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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)

**DISCLOSEABLE TRANSACTION
REDEMPTION OF FUND**

THE REDEMPTION

On 17 December 2020, the Company has served a Redemption Notice to the Yuexiu Portfolio, pursuant to which the Company intended to redeem its 4,390.8282984 Class A Shares in the Fund at the aggregate redemption proceeds of approximately HK\$34,430,000.

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 exceeds 5% and are below 25%, the Redemption constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

On 6 September 2018 and 2 January 2020, the Company subscribed a total number of 11,326.4590616 Class A Shares in the Fund with a subscription amount of approximately HK\$88,800,000 and approximately HK\$99,074, respectively. As all of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of each of the Subscription were then less than 5%, each of the Subscription was fully exempt from all requirements under Chapter 14 of the Listing Rules.

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 Portfolio 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 Portfolio may permit, either generally or in any particular case) before the relevant redemption day.

THE REDEMPTION

The Board announces that, on 17 December 2020, the Company has served a Redemption Notice to the Yuexiu Portfolio, pursuant to which the Company intended to redeem its 4,390.8282984 Class A Shares in the Fund at the aggregate redemption proceeds of approximately HK\$34,430,000.

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 Valuation Date.

FINANCIAL EFFECT OF THE REDEMPTION

The proceeds from the Redemption is approximately HK\$34,430,000 (at the redemption price of HK\$7,841.35 per Class A Share, calculated based on the applicable net asset value per Class A Share as at the Valuation Date). After completion of the Redemption, the Company will hold the remaining 6,935.6307632 Class A Shares in the Fund.

It is expected that the Group will record a loss of HK\$32,697 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 YUEXIU PORTFOLIO AND THE INVESTMENT MANAGER

The Yuexiu Portfolio, 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 Portfolio, 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 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 2020 was approximately HK\$88,588,000 (approximately HK\$7,821.33 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 2020.

In respect of the Class A Share held by the Company, stated at fair value, it recorded a fair value loss of approximately HK\$1,190,000 and a fair value gain of approximately HK\$1,842,000 for the year ended 31 December 2019 and 31 December 2018, respectively.

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 Yuexiu Portfolio and 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 exceeds 5% and are below 25%, the Redemption constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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 Portfolio 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 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;
“Group”	the Company and its subsidiaries;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PPM”	the private placement memorandum issued in January 2018 (updated in September 2019 and supplemented in March 2020) by the Yuexiu Portfolio;
“Redemption”	the redemption of 4,390.8282984 Class A Shares in the Fund by the Company;

“Redemption Date”	means the date of the Redemption Notice, being 17 December 2020;
“Redemption Notice”	a notice served by the Company to redeem its 4,390.8282984 Class A Shares in the Fund dated 17 December 2020;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription for the total number of 11,326.4590616 Class A Share in the Fund by the Company;
“Valuation Date”	the business day immediately preceding the Redemption Date, means 16 December 2020;
“Yuexiu Portfolio”	Yue Xiu Investment Fund Series Segregated Portfolio Company; and
“%”	per cent.

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

Hebei, 17 December 2020

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.