

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**CONTINUING CONNECTED TRANSACTION
LOAN RENEWAL AGREEMENT**

Reference is made to the announcement of the Company dated 13 June 2018 in respect of, *inter alia*, the Revolving Loan of RMB110 million granted by the Company to the Borrowers, for a term of one year from 13 June 2018 to 12 June 2019.

As the Revolving Loan Agreement has expired on 12 June 2019, the Company entered into the Loan Renewal Agreement with LongiTech Industrial on 13 June 2019 to renew the Revolving Loan Agreement for another one year from 13 June 2019 to 12 June 2020, with the aggregate principal amount of the revolving loan adjusted from RMB110 million to RMB45 million.

Save as disclosed in this announcement, all other terms and condition of the Revolving Loan Agreement remain in full force and effect and continue to be binding and enforceable.

LISTING RULES IMPLICATIONS

As at the date of this announcement, LongiTech Industrial is held as to 99% by Mr. Wei, the controlling shareholder of the Company holding approximately 57.66% of the Company's issued share capital and a connected person of the Company under Chapter 14A of the Listing Rules, as such, the Loan Renewal Agreement and the transaction contemplated thereunder constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the transaction under the Loan Renewal Agreement exceed 0.1% but are less than 5%, the transaction is only subject to reporting, annual review and announcement requirements but are exempt from the circular and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

LOAN RENEWAL

Reference is made to the announcement of the Company dated 13 June 2018 in respect of, *inter alia*, the Revolving Loan of RMB110 million granted by the Company to the Borrowers, for a term of one year from 13 June 2018 to 12 June 2019.

As the Revolving Loan Agreement has expired on 12 June 2019, the Company entered into the Loan Renewal Agreement with LongiTech Industrial on 13 June 2019 to renew the Revolving Loan Agreement for another one year from 13 June 2019 to 12 June 2020, with the aggregate principal amount of the revolving loan adjusted from RMB110 million to RMB45 million.

Set out below is a summary of major terms of the Loan Renewal Agreement:

Loan Renewal Agreement

Date of Agreement:	13 June 2019
Parties:	(1) Lender: the Company and its subsidiaries; and (2) Borrower(s): LongiTech Industrial, its associates and any third party designated by LongiTech Industrial.
Term of the Supplemental Agreement:	1 year commencing from the date of the execution of the Loan Renewal Agreement and expiring on 12 June 2020 (both days inclusive).
Maximum aggregate amount of the Renewed Revolving Loan:	Up to RMB45 million. The Borrower(s) may draw the Renewed Revolving Loan in one or multiple tranches from the date of the Loan Renewal Agreement. Any repaid principal amounts of the Renewed Revolving Loan will refresh the facility amount available for drawing within the term of the Loan Renewal Agreement.
Repayment date:	The Renewed Revolving Loan, together with the accrued interest, shall be repaid in full within one year from the date of actual drawdown and in any event not later than 12 June 2020.

Save as disclosed in this announcement, all other terms and condition of the Revolving Loan Agreement remain in full force and effect and continue to be binding and enforceable.

INFORMATION OF LONGITECH INDUSTRIAL AND THE GROUP

LongiTech Industrial

LongiTech Industrial was incorporated in the PRC and is principally engaged in the business of investment and operation as well as management consultation.

The Group

The Group is principally engaged in smart energy and public infrastructure construction businesses, with gradual expansion and diversification to other clean energy business, of which the smart energy business is mainly based on the needs of industrial, commercial, residential customers and public institutions who rely on the smart energy cloud platform with independent intellectual property rights. The Group provides customers with comprehensive smart energy services based on various energy sources such as cooling, heat, electricity and gas.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTION

The reason for granting the Renewed Revolving Loan is to continue to manage and apply the surplus cash resources of the Group reasonably. The Company, after taking into consideration that the Borrowers have not breached the Revolving Loan Agreement, and after assessing the financial background and conditions of LongiTech Industrial and the expected interest to be generated from the Renewed Revolving Loan, believes that the Renewed Revolving Loan will continue to provide the Company with an opportunity to earn stable interest income at a relatively lower risk than lending the same amount to third parties.

The terms of the Loan Renewal Agreement, including the aggregate principal amount and the applicable interest rate, were agreed by the parties after arm's length negotiations having taken into account the prevailing market interest rates and practices. The Directors (excluding Mr. Wei and Mr. Wei Qiang, an executive Director and the son of Mr. Wei, who have abstained from voting) are of the view that the terms of the Loan Renewal Agreement are fair and reasonable and the transaction contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

The Company will finance the Renewed Revolving Loan with its internal resources.

LISTING RULES IMPLICATIONS

As at the date of this announcement, LongiTech Industrial is held as to 99% by Mr. Wei, the controlling shareholder of the Company holding approximately in 57.66% of the Company's issued share capital and a connected person of the Company under Chapter 14A of the Listing Rules, as such, the Loan Renewal Agreement and the transaction contemplated thereunder constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the transaction under the Loan Renewal Agreement exceed 0.1% but are less than 5%, the transaction are only subject to reporting, annual review and announcement requirements but are exempt from the circular and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Wei and Mr. Wei Qiang, an executive Director and the son of Mr. Wei, have abstained from voting on the relevant Board meeting of the Company in relation to the Loan Renewal Agreement and the transaction contemplated thereunder. Save as disclosed above, none of the Directors has a material interest in the Loan Renewal Agreement and the transaction contemplated thereunder and none of them has abstained from voting on the relevant board resolutions of the Company.

DEFINITIONS

“associate(s)”	has the same meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Borrower(s)”	collectively or individually, LongiTech Industrial, any one of its associates, and/or third parties designated by LongiTech Industrial
“Company”	LongiTech Smart Energy Holding Limited 隆基泰和智慧能源控股有限公司, an exempted company incorporated on 4 January 2011 with limited liability under the laws of the Cayman Islands, with Shares listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it in the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Renewal Agreement”	renewal agreement for the Revolving Loan Agreement dated 13 June 2019 entered into between the Company and LongiTech Industrial, pursuant to which the Company has agreed to make available to the Borrower(s) the Renewed Revolving Loan
“LongiTech Industrial”	Longjitaihe Industry Co., Ltd*. 隆基泰和實業有限公司, a company established in the PRC, which is held as to 99% by Mr. Wei
“Mr. Wei”	Mr. Wei Shaojun, a non-executive Director and a controlling Shareholder of the Company holding 57.66% of the issued shares of the Company as at the date of this announcement

“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Renewed Revolving Loan”	A revolving loan facility in the aggregate principal amount of up to RMB45 million granted by the Company pursuant to the Loan Renewal Agreement
“Revolving Loan Agreement”	revolving loan framework agreement dated 13 June 2018 entered into between the Company and LongiTech Industrial, pursuant to which the Company or any of its subsidiaries has agreed to make available to the Borrower(s) the Revolving Loan
“Revolving Loan”	A revolving loan facility in the aggregate principal amount of up to RMB110 million granted by the Company pursuant to the Revolving Loan Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hebei, 13 June 2019

As at the date of this announcement, the executive Directors are Mr. Wei Qiang, Mr. Yuen Chi Ping 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.