emissions reduction, green development, development and utilization of various clean energies and renewable energies have become the mainstream of development in countries around the world, including China. We believe that China will see sustained growth in its clean energy and renewable energy industry in the years to come.

To achieve the target of carbon dioxide emission peak and carbon neutrality, China's relevant departments such as the National Development and Reform Commission, the Ministry of Transport, the Ministry of Housing and the Ministry of Industry and Information Technology etc., take action by introducing guiding opinions to encourage collaboration and integration among transport, construction and communication sectors. Solar power is expected to gradually applied more diversely in transport, construction, communication and other areas and enter into a phase of regulated and standardized development. Although the industry has a huge room for development, affected by the epidemic and the rising prices of raw materials in the industry this year, the development momentum of the solar power industry is still affected to a certain extent, and the industry's profit margins are very limited.

The Group will continue to adopt a robust development strategy under which, we will focus on our principal businesses and further improve our management process and implement strengthened cost control measures. Besides, the Group will be committed to innovation in business, financial and management models to explore a pattern suitable for developing the Group's principal business, and explore opportunities for new business and performance growth.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS OF DIRECTORS

(a) Interests of Directors and chief executive in the shares, underlying shares and debentures of the Company and Associated Corporations

As at the Latest Practicable Date, the interests and short positions, if any, of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were deemed or taken to have under provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies adopted by the Company (the “**Model Code**”) were as follows:

(i) Long positions in the shares and the underlying shares of the Company

Name of Director	Capacity/Nature of Interest	Number of Shares/ underlying Shares held	Approximate percentage of interest
Mr. Wei Shaojun	Founder of a discretionary trust ⁽¹⁾	970,534,633(L)	65.37%
Mr. Wei Qiang	Beneficiary of a discretionary trust ⁽²⁾	970,534,633(L)	65.37%
Mr. Han Xiaoping	Beneficial owner ⁽³⁾	359,400(L)	0.02%
Dr. Han Qinchun	Beneficial owner ⁽⁴⁾	359,400(L)	0.02%
Mr. Wong Yik Chung, John	Beneficial owner ⁽⁵⁾	359,400(L)	0.02%

Notes:

- King River Developments Limited is deemed to be interested in 970,534,633 Shares through its control over Lightway Power Holdings Limited, Harvest Oak Holdings Limited, and Longevity Investment Holding Limited, and Zedra Trust Company (Singapore) Limited, as the trustee for the discretionary trust, is deemed to be interested in 970,534,633 Shares through its control over King River Developments Limited, and Mr. Wei Shaojun is deemed to be interested in 970,534,633 Shares as a founder of the discretionary trust.

The details of which are set out as follows:

Name of controlled corporation	Name of controlling shareholder	% control	Direct interest	Number of Shares
King River Developments Limited	Zedra Trust Company (Singapore) Limited	100.00	N	970,534,633(L)
Longevity Investment Holding Limited	King River Developments Limited	100.00	Y	422,872,512(L)
Lightway Power Holdings Limited	King River Developments Limited	100.00	Y	534,462,121(L)
Harvest Oak Holdings Limited	King River Developments Limited	100.00	Y	13,200,000(L)

2. Mr. Wei Qiang is deemed to be interested in 970,534,633 Shares as a beneficiary of a trust.
3. Mr. Han Xiaoping is interested in 359,400 share options of the Company.
4. Dr. Han Qinchun is interested in 359,400 share options of the Company.
5. Mr. Wong Yik Chung, John is interested in 359,400 share options of the Company.
6. The letter "L" denotes the long position in Shares.

(ii) Long positions in the shares of associated corporations

Name of Director	Name of associated corporation	Capacity/ Nature of Interest	Number of Shares	Approximate percentage of shareholding
Mr. Wei Shaojun	Longevity Investment Holding Limited	Beneficial owner	1(L)	100%
Mr. Wei Shaojun	Harvest Oak Holdings Limited	Beneficial owner	1(L)	100%
Mr. Wei Shaojun	Lightway Power Holdings Limited	Beneficial owner	1(L)	100%

Note: The letter "L" denotes the long position in Shares

(iii) *Long positions in the share options of the Company*

Name and category of participants	Date of grant	Exercise period	Number of Share Options	
			Adjusted exercise price (HK\$ per Share)	As at 30 June 2021
Dr. Han Qinchun	26 January 2018	26 January 2018 to 25 January 2028	1.7796	359,400
Mr. Wong Yik Chung, John	26 January 2018	26 January 2018 to 25 January 2028	1.7796	359,400
Mr. Han Xiaoping	26 January 2018	26 January 2018 to 25 January 2028	1.7796	359,400

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) **Substantial Shareholders**

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, persons other than a Director or chief executive of the Company who had interests or short positions in the Shares and underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336, or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, were as follows:

Long positions in shares and underlying shares of the Company

Name of Substantial Shareholder	Capacity/Nature of Interest	Number of Shares	Approximate percentage of interest
Longevity Investment Holding Limited	Beneficial owner	422,872,512(L)	28.48%
Zedra Trust Company (Singapore) Limited	Trustee (Note 1)	970,534,633(L)	65.37%
King River Developments Limited	Interest of controlled corporation (Note 1)	970,534,633(L)	65.37%
Lightway Power Holdings Limited	Beneficial owner	534,462,121(L)	36.00%

Notes:

- King River Developments Limited is deemed to be interested in 970,534,633 Shares through its control over Lightway Power Holdings Limited, Harvest Oak Holdings Limited, and Longevity Investment Holding Limited, and Zedra Trust Company (Singapore) Limited is deemed to be interested in 970,534,633 Shares through its control over King River Developments Limited.
- The letter "L" denotes the long position in Shares.

Save as disclosed above, so far as was known to the Directors or the chief executive of the Company, as at the Latest Practicable Date, no persons other than a Director or chief executive of the Company had any interests or short positions in the Shares or underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336, or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

(c) Interests of Directors in contracts

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had, since 31 December 2020, being the date of the latest published audited financial statements of the Company, been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group. As at the Latest Practicable Date, none of the Directors were materially interested, directly or indirectly, in any contract or arrangement subsisting and which was significant in relation to the business of the Group.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which would not expire or would not be determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

4. COMPETING BUSINESS INTEREST OF DIRECTORS

As at the Latest Practicable Date, save as disclosed below, none of the Directors and his/her respective associates (as defined in the Listing Rules) was interested in any business apart from the Group's business that competes or is likely to compete (either directly or indirectly) with the Group's business, or has or may have any other conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

Pursuant to Rule 8.10(2) of the Listing Rules, the following current Directors held share interests and/or directorships in companies engaged in businesses which compete or likely to compete, either directly or indirectly, with the businesses of the Group:

Mr. Wei Shaojun holds share interests and directorships in Longjitaihe Group Limited (together with its subsidiary, the "**Longjitaihe Group**"), and Mr. Wei Qiang works as a senior management in Longjitaihe Group, Longjitaihe Group engages in businesses of public infrastructure construction business.

As smart energy business constitutes the Group's principal business activities, the Group currently has no plan to further expand public infrastructure construction business after the Baoding Donghu Project is complete. On this basis, it does not exist any material competition between the businesses of the Group and those of the Longjitaihe Group in which the above Directors hold interests and/or positions.

5. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration proceedings of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

6. MATERIAL CONTRACTS

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this circular and is or may be material:

- (a) The settlement agreement dated 10 August 2020 entered into between Shengli Oilfield Lifeng Industrial Group Co., Ltd.* (勝利油田利豐實業集團有限公司) (“**Shengli Oilfield Lifeng**”), Shandong Hailifeng Clean Energy Joint Stock Co., Ltd.* (山東海利豐清潔能源股份有限公司) (“**Hailifeng**”), Shandong Shengfeng Heating Co., Ltd.* (山東盛豐熱力有限責任公司) (“**Shengfeng Heating**”), and Longguang Energy Technology Co., Ltd.* (北京隆光能源科技有限公司) (“**Beijing Longguang**”, a wholly-owned subsidiary of the Company), pursuant to which Shengli Oilfield Lifeng and Shandong Hailifeng agreed to settle the outstanding consideration by way of Shandong Hailifeng transferring 90% of the interest in Shengfeng Heating held by it to Beijing Longguang at the consideration of RMB60,000,000; and
- (b) The letter agreement dated 23 December 2020 entered into between the Company, the GIGA Opportunities Fund Ltd., and Giga Capital Ltd., pursuant to which the Company intended to redeem its 11,727,590 Class-A HKD shares in the GIGA Opportunities Fund Ltd. at the aggregate redemption proceeds of approximately HKD82,088,011.

7. GENERAL

- (a) The company secretary of the Company is Ms. Zou Yanhong. Ms. Zou graduated from the Law School of University of International Business and Economics with a Juris Master and possesses the Chinese Legal Professional Qualification Certificate;
- (b) The registered office of the Company is at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, the Cayman Islands;
- (c) The principal place of business of the Company in Hong Kong is at Room 1231, 12/F, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong;
- (d) The branch share registrar of the Company in Hong Kong is Tricor Investors Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong;

- (e) The principal share registrar of the Company is Estera Trust (Cayman) Limited at P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, the Cayman Islands; and
- (f) The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

8. DOCUMENTS ON DISPLAY

A copy of the Redemption Notice will be published on the website of the Stock Exchange and the Company for 14 days from the date of this circular.