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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 23 December 2020, the Company has (i) served a Redemption Request to the Fund; and (ii) entered into the Letter Agreement with the Fund and the Investment Manager, pursuant to which the Company intended to redeem its 11,727,590 Class-A HKD shares in the Fund at the aggregate redemption proceeds of approximately HK\$82,088,011.

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 20 July 2018 and 7 September 2018, the Company entered into two subscription agreements with the Fund for the subscription of the total 11,727,590 Class-A HKD shares in the Fund with a subscription amount of HK\$40,000,000 and HK\$50,000,000, respectively. As all of the applicable percentage ratios (calculated on an aggregated basis) under Rule 14.07 of the Listing Rules in respect of the Subscription were then less than 5%, the Subscription was fully exempt from all requirements under Chapter 14 of the Listing Rules.

According to the provisions contained in the PPM and upon not less than thirty (30) days prior written notice to the Administrator on behalf of the Fund, each shareholder will have the right to redeem their shares on a redemption date. Shares will be redeemed at their applicable net asset value per share at the close of business on the redemption date (i.e. the close of business on the last Business Day of a calendar quarter or such other day or days as the board of directors of the Fund may permit). And redemption proceeds will generally be paid within 30 days of the redemption date but no earlier than the date that the net asset value is determined by the Administrator for such redemption date.

The Board announces that, on 23 December 2020, the Company has (i) served a Redemption Request to the Fund; and (ii) entered into the Letter Agreement with the Fund and the Investment Manager, pursuant to which the Company intended to redeem its 11,727.590 Class-A HKD shares in the Fund.

THE LETTER AGREEMENT

The principal terms of the Letter Agreement are summarized below:

Date: 23 December 2020

Parties:

- (1) the Fund;
- (2) the Investment Manager; and
- (3) the Company.

Subject matter:

The Company, the Fund and the Investment Manager entered into the Letter Agreement with respect to the redemption of 11,727.590 Class-A HKD shares held by the Company in the Fund at the Redemption Date.

The proceeds from the Redemption is approximately HK\$82,088,011 (at the redemption price of HK\$6,999.563 per share) and shall be paid within 30 days upon receipt by the Fund of the Redemption request from the Company. The Redemption proceeds is equal to the product of (i) the net asset value of each Class-A HKD share in the Fund as at 30 November 2020, being the Valuation Date, amounting to HK\$6,999.563 according to the net asset value statement issued by the Administrator and (ii) the numbers of the shares to be redeemed by the Company as specified in the Redemption Request.

FINANCIAL EFFECT OF THE REDEMPTION

It is expected that the Group will record a loss of HK\$7,911,989 from the Redemption, being the difference between the proceeds of the Redemption and the initial subscription price of the 11,727.590 Class-A HKD shares in the Fund being redeemed. The actual loss as a result of the Redemption to be recorded by the Group is subject to audit.

After completion of the Redemption, the Company will cease to hold any interest in the Fund.

INFORMATION ON THE FUND AND THE INVESTMENT MANAGER

The Fund is a British Virgin Islands Business Company incorporated on 19 March 2008 under the BVI Business Companies Act, recognized as a professional fund under the BVI Securities and Investment Business Act, 2010. The principal investment objective of the Fund is to achieve capital appreciation through investing in: (i) publicly listed enterprises located globally in the energy sector; and (ii) other funds located globally. The Investment Manager is a Cayman Islands exempt company incorporated on 2 September 2016, and engaged by the Fund to manage the investment program of the Fund.

Up to the date of the Redemption Request, no dividend in respect of the Class-A HKD shares in the Fund has been received by the Company since its subscription of such Class-A HKD shares in the Fund.

Based on the information provided by the Administrator, the net assets value of the Class-A HKD shares in the Fund held by the Company as at 30 June 2020 was approximately HK\$80,730,000 (approximately HK\$6,883.77 per Class-A HKD share in the Fund), which is the same as the unaudited carrying fair value of the Class-A HKD shares in the Fund recorded in the books of the Group as at 30 June 2020.

In respect of the Class-A HKD shares in the Fund held by the Company, stated at fair value, it recorded a fair value gain of approximately HK\$1,747,000 and a fair value loss of approximately HK\$11,414,000 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 Fund, the Investment Manager and the Administrator and their respective ultimate beneficial owners are 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”	means DBS Bank Ltd acting through its Hong Kong Branch, the administrator of the Fund;
“Board”	the board of directors of the Company;
“Business Day”	means any weekday on which banks and regulated stock exchanges and markets are open for business in London, Hong Kong and/or BVI and/or such further or other days as the Fund directors may determine from time to time;
“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”	GIGA Opportunities Fund Ltd.;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollar(s), the lawful currency of the Hong Kong;
“Letter Agreement”	the agreement dated 23 December 2020 between the Company, the Fund and the Investment Manager in relation to the Redemption;

“Investment Manager”	Giga Capital Limited., the investment manager of the Fund, a Cayman Islands exempt company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PPM”	the confidential private placement memorandum issued in July 2018 by the Fund;
“PRC”	the People’s Republic of China;
“Redemption”	the redemption of 11,727.590 Class-A HKD shares in the Fund by the Company;
“Redemption Date”	means the day of the Letter Agreement, being 23 December 2020;
“Redemption Request”	a request served by the Company to redeem its 11,727.590 Class-A HKD shares in the Fund dated 23 December 2020;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription for the total 11,727.590 Class-A HKD shares in the Fund with the total subscription amount of HK\$90 million;
“Valuation Date”	means the close of business on the last Business Day of each calendar quarter or such other date or dates on which the assets of the Fund or a class of shares of the Fund are valued, as the board of directors of the Fund shall from time to time determine, and for the purpose of the Redemption, means 30 November 2020; and
“%”	per cent.

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

Hebei, 23 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.