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)

INSIDE INFORMATION AND POSITIVE PROFIT ALERT

This announcement is made by LongiTech Smart Energy Holding Limited (the "**Company**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the inside information and positive profit alert announcement of the Company dated 16 January 2018 (the "**Announcement**"). Unless otherwise defined, capitalised terms used in this announcement have the same meanings as those defined in the Announcement.

The Board wishes to inform the Shareholders and potential investors that, subsequent to the publication of the Announcement, the usage of part of the funds invested by the Group in the Baoding Donghu Project was changed as a result of a change in the project timetable by the government and the negotiations between the Group and the relevant governmental department. In this connection, part of the revenue from this project might not be recognised in 2017, but is expected to be recognised in 2018 and/or thereafter. As a result, the Board's estimation on the Group's revenue and profit before tax for the year ended 31 December 2017 (the "**Reporting Period**") as set out in the Announcement would need to be adjusted.

Based on the review of the unaudited management accounts of the Group for Reporting Period and the assessment by the Company's management, the Group is expected to record an increase in revenue of approximately 48% for the Reporting Period as compared to the corresponding period in 2016, and an increase in profit before tax of approximately 130% as compared to the corresponding period in 2016. The estimated increases in revenue and profit before tax are mainly attributable to the increase in revenue and profit from the smart energy and solar energy businesses, especially the home system.

As the Company is still in the process of finalising the annual results for Reporting Period, the information contained in this announcement is only a preliminary assessment made by the Company's management based on the unaudited management accounts of the Group for the Reporting Period, which has not been audited nor confirmed by the auditors or the audit committee of the Company, and is subject to finalisation and adjustments. The annual results announcement of the Company for Reporting Period is expected to be published by no later than the end of March 2018. Shareholders and potential investors are advised to read carefully the final results announcement of the Company.

The information contained in this announcement is only the preliminary estimates of the management of the Company and has not been audited by the Company's auditors. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 4 March 2018

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.